FARMER BUSINESS DEVELOPMENTS PLC

ANNUAL REPORT 2023

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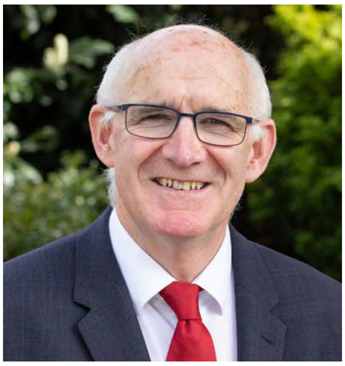
Chairman's Statement



Pat Murphy
Chairman

RESULTS

I am pleased to report to you that Farmer Business Developments plc ("the Group") performed very strongly in 2023 recording a Group profit after tax of €21.27m up from €17.93m in the prior year.

To assist shareholders in understanding our results, we have produced a Divisional Summary Statement below, which separates the results for the Group, and we explain the main elements before commenting on each division in more detail later.

Divisional Summary Statement	2023	2022
	€000s	€000s
FBD Hotels & Resorts EBITDA	**24,131**	18,748
Bulberry Properties EBITDA	**256**	(956)
Bulberry Land write down	**(5,943)**	-
Farmer Business Developments Investment EBITDA	**(2,869)**	(197)
Integration Costs (Killashee Hotel)	**-**	(637)
Depreciation	**(5,489)**	(4,927)
Reversal of impairment of hotel assets	**-**	985
Dividend income	**17,271**	8,715
Profit Before Interest and Tax	**27,357**	21,731
Interest Income	**1,673**	1,068
Interest Expense	**(3,995)**	(2,375)
Profit Before Taxation	**25,035**	20,424
Taxation	**(3,766)**	(2,497)
Profit after taxation	**21,269**	17,927
Shareholders' funds attributable to the owners	**285,797**	272,499

The Summary Statement shows the exceptional performance in 2023 of FBD Hotels & Resorts business, recording an EBITDA of €24.13m, an increase of 29% on the €18.75m number in 2022.

The Berlin vehicle, Bulberry Properties, in which we have a 61% stake, did not transact in any land deals during 2023 and made a net profit of €0.26m from investment income. Bulberry also took a write down in land value of €5.94m in 2023. On investments, there was a €2.9m net mark-down recorded in 2023, compared to a mark-down of €0.2m in 2022.

On the income side, we have the increased dividend income from FBD Holdings plc at €17.27m (2022: €8.72m).

Interest income of €1.67m mainly relates to the FBD Holdings plc Loan Note 5% coupon.

The interest expense is up by €1.6m to €3.99m in 2023 reflecting the increase in the Euribor interest rate throughout 2023.

This leaves our Group profit after taxation at a healthy €21.27m for 2023, an 8% return on opening Shareholders' funds.

Our Balance Sheet shows the value attributable to the shareholders was €285.80m at the end of 2023, up €13.3m (5%) for the year. This is after paying total dividends of €13.1m to our shareholders.

REVIEW OF INVESTMENTS

A) FBD HOLDINGS PLC

FBD Holdings plc produced another strong set of results for 2023, reporting a profit before tax of €81.4m supported by a strong underwriting result of €76.5m the third consecutive year of double digit ROE returns.

The performance of the insurance business was positive with gross written premium up 8.1%, new policy count up 2.6% and a solvency capital ratio of 213% providing a substantial capital buffer. The net asset value per share increased from €12.76 at the end of 2022 to €13.30 at the end of 2023.

With a robust capital position and continued profitability, FBD Holdings plc announced a dividend payment of €1 per share for the 2023 financial year and the intention to return further capital in the short and medium term.

The FBD Holdings plc share price closed the year at €11.35 per share, up 3% from €11.05 on the previous year, resulting in a €2.56m increase in the book value of our 23.79% stake to €99.45m. Including the €21.1m bond investment our overall investment in FBD Holdings plc is €121m or 42% of our shareholder funds.

The strategy of FBD Insurance is to focus on its strengths to deliver profitable growth, strengthen its relationships with its core farm and business customer segments and maintain underwriting discipline.

Our policy is to maintain our stake in FBD Holdings plc as a long-term investment, with the expectation also of dividend income.

FBD INSURANCE DISCOUNT

I take this opportunity to remind our individual farm family shareholders, who hold at least 10,000 ordinary shares in our Company, that their investment is recognised and rewarded through a discount of 10% on their general insurance premiums with FBD Insurance plc. FBD has a proven track record of delivering a superior product and service to its core farming customers.

B) FBD HOTELS & RESORTS (“FBDH&R”)

I am pleased to report record results for FBDH&R in 2023 with EBITDA of €24.13m. Leisure contributed €22.13m and Property €2m. This represents a 29% increase on 2022 when EBITDA was €18.75m. Excluding our Killashee Hotel acquisition, our leisure EBITDA on a like-for-like basis for 2023 has increased by 84% over 2019 (last full year before Covid). This is a tremendous business performance and I want to acknowledge the contributions of the leadership team, management and staff of FBDH&R in delivering these results.

Overall, Leisure Revenues for 2023 was €110.5m compared to €93.1m in 2022 (+19%). Excluding Killashee revenues of €18.1m, Ireland leisure revenue of €46.2m was up 9% on 2022 revenue, with Spain leisure revenue of €46.2m up 22% on 2022.

On Property, our partnership with developer Taylor Wimpey at La Cala Resort had another record year with the sale of 45 built units, while we sold eight villa plots. The €3.3m cash generated from sales closings at La Cala has contributed to FBDH&R’s strong cash/liquidity position.

I am very pleased to report that in 2023 we contracted for a second development with Taylor Wimpey for the majority of our remaining residential land at La Cala. The deal further underpins the future performance and cash generation of La Cala.

2023 was the first full 12 month period of Killashee Hotel outside Naas following its acquisition on 1 April 2022. We are pleased with the early progress of this asset under our management, which added circa 17% to FBDH&R leisure earnings in 2023.

The positive performance of FBDH&R has enabled it to increase dividend payments to its parent, Farmer Business Developments plc, with €3.5m paid in June 2023 and a further €5m (circa 50% of its free cash flow) approved to be paid in June 2024. Maximising dividend return to the parent company is the key FBDH&R priority.

The outlook for our business in 2024 remains positive, notwithstanding adverse factors in the global environment. Forward bookings in Spain are strong and business continues to grow. In addition, property sales in La Cala have had a very strong start to 2024, with a record 23 units sold in the month of March. The leisure market in Ireland has softened in the first few months of 2024, however we remain optimistic for the outlook

Chairman's Statement (continued)

for the year. While uncertainties around geopolitical instability remain, and we continue to experience significant inflationary pressures, in particular labour cost increases in Ireland, we are confident in management's ability to control these cost pressures.

With a strong balance sheet and liquidity, FBDH&R is well positioned to meet the challenges, maximise opportunities and continue to deliver strong returns to our shareholder.

C) BULBERRY PROPERTIES LIMITED (BERLIN)

Our third largest investment is our 61% stake in Bulberry Properties which holds a prime plot of 33,067 sqm (3.3ha) of development land at Schönefeld, close to Berlin's new Willy Brandt Airport, which is now the only airport serving the German capital.

The property market in Berlin and the greater Berlin area remains subdued mainly due to the unsettling impact of the war in Ukraine, increased interest rates and high inflation costs impacting the construction sector. There are however some encouraging signs around interest rates and inflation which should have a positive impact on the property market. In light of the stagnated property market in the Berlin area the Bulberry group have taken a write down in the land value which has resulted in a €5.94m impairment of our land inventories. The Board remains confident in the long term prospects for this land and therefore continues to hold our prime plot and keep a close eye on the market to ensure that we realise its full value when we exit this investment.

The Bulberry group is well financed and made a net profit of €0.25m after all costs (excluding the land write-down which is a non cash item). At 31 December 2023, the Group carried its investment in Bulberry at €22.56m, which represents 8% of shareholders' funds. The remaining development land is carried in our consolidated accounts at circa €7.5m and we remain confident that we will achieve a premium on that carrying value in due course.

D) OTHER INVESTMENTS

Our remaining Balance Sheet consists of a portfolio of smaller investments totalling €25.4m, cash net of current liabilities of €5.1m and other net assets of €1.2m. The investments include international equities, private equity funds and stakes in private companies, together with an Irish venture capital fund. In 2023, we materialised a small loss of €0.01m on the 2022 year-end valuations.

SHARE BUY-BACK AND SHARE SALE SCHEMES

Following shareholder approval of special resolutions at the Annual General Meeting in June 2023, the Company launched a voluntary share buy-back scheme in summer 2023, followed by a share sale scheme in the autumn at an identical share price of €1.91.

The two schemes proved very popular with both shareholders who wished to sell and investors, with each being oversubscribed. Having considered the outcome, the Board decided that the best approach on each occasion was to accept all valid applications without any scale back.

The result was that in the buy-back, the Company was pleased to increase its financial commitment and 218 shareholders were successful in selling 100% of the shares they had offered, so that a total of 1,892,866 shares were bought back to be held as treasury shares and €3.615m was returned to shareholders. This was on top of the €4.4m returned to shareholders in the 2022 buy-back where a scale back had applied to some applicants.

The Company was delighted with the strong interest in the autumn 2023 share sale from both existing shareholders and some new farmer investors. The Board avoided any disappointment among the 309 applicants for a total of 3,259,962 shares by topping up the original allocation and releasing some treasury shares from the summer buy-back.

DIVIDEND

As a result of the strong performance in 2023, the Directors are very pleased to recommend a dividend of 14 cents per ordinary share for the year 2023, which is an increase of 5 cents per share over last year's payment. The record date for dividend purposes is Monday 10 June 2024 and, subject to approval at the AGM on Thursday 27 June 2024, the dividend will be paid on Friday 05 July 2024. While your Board is committed to a sustainable dividend policy of using available resources to benefit shareholders, ultimately it is not possible to have certainty over future dividends and the Board will always act in the best interests of the Company at the time.

PADRAIG WALSHE CENTRE FOR SUSTAINABLE ANIMAL & GRASSLAND RESEARCH

The untimely loss of our friend and Chairman Padraig Walshe in February 2023 was a great shock and huge loss to us all. He is still sadly missed.

Padraig made a significant contribution to Irish agriculture and farming both in Ireland and in Brussels, and at home he was a pioneering grass-based dairy farmer and an early adopter of the latest technologies. It was fitting therefore that last December in Teagasc Moorepark, we joined with Ella and other family members at the announcement of a new state of the art facility for animal and grassland research to be named after Padraig. Farmer Business Developments plc has committed €1m to the project together with FBD Holdings plc and the FBD Trust CLG who are contributing €2.5m each. With the injection of public funds, this will see the development of a world-class centre that will deliver scientific solutions to support Irish farmers in achieving climate targets and environmental sustainability.

DIVERSITY

The Board is committed to improving diversity at Board level in particular with regard to female representation. Following shareholders' approval of a special resolution at last year's AGM, the Board was pleased to welcome Ann Moore in September as our first female Director appointed by our co-operative shareholders.

SHARE REGISTRARS

Link Registrars Limited has administrative responsibility for share dividend payments, updating shareholder records and for the registration and certification of share transfers arising from the settlement of estates and private transactions. Link deals with shareholder queries in writing, by telephone and on email. They may be contacted at 01-5530050, enquiries@linkgroup.ie and at Link Registrars Limited, 149 The Capel Building, Mary's Abbey, Dublin 7, D07 DP79.

CONCLUSION

Our Company has emerged stronger than ever from the extraordinary challenges of recent years with excellent Group results for 2023.

FBDH&R continues to perform well in both Spain and Ireland. It is well capitalised and clearly focussed on maximising business opportunities, and growing shareholder value and returns, as the acquisition of Killashee Hotel demonstrates. We had record property sales at La Cala and the property outlook remains positive with a strong start in 2024. FBD Holdings plc produced impressive results in 2023 and is delivering on its strategy to achieve measured profitable growth in a highly competitive market while returning surplus capital to shareholders. We continue to hold our prime development plot in Berlin in the expectation that when market sentiment recovers, we will maximise its value at exit.

The Board has good reason to be confident in the resilience and future prospects of our Company. We are convinced that our businesses and investments will continue to reward our shareholders with superior returns.

Thank you for your support.

Patrick Murphy

Pat Murphy
Chairman

20 May 2024

Board of Directors and Other Information

BOARD OF DIRECTORS

Appointed by Shareholders
Patrick Murphy (Chairman)
James Kane (Vice Chairman)
Jeremiah Bergin
Barry Donnelly
Michael Kennedy
T.J. Maher

Appointed by Co-ops
John Joe Kelleher
Fintan McSweeney
Ann Moore
David Rice

Appointed by IFA
Joe Healy
Jim Mullhall (in place of Eddie Downey on 1 March 2024)

SECRETARY AND REGISTERED OFFICE

Bryan Barry,
Farmer Business Developments plc,
Irish Farm Centre,
Bluebell,
Dublin 12.
Phone: 353.1.426 0336
Email: bryanbarry@FBDevelopments.ie

COMPANY REGISTRATION NUMBER

122382

COMPANY WEBSITE

www.FarmerBusinessDevelopments.ie

AUDITORS

Deloitte Ireland LLP,
Chartered Accountants and Statutory Audit
Deloitte & Touche House,
29 Earlsfort Terrace,
Dublin 2.

SHARE REGISTRAR

Link Registrars Limited,
149 The Capel Building,
Mary's Abbey
Dublin 7
D07 DP79
Phone: 353.1.533 0050
Email: enquiries@linkgroup.ie

BANKERS

Allied Irish Banks,
Lower Baggot St.,
Dublin 2.

SOLICITORS

Arthur Cox,
Ten Earlsfort Terrace,
Dublin 2.

Report of the Directors

The Directors present their Annual Report and audited Financial Statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND PROSPECTS

Farmer Business Developments plc (the Group) is an investment holding company. FBD Hotels & Resorts ("FBDH&R") is one of the Group's largest investments. The activities of FBDH&R consist of hotel operations in Ireland and Spain and investment in properties associated with these activities. Farmer Business Developments plc's other investments are 23.79% (2022: 23.97%) of the ordinary share capital of FBD Holdings plc and a €21m loan note in that company, a 61% investment in the Bulberry Group and a portfolio of smaller investments and cash deposits. FBD Holdings plc is an investment holding company. The principal activity of FBD Holdings plc's major subsidiary, FBD Insurance plc, is looking after the insurance needs of farmers, private individuals and business owners. Bulberry Group's principal activity is the ownership and development of lands adjacent to the new Berlin airport.

The 2023 results for Farmer Business Developments plc reflect a profit before taxation of €25.04m (2022: €20.42m). After a tax charge of €3.76m (2022: €2.49m), the Group earned a profit after taxation of €21.27m (2022: €17.93m).

The Consolidated Balance Sheet had Net Assets of €307.86m at 31 December 2023, up from €297.04m the previous year.

These numbers are considered to be the key performance indicators of the Group.

The Group declared and paid an ordinary dividend of 9c in 2023 (2022: 7c). A Special Dividend of 17c was also declared and paid in December 2023. Preference dividends paid in 2023 were €0.15m (2022: €0.15m). The Group also completed a share buy-back scheme, purchasing 1,892,866 ordinary shares at a price of €1.91 each, as well as a successful share sale scheme selling 3,259,962 shares at €1.91 per share. Retained profit for the year was €23.71m (2022: €17.97m).

RESULTS

	2023	2022
	€000s	€000s
Profit before Taxation	**25,035**	20,424
Taxation	**(3,766)**	(2,497)
Profit after Taxation	**21,269**	17,927
Non-controlling interests	**2,443**	39
Dividend paid on 11% and 14% preference shares	**(151)**	(151)
Dividends paid on ordinary shares	**(12,971)**	(3,631)
Share buy-back	**(6,078)**	(4,032)
Share Sale	**6,226**	-
Movement on Revenue Reserves	**10,738**	10,152
Net Assets	**307,860**	297,038

The primary risk faced by the Group, in common with all companies operating in the wider economy is the uncertainty surrounding the ongoing geopolitical instability, competition and increasing costs, in particular rising labour costs. The Directors are of the opinion that the Group is well positioned to manage these risks.

The other major risks and uncertainties facing the Group arise from its exposure to interest rate risk, market risk, foreign currency risk and credit risk through its investments, which are explained in note 28. Within the investment portfolio, the principal individual risk is due to the Group's significant investment in FBD Holdings plc, which makes up 42% of shareholder funds. In 2023, FBD Holdings plc produced strong financial results with a profit after taxation of €69.5m.

Report of the Directors (continued)

DIRECTORS

The names of the current Directors are listed on page 6.

On 1 February 2023, Mr Padraig Walshe, Chairman and a Director appointed by Shareholders, sadly passed away. He was succeeded as Chairman by, Mr Pat Murphy who on 25 April 2023 resigned as a Director appointed by member Co-operatives and was appointed by the Board to fill the Shareholder Director vacancy.

At the Annual General Meeting on 9 June 2023, Mr Pat Murphy was elected by Shareholders as a Shareholder Director and Mr Michael Kennedy was re-elected as a Shareholder Director.

On 4 September 2023, Mr Edmund Lynch retired as a Director appointed by member Co-operatives and Ms Ann Moore and Mr Fintan McSweeney were elected Co-operative Directors.

At the forthcoming AGM on 27 June 2024, Mr Barry Donnelly will retire as a Shareholder Director and the Directors are recommending to Shareholders that he be reappointed.

DIRECTORS' AND SECRETARY'S INTERESTS

The beneficial interests of the Directors and Secretary of the Company and their spouses, civil partners and minor children in the share capital of the Company, at 31 December 2023 and 1 January 2023 were as follows:

	Number of Ordinary Shares of €0.13 each		Number of 14% Non-Cumulative Preference Shares of €1.27 each		Number of 11% Non-Cumulative Preference Shares of €0.13 each	
Directors:	**31/12/23**	01/01/23	**31/12/23**	01/01/23	**31/12/23**	01/01/23
Jeremiah Bergin	**10,000**	10,000	**-**	-	**-**	-
Barry Donnelly	**21,110**	11,110	**-**	-	**-**	-
Eddie Downey	**35,736**	25,736	**100**	100	**-**	-
Joe Healy	**1,000**	1,000	**-**	-	**-**	-
James Kane	**30,000**	24,921	**-**	-	**-**	-
John Joe Kelleher	**5,067**	1,067	**-**	-	**-**	-
Michael Kennedy	**63,549**	30,549	**100**	100	**3,000**	3,000
T.J. Maher	**5,500**	500	**-**	-	**-**	-
Fintan McSweeney	**-**	-	**-**	-	**-**	-
Ann Moore	**10,000**	-	**-**	-	**-**	-
Patrick Murphy	**15,185**	5,185	**-**	-	**-**	-
David Rice	**15,400**	5,400	**-**	-	**-**	-
Secretary						
Bryan Barry	**49,000**	16,000	**-**	-	**-**	-

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are Directors at the time the Directors' Report and Financial Statements are approved:

a) So far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and

b) Each Director has taken all steps that ought to have been taken by the Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

DIRECTORS' COMPLIANCE STATEMENT

As required by Section 225 of the Companies Act 2014, the Directors acknowledge that the Directors are responsible for securing the Company's compliance with its relevant obligations; and the Directors confirm that the Directors have implemented the following three procedures in order to comply with the Directors' obligations:

(a) the drawing up of a "compliance policy statement" setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company, and respecting compliance by the Company with its relevant obligations;

(b) the putting in place of appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and

(c) reviewing of any arrangements or structures that are in place or being put in place.

AUDIT COMMITTEE

In accordance with Section 167 of the Companies Act 2014, the Company established an audit committee. The audit committee's responsibilities include monitoring:

(a) the Company's financial reporting process;

(b) the effectiveness of the Company's systems of internal control and risk management;

(c) the Company's statutory audit and statutory financial statements; and

(d) reviewing the independence of the statutory auditor.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare Financial Statements for each financial year. Under the law, the Directors have elected to prepare the Financial Statements in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those Financial Statements, the Directors are required to:

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

Report of the Directors (continued)

The Directors are responsible for ensuring that the Company 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 Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2014 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.

SUBSIDIARIES

The Company's direct subsidiaries are listed in note 29.

SUBSEQUENT EVENTS

There have been no significant subsequent events since the financial year end.

INDEPENDENT AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm continue in office in accordance with Section 383(2) of the Companies Act 2014.

ACCOUNTING RECORDS

The Directors have taken appropriate measures to ensure compliance with Sections 281 to 285 of the Companies Act 2014. The specific measures taken are the use of suitably qualified accounting personnel and the maintenance of appropriate accounting systems. The books of account are located at Irish Farm Centre, Bluebell, Dublin 12.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting of the Company which will be held at 12 noon on 27 June 2024 in the Irish Farm Centre, Bluebell, Dublin 12, is set out on page 47.

APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Directors on 20 May 2024.

Signed on behalf of the Board:

Pat Murphy
Chairman

James Kane
Vice Chairman

Independent Auditor's Report

To the members of Farmer Business Developments plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION ON THE FINANCIAL STATEMENTS OF FARMER BUSINESS DEVELOPMENTS PLC ("THE COMPANY")

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2023 and of the profit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the group financial statements:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Balance Sheet;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 34, including a summary of significant accounting policies as set out in note 1.

the parent company financial statements:

- the Company Balance Sheet;
- the Company Statement of Changes in Equity;
- the Company Cash Flow Statement; and
- the related notes 1 to 34, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS102 '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 and parent company 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.

Independent Auditor's Report (continued)

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' 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 and parent company'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 directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors 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 directors are responsible for assessing the group and parent company'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 directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements. This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

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 Parent Company's balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sinéad McHugh
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House,
29 Earlsfort Terrace,
Dublin 2

23 May 2024

Consolidated Income Statement
For the financial year ended 31 December 2023

	Notes	2023 €000s	2022 €000s
Turnover	*4*	**112,938**	97,089
Cost of sales		**(13,248)**	(12,047)
GROSS PROFIT		**99,690**	85,042
Staff costs	*5*	**(47,906)**	(41,897)
Administrative expenses		**(30,040)**	(27,859)
Depreciation	*13*	**(5,489)**	(4,927)
Impairment of land inventories	*19*	**(5,943)**	-
GROUP OPERATING PROFIT		**10,312**	10,359
Other operating income	*6*	**215**	682
Reversal of impairment on hotel assets	*9*	**-**	985
Investment dividend income	*9*	**17,271**	8,715
Unrealised (loss) / gain on investments	*16(a)*	**(1,851)**	85
Profit on sale of investments	*16(a)*	**573**	151
Profit on sale of investment property		**837**	754
PROFIT BEFORE INTEREST AND TAXATION		**27,357**	21,731
Interest income	*7*	**1,673**	1,068
Interest payable and similar expenses	*8*	**(3,995)**	(2,375)
PROFIT BEFORE TAXATION	*9*	**25,035**	20,424
Taxation	*11*	**(3,766)**	(2,497)
PROFIT AFTER TAXATION		**21,269**	17,927
Attributable to non-controlling interests	*26*	**2,443**	39
PROFIT FOR THE FINANCIAL YEAR		**23,712**	17,966

The Financial Statements were approved by the Board on 20 May 2024.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	Notes	2023 €000s	2022 €000s
Profit for the financial year		**23,712**	17,966
OTHER COMPREHENSIVE INCOME			
Unrealised gain on investments classified as available for sale	*14*	**2,560**	31,653
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**26,272**	49,619

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

	Notes	Called up share capital presented as equity €000s	Revaluation reserve €000s	Revenue reserves €000s	Capital Redemption reserve €000s	Preference share capital €000s	Non-controlling interest €000s	Total equity €000s
At 1 January 2022		7,117	57,649	161,032	4,074	1,196	24,610	255,678
Non-controlling interest repayment	*26*	-	-	-	-	-	(32)	(32)
Profit for the year		-	-	17,966	-	-	(39)	17,927
Other comprehensive gain		-	31,653	-	-	-	-	31,653
Dividends approved and paid	*12*	-	-	(3,782)	-	-	-	(3,782)
Purchase of own shares	*24*	(374)	-	(4,032)	-	-	-	(4,406)
At 31 December 2022		6,743	89,302	171,184	4,074	1,196	24,539	297,038
Non-controlling interest repayment	*26*	-	-	-	-	-	(33)	(33)
Profit for the year		-	-	23,712	-	-	(2,443)	21,269
Other comprehensive gain		-	2,560	-	-	-	-	2,560
Dividends approved and paid	*12*	-	-	(13,122)	-	-	-	(13,122)
Purchase of own shares	*24*	-	-	(6,078)	-	-	-	(6,078)
Reissue of own shares	*24*	-	-	6,226	-	-	-	6,226
At 31 December 2023		**6,743**	**91,862**	**181,922**	**4,074**	**1,196**	**22,063**	**307,860**

Consolidated Balance Sheet
At 31 December 2023

	Notes	2023 €000s	2022 €000s
NON CURRENT ASSETS			
Tangible fixed assets	*13*	**174,494**	171,701
Investments – available for sale	*14*	**99,454**	96,894
Investments – held-to-maturity	*15*	**21,075**	21,075
Investments – designated as at FVTPL	*16(a)*	**55,541**	46,907
Deferred taxation asset	*18(a)*	**1,431**	1,651
		351,995	338,228
CURRENT ASSETS			
Inventories	*19*	**9,469**	15,305
Debtors	*20(a)*	**12,579**	11,640
Cash and cash equivalents		**42,091**	34,928
		64,139	61,873
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	*21(a)*	**(35,522)**	(69,383)
NET CURRENT ASSETS/(LIABILITIES)		**28,617**	(7,510)
TOTAL ASSETS LESS CURRENT LIABILITIES		**380,612**	330,718
NON CURRENT LIABILITIES: Amounts falling due after one year	*21(c)*	**(72,752)**	(33,680)
NET ASSETS		**307,860**	297,038
CAPITAL AND RESERVES			
Called up share capital presented as equity	*24*	**6,743**	6,743
Reserves		**277,858**	264,560
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		**284,601**	271,303
Preference share capital	*25*	**1,196**	1,196
SHAREHOLDERS' FUNDS ATTRIBUTABLE TO THE OWNERS		**285,797**	272,499
Non-controlling interests	*26*	**22,063**	24,539
TOTAL EQUITY		**307,860**	297,038

The Financial Statements were approved by the Board on 20 May 2024 and signed on its behalf by:

Pat Murphy
Chairman

James Kane
Vice Chairman

The accompanying notes on pages 20 to 46 form an integral part of the Financial Statements.

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	Notes	2023 €000s	2022 €000s
OPERATING ACTIVITIES			
Net cash inflow from operating activities	*27(a)*	**34,894**	25,960
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		**(9,070)**	(6,786)
Net cash inflow on sale of land		**1,728**	1,499
Proceeds from sale of quoted and unquoted investments	*16(a)*	**36,107**	25,400
Purchase of quoted and unquoted investments	*16(a)*	**(46,019)**	(26,334)
Purchase of a hotel asset (net of cash acquired)		**-**	(25,892)
Repayment of non-controlling interest	*26*	**(33)**	(32)
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES		**(17,287)**	(32,145)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from new bank borrowings		**455**	19,000
Purchase of own shares	*24*	**(3,616)**	(4,406)
Reissue of own shares	*24*	**6,226**	-
Repayments of loan obligations		**(2,276)**	(11,403)
Ordinary and preference dividends paid	*12*	**(11,233)**	(3,782)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(10,444)**	(591)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		**7,163**	(6,776)
Cash and cash equivalents at the beginning of the year		**34,928**	41,704
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**42,091**	34,928

Company Balance Sheet
At 31 December 2023

	Notes	2023 €000s	2022 €000s
NON CURRENT ASSETS			
Tangible fixed assets	*13*	**2**	-
Investments – held-to-maturity	*15*	**21,075**	21,075
Investments – designated as at FVTPL	*16(b)*	**25,433**	24,417
Investment in subsidiaries	*17*	**167,845**	168,448
Deferred taxation asset	*18(c)*	**1,250**	1,250
		215,605	215,190
CURRENT ASSETS			
Debtors	*20(b)*	**239**	239
Cash and cash equivalents		**10,059**	329
		10,298	568
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	*21(b)*	**(4,905)**	(209)
NET CURRENT ASSETS		**5,393**	359
NET ASSETS		**220,998**	215,549
CAPITAL AND RESERVES			
Called up share capital presented as equity	*24*	**6,743**	6,743
Reserves		**213,059**	207,610
ORDINARY SHAREHOLDERS' FUNDS		**219,802**	214,353
Preference share capital	*25*	**1,196**	1,196
TOTAL SHAREHOLDERS' FUNDS		**220,998**	215,549

In accordance with Section 304(2) of the Companies Act 2014 the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Companies Registration Office. A profit of €23.919m (2022: €43.686m) has been reflected in the Financial Statements of the parent Company.

The Financial Statements were approved by the Board on 20 May 2024 and signed on its behalf by:

Pat Murphy
Chairman

James Kane
Vice Chairman

The accompanying notes on pages 20 to 46 form an integral part of the Financial Statements.

Company Statement of Changes in Equity

For the financial year ended 31 December 2023

	Notes	Called up share capital presented as equity	Revenue reserves	Capital Redemption reserve	Preference share capital	Total equity
	Notes	€000s	€000s	€000s	€000s	€000s
At 1 January 2022		7,117	167,664	4,074	1,196	180,051
Profit for the year		-	43,686	-	-	43,686
Dividends approved and paid	*12*	-	(3,782)	-	-	(3,782)
Purchase of own shares	*24*	(374)	(4,032)	-	-	(4,406)
At 31 December 2022		**6,743**	**203,536**	**4,074**	**1,196**	**215,549**
Profit for the year		-	23,919	-	-	23,919
Dividends approved and paid	*12*	-	(13,122)	-	-	(13,122)
Purchase of own shares	*24*	-	(6,078)	-	-	(6,078)
Reissue of own shares	*24*	-	730	-	-	730
At 31 December 2023		**6,743**	**208,985**	**4,074**	**1,196**	**220,998**

Company Statement of Cash Flows

For the financial year ended 31 December 2023

	Notes	2023	2022
	Notes	€000s	€000s
OPERATING ACTIVITIES			
Net cash inflow from operating activities	*27(b)*	**26,924**	11,472
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of quoted and unquoted investments	*16(b)*	**837**	5,918
Purchase of tangible assets		**(2)**	-
Purchase of quoted and unquoted investments	*16(b)*	**(3,910)**	(3,834)
NET CASH (OUTFLOW)/INFLOW FROM INVESTMENT ACTIVITIES		**(3,075)**	2,084
CASH FLOW FROM FINANCING ACTIVITIES			
Loan repayment		**-**	(5,750)
Ordinary and preference dividends paid	*12*	**(11,233)**	(3,782)
Reissue of own shares		**730**	-
Purchase of own shares	*24*	**(3,616)**	(4,406)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(14,119)**	(13,938)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		**9,730**	(382)
Cash and cash equivalents at the beginning of the year		**329**	711
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**10,059**	329

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. STATEMENT OF ACCOUNTING POLICIES

A) GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING

The Group Financial Statements have been prepared under the historical cost convention as modified to include certain items at fair value, and in accordance with the Companies Acts 2014 and Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

B) BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiary undertakings, made up to 31 December 2023. In subsidiary undertakings, control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The accounting policies of the subsidiaries are in line with those used by the Group.

All intra Group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS102 are recognised at their fair value at the acquisition date.

C) TURNOVER

Turnover recognised in the Consolidated Income Statement account represents the total invoice value of goods or services supplied to customers outside the Group during the year, excluding VAT and discounts. Turnover is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Where payments are received in advance of goods or services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover on property sales is recognised on signing of agreements and when the entity has transferred the significant risks and rewards of ownership of the property and the amount of revenue can be measured reliably.

D) TAXATION AND DEFERRED TAXATION

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

Deferred tax arises in respect of all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. They are regarded as recoverable to the extent that, on the basis of 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.

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 the sale of the asset. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred 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.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

D) TAXATION AND DEFERRED TAXATION (CONTINUED)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company 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 Company 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 the Company and the Company intends 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.

E) FOREIGN CURRENCY

The individual financial statements of each company in the Group are stated in the currency of the primary economic environment in which it operates (its functional currency).

The functional and the presentation currency of the Group Financial Statements is Euro, denoted by the symbol €. Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies have been translated into Euro at closing rates at the reporting date. Gains and losses on translation are recognised in the Consolidated Income Statement in the period in which they arise except when they relate to items for which gains and losses are recognised in equity. Non-monetary items are translated at the exchange rate at the date of transaction.

F) RETIREMENT BENEFITS

The Group operates a number of defined contribution schemes. Costs arising in respect of the Group's defined contribution schemes are charged to the Consolidated Income Statement as an expense as they fall due.

G) DIVIDENDS

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved.

H) TANGIBLE FIXED ASSETS AND DEPRECIATION

All tangible fixed assets are initially recorded at historic cost. Following initial recognition, hotel and golf assets are stated at cost less any accumulated depreciation and any accumulated impairment losses. At each reporting date, the Directors of the Group review the carrying value of its hotel and golf assets to determine if there is any indication that those assets have suffered an impairment loss or reversal of a previous impairment.

Depreciation is provided at rates calculated to write off the cost, less residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, over a five to seven-year period. In the case of buildings expected useful life is fifty years.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

I) REVALUATION OF INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the Consolidated Income Statement. The Group obtained independent valuations at the end of 2022 on the Group's investment property assets. The Directors use a valuation technique based on a discounted cash flow model in determining the fair value of investment property at each reporting date. The determined fair value of the investment property is most sensitive to the estimated discount factor and timing of expected cash flows.

J) INVENTORIES

Inventories include golf/hotel consumables and development land which the Group intend to dispose and/or develop in the short to medium term. Inventories acquired as part of an acquisition are valued at fair value, otherwise they are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost includes all expenditure incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price, less further costs expected to be incurred to completion and disposal.

K) FINANCIAL INSTRUMENTS

Financial Instruments are recognised and measured in accordance with Section 12.2(b) of FRS102. Financial Instruments are recognised in the Consolidated Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Investments classified as at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL (fair value through profit or loss) when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition, it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, the entire combined contract (asset or liability) may be designated as FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated Income Statement.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

K) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Available for sale investments (AFS)

Available for sale investments of the Group include its shareholding in FBD Holdings plc. This investment is stated at fair value, using the closing bid price, with unrealised gains and losses recognised as a revaluation surplus or deficit in the revaluation reserve in the year in which they arise.

In the accounts of the subsidiary company, Farmer Business Developments Assets Ltd, the investment is stated at fair value using the closing bid price, with unrealised gains and losses reflected through the Consolidated Statement of Comprehensive Income.

(iii) Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity. Held-to-maturity investments of the Group include its interest in FBD Holdings plc Loan Notes. Held-to-maturity investments are recognised on acquisition at fair value. Subsequent to initial recognition held-to-maturity investments are measured at amortised cost, less any impairment using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount of initial recognition. Interest is charged on the loans at the market rate.

(iv) Deposits

Term deposits with banks comprise cash held for the purpose of investment. Demand deposits with banks are held for operating purposes.

(v) Loans and receivables

Loans are initially measured at fair value plus transaction costs and subsequently carried at amortised cost less any impairment using the effective interest rate method.

(vi) Investment in Group company

Financial assets representing the Company's investment in subsidiary undertakings are stated at cost less provision for any permanent diminution in value.

L) IMPAIRMENT OF FINANCIAL INSTRUMENTS

Financial assets at amortised cost are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss, to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

M) SHARE CAPITAL

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are taken as a deduction within equity, net of tax, from the proceeds.

Preference Shares

Preference shares that do not meet the definition of a financial liability are classified as equity.

N) TREASURY SHARES

Where the Company purchases its own equity share capital, the consideration paid is deducted from total shareholders' equity and classified as treasury shares until such shares are cancelled or re-issued. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity.

O) INTEREST-BEARING LOANS AND BORROWINGS

All interest-bearing loans and borrowings are initially recognised at fair value. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period.

P) CAPITAL INSTRUMENTS

Equity instruments are included in shareholders' funds. Other instruments, including convertible loan notes are included in liabilities at fair value if they contain an obligation to transfer economic benefits. The finance cost recognised in the income statement in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

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 and key source of estimation uncertainty, 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.

The Group obtained independent valuations at the end of 2022 on the Group's tangible fixed assets and investment properties. The Directors have taken account of these valuations, the trading results of property assets in the Group during 2023, reviewed assumptions on achieving cashflows in line with budgets and targets and assessed current uncertain market conditions and believe there is neither an impairment nor fair value credit of the Group's tangible fixed assets or investment properties.

Due to uncertainty surrounding the applicability of tax laws in some jurisdictions in which the Group operates, the Directors have exercised judgement in determining certain tax liabilities and provisions.

Financial instruments are measured subsequent to initial recognition at fair value and grouped into Level 1 to 3 based on the degree to which fair value is observable. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

3. BASIS OF PREPARATION – GOING CONCERN

At the time of approving the Financial Statements, the Directors are confident that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and that the Parent Company and Group Financial Statements should be prepared on a going concern basis.

The Group remains conservatively leveraged and the Directors believe the Group can continue to operate and meet its liabilities as they fall due.

The Group had a strong balance sheet at year end with the Group's net asset position of €308m, and cash balances of €42m.

4. TURNOVER – GROUP

(a) By geographical area	**2023**	**2022**
	€000s	**€000s**
Ireland	**64,327**	55,092
Spain	**48,611**	41,997
	112,938	97,089

(b) By line of business	**2023**	**2022**
	€000s	**€000s**
Property	**2,440**	3,997
Hotel and Resorts	**110,498**	93,092
	112,938	97,089

5. STAFF NUMBERS AND COSTS – GROUP

The average numbers of persons, excluding the Directors, employed by the Group during the financial year was 1,311 (2022: 1,252) analysed as follows:

	2023	**2022**
	Numbers	**Numbers**
Irish operations	**859**	839
Spanish operations	**452**	413
Total	**1,311**	1,252

The staff costs comprised:	**2023**	**2022**
	€000s	**€000s**
Salaries and Directors' fees	**40,902**	36,137
Social welfare costs	**6,669**	5,310
Pension costs	**222**	244
Redundancy costs	**113**	206
Total staff costs	**47,906**	41,897

Accrued pension costs payable at 31 December 2023 amounted to €8,302 (2022: €17,046). Included in staff costs above are Directors' fees totalling €147,000 (2022: €152,000).

Notes to the Financial Statements (continued)

6. OTHER OPERATING INCOME

	2023	2022
	€000s	€000s
Other operating income	215	682

Government grants of €215,052 (2022: €Nil) relating to the Temporary Business Energy Support Scheme (TBESS) were recorded as other operating income in the current year.

In the prior year, €682,211 was recorded in relation to the Employment Wage Subsidy Scheme (EWSS) and other Covid related government grants and recognised as other operating income.

7. INTEREST INCOME

	2023	2022
	€000s	€000s
Interest receivable	1,673	1,068

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	€000s	€000s
Interest payable on bank loans and overdrafts	3,995	2,375

9. PROFIT BEFORE TAXATION

	2023	2022
	€000s	€000s
The profit before taxation is stated after crediting:		
Interest receivable	1,673	1,068
Profit on sale of investments	573	151
Profit on sale of investment property	837	754
Investment dividend income	17,271	8,715
Reversal of Impairment on hotel assets	-	985
And after charging:		
Impairment of land inventories	(5,943)	-
Unrealised (loss)/gain on investments	(1,851)	85
Depreciation of tangible fixed assets	(5,489)	(4,927)
Directors' remuneration		
– Fees for services as Directors	(147)	(152)

10. INFORMATION RELATING TO AUDITORS' REMUNERATION

Remuneration for work carried out for the Company and Group in respect of the financial year by the statutory audit firm, Deloitte Ireland LLP and its affiliates is as follows:

	2023	2022
	€000s	€000s
Description of service		
Audit services		
– Group*	224	210
– Company	52	45
Tax advisory services		
– Group*	171	189
– Company	13	18
Other Non-Audit services		
– Group*	-	7

Fees payable by the Company are included with the fees payable by the Group in each category above.

**The audit, tax advisory and other service fees are aggregated fees from Deloitte Ireland LLP and its affiliates in Spain.*

11. TAXATION – GROUP

	2023	2022
	€000s	€000s
(a) Analysis of movement in year		
Current taxation charge	2,462	1,920
Deferred taxation charge/(credit) (note 18 (a))	220	(401)
Deferred taxation charge (note 18 (b))	1,084	978
Taxation charge	3,766	2,497

(b) Factors affecting tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in Ireland (12.5%) (2022: 12.5%). The differences are explained below:

	2023	2022
	€000s	€000s
Profit before taxation	25,035	20,424
Profit on ordinary activities at standard rate of corporation tax in Ireland of 12.5% (2022: 12.5%)	3,129	2,553
Effects of:		
Non-taxable income/unrealised gains/losses not chargeable/deductible for tax purposes	(166)	(932)
Income at higher rate	815	1,126
Adjustments in respect of prior years	(12)	(250)
Taxation charge	3,766	2,497

Notes to the Financial Statements (continued)

12. DIVIDENDS PAYABLE

	2023	2022
	€000s	€000s
Paid:		
Dividend of 17.78c (2022: 17.78c) per share on the 14% non-cumulative preference shares of €1.27 each	**89**	89
Dividend of 1.43c (2022: 1.43c) per share on the 11% non-cumulative preference shares of €0.13 each	**62**	62
Dividend of 9c (2022: 7c) per share on ordinary shares of €0.13 each	**4,409**	3,631
Special Dividend of 17c per share on ordinary shares of €0.13 each*	**8,562**	-
	13,122	3,782
Proposed:		
Dividend of 14c (2023: 9c) per share on the ordinary shares of €0.13 each	**7,050**	4,409

Included in the Special Dividend paid in December 2023 is an amount of €1.889m in relation to Dividend Witholding Tax (DWT) which was accrued as at 31 December 2023 and discharged to Revenue in January 2024.

13. TANGIBLE FIXED ASSETS – GROUP

Group – 2023	**Hotels**	**Golf Assets**	**Investment Property**	**Total**
	€000s	**€000s**	**€000s**	**€000s**
Cost:				
At 1 January 2023	186,286	41,537	38,876	266,699
Additions	7,527	1,221	448	9,196
Disposals	(100)	(24)	(891)	(1,015)
At 31 December 2023	**193,713**	**42,734**	**38,433**	**274,880**
Depreciation:				
At 1 January 2023	67,009	27,989	-	94,998
Charge for the year	4,580	909	-	5,489
Disposals	(93)	(8)	-	(101)
At 31 December 2023	**71,496**	**28,890**	**-**	**100,386**
Net book value:				
At 31 December 2023	**122,217**	**13,844**	**38,433**	**174,494**
Net book value:				
At 31 December 2022	**119,277**	**13,548**	**38,876**	**171,701**

Hotel and golf assets have been used as security for bank loans totalling €58.2m (2022: €59.8m).

REVALUATION/IMPAIRMENT

The Group obtained independent valuations at the end of 2022 on the Group's tangible fixed assets and investment properties. The Directors have taken account of these valuations, the trading results of property assets in the Group during 2023, reviewed assumptions on achieving cashflows in line with budgets and targets and assessed current uncertain market conditions and believe there is neither an impairment nor fair value credit of the Group's tangible fixed assets or investment properties.

The following amounts are included under hotel and golf assets above and are held under finance lease contracts:

	2023	**2022**
	€000s	**€000s**
Cost	**756**	756
Accumulated depreciation	**(579)**	(430)
	177	326

COMPANY

The company had additions to fixed assets during 2023 costing €2,565 (2022: €Nil). The depreciation charge for the year in the company was €855 (2022: €Nil). The net book value of fixed assets in the company at the end of the year was €1,710 (2022: €Nil).

Notes to the Financial Statements (continued)

14. INVESTMENTS – AVAILABLE FOR SALE – GROUP

	2023	2022
	€000s	€000s
Balance at start of year	**96,894**	65,241
Revaluation surplus	**2,560**	31,653
Balance at end of year	**99,454**	96,894
The balance at year end comprises:		
Investment in FBD Holdings plc		
8,531,948 (2022: 8,531,948) ordinary shares of €0.60 each	**96,838**	94,278
1,340,000 (2022: 1,340,000) 14% non-cumulative preference shares of €0.60 each	**1,608**	1,608
1,470,292 (2022: 1,470,292) 8% non-cumulative preference shares of €0.60 each	**1,008**	1,008
	99,454	96,894

The Company holds 23.79% (2022: 23.97%) of the ordinary share capital of FBD Holdings plc.

FBD Holdings plc is a quoted investment holding Company. The fair value of its ordinary shares at year end was €11.35 (2022: €11.05). Preference shares are included at fair value. The Directors consider the fair value of each 14% preference share to be €1.20 (2022: €1.20) and the fair value of each 8% preference share to be €0.69 (2022: €0.69). The principal activity of its principal subsidiary, FBD Insurance, is looking after the insurance needs of farmers, private individuals and business owners. The registered office of FBD Holdings plc is FBD House, Bluebell, Dublin 12. The financial information shown below and over-leaf has been prepared under International Financial Reporting Standards.

CONSOLIDATED FINANCIAL INFORMATION ON FBD HOLDINGS PLC (INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023)

	2023	2022
	€000s	€000s re-stated
Income	**404,743**	384,259
Expenses	**(323,333)**	(318,419)
Result before taxation from continuing operations	**81,410**	65,840
Taxation	**(11,869)**	(8,284)
Result for the financial year	**69,541**	57,556
Attributable to:		
Equity holders of the parent	**69,541**	57,556
	69,541	57,556

14. INVESTMENTS – AVAILABLE FOR SALE – GROUP (CONTINUED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF FBD HOLDINGS PLC AT 31 DECEMBER 2023

	2023	2022
Assets	**€000s**	**€000s re-stated**
Property, plant & equipment	**20,821**	24,178
Policy administration system	**17,926**	27,982
Intangible assets	**27,735**	9,031
Investment Property	**11,953**	16,055
Right of use assets	**3,503**	5,078
Loans	**478**	560
Financial assets	**1,020,052**	1,031,262
Reinsurance assets	**97,520**	208,888
Retirement benefit asset	**7,044**	10,901
Deferred taxation asset	**493**	-
Other receivables	**17,150**	15,910
Cash and cash equivalents	**142,399**	170,976
Total Assets	**1,367,074**	1,520,821
EQUITY AND LIABILITIES		
EQUITY		
Called up share capital presented as equity	**21,744**	21,409
Capital reserves	**34,479**	27,406
Other reserves	**(23,804)**	575
Retained earnings	**444,617**	430,899
EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**477,036**	480,289
Preference share capital	**2,923**	2,923
TOTAL EQUITY	**479,959**	483,212
LIABILITIES		
Insurance contract liabilities	**775,401**	930,769
Other provisions	**20,083**	12,271
Subordinated debt	**49,721**	49,603
Lease liability	**3,828**	5,349
Deferred taxation liability	**-**	3,891
Current taxation liability	**2,230**	6,437
Payables	**35,852**	29,289
Total Liabilities	**887,115**	1,037,609
TOTAL EQUITY AND LIABILITIES	**1,367,074**	1,520,821

On 1 January 2023, IFRS 17 ‘Insurance Contracts’ became effective, replacing IFRS 4 ‘Insurance Contracts’. FBD Holdings plc have restated the 2022 financial results in line with this new accounting standard.

Notes to the Financial Statements (continued)

15. INVESTMENTS – HELD-TO-MATURITY

In October 2018 the Company subscribed for €20m Loan Notes issued by FBD Insurance plc. The Loan Notes bear interest at the rate of 5% per annum. The Loan Notes will be redeemed in October 2028. The Loan Notes were recognised on acquisition at a fair value of €20m. During 2022 the company purchased an additional €1m Loan Notes for a fair value of €1.075m, giving a total investment of €21.075m. Subsequent to initial recognition the Loan Notes are measured at amortised cost, less any impairment using the effective interest rate method.

16. (A) INVESTMENTS – DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP

	2023	2022
	€000s	€000s
Quoted shares (cost €1,013,000) (2022: €1,301,000)	866	1,223
Unquoted shares (cost €63,442,000) (2022: €52,422,000)	54,675	45,684
	55,541	46,907

The movements on the above investments are as follows:

	2023	2022
	€000s	€000s
Balance at 1 January	46,907	45,737
Purchase of investments	46,019	26,334
Sale of investments	(36,107)	(25,400)
Profit on sale of investments	573	151
Unrealised (loss)/gain on investments	(1,851)	85
Balance at 31 December	55,541	46,907

16. (B) INVESTMENTS – DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS – COMPANY

	2023	2022
	€000s	€000s
Quoted shares (cost €1,013,000) (2022: €1,301,000)	866	1,223
Unquoted shares (cost €33,526,000) (2022: €29,923,000)	24,567	23,194
	25,433	24,417

The movements on the above investments are as follows:

	2023	2022
	€000s	€000s
Balance at 1 January	24,417	25,934
Purchase of investments	3,910	3,834
Sale of investments	(837)	(5,918)
(Loss)/profit on sale of investments	(14)	472
Unrealised (loss)/gain on investments	(2,043)	95
Balance at 31 December	25,433	24,417

17. INVESTMENT IN SUBSIDIARIES – COMPANY

	2023	2022
	€000s	€000s
Balance at 1 January	**168,448**	136,795
Write (down)/up in investment in subsidiary	**(603)**	31,653
Balance at 31 December	**167,845**	168,448

Details of subsidiary undertakings are provided in Note 29.

18. (A) DEFERRED TAXATION ASSET – GROUP

	2023	2022
	€000s	€000s
Balance at 1 January	**1,651**	1,250
(Charge)/Credit to Income Statement (note 11 (a))	**(220)**	401
Balance at 31 December	**1,431**	1,651
Deferred taxation asset is comprised as follows:		
Taxation losses carried forward	**1,431**	1,651

At the financial year end, the Group has an unprovided deferred tax asset of €2.973m (2022: €3.862m) on unrealised investment losses. In accordance with FRS102, the Directors consider it prudent not to recognise this asset, at this time.

The deferred tax asset relates to tax losses forward.

18. (B) DEFERRED TAXATION LIABILITY – GROUP

	2023	2022
	€000s	€000s
Balance at 1 January	**10,759**	9,781
Charge to Income Statement (note 11 (a))	**1,084**	978
Balance at 31 December	**11,843**	10,759

Deferred taxation liabilities arise on the unrealised fair value gains on hotel, golf and investment properties using the tax rates and allowances that apply to the sale of these assets.

Notes to the Financial Statements (continued)

18. (C) DEFERRED TAXATION ASSET – COMPANY

	2023	2022
	€000s	€000s
Balance at 1 January	**1,250**	1,250
Credit to Income Statement	**-**	-
Balance at 31 December	**1,250**	1,250
Deferred taxation asset is comprised as follows:		
Taxation losses carried forward	**1,250**	1,250

Deferred tax assets in respect of unrealised losses on investments totalling €2.973m (2022: €3.862m) have not been recognised at the reporting date due to uncertainty on the timing and extent of taxable profits.

19. INVENTORIES – GROUP

	2023	2022
	€000s	€000s
Consumables	**1,237**	1,219
Land	**8,232**	14,086
	9,469	15,305

Inventories acquired as part of an acquisition are initially recorded at fair value, otherwise they are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

The Directors are of the opinion that the carrying values of consumables are not materially different from their replacement cost. Land stock is carried at the lower of cost and net realisable value. During 2023, land inventory in the Bulberry Group was revalued and resulted in a €5.943m (2022 €Nil) write down.

20. (A) DEBTORS – GROUP

	2023	2022
	€000s	€000s
Trade and sundry debtors	**12,579**	11,524
Corporation tax debtor	**-**	116
	12,579	11,640

Trade and sundry debtors include amounts of €6.663m (2022: €8.708m) falling due after more than one year.

20. (B) DEBTORS – COMPANY

	2023	2022
	€000s	€000s
Trade and sundry debtors	**239**	239

21. (A) CREDITORS – GROUP AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	€000s	€000s
Creditors and accruals	**29,739**	24,424
Bank loans (note 22 (a))	**2,260**	41,587
Corporation tax	**1,246**	1,604
VAT	**829**	467
PAYE/PRSI	**1,448**	1,301
	35,522	69,383

21. (B) CREDITORS – COMPANY AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	€000s	€000s
Accruals	**4,792**	184
Corporation tax	**113**	25
	4,905	209

21. (C) CREDITORS – GROUP AMOUNTS FALLING DUE AFTER ONE YEAR

	2023	2022
	€000s	€000s
Creditors and accruals	**2,350**	1,869
Bank loan (note 22 (a))	**58,559**	21,052
Deferred taxation liability (note 18 (b))	**11,843**	10,759
	72,752	33,680

22. (A) BANK LOANS – GROUP

	2023	2022
	€000s	€000s
Bank borrowings	**60,819**	62,639
The maturity of the Group's bank borrowings is analysed as follows:		
On demand or due within one year	**2,260**	41,587
Between two and five years	**58,559**	20,946
Greater than five years	**-**	106
	60,819	62,639

Notes to the Financial Statements (continued)

22. (A) BANK LOANS – GROUP (CONTINUED)

	2023	2022
	€000s	€000s
Bank borrowings are analysed as follows:		
Included in current liabilities	**2,260**	41,587
Included in non current liabilities	**58,559**	21,052
	60,819	62,639

The Group's current facilities mature in October 2028, with €2.3m of capital repayments due in 2024.

All bank borrowings at 31 December 2023 and 31 December 2022 are denominated in Euro. The average rate of interest applicable to total loans is 5.9% (2022: 4.5%).

23. SECURITY

At 31 December 2023, security was given on bank loans totalling €58.2m with Allied Irish Bank, by way of a cross guarantee by FBD Hotels & Resorts Group, a charge over Irish hotel and golf resort assets with a carrying value of €77.3m and a share mortgage over FBD Hotels & Resorts Spanish subsidiaries.

24. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY – GROUP AND COMPANY

		2023	2022
	Number	€000s	€000s
AUTHORISED:			
Ordinary shares of €0.13 each	99,359,130	**12,917**	12,917
"B" ordinary shares of €1.27 each	5,000,000	**6,350**	6,350
		19,267	19,267
ISSUED:			
At 1 January	51,868,283	**6,743**	7,117
Repurchase and Cancellation of own shares		**-**	(374)
At 31 December	51,868,283	**6,743**	6,743

During the year, the Group purchased 1,892,866 (2022: 2,879,593) ordinary shares as part of the share buyback programme. The amount paid to repurchase these shares was €1.91 (2022: €1.53) per share. These shares were held as treasury shares in the current year. In 2022, the shares repurchased were cancelled.

Subsequent to the share buyback scheme, the Group made treasury shares available to current shareholders to purchase. Under this scheme 3,259,962 treasury shares were purchased at €1.91 per share.

Following the above two schemes, the number of ordinary shares of €0.13 each held as treasury shares as at 31 December 2023 was 1,510,676 (2022: 2,877,772). This represents 2.8% (2022: 5.3%) of the shares of this class in issue and had a nominal value of €0.196m (2022: €0.374m).

25. PREFERENCE SHARE CAPITAL – GROUP AND COMPANY

		2023	2022
	Number	**€000s**	**€000s**
AUTHORISED:			
14% non-cumulative preference shares of €1.27 each	500,000	**635**	635
11% non-cumulative preference shares of €0.13 each	10,000,000	**1,300**	1,300
		1,935	1,935
ISSUED:			
At beginning and end of year			
14% non-cumulative preference shares of €1.27 each	500,000	**635**	635
11% non-cumulative preference shares of €0.13 each	4,315,050	**561**	561
		1,196	1,196

The rights attaching to each class of share capital are set out in the Company's Articles of Association. In the event of the Company being wound up, the holders of the 14% non-cumulative preference shares rank ahead of the holders of the 11% non-cumulative preference shares, who in turn, rank ahead of the holders of the ordinary shares of €0.13 each.

26. NON-CONTROLLING INTERESTS – GROUP

	2023	2022
	€000s	**€000s**
Balance at 1 January	**24,539**	24,610
Repayment of non-controlling interest	**(33)**	(32)
Share of results for the period	**(2,443)**	(39)
Balance at 31 December	**22,063**	24,539

Notes to the Financial Statements (continued)

27. (A) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES – GROUP

	2023	2022
	€000s	€000s
Profit before taxation	**25,035**	20,424
Adjustments for:		
Depreciation	**5,489**	4,927
Interest payable and similar expenses	**3,995**	2,375
Interest received	**(1,673)**	(1,068)
Dividends received	**(17,271)**	(8,715)
Repossession of timeshare weeks	**(126)**	(149)
Write down in land inventories	**5,943**	-
Increase in inventories	**(107)**	(70)
(Increase)/decrease in debtors	**(1,055)**	4,833
Increase in creditors	**1,770**	1,006
Decrease/(increase) in value of investments held at FVTPL	**1,851**	(85)
Profit on the sale of investments	**(573)**	(151)
Profit on sale of land	**(837)**	(754)
Reversal of Impairment on hotel assets	**-**	(985)
Cash generated from operations	**22,441**	21,588
Corporation tax paid	**(2,703)**	(3,065)
Interest paid	**(3,788)**	(2,375)
Interest received	**1,673**	1,097
Dividends received	**17,271**	8,715
Net cash inflow from operating activities	**34,894**	25,960

27. (B) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES – COMPANY

	2023	2022
	€000s	€000s
Profit before taxation	**23,999**	43,846
Adjustments for:		
Depreciation	**1**	-
Interest payable and similar expenses	**207**	127
Interest income	**(1,409)**	(1,050)
Dividend income	**(26,268)**	(11,465)
Increase in creditors	**48**	11
Loss/(Profit) on the sale of investments	**14**	(472)
Write down/(up) in investment in subsidiary	**603**	(31,653)
Decrease/(increase) in value of investments held at FVTPL	**2,043**	(95)
Cash used in operations	**(762)**	(751)
Corporation tax refund/(paid)	**9**	(165)
Interest paid	**-**	(127)
Interest received	**1,409**	1,050
Dividends received	**26,268**	11,465
Net cash inflow from operating activities	**26,924**	11,472

28. RISK MANAGEMENT

The Group recognises the critical importance of efficient and effective risk management. Risk is categorised as follows:

– Capital management risk
– Operational risk
– Liquidity risk
– Market risk
– Credit risk
– Concentration risk
– Sensitivity analysis

Through its interest in its subsidiaries, the Company is exposed to the same risks as the Group.

(a) Capital management risk

The Group is committed to managing its capital so as to maximise returns to shareholders. The capital of the Group comprises of issued capital, reserves and retained earnings. The Board of Directors review the capital structure regularly to determine the appropriate level of capital required to pursue the Group's growth plans.

Notes to the Financial Statements (continued)

28. RISK MANAGEMENT (CONTINUED)

(b) Operational risk

Operational risk could arise as a result of inadequately controlled internal processes or systems, human error, or from external events.

This definition is intended to include all risks to which the Group is exposed and strategic and Group risks that are not considered elsewhere. Hence, operational risks include for example, information technology, information security, human resources, project management, outsourcing, tax, legal and fraud risks.

In accordance with Group policies, the Board of Directors has primary responsibility for the effective identification, management monitoring and reporting of risks. There are regular reviews by the Board of all major risks. The Board of Directors meet regularly to discuss its investment strategy and the performance of the Group's investments. The Group engages appropriately qualified personnel to look after its administration.

(c) Liquidity risk

The Group is exposed to daily calls on its cash resources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table provides an analysis of assets (excluding investment properties) into their relevant maturity groups based on the remaining period at the balance sheet date to their contractual maturities.

Assets 2023	2023 Carrying Value Total	Contracted Value	Cashflow within 1 year	Cashflow 1-5 years	Cashflow after 5 years
	€000s	€000s	€000s	€000s	€000s
Investments – AFS	**99,454**	99,454	-	-	99,454
Investments – FVTPL	**55,541**	55,541	31,462	14,451	9,628
Investments – held-to-maturity	**21,075**	21,075	-	21,075	-
Inventories	**9,469**	9,469	1,237	8,232	-
Debtors	**12,579**	12,579	5,916	6,663	-
Bank deposits	**42,091**	42,091	42,091	-	-
	240,209	240,209	80,706	50,421	109,082

Liabilities 2023	2023 Carrying Value Total	Contracted Value	Cashflow within 1 year	Cashflow 1-5 years	Cashflow after 5 years
	€000s	€000s	€000s	€000s	€000s
Creditors	**108,274**	108,274	35,522	60,909	11,843
	108,274	108,274	35,522	60,909	11,843

28. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Assets 2022	2022 Carrying Value Total	Contracted Value	Cashflow within 1 year	Cashflow 1-5 years	Cashflow after 5 years
	€000s	€000s	€000s	€000s	€000s
Investments – AFS	96,894	96,894	-	-	96,894
Investments – FVTPL	46,907	46,907	23,375	13,380	10,152
Investments – held-to-maturity	21,075	21,075	-	-	21,075
Inventories	15,305	15,305	1,219	14,086	-
Debtors	11,640	11,640	2,932	8,708	-
Bank deposits	34,928	34,928	34,928	-	-
	226,749	226,749	62,454	36,174	128,121

Liabilities 2022	2022 Carrying Value Total	Contracted Value	Cashflow within 1 year	Cashflow 1-5 years	Cashflow after 5 years
	€000s	€000s	€000s	€000s	€000s
Creditors	103,063	103,063	69,383	21,933	11,747
	103,063	103,063	69,383	21,933	11,747

The Board of Directors have committed to further investment, as detailed in note 30, which has yet to be drawn down.

Notes to the Financial Statements (continued)

28. RISK MANAGEMENT (CONTINUED)

(d) Market risk

The Group has invested in quoted and unquoted shares. These investments are subject to market risk, whereby the value of the investments may fluctuate as a result of changes in market prices, changes in market interest rates or changes in the foreign exchange rates of the currency in which the investments are denominated. The extent of the exposure to market risk is mitigated by the formulation of, and adherence to, strict investment guidelines, as approved by the Board of Directors and employment of appropriately qualified and experienced personnel to manage the Group's investment portfolio.

Interest rate risk

The Group is exposed to interest rate risk attached to bank borrowings and deposits held with the financial institutions. The Group regularly reviews the appropriate level of exposure to interest rate risk across its investments. Factors taken into account are interest rate volatility and historical returns.

	2023		2022	
	Market Value	Weighted average interest rate	Market Value	Weighted average interest rate
	€000s		€000s	
Time to maturity:				
In one year or less	**(2,260)**	**5.9%**	(41,587)	4.5%
In more than one year, but not more than two years	**(3,414)**	**5.9%**	(1,364)	4.5%
In more than two years, but not more than five years	**(55,145)**	**5.9%**	(19,582)	4.5%
After five years	**-**	**-**	(106)	4.5%
	(60,819)		(62,639)	

These financial instruments are exposed to fair value interest rate risk. Deposits held and loans received by the Group are at floating interest rates.

Equity price risk

The Group is subject to equity price risk due to daily changes in the market value of its holdings of quoted shares. Equity price risk is actively managed by the Board of Directors using the investment policy which is approved periodically by the Board of Directors. All of its investments are approved in advance by the Board of Directors.

The following table provides an analysis of investments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28. RISK MANAGEMENT (CONTINUED)

(d) Market risk (continued)

Equity price risk (continued)

Investments 2023	**Level 1 €000s**	**Level 2 €000s**	**Level 3 €000s**	**Total €000s**
Investments – AFS	99,454	-	-	**99,454**
Investments – held-to-maturity	-	-	21,075	**21,075**
Investments – FVTPL	31,762	-	23,779	**55,541**
	131,216	-	44,854	**176,070**

Investments 2022	**Level 1 €000s**	**Level 2 €000s**	**Level 3 €000s**	**Total €000s**
Investments – AFS	96,894	-	-	96,894
Investments – held-to-maturity	-	-	21,075	21,075
Investments – FVTPL	23,766	-	23,141	46,907
	120,660	-	44,216	164,876

The values attributable to the unquoted investments are derived from a number of valuation techniques. Funds totalling €15.416m (2022: €16.341m) are valued using net asset values at 31 December 2023 provided by the fund administrators. The remaining investments were valued at €8.363m (2022: €6.800m) which the Directors considered to be the net realisable value of these investments at the reporting date.

Foreign currency risk

The Group holds investment assets and equities in foreign currencies hence exposure to exchange rate fluctuations arise. The Group is primarily exposed to sterling and US dollars. The Group regularly reviews the appropriate level of foreign currency exposure across its investments.

The carrying amount of the Group's foreign currency denominated monetary assets at the reporting date is as follows:

	2023	**2022**
	€000s	**€000s**
GBP	**-**	1
USD	**7,324**	8,893

(e) Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. Financial assets are graded according to current credit ratings issued. All of the Group's bank deposits are with a financial institution which has a sovereign guarantee.

None of the investments are past due or impaired.

Notes to the Financial Statements (continued)

28. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

The carrying amount of financial assets recorded in the Financial Statements represents the Group's maximum exposure to credit risk. The maximum credit risk which the Group is exposed to is detailed as follows:

	2023	2022
	€000s	€000s
Debtors	**12,579**	11,640
Cash	**42,091**	34,928
Investments – quoted	**31,762**	23,766
Investments – unquoted	**23,779**	23,141
Investments – available for sale	**99,454**	96,894
Investments – held-to-maturity	**21,075**	21,075
	230,740	211,444

(f) Concentration risk

Concentration risk is the risk of loss due to overdependence on a singular entity or category of business. At 31 December 2023, the Group had concentrated 68.5% (2022: 71.6%) of its investments in one company, FBD Holdings plc.

(g) Sensitivity analysis

The table below identifies the Group's key sensitivity factors. For each sensitivity test the impact of a change in a single factor is shown, with other assumptions left unchanged.

Sensitivity factor	Description of sensitivity factor applied
Interest rate	The impact of a change in the ECB benchmark reference interest rate by +/- 1%
Exchange rate movements	The impact of a change in foreign exchange rates by +/- 5%
Equity market values	The impact of a change in equity market values by +/- 10%
Property market values	The impact of a change in property market values by +/- 10%

The above sensitivity factors are applied with the following pre-tax impacts on profit and shareholders' funds at 31 December 2023 and at 31 December 2022:

		2023	2022
		€000s	€000s
Interest rate	1%	**(608)**	(626)
Interest rate	(1%)	**608**	626
FX rates	5%	**358**	445
FX rates	(5%)	**(358)**	(445)
Equity	10%	**12,212**	12,052
Equity	(10%)	**(12,212)**	(12,052)
Property	10%	**4,671**	5,301
Property	(10%)	**(4,671)**	(5,301)

28. RISK MANAGEMENT (CONTINUED)

(g) Sensitivity analysis (continued)

Limitations of sensitivity analysis

The above table demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analysis do not take into consideration that the Group's assets are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty and the assumption that all interest rates move in an identical fashion.

29. SUBSIDIARY COMPANIES

Direct Subsidiaries	Nature of Operations	Registered Office	% owned
Farmer Business Developments Assets Ltd (note i)	Investment trading company	Irish Farm Centre, Bluebell, Dublin 12.	100%
Farmer Business Developments Investments Ltd (note i)	Investment trading company	Irish Farm Centre, Bluebell, Dublin 12.	100%
Farmnom Ltd (note i)	Investment trading company	Irish Farm Centre, Bluebell, Dublin 12.	100%
PLL Property & Leisure Ltd (note i)	Property and Hotels	Killashee Lodge, Killashee, Naas, Co Kildare.	100%
Bulberry Properties Ltd	Property Development and Investment	1 Castlewood Avenue Rathmines, Dublin 6.	61%
Hawridge Properties Ltd	Property Development and Investment	1 Castlewood Avenue Rathmines, Dublin 6.	61%

Note (i) Guarantees

Farmer Business Developments plc's 100% Irish subsidiaries (noted above) are exempt from filing their financial statements in the Companies Office with their annual returns, as required by Section 347 and 348 of the Companies Act 2014, because, in accordance with Section 357 of that Act, Farmer Business Developments plc, the parent Company, has guaranteed all amounts shown as liabilities in the statutory financial statements of these subsidiaries for the financial year ended 31 December 2023.

30. INVESTMENT COMMITMENTS

The Board of Directors have committed to further investment of €7.988m (2022: €8.996m) which has yet to be drawn down.

31. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2023 or 31 December 2022.

32. SUBSEQUENT EVENTS

There have been no significant subsequent events since the financial year end.

Notes to the Financial Statements (continued)

33. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to ensure consistency with current year presentation.

34. RELATED PARTY TRANSACTIONS

As detailed in note 14, the Group has a 23.79% (2022: 23.97%) shareholding in FBD Holdings plc. The Company holds a total of €21m Loan Notes issued by FBD Holdings plc with a carrying value of €21.075m (note 15). The Loan Notes carry an interest rate of 5%. The Group received interest of €1.05m (2022: €1.05m) on the Loan Notes. Accrued interest of €0.239m on the loan has been included in Debtors (note 20).

The Company is availing of the exemption available in FRS102 Section 33.1(A) not to disclose transactions with its wholly owned subsidiaries.

There are transactions with Directors in the normal course of business with the hotels, however, these are not material.

For the purposes of the disclosure requirement of FRS102, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises of the Board of Directors, Company Secretary and senior management of FBD Hotel & Resorts Group and Bulberry Properties Group.

The remuneration of key management personnel ("KMP") charged to the Consolidated Income Statement was as follows:

	2023	2022
	€000s	€000s
Short term employee benefits	**1,298**	1,230
Amounts payable under long term incentive plans	**436**	368
Post-employment benefits	**50**	48
	1,784	1,646

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held in The Irish Farm Centre, Bluebell, Dublin 12, at 12 noon on Thursday 27 June 2024 for the following purposes:

AS ORDINARY BUSINESS

1 To consider the Directors' Report, Auditors' Report and Financial Statements for the year ended 31 December 2023, and to review the Company's affairs.

2 To confirm a dividend on the 14% non-cumulative preference shares.

3 To confirm a dividend on the 11% non-cumulative preference shares.

4 To declare a dividend of 14 cents on the ordinary shares.

5 To Re-elect the following person as a Director:
Mr Barry Donnelly, Conicare, Abbey, Loughrea, Co. Galway.

6 To approve the remuneration of the Directors.

7 To authorise the Directors to fix the remuneration of the auditors.

BY ORDER OF THE BOARD

Bryan Barry
Company Secretary
Farmer Business Developments plc

Registered Office:
Irish Farm Centre,
Bluebell,
Dublin 12

29 May 2024

Notes for Shareholders

APPOINTMENT OF PROXIES

- Every member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A proxy need not be a member of the Company. A form to be used for appointing a proxy is enclosed.
- To be valid this proxy form must be completed, signed and returned to reach the registrars of the Company, by post to, Link Registrars Limited, P.O. Box 7117, Dublin 2 or by hand (during normal business hours) to Link Registrars Limited, 149 The Capel Building, Mary's Abbey, Dublin 7, D07 DP79 or the registered office of the Company at The Irish Farm Centre, Bluebell, Dublin 12, not less than forty-eight hours before the time of the meeting.

NOMINATION OF DIRECTORS

- No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, not more than three months following the financial year end there shall have been left at the registered office notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his/her intention to propose such person for election and also notice in writing signed by that person of his/her willingness to be elected.

SHAREHOLDERS' ENTITLEMENT TO ATTEND AND VOTE

- An ordinary share shall confer on the holder thereof the right to receive notice of, attend and vote at general meetings of the Company.
- An 11% preference share shall confer on the holder thereof the right to receive notice of, attend and vote at general meetings of the Company.
- A 14% preference share shall not confer on the holder thereof the right to receive notice of, or to attend or vote at general meetings of the Company.

Farmer Business Developments plc

Irish Farm Centre, Bluebell

Dublin 12

Company Secretary: 01 426 0336 or bryanbarry@FBDevelopments.ie

Website: www.FarmerBusinessDevelopments.ie

Shareholder enquiries: Link Registrars Limited 01 553 0050 or enquiries@linkgroup.ie