



---

The Prize Bond Company DAC  
**Annual Report 2017**

# Contents

	Page
Corporate Information	1
Chairman's Statement	2
Directors' Report	4
Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements	5
Independent Auditor's Report	6
Statement of Profit or Loss	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes forming part of the Financial Statements	13
Operational Statistics (unaudited)	19

## Directors

John Daly (Chairman)  
Denis Creighton  
Anthony Linehan  
Alan McGeehan  
William Mooney  
Mary O'Connell  
Ivo O'Sullivan  
John Rice

## Secretary

Brian Fay

## Registered Office

General Post Office, O'Connell Street Lower, Dublin 1, D01 F5P2.

## Operational Centres

Iveragh Road, Killorglin, Co. Kerry, V93 WN9T.  
General Post Office, O'Connell Street Lower, Dublin 1, D01 F592.

## Auditors

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Earlsfort Terrace  
Dublin 2  
D02 AY28

## Bankers

Bank of Ireland

## Solicitor

Hugh O'Reilly, GPO

## Website

[www.StateSavings.ie](http://www.StateSavings.ie)

## Registration number

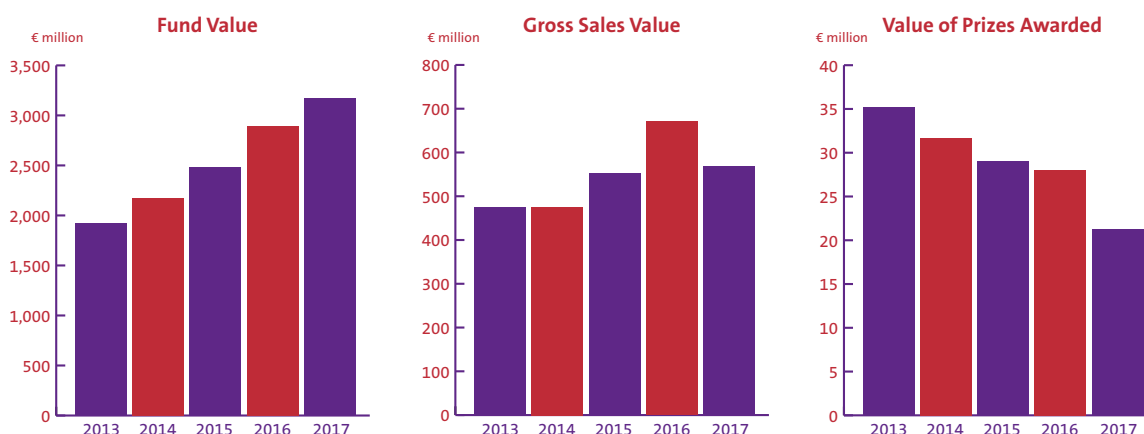
144332

The Prize Bond Company DAC had another strong year in 2017. During the year the fund exceeded €3 billion for the first time, reflecting continued customer confidence in the product. While we did see a fall off in sales compared to the prior year, sales at €568m represent the second highest year in Prize Bond Sales.

The total sum invested in Prize Bonds at the end of 2017 was €3,170 million, an increase of over 9.5% on 2016.

The operating performance indicators for 2017 were:

Indicator	Performance	% Change on 2016
Gross sales	€567.4m	(15.4%)
Repayments	€295.3m	16.9%
Net sales	€272.1m	(34.9%)
Fund value at year end	€3,170.1m	9.5%
Value of prizes awarded	€21.3m	(23.9%)
No. of prizes awarded	302,064	(23.0%)
No. of purchases	229,475	(6.4%)



## Prize Bond Weekly Draws

The continued growth in the Prize Bonds fund demonstrates customers' attraction to the Prize Bond product. Customers continue to be attracted by the unique nature of the product, with their investments being preserved together with the opportunity to win prizes every week. In 2017 we issued over 302,000 prizes to our customers.

The value of the prize fund is determined by the National Treasury Management Agency (NTMA) by the application of an interest rate to the value of outstanding Prize Bonds. This rate was reduced in August 2017 to 0.50%. This reduction was made by the NTMA to bring the rate in line with general market interest rates. At the same time the prize structure was amended with the million euro draw changed to two per year, in June and December.

## Chairman's Statement (Continued)

### Unclaimed Prizes

At the end of 2017, the number of unclaimed prizes, built up since the launch of the product in 1957, amounted to €2.73 million. This is a very small part of the value of prizes awarded over the years since the incorporation of the Prize Bond Scheme. All prizes are listed on the State Savings website, [www.StateSavings.ie](http://www.StateSavings.ie). It is important to remember that prizes are held indefinitely until claimed by a bond holder.

### Improving Service

Prize Bonds continue to be a very important offering in the State Savings product portfolio which is offered to investors on behalf of the NTMA. During 2017, we continued to invest in developing our systems and processes. Our new customer database, introduced in 2016, has proven very popular with our repeat purchasers due to the easier purchase process.

We continue to work with the NTMA on improving the customer processes and I am glad to report that customers will see further enhancements over the coming years, in particular the provision of more online services.

### Appreciation

As always I acknowledge with thanks the contribution of my fellow Board members during the past year. I would like in particular to thank Frank O'Connor and Liam Sheehan for their significant contribution during their time on the Board and to Gerard Whelan for his assistance and contribution as Company Secretary over the last sixteen years. I welcome Brian Fay, as Company Secretary, and Anthony Linehan and John Rice, our new Directors and I look forward to working with them over the coming years.

I would also like to thank the management and staff of An Post and FEXCO for their significant contribution to our performance in 2017.

Finally, I wish to thank the National Treasury Management Agency for their continued support and invaluable assistance.



John Daly, Chairman

The directors have pleasure in submitting their annual report, together with the audited financial statements of the Company, for the year ended 31 December 2017.

## 1. The Company

The Company carries on the business of administering the Prize Bond Scheme under a contract with the National Treasury Management Agency which will run until 31 December 2019.

The issued share capital is held 50% each by An Post and FEXCO.

## 2. Results for the year

The results for the year are set out in the statement of profit or loss on page 9 and in the related notes.

The directors do not propose the payment of a dividend for the year (2016: €Nil).

## 3. Business review

The business review is included in the Chairman's Statement. As described therein, the performance of the Company in 2017 continued to be positive. Gross sales remained strong at €567.4m (2016: €670.6million). Contract fees, earned by the Company, increased by 1.3% to €10.0m reflecting the increase in net sales. Changes in the balance sheet and cash position largely reflects the timing in payments to related parties.

The key risks and uncertainties facing the future development of the Company include the performance of its sub-contractors and ensuring the relevance of our product in the increasingly competitive market in which we operate. The directors have developed a range of strategies to address these and other risks faced by the company.

## 4. Directors, secretary and their interests

Liam Sheehan resigned on 30th November, 2017, and Frank O'Connor resigned on 2nd January, 2018. John Rice was appointed on 11th December, 2017 and Anthony Linehan was appointed to the Board on 2nd January, 2018.

The directors and secretary, who held office at 31 December 2017 had no interest in the shares in, or debentures of, the Company or any Group company.

## 5. Subsequent events

There were no events between the balance sheet date and the date these financial statements were approved that would require either adjustment to, or disclosure in, these financial statements.

## 6. Accounting records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at the registered office.

## 7. Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

## 8. Auditor

In accordance with Section 383(2) of the Companies Act 2014, Deloitte, Chartered Accountants, who were appointed during the year, will continue in office.

Approved by the Board and signed on its behalf by:



John Daly  
Chairman



Denis Creighton  
Director

15th March 2018

# Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of its profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that its financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the board



John Daly  
Chairman



Denis Creighton  
Director

15th March 2018

## Report on the audit of the financial statements

### Opinion on the financial statements of The Prize Bond Company Designated Activity Company (the 'company')

In our opinion the company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at financial year ended 31 December 2017 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Profit or Loss;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 13, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

### Basis for opinion

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

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2017, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



# Independent Auditor's Report

## to the members of The Prize Bond Company Designated Activity Company

7

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

# Independent Auditor's Report

to the members of The Prize Bond Company Designated Activity Company

8

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the Companies Act 2014

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

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

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

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



Emer O'Shaughnessy  
for and on behalf of  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

13th April 2018

# Statement of Profit or Loss

## For the year ended 31 December, 2017

9

	Note	2017 €	2016 €
Revenue	2	<b>10,036,306</b>	9,908,425
Operating expenses	3	<b>10,036,306</b>	9,908,425
		<hr/>	<hr/>
<b>Profit before tax</b>		-	-
Income tax	5	-	-
		<hr/>	<hr/>
<b>Profit for financial year</b>		-	-
		<hr/> <hr/>	<hr/> <hr/>

The company had no gains or losses in the current financial year or the preceding financial year other than those dealt with in the statement of profit or loss above.

# Statement of Financial Position

## For the year ended 31 December, 2017

10

	Note	2017 €	2016 €
<b>Assets</b>			
Trade and other receivables	6	769,447	737,930
Cash and cash equivalents		17,130,202	17,877,308
<b>Current assets</b>		<b>17,899,649</b>	<b>18,615,238</b>
<b>Total assets</b>		<b>17,899,649</b>	<b>18,615,238</b>
<b>Equity</b>			
Share capital	8	125	125
Other reserves	8	2	2
Retained earnings		-	-
<b>Total equity</b>		<b>127</b>	<b>127</b>
<b>Current liabilities</b>			
Trade and other payables	7	17,899,522	18,615,111
<b>Total current liabilities</b>		<b>17,899,649</b>	<b>18,615,238</b>
<b>Total equity and liabilities</b>		<b>17,899,649</b>	<b>18,615,238</b>

The financial statements were approved and authorised for issue by the Board of Directors on 15th March 2018 and signed on its behalf by:



John Daly  
Chairman



Denis Creighton  
Director

# Statement of Changes in Equity

## For the year ended 31 December, 2017

	Share capital €	Other reserves €	Retained earnings €	Total equity €
Balance at 31 December 2015	125	2	-	127
Profit for the financial year	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>125</b>	<b>2</b>	<b>-</b>	<b>127</b>
Profit for the financial year	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>125</b>	<b>2</b>	<b>-</b>	<b>127</b>

# Statement of Cash Flows

## For the year ended 31 December, 2017

12

	Note	2017 €	2016 €
<b>Cash flows from operating activities</b>			
Profit for the year		-	-
Adjustments for:			
Tax expense		-	-
		-	-
<i>Changes in:</i>			
Trade and other receivables		(35,964)	(15,732)
Trade and other payables		(715,589)	3,548,597
Cash generated from operating activities		(751,553)	3,532,865
Tax repaid		4,447	-
<b>Net cash flow from operating activities</b>		<b>(747,106)</b>	<b>3,532,865</b>
<b>Cash flow from investing activities</b>			
Interest received		-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease)/Increase in cash and cash equivalent</b>		<b>(747,106)</b>	<b>3,532,865</b>
Cash and cash equivalents at beginning of year		17,877,308	14,344,443
<b>Cash and cash equivalents at end of the year</b>		<b>17,130,202</b>	<b>17,877,308</b>

# Notes to the Financial Statements

## for the financial year ended 31 December, 2017

13

### 1. Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Basis of preparation and statement of compliance

##### *Reporting entity*

The Prize Bond Company Designated Activity Company (the “Company”) is a company incorporated and domiciled in Ireland.

##### *Statement of Compliance*

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by EU (EU IFRS).

##### *Going concern*

The financial statements have been prepared on a going concern basis. This assumes that the Company will have adequate resources to continue in operational existence for the foreseeable future from the date of approval of these financial statements.

##### *Basis of measurement*

These financial statements are prepared on a historical cost basis.

##### *Functional and presentation currency*

The financial statements have been presented in euro, which is the functional currency of the company.

##### *Use of judgements and estimates*

In preparing these financial statements, management has made no judgements, estimates and assumptions that affect the application of the company’s accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### 1.2 Prize Bond Scheme

The company administers, for an agreed scale of remuneration, the Prize Bond Scheme. The funds are remitted regularly to the National Treasury Management Agency acting on behalf of the Minister for Finance. The assets and liabilities of the Prize Bond Scheme vest in the Minister and, accordingly, are not included in the balance sheet of the company.

#### 1.3 Revenue

Income comprises the value of all services provided, calculated in accordance with the contract for the administration and sale of the Prize Bond Scheme, excluding value added tax.

#### 1.4 Advertising and promotional expenditure

Advertising and promotional expenditure is recorded as incurred.

#### 1.5 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI, in which case it is recognised directly in equity or other comprehensive income.

##### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria is met.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangement to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse the foreseeable future; and
- taxable temporary differences arising on initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits, deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

## 2. Revenue

	2017	2016
	€	€
The analysis of income is as follows:		
Contract fees	<b>10,036,306</b>	9,908,425
	<u>10,036,306</u>	<u>9,908,425</u>

All income originated in Ireland.

## 3. Operating Costs

	2017	2016
	€	€
The analysis of operating costs is as follows:		
Administrative and distribution expenses	<b>10,022,306</b>	9,898,159
Auditor's remuneration	<b>14,000</b>	12,266
Directors' remuneration	-	-
	<u>10,036,306</u>	<u>9,908,425</u>

The average number of persons employed by the Company in the financial year was nil (2016: nil).



#### 4. Material contracts and related party disclosures

The Company entered into a contract dated 27 July 2010 with the National Treasury Management Agency. The contract provides for the administration of the Prize Bond Scheme by the company until 31 December 2019 unless terminated sooner under clause 7 of the contract. In the year under review, the company transferred net funds totalling €244,393,126 (2016: €373,188,430) to the National Treasury Management Agency, comprising receipts for Prize Bond sales less claims for Prize Bond encashments, prize payments and operating costs. The net balance due to the National Treasury Management Agency at 31 December 2017 was €5,951,440 (2016, due to NTMA: €10,884,939).

The Company entered into a contract dated 27 July 2010 with An Post. The contract provides for certain aspects of the administration of the Prize Bond Scheme to be carried out by An Post until 31 December 2019, unless terminated sooner under clause 3 of the contract. In accordance with the terms of the contract, An Post earned total fees of €4,037,728 (2016: €4,227,112) during the year for the provision of administration services. Other services totalling (€16,190) (2016: €8,120) were provided to the company by An Post group companies. The amount due by the company to An Post at 31 December 2017 was €247,021 (2016: €263,661).

The Company entered into a contract dated 27 July 2010 with FEXCO. The contract provides for certain aspects of the administration of the Prize Bond Scheme to be carried out by FEXCO until 31 December 2019, unless terminated sooner under clause 3 of the contract. In accordance with the terms of the contract, FEXCO earned total fees of €5,853,480 (2016: €5,572,214) during the year for the provision of administration services. The amount due by the Company to FEXCO at 31 December 2017 was €503,367 (2016: €498,255).

The company held a bond worth €4,004,544 (2016: €4,004,544) on deposit with the NTMA. No interest was earned on the bond in the current year (2016: €nil).

#### 5. Taxation on profit on ordinary activities

##### a) Recognised in profit or loss

	2017	2016
	€	€
Income tax for the year	-	-
	<u>          </u>	<u>          </u>

##### (b) Reconciliation of effective tax rate

	2017	2016
	€	€
Loss before tax	-	-
Current tax rate of 12.5% (2015: 12.5%)	-	-
<i>Effect of:</i>		
Interest income taxed at higher rates	-	-
Expenses not deductible for tax purposes	-	-
	<u>          </u>	<u>          </u>
<b>Total tax for the year</b>	<u>          </u>	<u>          </u>

A deferred tax asset of €6,091 (2016:€6,091) has not been recognized on the basis the directors do not believe there will be sufficient taxable profits in order to utilise this.

## 6. Trade and other receivables

	2017	2016
	€	€
Amount due from the National Treasury Management Agency in respect of contract fees	735,799	733,483
VAT refund receivable	33,648	-
Corporation tax receivable	-	4,447
	<u>769,447</u>	<u>737,930</u>

Amounts due from NTMA are interest free and payable on demand.

## 7. Trade and other payables

	2017	2016
	€	€
Amount due to the National Treasury Management Agency	6,687,239	11,618,422
An Post	247,021	263,661
FEXCO	503,367	498,255
Prize winners	4,164,963	4,024,608
VAT	-	29,854
Creditors and accruals	6,296,932	2,180,311
	<u>17,899,522</u>	<u>18,615,111</u>

Amounts due to the NTMA and related parties are interest free and payable on demand.

The current year Creditors and Accruals figure above includes outstanding cheques of €4.5 million which are over six months old.

## 8. Share capital

	2017	2016
	€	€
Authorised, allotted, called up and fully paid 100 Ordinary Shares of €1.25 each	<u>125</u>	<u>125</u>

On 30 December 2002, the Ordinary Share Capital of the company was renominialised from €1.269738 per share to €1.25 per share. A capital conversion reserve fund of €2 was created to account for the difference arising from this change.

## 9. Capital commitments

There were no capital commitments at the end of the reporting period (2016: €nil).

## 10. Contingencies

There were no material contingent liabilities at the end of the reporting period (2016: €nil).

**11. Group membership and controlling parties**

The issued share capital of the company is held 50% each by An Post and FEXCO. The consolidated financial statements of FEXCO and An Post are available to the public from The Companies Office, Parnell House, 14 Parnell Square, Dublin 1.

**12. Subsequent events**

There were no events between the balance sheet date and the date these financial statements were approved that would require either adjustment to, or disclosure in, these financial statements.

**13. Board approval**

The financial statements were approved by the Board of Directors on 15th March 2018.

### Supplementary Information

---

Not covered by Independent Auditors' Report

## 1. Prize Fund and structure

The Prize Fund is determined by calculating interest on the eligible fund at a rate determined by the National Treasury Management Agency. From July 2016 the rate was 0.85% and 0.50% from August 2017. The number of prizes awarded each week depends on the size of the total Prize Fund. The following were the total number of prizes awarded in 2017.

<i>Number</i>	<i>Value</i> €
3*	1,000,000
49	50,000
520	1,000
520	500
300,972	50
302,064	

\* From August 2017 the Jackpot Prize of €1,000,000 is awarded twice a year, in the last draw at the end of June and the end of December. Prior to this the Jackpot Prize was awarded quarterly. In each other week a top prize of €50,000 was awarded.

The total value of prizes awarded in 2017 was €21,278,600 (2016: €27,956,150).

## 2. Drawing of numbers

The numbers drawn in the weekly draws can be viewed at the State Savings Investment Centre located at St. Andrew Street Post Office, Dublin 2, D02 C966 or online at [www.prizebonds.ie](http://www.prizebonds.ie)

Frequency: Every Friday at 12.30pm, subject to change at times such as Easter, Christmas, etc.

## 3. Staff numbers - sub contractors

### *An Post Head Office, Dublin*

Senior Management	1
Middle Management	1
Operational	7

### *Fexco operational centre, Killorglin*

Senior Management	1
Middle Management	2
Operational	64

# Operational Statistics (unaudited) for the year ended 31 December, 2017

## 4. Statistics

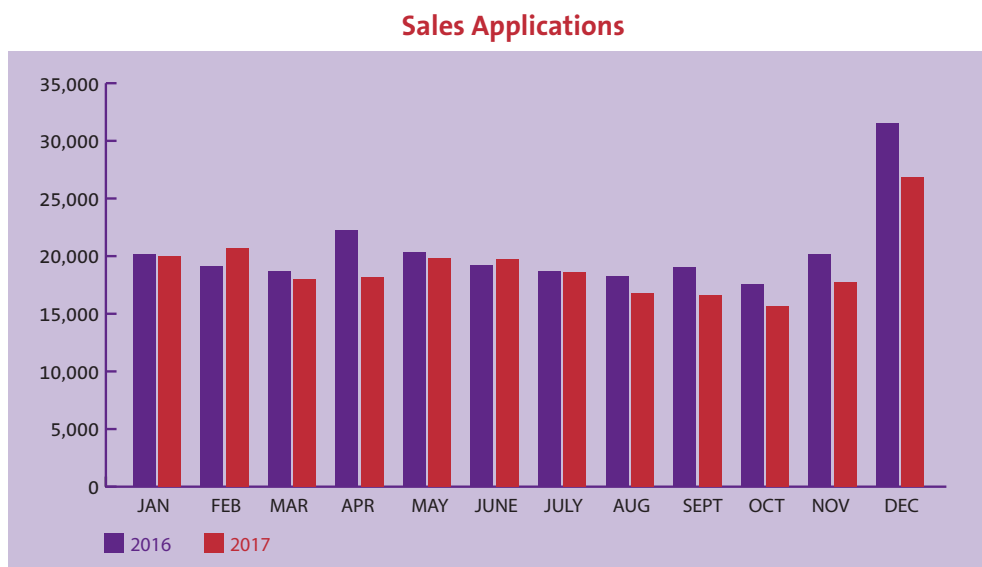
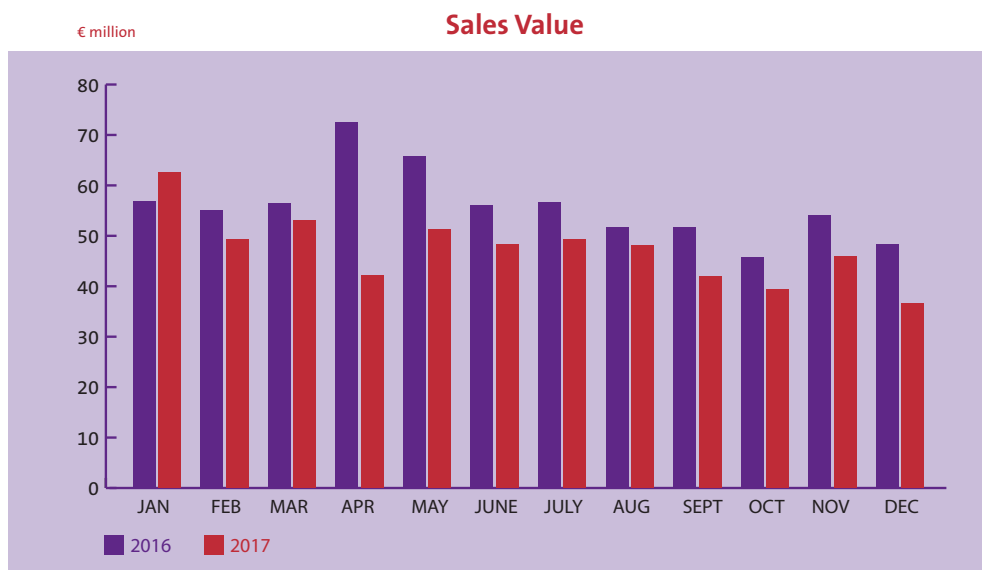
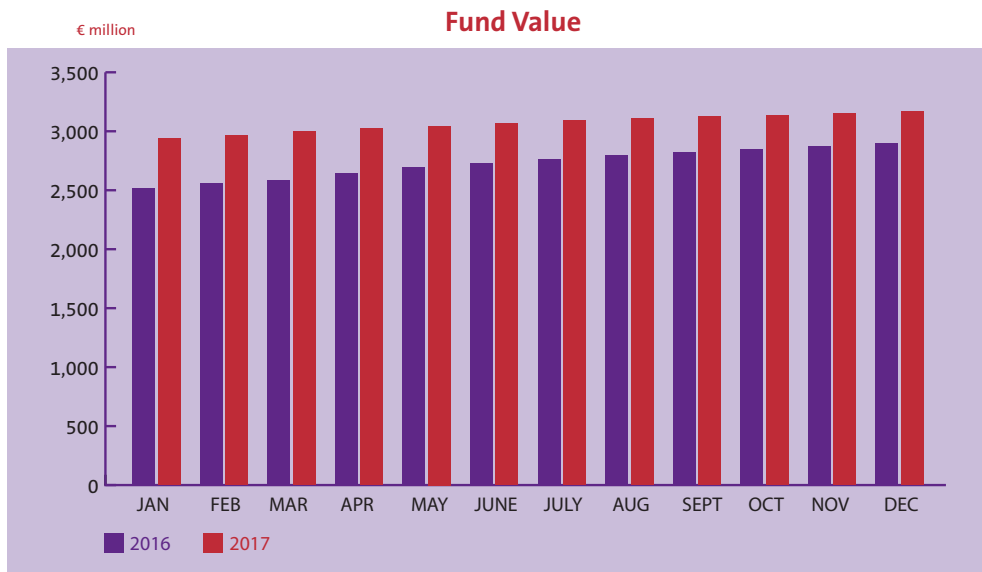
	Sales €000	Encashments €000
Jan	62,558	23,214
Feb	49,197	20,229
Mar	53,002	22,205
Apr	42,172	20,365
May	51,208	26,588
Jun	48,282	24,533
Jul	49,282	25,714
Aug	48,035	29,765
Sep	41,859	24,242
Oct	39,266	30,187
Nov	45,908	30,091
Dec	36,644	18,172
<b>Total</b>	<b>567,413</b>	<b>295,305</b>

## 5. Sales channels

An Post: Visit any Post Office  
 By Mail: State Savings, GPO, O'Connell Street Lower, Dublin 1, D01 F5P2.  
 By telephone: 1850 30 50 60  
 Online: [www.statesavings.ie](http://www.statesavings.ie)

## 6. Prize Bond holdings at 31 December 2017

Number of separate	
Prize Bond holdings	7.09 million
Fund value	€3,170.1 million



**The Prize Bond Company DAC**

**Company Registered Address**

General Post Office, O'Connell Street Lower, Dublin 1, D01 F5P2.  
Tel +353 1 705 7100; Fax +353 1 705 7473.

**StateSavings.ie**