



NEWSLETTER

FDC GROUP

August 2019



FDC Accountants Tax Consultants

Business & Farm Accounts, Management & Financial Accountants, Interim Accounts, Income Tax/VAT Returns/PAYE/Payroll, Business Plans/Financial Planning, Business Consultancy/Project Work, Personal & Company Taxation, Business Start-Up, Banking/Borrowing/Loan Restructuring, Grants, Agri-Consultancy

FDC Financial Services

Investment Management, Savings, Deposit Management, Share Trading, EII Investments, Pension Consultancy, Public Sector Pensions, Retirement Planning, Life & Health Protection, Income Protection, Annual Reviews/Advice

FDC Tax Department

Farm Transfers/Personal & Tax Aspects, Wills, Estate Planning, Partnerships, Corporate Structures & Law Issues, Farming Companies, VAT on Property, Capital Gains Tax, Discretionary Trusts, Mediation/Commercial & Family Disputes

FDC and Associates

Auditing of all Companies, Accounting, Management Accounts, Book-Keeping/VAT/PAYE & R.C.T., Payroll Bureau Services, Company Formation & Taxation, Consultancy, Tax Refunds, Property Management Companies, Personal Taxation



Jack Murphy

GENERAL MANAGER

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I would like to take the opportunity to set out the corporate aims of FDC Group immediate and into the medium term for your information and by way of us soliciting advice, suggestions.

In the first instance on behalf of my colleagues I would wish to thank you for your continuing business support. Our commitment is to provide a quality service to our clients. The continuing critical assessment of you, our clients in this regard is necessary and desirable.

The continuing development and expansion of FDC's business and its client base is in the first instance based on the referral by existing clients and we are therefore collectively grateful to you and others for your continuing support in this regard.

FDC's business continues to expand, our intention is to expand the business at 15% a year, we expect to do 20% in 2019, which is at the very cusp of what is manageable and affordable. Half of our expansion is a result of mergers and acquisitions, again

we desire that mergers/acquisitions in any one year do not exceed 10% of FDC's business, already in 2019, we have the said quota completed. Notwithstanding this however there are selective Accounting, Ag Consulting, Financial Services practices that we will have to accommodate should they present themselves.

- a) Because of our previous association.
- b) Proximity to our office network.
- c) Compatibility and complementarity otherwise.

Regarding new business more generally we are committed to delivering a comprehensive range of support services into Rural Ireland on our own or jointly with other service providers as appropriate. I would also like to say that we are not canvassing business from prospective clients where the service being provided to them is of a quality commensurate with their requirement and to their satisfaction and if this service is being delivered locally. However, where the service is being provided by parties not residing in rural Ireland we think it is essential that we should have an opportunity of being considered and to the extent that you may be acquainted with such possibilities we would appreciate if you would put them at our disposal.

FDC is only able to maintain its office network throughout rural Ireland based on the support received. We consider that the diversified nature of our services is now so comprehensive that we have some level of support service to provide to all farming and business entities in the hinterland of our network.

It is the corporate aim of FDC that its network extends nationally. At the present time our representativeness (as you will see from the list of our office's) covers the Southern half of the Republic of Ireland.

In the short-term we are unlikely to meet our corporate objectives in this regard.

- a) Because of the vibrancy of the business within our hinterland.
- b) Because of financial constraints.
- c) Because we don't yet have the management and the experienced personnel to support such a development.

FDC's Corporate Management objectives include us building long-term career opportunities for FDC's staff. Our recruitment/formation upskilling policy is to hire more people.

- a) Committed to the FDC ethos.
- b) Persons of exceptional quality/ability in relation to the specialty required (Accounting, Ag Consulting, Business Consultancy, Financial Services, Legal, Tax, IT etc).

We would welcome your support in identifying and recommending persons and parties to us that would fulfil the above criteria. I myself have 2 sons involved in the business and we have a wide spectrum of staff related to colleagues and clients and we benefit considerably from this informal co-operative network.

As previously stated FDC provides a wide range of services to clients in accordance with their need. We are engaged in an elaborate (and comparatively expensive) process of upgrading our IT utilities, operational routines, skills development such as to get our productivity standards optimal. We require this to get our profitability to the required standard while ensuring the delivery of a quality service in the most cost-efficient way.

We aim at a profitability of 15%, we fell far short of it in 2018, we are committed to the profits being 10% plus in 2019 and to increase further thereafter. FDC has much business at its disposal however for us to be cost-efficient

and competitive under all headings of service we need our standards of efficiency and productivity to improve. In addition to you being compliant with our planning routines from the point of view of delivering the service you may have other suggestions to put to us because of your experience.

FDC's corporate structure/finance and funding model is unique it is the Co-Operative model with modifications. All Senior Managers are shareholders in the Group of Companies and the Co-Operative. Many of our long-standing clients are shareholders in Farm Development Co-Op. In 2017/2018 we collected €3m by way of us funding the group. It is the policy intention of FDC (consistent with the Co-Operative ethic and ideal) that the financing of FDC Group will be by its members, therefore at a future date (not in 2019) we will be inviting clients to become shareholders (at the moment there is a cap on individual shareholder investment of €20,000) if you want a background on this we can give you the prospectus that accompanied the client shareholding invitation.



Our first scholarship recipients



The FDC Group Scholarship is aimed at building rewarding careers for graduates. Andrea Piackova and Rory O'Mathuna studying in University College Cork are the first recipients of the Jack Murphy Scholarship. As part of the application process both Andrea and Rory critically identified an important issue facing rural Ireland. Andrea discussed the issue of Brexit and its impact on the Irish cheese industry. Rory discussed the provision of environmentally friendly solutions in agriculture. Both recipients proposed a concise strategy to address the issue and sat an interview opposite two FDC Group managers.

Andrea and Rory are currently undertaking a five-month work placement in the Head Office in Cork as part of their MSc in Management and Marketing. The MSc Co-operatives, Agri-Food and Sustainable Development and the MSc Management and Marketing are currently accepting applications for the Jack Murphy Scholarship for the 2019/2020 academic year until the 23rd of August. To find out more about the FDC Group Scholarship visit our website at www.fdc.ie also for more news follow us on **LinkedIn**.

Serving Today's and Future Generations



The Essential to any Financial Plan

Noel O'Regan, Financial Services

Regular savings is an essential part of any financial plan. Whether it's for your first home, children's education, saving within your business for a future project or just putting some money away for a rainy day – there are many reasons to start saving and it's something we all need to do, and of course the sooner we start, the better. Anybody who recently applied for a mortgage or loan will

tell you, being able to show a capacity and discipline for regular savings is imperative.

With traditional savings methods, such as deposits and Post Office accounts showing negligible returns, "Unit-Linked Savings plans" have endeavored to offer growth. Over the years in FDC, we have seen such plans succeed in building wealth and

maximising returns for our clients over the medium to long term.

By setting up a unit-linked regular savings plan, you commit to investing a fixed regular amount into an investment which varies in price, such as units in a managed fund, you purchase more when the price is lower.

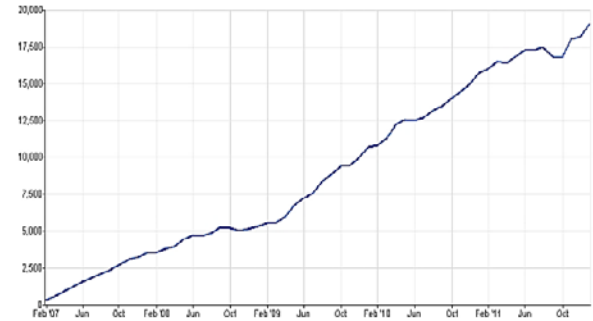
Lump Sum Investing

Over an annualised 5-year period, the Zurich Balanced fund only produced two negative returns since 1989. The worst period occurred from 2006-11. A lump sum investment of €18,000 declined to €16,803 during this volatile time.



Unit Cost Averaging

It's difficult to stay invested during such fear-driven periods. By regularly investing €300 per month, the portfolio would have incurred less volatility and grown to €19,082 - 19% more than the €16,803 generated with a lump sum approach.



The above graphs are a real-life example of this strategy. They look at the Zurich "Balanced fund" during a volatile time from 31st December 2006 to 31st December 2011. Investing a lump sum at the outset showed a loss but committing €300 per month over the 5-years produced a positive return.

FDC have partnered with Zurich to bring the most comprehensive regular savings plan on the market to FDC clients. This excellently constructed savings solution offers a low-cost savings plan from as little as €100 per month. This plan is extremely flexible; in that contributions can be altered or paused at any stage.

The plan can be topped up by single contributions and you always retain access to your money, either by partial or full encashment.

Through the plan you will have access to a wide range of award-winning funds with Zurich, including "Multi-Asset Funds" which invest in a diversified range of asset classes such as equities, bonds, property, cash and alternative assets.

Ensuring you are comfortable with the level of risk you are taking within your plan is of utmost importance to us, that's why, together with you, we carefully select the correct funds for you from low to high risk or anywhere in between. We will review your plan regularly ensuring it meets your needs at every stage of your life and we will always be here to answer any queries you may have.

FDC News OFFICE OPENING



KINSALE

We are pleased to announce that a new office is now open in Kinsale, Co. Cork. It will provide clients with a full complement of services from all our departments.

The FDC Group has continued to expand its network of offices to reach existing and new clients in their own locality.



KILLARNEY

We are delighted to announce that we have merged with Curran Moore & Co. an accounting firm in Killarney.

This merger will increase the availability of services to all Curran Moore & Co. clients.



Meet new FDC employees



Mark Murray

I am working with FDC since November 2018 as IT Manager where my role is to manage the Group IT services. I have worked in the IT industry for over 20 years within the IT Delivery and Management area.



Michaela Fitzgerald

I began my FDC journey in January 2019 as part of the IT team on a 15 week work placement opportunity. I was offered a full-time position as an IT engineer. I will be conferring in October, 2019 with a Bachelors Degree in Information Technology from CIT.



Krzysztof Kowalski

I began working in FDC in January 2019. Experienced in IT Support with a flair for innovation and problem solving. I have been working with hardware and software for over 15 years. I hold professional IT certificates which include: CompTIA Network+, CompTIA+, MCSA: Windows Server 2012, MS Server Virtualization with Windows Server Hyper-V and System Center.



Jessica Perrott

I started working in FDC in October 2017. I graduated from UCC with a Bachelors Degree in Zoology. I also successfully finished a MSc in Ecological Assessment. I am CRM Admin and Data Privacy Representative Officer for the Group.



John Kelleher

I joined FDC in December 2017. I deal with all day to day issues that arise, and act as an escalation point to junior IT staff members. I attended St. John's College in Cork for 2 years studying IT, before completing an internship at VMware International. I have received certification in the following: CompTIA Network+, Cloud+, and VMware VCP6.



Marta Oliveira

I began my career at FDC in February 2019. Before I arrived at FDC I was working as a Fraud Specialist in a multinational company for over two years. I am part of the IT team where I work as an IT Quality Specialist in conjunction with Payroll in the Head Office in Cork.



Andrew Mc Carthy

I began working for FDC Group at the start of April 2019. I received my Bachelors Degree of Science in Music Production. I began an apprenticeship in Software Developing in October 2018, and became part of the IT department.



Aine Fitzgerald

In September 2016 I took the plunge and went back to college in Colaiste Cathail Naofa in Dungarvan where I did Accounting Technicians two year course. I completed and passed my exams in May 2018 and was awarded student of the year at our graduation. I started working with FDC in August 2018 and haven't looked back since.



Jamie Fox

I started with FDC in October 2018 as a trainee accountant. Prior to that I had qualified as an Accounting Technician in Dungarvan College in May 2018. I'm from a farming background as I grew up on a dairy farm where I farm today with my father.

FINANCIAL MARKET INDICATORS



ARYZA
5 YEAR GRAPH.

FBD
5 YEAR GRAPH.

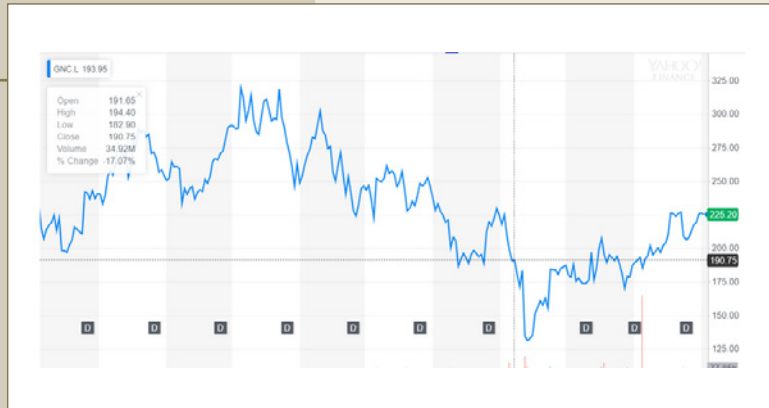


FTSE

GLANBIA



GREENCORE 5 YEAR GRAPH.



ISEQ 5 YEAR GRAPH.

KERRY GROUP 5 YEAR GRAPH.

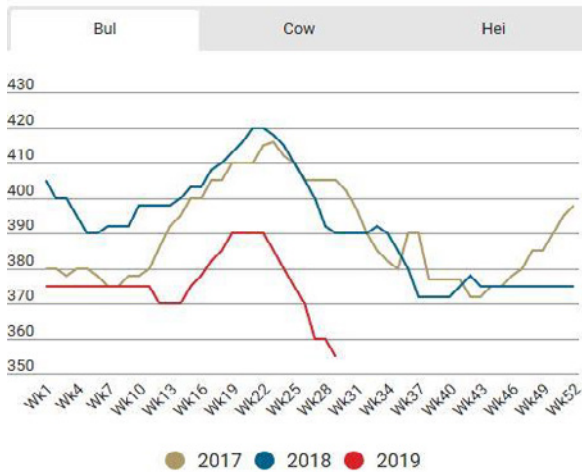


S&P 500 5 YEAR GRAPH.

KEY AGRICULTURAL COMMODITY GRAPHS

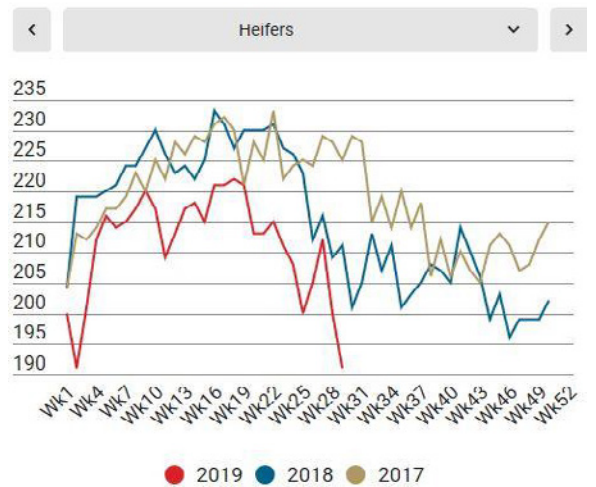
Average factory prices (c/kg incl VAT)

Under 30 months R Grade bullocks; O Grade cows; Under 30 months R Grade heifers



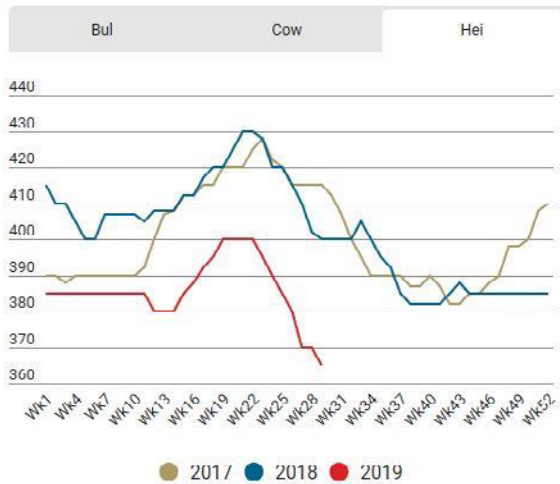
Average mart prices (c/kg)

500-600kg steer; 400-500kg heifer; 300-400kg weanling bull; 300-400kg weanling heifer



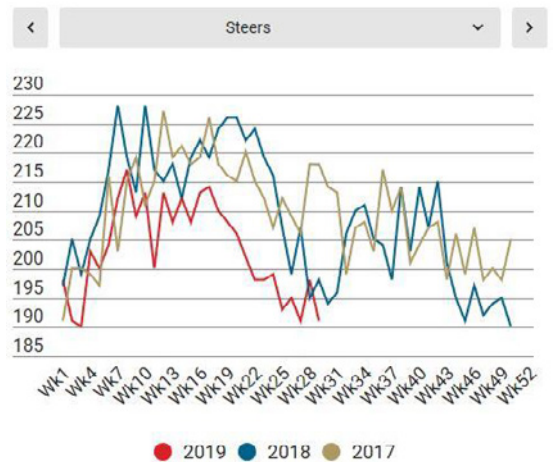
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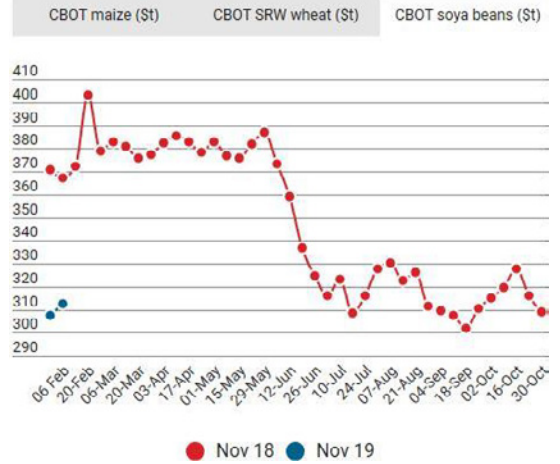
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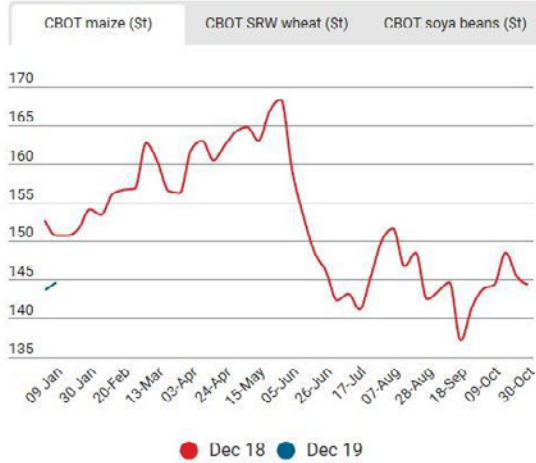
Ornua PPI index



Chicago (CBOT) prices

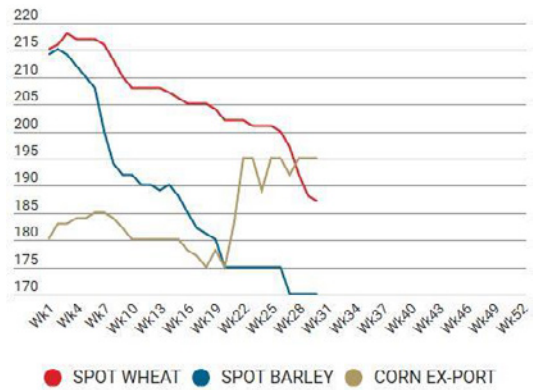


Chicago (CBOT) prices

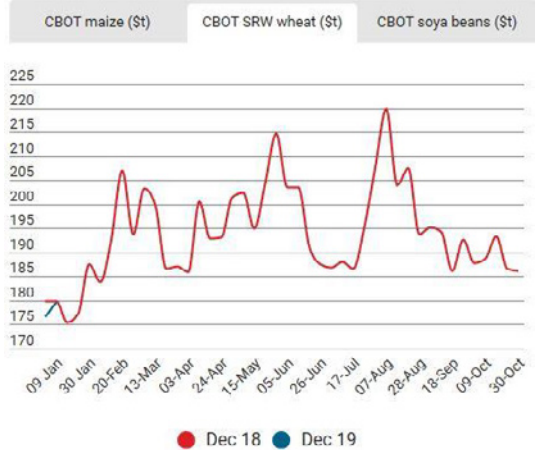


Grain prices

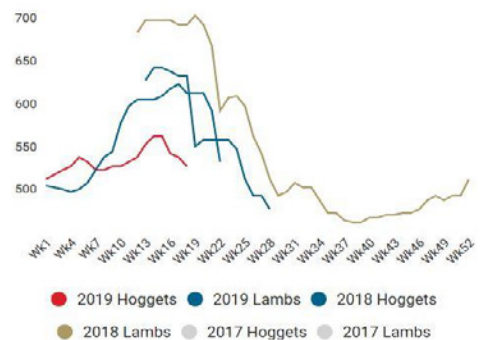
Futures wheat price (MATIF) for December 2018 (€/t), SPOT native wheat 2017 and 2018, SPOT barley and SPOT corn ex port (€/t) Weekly spot raw milk price, 4.4% fat (c/l)



Chicago (CBOT) prices



Average factory sheep price (c/kg)





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