

**Cólucht Groighe Náisiúnta na Héireann Cuideachta
Ghníomhaíochta Ainmnithe
(The Irish National Stud Designated Activity Company)**

**Annual Report
Financial Year Ended 31 December 2023**

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 27 March 2024

Dan Flinter (Chairman)
John Tuite
Seamus Boyle
Mark Weld
Dairine Walsh
Clodagh Kavanagh
Finola O'Mahony

Solicitors

McCann Fitzgerald
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2

Secretary and Registered Office

Eamonn Looney
Tully
Kildare
Co. Kildare

Bankers

Bank of Ireland
Kildare Town
Co. Kildare

Company Number: 11451

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

CHAIRMANS' REPORT

The Irish National Stud Designated Activity Company (the 'Company') and its subsidiary (together the 'Group') returned an operating loss before taxation and depreciation of €488,381 (2022: loss €663,954) and a loss after taxation and depreciation of €1,834,857 (2022: loss of €2,159,816). This includes a depreciation charge of €1,336,230 (2022: €1,507,066). The Group Statement of Comprehensive Income reported a loss after taxation, depreciation and remeasurement of the defined benefit pension scheme of €1,327,857 (2022: loss of €1,700,816). The cash generated from operations during 2023 was €1,619,544 (2022: cash used in operations of €240,044).

Review of the financial year

2023 has been a year of operational and net gains from last year, as we continue our transition through the major risk associated with the inevitable decline in income from Invincible Spirit. In 2017 he was responsible for approximately 70% of the entire company's revenue. As recently as 2020 this was 40%. To overcome this challenge, our strategy has been to invest in and diversify income streams while simultaneously managing costs, retaining full-service delivery, and maintaining cash flows.

In 2023, the company recorded strong keep and boarding figures. Tourism income has well and truly surpassed 2019 levels with record visitor numbers and revenues recorded. Invincible Spirit was responsible for a still significant but greatly reduced percentage of Company revenue. The Company has made significant progress in executing its strategy in developing alternative income sources.

The nature of the stallion business is such that it takes five years from the time a stallion begins covering to a reasonable judgment being made on their ability, as the first progeny reach the end of their three years old season. We have acquired six new stallions in the past six years providing a stable pipeline of potential successors over the coming years, but this investment takes time to bear fruit.

Phoenix of Spain, in his fourth season at stud, had his first two-year-old runners in 2023. In his debut crop he managed 20 two-year-old winners at 40% winners to runner's ratio. He has sired several unbeaten winners with excellent profiles to progress next year. We are cautiously optimistic that he is in the process of becoming a proven stallion.

In 2023, our two most recent stallion acquisitions welcomed their first foals to the marketplace. Both Lucky Vega and Nando Parrado progeny were very well received at public auction, being amongst the most profitable first season sires of the year. Lucky Vega covered 150 mares in his second season and Nando Parrado covered 93. This will mean that both have been given an excellent opportunity to succeed in the coming years. With proven stallions such as Equiano and Elusive Pimpernel the stud continues to fulfil its remit to provide quality stallions at reasonable prices.

368 foals were born in our foaling unit in 2023 (2022: 319), another year-on-year increase while there were 219 born in 2019. We welcomed 35 foals owned by the Stud and syndicate partners (2022: 38). These included foals by proven sires Invincible Spirit, Night of Thunder, Oasis Dream, Starspangledbanner and Acclamation.

Our highest priced yearling was once again by Invincible Spirit, a filly out of Aimhirgin Lass which sold for €140,000. Our foals sold well with the highlight being a Night of Thunder colt out of Sagrada Familia selling for €210,000.

Tourism

In 2022, visitor numbers and revenues exceeded the pre-pandemic levels of 2019 and in 2023 they have scaled new heights. We welcomed over 152,000 visitors in 2023. The business has recovered very strongly compared to market average, and we expect significant growth in the years to come.

2023 marked the first fully operational year for our new retail extension. Our food and beverage offering continues to expand and we continue to invest in small enhancements throughout the complex to ensure there is always something new and fresh for our visitors to see.

CHAIRMANS' REPORT - continued

Review of the financial year - continued

Climate Action Reporting

Progressing and developing our approach to climate action was a key priority in 2023. We established objectives in response to Government emission reduction targets, with a focus on improving energy efficiency and reducing carbon emissions and engaged fully with SEAI in relation to reporting and monitoring.

To the end of the last reporting period in 2022 our energy consumption performance since EE baseline has reduced by 30%. Our fossil CO₂ emissions have reduced marginally by 3%. Our total CO₂ emissions since the GHG baseline has reduced 17.1%. We are on track to deliver on our Climate Action commitments but acknowledge there is further work required in the next phase of delivery.

We continue exploring sector specific concepts such as natural capital accounting and soil carbon sequestration, which present unique opportunities to improve our sustainability.

Throughout the year we continued to build on our commitment to increasing biodiversity at the Stud in our active participation in the National Pollinator Plan, trees planted, along with targeted hedgerow management to support the improvement of habitats.

Education

The Stud continues to play a leading role in Education, with 30 students graduating from the 53rd intake of the QQI Level 6 Thoroughbred Breeding Management Course.

Statement on internal control

Scope of responsibility

On behalf of the Board, I acknowledge the Board's responsibility for ensuring that an effective system of internal financial control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State bodies (2016) (the 'Code').

Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurances that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with the guidance issued by the Department of Public Expenditure, NDP Delivery and Reform has been in place in The Irish National Stud Designated Activity Company for the financial year ended 31 December 2023 and up to the date of approval of the financial statements.

Capacity to handle risk

The Company has an Audit and Risk Committee (the 'ARC') which serves the Group, comprising of two Board members and two external members, one of whom has recent and relevant financial experience.

The chairperson of the ARC is David Mongey. The ARC met six times during the year.

The ARC receives periodic reports from an outsourced internal audit function.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been approved by the Board and issued to all staff who are expected to work within the Irish National Stud's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls in their own area of work.

Risk and control framework

The Irish National Stud Designated Activity Company has implemented a risk management system which identifies and reports on key risks and the management actions being taken to address and, to the extent possible, to mitigate these risks.

CHAIRMANS' REPORT - continued

Risk and control framework - continued

A risk register is in place which identifies the key risks facing the Group and these have been identified, evaluated and graded according to their significance. The register is updated and reviewed by the ARC at each meeting. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed at an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes are being documented;
- Financial responsibilities have been assigned at management level with corresponding accountability;
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- There are systems aimed at ensuring the security of the information and communication technology systems; and
- There are systems in place to safeguard the assets.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of these key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by management of periodic and annual performance and financial reports which indicate performance against budgets.

Procurement

I confirm that the Group have procedures in place to ensure compliance with the current procurement rules and guidelines and that during the financial year 2023 complied with these procedures.

Review of effectiveness

I confirm that the Group have procedures to monitor the effectiveness of its risk management and control procedures. The monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the ARC which oversees their work and the senior management within the Group who are responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board has conducted an annual review of the effectiveness of the internal controls for 2023.

Internal control issues

No weaknesses in internal control were identified in relation to the financial year 2023 that require disclosure in the financial statements.

Statement of compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Irish National Stud Designated Activity Company and its subsidiary were in compliance with the Code of Practice for the Governance of State Bodies for the financial year 2023 and the Companies Act 2014.

CHAIRMANS' REPORT - continued

Concluding remarks

I would like to thank my Board colleagues and members of the Audit and Risk Committee for their continuing contribution and commitment to the development of the Group and Company during 2023.

In particular, I would like to acknowledge the outstanding contribution of my predecessor as Chairman Mr Matt Dempsey and his commitment to the Group and Company and to the thoroughbred sector over the past ten years. We wish him well for the future.

I wish to acknowledge the energy, drive and commitment of our Chief Executive Cathal Beale, his leadership team and all of the staff of the Irish National Stud. Their enthusiasm and professionalism are essential for the long-term success of the business.

Finally, I would like to thank the Minister for Agriculture, Fisheries and the Marine, Mr Charlie McConalogue TD, the Minister of Finance Mr Michael McGrath TD and the Minister for Public Expenditure, NDP Delivery and Reform, Mr Paschal Donohoe TD and the staff of their departments for their help and guidance throughout the years.

On behalf of the Board

Dan Flinter

Chairman

Date: 27 March 2024

DIRECTORS' REPORT

The directors present their report and audited financial statements of the Group and the Company for the financial year ended 31 December 2023. The Group comprises the Company, The Irish National Stud Designated Activity Company and its subsidiary, INS Commercial Enterprises Designated Activity Company.

Results, dividends and reserves

The loss before taxation was €1,824,611 (2022: loss of €2,171,020). The directors do not recommend a declaration of a dividend (2022: €Nil).

Principal activities and review of the business

The review of the Group's performance is included in the Chairman's Report on pages 3 to 6. The principal activity of the Group is stud farming, tourism and related activities.

Going concern

The financial statements are prepared on a going concern basis as the Board is satisfied that The Irish National Stud entity and Group have adequate resources to continue in operation for the foreseeable future.

Principal risks and uncertainties

The strategy of the Group is to stand high quality stallions and to breed racehorses capable of competing in top class races and to operate a high-quality boarding and sales preparation facility. The performance of the Group is largely dependent on the health and popularity of the stallions and is also dependent on the market demand for their services.

Certain risks facing the Group may be difficult to quantify but relate primarily to the impact of animal diseases which would restrict the movement/travelling of animals. Due to the nature of the industry in which the Group operates, the extent and timing of future income remains the Group's main uncertainty.

In addition, the Group faces risks in relation to the uncertainties and macro-economic factors which would impact on visitor numbers attending and visiting the Irish National Stud.

The Group mitigates these risks by closely monitoring emerging changes to the industries it operates within, regulations and legislation on an ongoing basis.

Future developments and Events since the end of the financial year

The Group has no future major development plans other than as disclosed in the Chairman's Report.

Since the year end there have been no significant events which would affect these financial statements.

Political donations

The Group did not make any political donations during the financial year (2022: €Nil).

Research and development

The Group did not incur any research and development expenditure during the financial year (2022: €Nil).

Branches

The Group does not have any foreign branches.

Ultimate controlling party

The beneficial ownership of all the issued share capital is vested in the Minister for Public Expenditure, NDP Delivery and Reform.

DIRECTORS' REPORT - continued

Governance statement

The Board of The Irish National Stud Designated Activity Company was established under the National Stud Act 1945. The Board is accountable to the Minister for Agriculture, Food and the Marine and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day to day management, control and direction of the Group are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the Group, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and the management of the Group.

Board's responsibilities

The work and responsibilities of the Board are set out in the Board of Directors' terms of reference which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- Declaration of interests;
- Reports from the Audit and Risk Committee;
- Financial reports and management accounts;
- Performance reports; and
- Reserved matters.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Group and Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group and Company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Group and Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Group and Company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Group and Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT - continued

Statement of directors' responsibilities - continued

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Internal financial control

The Board acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated. Such a system can provide only reasonable and not absolute assurances against material error and the system in place is proportionate to the size and nature of the Group.

The key procedures, which have been put in place by the Board, to provide effective internal financial control include the following:

- A clearly defined management structure with proper segregation of duties throughout the organisation;
- Specific clearly defined procedures are in place for control of purchasing, payments, receipts and payroll;
- The Audit and Risk Committee includes two directors; they meet on a regular basis to review financial risks. They also receive periodic reports from an outsourced Internal Audit function;
- All significant business risks are discussed by the Board and decisions taken on the best available professional advice. The Board reviews management accounts and performance against budget; and
- Codes of conduct for directors and employees are in place and are published on the Company's website.

Through the steps above the Board has reviewed the effectiveness of the system of internal control in 2023.

Directors

The Board consists of the Chairperson and six ordinary members, all of whom are appointed by the Minister of Agriculture, Food and the Marine after consultation with the Minister for Public Expenditure, NDP Delivery and Reform. The table below details the appointment or most recent reappointment dates for the current members:

Board member	Role	Date appointed/reappointed
Dan Flinter	Chairperson	4 August 2023
John Tuite	Ordinary member	24 October 2023
Seamus Boyle	Ordinary member	24 October 2023
Mark Weld	Ordinary member	24 October 2023
Dairine Walsh	Ordinary member	31 August 2023
Clodagh Kavanagh	Ordinary member	9 February 2021
Finola O'Mahony	Ordinary member	9 February 2021
Matt Dempsey (i)	Chairperson	1 March 2018

(i) Matt Dempsey resigned as Chairperson of the Board on 3 August 2023 and was replaced by Dan Flinter.

Directors and Audit and Risk Committee fees

The Minister determines the fees payable to Board members. Board members' fees during 2023 are set out below:

	Fees €
Board members	
Matt Dempsey	7,350
Dan Flinter	5,250
John Tuite	8,100
Seamus Boyle	8,100
Mark Weld	8,100
Dairine Walsh	8,100
Clodagh Kavanagh	8,100
Finola O'Mahony	8,100

DIRECTORS' REPORT - continued

Directors and Audit and Risk Committee fees - continued

A total of €2,568 (2022: €860) was paid to Board and Audit and Risk Committee members for mileage expense claims during the year.

The Audit and Risk Committee members who do not form part of the Board of Directors, received the following fees during 2023:

	Fees €
Committee members	
David Mongey	4,000
Margaret Davin	2,000

Attendance at meetings

There were nine Board meetings held during the year ended 31 December 2023. The Board members attendances at these meetings were as set out below:

Board member	Eligible to attend	Attended
Matt Dempsey	5	5
John Tuite	9	8
Seamus Boyle	9	6
Mark Weld	9	9
Dairine Walsh	9	8
Clodagh Kavanagh	9	9
Finola O'Mahony	9	8
Dan Flinter	4	4
	<u> </u>	<u> </u>

There were six Audit and Risk Committee meetings held during the year ended 31 December 2023. The Committee members' attendances at these meetings were as set out below:

Committee member	Eligible to attend	Attended
David Mongey (Chairman)	6	6
Dairine Walsh	6	6
Margaret Davin	6	6
John Tuite	6	5
	<u> </u>	<u> </u>

The remuneration of the Chief Executive is in line with 'Guidelines on Contracts, Remuneration and other conditions of Chief Executives and Senior Management of Commercial State Bodies' issued in March 2006 and is summarised in Note 7 to the financial statements.

Accounting records

The measures taken by the directors to secure compliance with the requirements of section 281 to 285 of the Companies Act 2014 with regard to the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Tully, Co Kildare.

DIRECTORS' REPORT - continued

Prompt Payments of Accounts Act, 1997

The Company is included as a listed purchaser of goods and services in the schedule to the Prompt Payment of Accounts Act, 1997 and falls under the remit of the European Communities (Late Payment in Commercial Transactions) Regulations 2002, which came into effect on 7 August 2002.

In accordance with the Act and guidelines issued by the Department of Enterprise, Trade and Employment, the following information is provided:

It is written policy of the Group to ensure that all invoices are paid promptly. In the event of a written contract invoices are paid in line with the terms of the contract. While procedures are designed to ensure compliance with the Act, they can only provide reasonable and not absolute assurance against material non-compliance with the Act. No interest was paid during the year.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Group's statutory auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's statutory auditors are aware of that information.

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the Board

Dan Flinter

Director

Dairine Walsh

Director

Date: 27 March 2024



Independent auditors' report to the members of Cólucht Groighe Náisiúnta na Héireann Cuideachta Ghníomhaíochta Ainmnithe (The Irish National Stud Designated Activity Company)

Report on the audit of the financial statements

Opinion

In our opinion, Cólucht Groighe Náisiúnta na Héireann Cuideachta Ghníomhaíochta Ainmnithe (The Irish National Stud Designated Activity Company) 's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the group's and the company's assets, liabilities and financial position as at 31 December 2023 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP) (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the annual report (the "Annual Report"), which comprise:

- the group and company balance sheet as at 31 December 2023;
- the group profit and loss account for the year then ended;
- the group statement of comprehensive income for the year then ended;
- the group statement of cash flows for the year then ended;
- the group and company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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.

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

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



Reporting on other information

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

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

With respect to the directors' report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Code of Practice for the Governance of State Bodies (the "Code")

Under the Code of Practice for the Governance of State Bodies (the "Code") we are required to report to you if the statement regarding the system of internal control included in the chairman's report on pages 3 to 6 does not reflect the company's compliance with paragraph 1.9(iv) of the Business and Financial Reporting requirements or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in respect of this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.



Auditors' responsibilities for the audit of the financial statements - continued

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- 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 company were sufficient to permit the company financial statements to be readily and properly audited.
- The company balance sheet is in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Siobhan Collier
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
28 March 2024

GROUP PROFIT AND LOSS ACCOUNT
For the financial year ended 31 December 2023

	Note	2023 €	2022 €
Turnover	5	7,039,147	5,906,496
Administration expenses		(8,776,731)	(8,031,897)
Other operating income		-	29,780
Operating loss	6	<u>(1,737,584)</u>	<u>(2,095,621)</u>
Interest payable and similar charges	8	(88,360)	(75,446)
Interest receivable and similar income	8	<u>1,333</u>	<u>47</u>
Loss before tax		<u>(1,824,611)</u>	<u>(2,171,020)</u>
Tax (expense)/credit on loss	9	<u>(10,246)</u>	<u>11,204</u>
Loss for the financial year		<u><u>(1,834,857)</u></u>	<u><u>(2,159,816)</u></u>

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2023

	Note	2023 €	2022 €
Loss for the financial year		(1,834,857)	(2,159,816)
Other comprehensive income:			
Remeasurement of net defined benefit liability	23	<u>507,000</u>	<u>459,000</u>
Total comprehensive expense for the financial year		<u>(1,327,857)</u>	<u>(1,700,816)</u>

GROUP BALANCE SHEET
As at 31 December 2023

	Note	2023 €	2022 €
Fixed assets			
Tangible assets	10	12,422,373	12,713,782
Stallion shares and breeding stock	11	3,328,760	2,515,410
		<u>15,751,133</u>	<u>15,229,192</u>
Current assets			
Stocks	13	1,734,159	1,533,171
Debtors	14	2,745,684	4,282,903
Cash at bank and in hand		7,577,078	8,064,367
		<u>12,056,921</u>	<u>13,880,441</u>
Creditors - amounts falling due within one year	15	<u>(3,085,576)</u>	<u>(2,218,575)</u>
Net current assets		<u>8,971,345</u>	<u>11,661,866</u>
Total assets less current liabilities		24,722,478	26,891,058
Creditors - amounts falling due after more than one year	16	(2,964,734)	(3,238,457)
Post-employment benefit surplus	23	578,000	11,000
Net assets		<u>22,335,744</u>	<u>23,663,601</u>
Capital and reserves			
Called up share capital - presented as equity	17	20,000,000	20,000,000
Profit and loss account		2,335,744	3,663,601
Total equity		<u>22,335,744</u>	<u>23,663,601</u>

The financial statements were approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

Dan Flinter

Director

Dairine Walsh

Director

COMPANY BALANCE SHEET
For the financial year ended 31 December 2023

	Note	2023 €	2022 €
Fixed assets			
Tangible assets	10	12,297,191	12,599,142
Stallion shares and breeding stock	11	3,328,760	2,515,410
Financial assets	12	1	1
		<u>15,625,952</u>	<u>15,114,553</u>
Current assets			
Stocks	13	1,636,937	1,464,367
Debtors	14	2,850,457	4,561,325
Cash at bank and in hand		7,181,213	7,842,671
		<u>11,668,607</u>	<u>13,868,364</u>
Creditors - amounts falling due within one year	15	<u>(2,977,301)</u>	<u>(2,161,803)</u>
Net current assets		<u>8,691,306</u>	<u>11,706,561</u>
Total assets less current liabilities		24,317,258	26,821,114
Creditors - amounts falling due after more than one year	16	(2,964,734)	(3,238,457)
Post-employment benefit surplus	23	<u>578,000</u>	<u>11,000</u>
Net assets		<u>21,930,524</u>	<u>23,593,657</u>
Capital and reserves			
Called up share capital - presented as equity	17	20,000,000	20,000,000
Profit and loss account		<u>1,930,524</u>	<u>3,593,657</u>
Total equity		<u>21,930,524</u>	<u>23,593,657</u>

A loss of €2,170,133 (2022: loss of €2,083,370) has been dealt within the financial statements of the Company. A separate profit and loss account has not been prepared for the Company because the conditions laid down in Section 304 of the Companies Act, 2014 have been complied with

The financial statements were approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

Dan Flinter

Director

Dairine Walsh

Director

GROUP STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

	Called-up share capital presented as equity €	Profit and loss account €	Total €
Balance as at 1 January 2022	13,768,724	5,364,417	19,133,141
Shares issued during the financial year (note 17)	6,231,276	-	6,231,276
Loss for the financial year	-	(2,159,816)	(2,159,816)
Other comprehensive income for the year:			
Remeasurement of net defined pension liability	-	459,000	459,000
Total comprehensive expense for the financial year	-	(1,700,816)	(1,700,816)
Balance as at 31 December 2022	<u>20,000,000</u>	<u>3,663,601</u>	<u>23,663,601</u>
Balance as at 1 January 2023	20,000,000	3,663,601	23,663,601
Loss for the financial year	-	(1,834,857)	(1,834,857)
Other comprehensive income for the year:			
Remeasurement of net defined pension liability	-	507,000	507,000
Total comprehensive expense for the financial year	-	(1,327,857)	(1,327,857)
Balance as at 31 December 2023	<u>20,000,000</u>	<u>2,335,744</u>	<u>22,335,744</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

	Called-up share capital presented as equity €	Profit and loss account €	Total €
Balance as at 1 January 2022	13,768,724	5,218,027	18,986,751
Shares issued during the financial year (note 17)	6,231,276	-	6,231,276
Loss for the financial year	-	(2,083,370)	(2,083,370)
Other comprehensive income for the year:			
Remeasurement of net defined pension liability	-	459,000	459,000
Total comprehensive expense for the financial year	-	(1,624,370)	(1,624,370)
Balance as at 31 December 2022	<u>20,000,000</u>	<u>3,593,657</u>	<u>23,593,657</u>
Balance as at 1 January 2023	20,000,000	3,593,657	23,593,657
Loss for the financial year	-	(2,170,133)	(2,170,133)
Other comprehensive income for the year:			
Remeasurement of net defined pension liability	-	507,000	507,000
Total comprehensive expense for the financial year	-	(1,663,133)	(1,663,133)
Balance as at 31 December 2023	<u>20,000,000</u>	<u>1,930,524</u>	<u>21,930,524</u>

GROUP STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	Note	2023 €	2022 €
Cash flow generated from/(used in) operations	19	1,619,544	(240,044)
Tax refunded/(paid)		12,183	(23,229)
Net cash generated from/(used in) operating activities		<u>1,631,727</u>	<u>(263,273)</u>
Cash flows from investing activities			
Payments to acquire stallion shares and breeding stock		(1,589,894)	(500,623)
Receipts from sale of stallion shares and breeding stock		42,752	449,337
Payments to acquire tangible fixed assets		(337,249)	(1,153,756)
Interest received		1,333	47
Net cash used in investing activities		<u>(1,883,058)</u>	<u>(1,204,995)</u>
Cash flows from financing activities			
Grant received		-	29,780
Net movement of bank borrowings		(147,598)	816,737
Proceeds from shares issued		-	6,231,276
Interest paid		(88,360)	(75,446)
Net cash (used in)/generated from financing activities		<u>(235,958)</u>	<u>7,002,347</u>
Net (decrease)/increase in cash at bank and in hand		(487,289)	5,534,079
Cash and cash equivalents at the beginning of the year		8,064,367	2,530,288
Cash and cash equivalents at the end of the year		<u>7,577,078</u>	<u>8,064,367</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		7,577,078	8,064,367
Cash and cash equivalents		<u>7,577,078</u>	<u>8,064,367</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Irish National Stud Designated Activity Company (“the Company”) and its subsidiary (together “the Group”) are principally engaged in stud farming, tourism and related activities. The registered office of the Company is Tully, Kildare, Co. Kildare.

These financial statements are the Group’s consolidated financial statements for the financial year beginning 1 January 2023 and ending 31 December 2023.

2 Statement of compliance

The Group financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014). The Group financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

3 Summary of significant accounting policies

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

(a) Basis of preparation

The Group financial statements have been prepared under the historical cost convention and are in a format approved by the Minister for Agriculture, Food and the Marine.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group’s accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control.

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

(c) Going concern

The Group has a loss after tax of €1,834,857 for the financial year ended 31 December 2023 (2022: loss of €2,159,816). The loss for the year includes a depreciation charge of €1,336,230 (2022: €1,507,066), the Group had a loss before depreciation and tax of €488,381 (2022: loss of €663,954). Management have considered whether the going concern assumption is still appropriate and whether there are any material uncertainties that may cast significant doubt on the ability of the Group and Company to continue as a going concern. When determining if the going concern assumption is still appropriate the directors have reviewed the Group and Company’s cash flow projections, its bank facilities for the next 12 months to April 2025 and the proceeds generated from the issue of shares during the prior financial year. The directors consider that the going concern basis is appropriate given the Group’s strong asset base, its ability to manage cash flow including postponing discretionary spending and its committed overdraft facilities. The financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that would arise if the Group and Company were unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3 Summary of significant accounting policies - continued

(d) **Financial assets**

(i) *Investment in subsidiary undertakings*

The Company's investment in related Group undertakings is carried at historical cost less accumulated impairment losses.

(e) **Borrowing costs**

All borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

(f) **Research and development**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

(g) **Related party transactions**

The Group discloses transactions with related parties that are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

(h) **Employee benefits**

The Group provides a range of benefits to employees, including paid holiday arrangements and post-employment benefits (in the form of defined benefit and defined contribution pension plans).

(i) *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) *Defined contribution pension plans*

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

(iii) *Defined benefit pension plan*

The Group operates a defined benefit pension plan for certain employees, which is now closed to new members. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of each financial year less the fair value of the plan assets at that date.

The defined benefit obligation is calculated annually by an external actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euro and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets out of which the obligations are to be settled is measured in accordance with the Group's accounting policy for financial assets. For most plan assets this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3 Summary of significant accounting policies - continued

(h) Employee benefits - continued

(iii) *Defined benefit pension plan - continued*

The cost of the defined benefit pension plan, recognised in profit or loss, except where included in the cost of an asset, comprises:

- (a) the increase in net defined benefit liability arising from employee service during the financial year; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This net interest cost is recognised in profit or loss presented within 'interest payable and similar charges'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented as 'remeasurement of net defined benefit liability' in other comprehensive income.

(i) Foreign currencies

(i) *Functional and presentation currency*

The Group's functional and presentation currency is Euro, denominated by the symbol "(€)".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated to € using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the profit and loss account within 'administration expenses'.

(j) Distributions to equity shareholders

Dividends on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the Company. Interim dividends declared by the directors are recognised when declared.

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3 Summary of significant accounting policies - continued

(k) Income tax

Income tax expense for the year comprises current and deferred tax recognised in the reporting period. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

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

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

(l) Tangible fixed assets

Tangible fixed assets are carried recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

Depreciation is charged on a straight-line basis at rates estimated to write off the cost of each asset, less its estimated residual value, over its useful economic life as follows:

Land and buildings	50 years
Machinery	5 years
Fixtures and furniture	10 years
Motor vehicles	5 years

Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3 Summary of significant accounting policies - continued

(m) Stallion shares and breeding stock

Stallion and broodmare investments held by the stud are included as fixed assets at cost less accumulated depreciation subject to provision for any permanent diminution in value. Depreciation of stallions and stallion shares commences in the year of first covering and is intended to write off the cost as follows:

Years 1 to 3	20% in each year
Years 4 to 7	10% in each year

This is subject to stallions being fully written off by the end of their seventh year at stud.

Depreciation of broodmares commences in the year following their first covering. Taking into account life and fertility expectations and commercial viability it is intended to fully depreciate all broodmares on a straight-line basis in full by the end of their twelfth year of life.

In the case of any animal over 12 years old when purchased, they will be depreciated over 4 years from the first full year of ownership subject to being fully depreciated at 20 years of age.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

(o) Stocks

Stocks which comprise goods for resale, branded clothing, gifts, bloodstock and farm supplies are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

(p) Nomination fee

The cost or net realisable value of nomination fees of in-foal mares is included in bloodstock. In the year of birth of a foal the attributable nomination fee cost is utilised to establish the stock cost price of the foal. Where a mare is purchased in foal, the advertised nomination fee is used to establish the cost of the foal.

(q) Grants

Grant income is recognised when there is: 1) entitlement to the grant, 2) virtual certainty that it will be received and 3) sufficient measurability of the amount. Unspent grants are shown on the balance sheet as restricted funds.

Capital grants received are shown as deferred income and credited to the income statement over a period which equates with the anticipated useful life of the underlying grant aided assets.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3 Summary of significant accounting policies - continued

(r) Revenue recognition

Turnover is the amount of revenue derived from the provision of goods and services falling within the Group's ordinary activities after deduction of trade discounts and value-added tax. For the Group, turnover comprises of revenue arising from the stud's proportion of stallion syndicate nomination income of which it is a member, keep fees, proceeds from the sale of bloodstock, farm income and tourism services and the sale of related goods to visitors.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns and discounts allowed by the Group and value added taxes.

The Group recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the Group retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of Group's sales channels have been met, as described below.

Stallion syndicate income recognition

Stallion syndicate income, which is stated net of discounts and direct costs, is recognised when the service is performed. Where syndicate income arises subject to certain conditions being fulfilled at a future date, a provision is made for the likelihood of these conditions not being fulfilled.

Keep fees

Keep fees are recognised and invoiced in the period in which the services are rendered.

Bloodstock income

Bloodstock income comprises of the sale of bloodstock. Turnover is recognised on sale to the customer, which is considered the point of delivery.

Farm income

Farm income comprises of the sale of livestock and harvested agricultural produce. Turnover is recognised on sale to the customer, which is considered the point of delivery.

Visitor admission

Visitor admission turnover comprises of the annual membership and ongoing admission to The Irish National Stud and the accompanying Japanese Gardens. This income is recognised in the financial year in which the services are rendered.

Tourism retail

The Group operates a retail shop for the sale of branded clothing and gifts. Sales of goods are recognised on sale to the customer, which is considered the point of delivery.

Interest income

Interest income is presented as 'interest receivable and similar income' in the profit and loss account.

(s) Impairment of non-financial assets

At the end of each financial year date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-in-use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(s) Impairment of non-financial assets - continued

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

(t) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

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

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(u) Share capital presented as equity

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

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

(a) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) *Useful economic lives of tangible assets, stallion shares and breeding stock*

The annual depreciation charge for tangible fixed assets, stallion shares and breeding stock is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 10 and 11 for the carrying amount of the tangible fixed assets, stallion shares and breeding stock and the accounting policy section for the useful economic lives for each class of tangible fixed asset.

(ii) *Stock impairment*

The Group considers the recoverability of the cost of stock and the associated impairment required. When calculating the stock impairment, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability. See note 13 for the net carrying amount of the stock.

(iii) *Impairment of debtors*

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience with the debtor. Debtors which are considered doubtful are provided against. Bad debts are not written off until it is clear that no recovery is possible. Management pursue the recovery of all debtors included in the debtors' provision and update their view on the recoverability of balances on a continuous basis. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(iv) *Defined benefit pension scheme*

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increase, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

(b) Critical accounting judgements

The directors have not identified any critical accounting judgments affecting the financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

5 Group turnover	2023	2022
	€	€
Analysis by activity		
Stud and farm	4,589,866	4,293,318
Tourism	2,449,281	1,613,178
	<u>7,039,147</u>	<u>5,906,496</u>

All tourism related activity is carried out by INS Commercial Enterprises Designated Activity Company, a wholly owned subsidiary. All turnover was earned in Ireland.

6 Group operating loss	2023	2022
	€	€
The following operating (income)/expenses have been recognised:		
Foreign exchange (gain)/loss	(5,084)	2,188
Grant amortisation	(121,266)	(121,265)
Grant income	-	(2,780)
Impairment loss – trade debtors	395,154	375,323
Loss/(profit) on disposal of assets	25,220	(145,413)
Depreciation of tangible assets, stallion shares and breeding stock	1,336,230	1,507,066
Auditors' remuneration	37,269	33,825
Tax compliance and advisory	10,922	13,198
	<u>157,231</u>	<u>68,504</u>
Consultancy costs for the year include the following:		
Legal and professional (i)	<u>157,231</u>	<u>68,504</u>

(i) Legal and professional in 2023 include costs incurred of over €55,000 in relation to sustainability projects.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

7 Employees and directors	2023 Number	2022 Number
Employees		
The average number of persons employed by the Group during the financial year was:		
Full time	54	52
Seasonal (full time equivalent)	25	29
	<u>79</u>	<u>81</u>
	2023	2022
	€	€
Staff costs comprise:		
Wages and salaries	2,485,467	2,354,933
Social insurance costs	268,690	254,235
Other staff costs and benefits	54,984	56,668
Defined contribution pension scheme costs	150,357	126,656
Staff costs	<u>2,959,498</u>	<u>2,792,492</u>
Directors		
Emoluments excluding travelling expenses	<u>61,200</u>	<u>61,200</u>
Contributions to retirement benefit schemes:		
- Defined benefit scheme	<u>-</u>	<u>-</u>
Travel and subsistence expenditure		
Travel and subsistence expenditure is categorised as follows:		
<i>Domestic:</i>		
Board and Audit and Risk Committee members	2,568	860
Employees	38,850	30,091
<i>International:</i>		
Board	-	-
Employees	31,412	29,063
Total	<u>72,830</u>	<u>60,014</u>
Hospitality expenditure		
Hospitality expenditure includes the following expenditure:		
Staff hospitality (i)	67,007	61,592
Client hospitality	15,532	20,213
Total	<u>82,539</u>	<u>81,805</u>

(i) Included within staff hospitality expense is €54,000 (2022: €53,000) of other staff costs and benefits which are also included within the staff costs disclosure above.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

7 Employees and directors - continued

Chief Executive compensation

The compensation paid or payable to the Chief Executive Officer for employee services is shown below:

	2023	2022
	€	€
Chief Executive Officer:		
Salaries and other short-term benefits (including social insurance costs)	123,786	123,786
Post-employment benefits	27,500	27,500
	<u>151,286</u>	<u>151,286</u>

Key management compensation

Key management is deemed to comprise of the top layer of management which reports directly to the Chief Executive Officer and consisted of 14 employees in 2023 (2022: 13). The compensation paid or payable to key management (excluding the Chief Executive Officer) for employee services is shown below:

	2023	2022
	€	€
Total key management compensation excluding the Chief Executive Officer	<u>909,987</u>	<u>899,784</u>

Short term employee benefits

Short term benefits comprise of employees' gross pay and related employer social insurance and also includes holiday pay, bonuses and other similar employee benefits and the Group's contribution to the employees' retirement benefit schemes.

Employees short term benefits in excess of €50,000 are categorised in the following bands as required by the Code of Practice for the Governance of State bodies (2016):

	2023	2022
	Number	Number
€50,000 to €75,000	10	9
€75,000 to €100,000	4	4
Greater than €100,000	<u>1</u>	<u>1</u>

8 Net interest expense

	2023	2022
	€	€
Interest receivable and similar income		
Bank interest received	333	47
Net interest receivable on post-employment benefits	1,000	-
Total interest receivable and similar income	<u>1,333</u>	<u>47</u>
Interest payable and similar charges		
Interest payable on overdrafts and bank loans	(52,885)	(35,519)
Other bank charges	(35,475)	(33,927)
Net interest expense on post-employment benefits	-	(6,000)
Total interest payable and similar charges	<u>(88,360)</u>	<u>(75,446)</u>
Net interest expense		
Interest receivable and similar income	1,333	47
Interest payable and similar charges	<u>(88,360)</u>	<u>(75,446)</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

Net interest expense	<u>(87,027)</u>	<u>(75,399)</u>
9 Income tax	2023	2022
	€	€
Tax expense/(credit) included in profit and loss account		
Current tax:		
Irish corporation tax on loss for the financial year	<u>10,246</u>	<u>(11,204)</u>
Current tax expense/(credit) for the financial year	<u>10,246</u>	<u>(11,204)</u>
Reconciliation of tax expense/(credit)		
Tax assessed for the financial year differs to the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2023 of 12.5% (2022: 12.5%). The differences are explained below:		
	2023	2022
	€	€
Loss before tax	<u>(1,824,611)</u>	<u>(2,171,020)</u>
Loss multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2023 of 12.5% (2022: 12.5%)	(228,076)	(271,378)
Effects of:		
Expenses not deductible for tax purposes	11,041	52,194
Income taxed at higher rate	6,338	3,284
Income tax withheld	400	400
Income not subject to tax	(15,158)	(15,158)
Depreciation in excess of capital allowances	29,958	78,139
Losses carried forward and not recognised as a deferred tax asset	210,319	141,919
Losses utilised in the year	(5,455)	(4,868)
Other reconciling items	879	4,264
Tax expense/(credit) on loss	<u>10,246</u>	<u>(11,204)</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

10 Tangible assets	Land and buildings €	Machinery and furniture €	Motor Vehicles €	Total €
Group				
Cost				
At 1 January 2023	16,800,153	2,265,248	158,215	19,223,616
Additions	86,476	142,717	108,056	337,249
At 31 December 2023	<u>16,886,629</u>	<u>2,407,965</u>	<u>266,271</u>	<u>19,560,865</u>
Accumulated depreciation				
At 1 January 2023	5,021,709	1,353,480	134,645	6,509,834
Charge for the year	368,918	224,647	35,093	628,658
At 31 December 2023	<u>5,390,627</u>	<u>1,578,127</u>	<u>169,738</u>	<u>7,138,492</u>
Carrying amount				
At 31 December 2023	<u>11,496,002</u>	<u>829,838</u>	<u>96,533</u>	<u>12,422,373</u>
At 31 December 2022	<u>11,778,444</u>	<u>911,768</u>	<u>23,570</u>	<u>12,713,782</u>
Company				
Cost				
At 1 January 2023	16,800,153	2,107,728	158,215	19,066,096
Additions	86,476	108,442	108,056	302,974
At 31 December 2023	<u>16,886,629</u>	<u>2,216,170</u>	<u>266,271</u>	<u>19,369,070</u>
Accumulated depreciation				
At 1 January 2023	5,021,709	1,310,600	134,645	6,466,954
Charge for the year	368,918	200,914	35,093	604,925
At 31 December 2023	<u>5,390,627</u>	<u>1,511,514</u>	<u>169,738</u>	<u>7,071,879</u>
Carrying amount				
At 31 December 2023	<u>11,496,002</u>	<u>704,656</u>	<u>96,533</u>	<u>12,297,191</u>
At 31 December 2022	<u>11,778,444</u>	<u>797,128</u>	<u>23,570</u>	<u>12,599,142</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

11 Stallion shares and breeding stock	2023
	€
Group and Company	
Cost	
At 1 January 2023	6,545,481
Additions	1,589,894
Disposals	<u>(533,635)</u>
At 31 December 2023	<u>7,601,740</u>
Accumulated depreciation	
At 1 January 2023	4,030,071
Charge for the year	707,572
Disposals	<u>(464,663)</u>
At 31 December 2023	<u>4,272,980</u>
Carrying amount	
At 31 December 2023	<u>3,328,760</u>
At 31 December 2022	<u>2,515,410</u>

During the financial year, stallion shares and breeding stock with a carrying value of €68,972 were disposed of. These assets had a cost of €533,635 and accumulated depreciation of €464,663. The loss on disposal of these assets was €25,220.

12 Financial assets	2023	2022
	€	€
Company		
Cost or valuation		
Investment in subsidiary undertaking (note i)	<u>1</u>	<u>1</u>

The cumulative provision for diminution in value of financial assets amounts to €Nil (2022: €Nil).

(i) Investment in subsidiary undertaking

Details of investment in subsidiary undertaking is given below:

INS Commercial Enterprises Designated Activity Company

The Company owns a 100% interest in INS Commercial Enterprises Designated Activity Company, a Company incorporated in Ireland, with a registered office at Tully, Kildare, Ireland. INS Commercial Enterprises Designated Activity Company is responsible for all tourism related activities of the Group.

13 Stocks	2023	2022
	€	€
Group		
Bloodstock	1,478,553	1,341,353
Consumables	255,606	191,818
	<u>1,734,159</u>	<u>1,533,171</u>
Company		
Bloodstock	1,478,553	1,341,353
Consumables	158,384	123,014
	<u>1,636,937</u>	<u>1,464,367</u>

The replacement cost of inventories does not exceed the statement of financial position amounts.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

14 Debtors	2023 €	2022 €
Group		
Trade debtors	2,427,264	3,908,197
Prepayments and accrued income	318,220	351,264
Corporation tax asset	200	22,629
VAT receivable	-	813
	<u>2,745,684</u>	<u>4,282,903</u>
Company		
Trade debtors	2,390,102	3,856,956
Amounts due from subsidiary undertakings	165,444	374,018
Prepayments and accrued income	294,711	330,260
Corporation tax asset	200	73
VAT receivable	-	18
	<u>2,850,457</u>	<u>4,561,325</u>

All amounts shown above fall due within one year.

Trade debtors for both the Group and Company are stated after provision for impairment of €1,591,098 (2022: €1,195,944).

Amounts due from subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Creditors – amounts falling due within one year	2023 €	2022 €
Group		
Trade creditors and accruals	2,627,229	1,812,343
PAYE/PRSI	55,870	69,774
VAT	40,237	-
Deferred income (note 18)	121,266	121,266
Withholding tax	42,571	21,648
Bank loan (note 16)	198,403	193,544
	<u>3,085,576</u>	<u>2,218,575</u>
Company		
Trade creditors and accruals	2,525,816	1,757,355
PAYE/PRSI	55,870	69,773
VAT	35,158	-
Deferred income (note 18)	121,266	121,266
Withholding tax	40,788	19,865
Bank loan (note 16)	198,403	193,544
	<u>2,977,301</u>	<u>2,161,803</u>

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

16 Creditors – amounts falling due after one year	2023	2022
	€	€
Group and Company		
Bank loan	1,504,986	1,652,584
Less: amount repayable within one year (note 15)	(198,403)	(193,544)
Deferred income (note 18)	1,658,151	1,779,417
	<u>2,964,734</u>	<u>3,238,457</u>
Maturity of bank loan		
In one year or less, or on demand	198,403	193,544
In more than one year but not more than five years	774,536	542,069
In more than five years	532,047	916,971
	<u>1,504,986</u>	<u>1,652,584</u>

During 2022 the company refinanced and extended the existing loan facility and obtained an additional loan of €800,258 for the purpose of the expansion of the visitor entrance and shop. The loan was approved by the relevant government departments and carries a variable interest rate of 2.80%.

The loan is repayable in annual installments and is due to be repaid in full in 2032.

17 Called up share capital - presented as equity	2023	2022
	€	€
Equity shares of €1.27 each		
Authorised share capital		
30,000,000 shares (2022: 30,000,000 shares)	<u>38,100,000</u>	<u>38,100,000</u>
Allotted and fully paid - presented as equity		
15,748,032 shares (2022: 15,748,032 shares)	<u>20,000,000</u>	<u>20,000,000</u>

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

During the prior financial year 4,906,516 shares of €1.27 each were issued generating proceeds of €6,231,276. These shares were allotted to The Minister for Public Expenditure, NDP Delivery and Reform.

A description of each reserve within equity is outlined below:

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years.

18 Capital grants	2023	2022
	€	€
Group and Company		
At 1 January	1,900,683	2,021,948
Amortisation	(121,266)	(121,265)
At 31 December	<u>1,779,417</u>	<u>1,900,683</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

19 Note to the Group statement of cash flows	2023 €	2022 €
Loss for the financial year	(1,834,857)	(2,159,816)
Tax expense/(credit) on loss	10,246	(11,204)
Net interest expense	87,027	75,399
Operating loss	<u>(1,737,584)</u>	<u>(2,095,621)</u>
Amortisation of grants	(121,266)	(121,265)
Loss/(profit) on disposal of assets	25,220	(149,413)
Depreciation of tangible fixed assets, stallion and breeding stock	1,336,230	1,507,066
Grant income	-	(29,780)
Post-employment benefit less payments	(59,000)	(57,000)
Working capital movements:		
- (Increase)/decrease in inventories	(200,988)	418,841
- Decrease in debtors	1,514,790	779,376
- Increase/(decrease)in creditors	862,142	(492,248)
Cash flow generated from/(used in) operating activities	<u>1,619,544</u>	<u>(240,044)</u>

20 Events since the end of the financial year

There have been no significant events affecting the Group and Company since 31 December 2023.

21 Related party transactions

During the year directors and parties connected with them purchased keep services to a total value of €4,713 (2022: €592).

The Group purchased horse training services in 2023 valued at €2,484 (including VAT and refund of outlays incurred) from Rosewell Racing Limited, a company connected to a director (2022: €16,468).

The Group purchased equipment from Mongey Communications following a full procurement process with a value of €3,624 (2022: €21,848), with a balance of €Nil outstanding at year end. This company is a related party by virtue of a member of the Audit and Risk Committee.

22 Commitments

There were no capital commitments at the end of the year (2022: €Nil).

23 Post-employment benefits

The Group operates a defined contribution plan for certain employees and pays fixed contributions into a separate entity. The assets of the plan are held separately from the Group in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are included in accruals in the balance sheet.

The Group also operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. On 1 March 2012, the scheme was closed to new entrants.

The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 30 September 2023 and is available for inspection by the scheme members but not for public inspection.

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

23 Post-employment benefits - continued

	2023 €'000	2022 €'000
The amount recognised on the balance sheet is as follows:		
Present value of funded liabilities	(2,730)	(3,177)
Fair value of plan assets	<u>3,308</u>	<u>3,188</u>
Surplus for post-employment benefits	<u>578</u>	<u>11</u>

The amount recognised in the profit and loss account is as follows:

- Current service cost	9	9
- Net interest (income)/expense	<u>(1)</u>	<u>6</u>
Total expense	<u>8</u>	<u>15</u>

The return on plan assets was as follows:

- Interest income	116	42
- Return/(loss) on plan assets less interest income	<u>240</u>	<u>(692)</u>
Actuarial return/(loss) on plan assets	<u>356</u>	<u>(650)</u>

The principal assumptions used by the independent qualified actuary to calculate the liabilities under FRS 102 are set out below:

	2023	2022
Expected rate of increase of pensions in payment	1.50%	1.65%
Expected rate of salary increases	n/a	n/a
Discount rate	3.20%	3.70%
Rate of inflation	<u>2.55%</u>	<u>2.55%</u>

The mortality assumptions in 2023 are based on a study on mortality rates and trends for future mortality improvements as prepared by the Society of Actuaries in Ireland.

	2023 Number	2022 Number
Longevity at age 65 for current pensioners:		
- Male	21.9	21.9
- Female	24.3	24.3
Longevity at age 65 for future pensioners:		
- Male	23.2	24.2
- Female	<u>25.7</u>	<u>26.3</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS - continued

23 Post-employment benefits - continued

	Plan assets €'000	Defined benefit obligation €'000	Total €'000
At 1 January 2022	3,868	(4,367)	(499)
Benefits paid	(96)	96	-
Employer contributions	66	-	66
Current service cost	-	(9)	(9)
Interest income/(expense)	42	(48)	(6)
Re-measurement gains/(losses):			
Actuarial gain	-	1,151	1,151
Return on plan assets excluding interest income	(692)	-	(692)
At 31 December 2022	<u>3,188</u>	<u>(3,177)</u>	<u>11</u>
At 1 January 2023	3,188	(3,177)	11
Benefits paid	(304)	304	-
Employer contributions	68	-	68
Current service cost	-	(9)	(9)
Interest income/(expense)	116	(115)	1
Re-measurement gains/(losses):			
Actuarial gain	-	267	267
Return on plan assets excluding interest income	240	-	240
At 31 December 2023	<u>3,308</u>	<u>(2,730)</u>	<u>578</u>
		2023 €'000	2022 €'000
The fair value of the plan assets was:			
Equity instruments		1,098	1,282
Fixed interest		2,048	1,727
Cash		7	-
Property		155	179
		<u>3,308</u>	<u>3,188</u>

24 Contingent liabilities

For the purposes of Section 357 of the Companies Act, 2014, the Company has undertaken to indemnify the creditors of its subsidiary INS Commercial Enterprises Designated Activity Company, in respect of all amounts shown as liabilities or commitments in the statutory financial statements as referred to in Section 357 (1) (b) of the Companies Act, 2014 for the financial year ending on 31 December 2023 or any amended financial period incorporating the said financial year. All other provisions of Section 357 have been complied with in this regard.

The directors are of the opinion that this guarantee will not result in any loss for the company.

25 Ultimate and controlling parent

The beneficial ownership of all the issued share capital is vested in the Minister for Public Expenditure, NDP Delivery and Reform.

26 Approval of financial statements

The directors approved the financial statements on 27 March 2024.