



The Prize Bond Company  
Designated Activity Company  
**Reports and Financial Statements**  
for the financial year ended  
**31 December 2021**



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## Directors

Debbie Byrne (appointed 17/12/2021)  
Martin Ryan (appointed 17/09/2021)  
Brian Fay  
Sharon Kelly (appointed 24/02/2022)  
Anthony Linehan  
William Mooney  
Mary O'Connell  
Ivo O'Sullivan  
John Rice

## Secretary

Ray Flood

## Registered Office

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

## Operational Centres

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

## Auditor

Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
D02 AY28.

## Bankers

Bank of Ireland

## Solicitor

Mary O'Shea, GPO

## Website

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

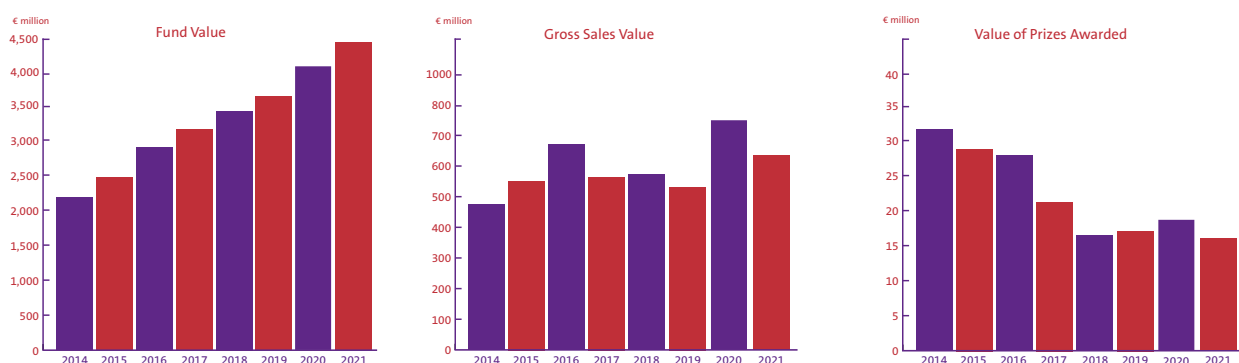
## Registration number

144332

I am pleased to report a very positive financial year in 2021, both in respect of sales of Prize Bonds and fund growth. The size of the fund now exceeds €4.4 billion. These results were in large part due to our customers investing their savings in an attractive and safe savings vehicle. The Covid-19 pandemic saw an increase in savings rates across the Irish market. While sales reduced in 2021, when compared to 2019 (pre-Covid), the value and volume of sales increased by 19% and 28% respectively.

The operating performance indicators for 2021 were:

Indicator	Performance	% Change on 2020
Sales	€660.5m	(10.2)%
Repayments	€327.7m	15.8%
Sales less repayments	€332.9m	(26.5)%
Fund value at financial year end	€4,442.6m	8.3%
Value of prizes awarded	€15.6m	(19.0)%
No. of prizes awarded	228,015	(18.7)%
No. of purchases	308,421	(6.1)%



The fund, the total sum invested in Prize Bonds grew by 8.3% to over €4.4 billion, reflecting continued customer confidence in the product during the pandemic.

## Covid-19

The directors are monitoring the impact on the business continuously. The Covid-19 pandemic has two main impacts on the business.

Firstly, the health and safety of the employees of our agents, our client and its customers is paramount. To this end, business operations continued with measures in place to protect personnel and customers. Operations are continuing and plans have been implemented to cover where there may be business interruption.

Secondly, as a result of the pandemic and our depositors desire to find secure investments, the value invested in the fund has increased during the year while repayments also increased. Sales fell by 10.2% during the year but remain ahead of pre-pandemic levels. Overall revenue is up due to the increase in the fund. The net impact was an 8.3% increase in the fund to over €4.4 billion.

## Prize Bond weekly draws

The continued growth in the Prize Bonds fund demonstrates customers' interest in the Prize Bond product. Customers continue to be attracted by the unique nature of their investments, funds being preserved together with the opportunity to win prizes every week. In 2021 we issued over 228,000 prizes to our customers, a 18.7% decrease in the financial year. The monetary value of prizes decreased by 19.0% during the financial year.

The total value of prizes to be issued is determined by the National Treasury Management Agency (NTMA) by the application of an interest rate to the value of outstanding Prize Bonds.

## Interest Rate

From February 2021, the variable rate which determines the Prize Fund for Prize Bonds changed to 0.35% from 0.5%. This was the first change since August 2017. The two €1million prizes per annum were replaced by 4 €250,000 prizes per annum. As a result of the change in the variable rate the number of €50 prizes per week also reduced from February 2021.

## Unclaimed Prizes

At the end of 2021, the number of unclaimed prizes, built up since the launch of the product in 1957, amounted to €3.2 million. Unclaimed prizes are defined as not claimed after six months. It should be noted that we communicate with every prize winner at the address we have for the customer. Unclaimed prizes primarily arise due to customers not notifying us of their change of address. We encourage customers to notify us of any changes as early as possible after the change.

The amount outstanding in these prizes 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 is a very important offering in the State Savings product portfolio which is offered to retail investors by the NTMA on behalf of the State. During 2021, we continued our investments of recent years to develop and improve our systems and processes. We simplified our repeat purchase process in 2016 and this has proven very popular with customers. In 2018 a new improved website was launched, making it easier for customers to purchase and to get more information on our product. I am happy to report that 18.1% of our sales are now completed online, up from 16.7% in 2020.

We have worked closely with the NTMA to improve the customer processes. In particular with the introduction of more online services, customers are now able to see their State Savings holdings, including Prize Bonds, online and to undertake more activity with us using their choice of channel. Regular customers buying in Post Offices have also seen improvements in the purchase process in 2021. This is an important development given that over 54.6% of purchases take place in Post Offices.

Since February 2021, customers who win prizes have the choice of receiving the prize by way of Electronic Fund Transfers directly to their bank account or by re-investment in Prize Bonds. These alternative options are fast and secure payment methods. They also increase efficiency in payments to customers as 'clearing times' and costs associated with cheques do not apply. Our call centre continued to perform well, with 98% of calls answered in 3 minutes or less.

## Appreciation

I would also like to thank the Board members of the Company and the management and staff of An Post and Fexco for their significant contribution to our performance in 2021.

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



Debbie Byrne, Chairperson

25<sup>th</sup> April 2022

The directors have pleasure in submitting their annual report, together with the audited financial statements of the Company, for the financial year ended 31 December 2021.

## The Company

The Company carries on the business of administering the Prize Bond Scheme under a contract with the National Treasury Management Agency which was extended for one year to 31 December 2022. While at this stage no certainty exists regarding the future of this contract beyond 31 December 2022, the company would be expected to continue to provide services for a period of at least six months beyond the above date. The directors are therefore satisfied that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

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

## Results for the financial year

The results for the financial year are set out in the income statement on page 11 and in the related notes.

The directors do not propose the payment of a dividend for the financial year (2020: €Nil).

## Business review

The business review is included in the Chairperson's Statement. As described therein, the performance of the Company in 2021 continued to be positive. Sales remained strong at €660.5m (2020: €735.7m). Contract fees, earned by the Company, increased by 2.5% to €11.5m. 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.

## Directors, secretary and their interests

There were five Board meetings held during the financial year. Directors attendance at the meetings for which they were eligible to attend is set out below:

Director	Meetings eligible to attend	Meetings Attended
Debbie Ryan	1	1
Brian Fay	5	3
Anthony Linehan	5	5
Alan McGeehan	5	5
William Mooney	5	4
Martin Ryan	2	2
Adrian Mulvihill	4	3
Mary O'Connell	5	5
Ivo O'Sullivan	5	5
John Rice	5	5

The directors and secretary, who held office at 31 December 2021 had no interest in the shares in, or debentures of, the Company or any Group Company.

Adrian Mulvihill resigned from the board on 17 September 2021. Martin Ryan was appointed to the board with effect from 17 September 2021. Debbie Byrne was appointed to the board with effect from 17 December 2021. Alan McGeehan resigned from the board on 24 February 2022. Sharon Kelly was appointed to the board with effect from 24 February 2022.

## 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.

The directors recognise that the Covid-19 situation is an ongoing event which has continued after the year end date. Business operations are continuing with measures in place to protect company personnel and customers. Plans have been implemented to cover where there may be business interruption.

## 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.

## 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.

## Auditor

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

Approved by the Board and signed on its behalf by:



Debbie Byrne  
Director



Martin Ryan  
Director

25<sup>th</sup> April 2022



The directors are responsible for preparing the directors' report and the 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 as adopted by the European Union ("relevant financial reporting framework"). Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

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

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

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

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



Debbie Byrne  
Director



Martin Ryan  
Director

25<sup>th</sup> April 2022

# Independent Auditor's Report

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

### 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 financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 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 Income Statement;
- 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 related to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

### 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.

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

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.

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

#### Use of our report

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

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

# Income Statement

For the year financial ended 31 December 2021

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	Note	2021	2020
	€	€	
Revenue	2	<b>11,467,668</b>	11,183,900
Operating expenses	3	<b>(11,467,668)</b>	(11,183,900)
<b>Result before tax</b>		-	-
Income tax	5	-	-
<b>Result for the financial year</b>		-	-

The Company had no gains or losses in the current or the preceding financial years other than those dealt with in the income statement above and on that basis, a statement of other comprehensive income is not presented. The above results for both the current financial year and the previous financial year all result from continuing operations.

# Statement of Financial Position

## as at 31 December 2021

	Note	2021 €	2020 €
<b>Current Assets</b>			
Trade and other receivables	6	1,008,745	872,226
Cash and cash equivalents		15,710,629	21,090,087
<b>Current assets</b>		<b>16,719,374</b>	21,962,313
<b>Total assets</b>		<b>16,719,374</b>	21,962,313
<b>Equity</b>			
Share capital	8	125	125
Other reserves	8	2	2
Retained earnings		-	-
<b>Total equity</b>		<b>127</b>	127
<b>Current liabilities</b>			
Trade and other payables	7	16,719,247	21,962,186
<b>Total current liabilities</b>		<b>16,719,247</b>	21,962,186
<b>Total equity and liabilities</b>		<b>16,719,374</b>	21,962,313

The financial statements were approved and authorised for issue by the Board of Directors on 25th April 2022 and signed on its behalf by:



Debbie Byrne  
Director



Martin Ryan  
Director

# Statement of Changes in Equity

## For the financial year ended 31 December 2021

	Share capital	Other reserves	Retained earnings	Total equity
	€	€	€	€
Balance at 1 January 2020	125	2	-	127
Result for the financial year	-	-	-	-
<b>Balance at 1 January 2021</b>	<b>125</b>	<b>2</b>	<b>-</b>	<b>127</b>
Result for the financial year	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>125</b>	<b>2</b>	<b>-</b>	<b>127</b>

# Statement of Cash Flows

## For the financial year ended 31 December 2021

	Note	2021 €	2020 €
<b>Cash flows from operating activities</b>			
Result for the financial year		-	-
Adjustments for:			
Tax expense		-	-
		<hr/>	<hr/>
		-	-
<i>Changes in:</i>			
Trade and other receivables		(136,519)	(32,514)
Trade and other payables		<b>(5,242,939)</b>	2,735,252
		<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(5,379,458)</b>	2,702,738
		<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,379,458)</b>	2,702,738
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the financial year		<b>21,090,087</b>	18,387,349
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the financial year</b>		<b>15,710,629</b>	21,090,087
		<hr/> <hr/>	<hr/> <hr/>



### 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. The directors, having assessed the resources of the Company have concluded that the Company has adequate resources to continue in operational existence. On 9 December 2021, the Company entered into a contract with the National Treasury Management Agency for the administration of the Prize Bond Scheme from 1 January 2022 to 31 December 2022 unless terminated sooner under clause 13 of the contract. While at this stage no certainty exists regarding the future of this contract beyond 31 December 2022, the Company expects to continue to provide services for a period of at least six months beyond the above date. On that basis the Directors are confident that the contract will continue until at least end of June 2023. The directors are therefore satisfied that the Company will have adequate resources to continue in operational existence for a period of at least twelve months 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

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.

#### 1.3 Revenue

Revenue 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 as incurred.

#### 1.5 Taxation

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

# Notes to the Financial Statements (continued)

## for the financial year ended 31 December 2021

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### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year and any adjustment to the tax payable or receivable in respect of previous financial 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

	2021	2020
	€	€
The analysis of income is as follows:		
Contract and commission fees	<b>11,467,668</b>	11,183,900

All income originated in the Republic of Ireland.

## 3. Operating expenses

	2021	2020
	€	€
The analysis of operating costs is as follows:		
Administrative expenses	<b>11,453,668</b>	11,169,900
Auditor's remuneration	<b>14,000</b>	14,000
Directors' remuneration	-	-
	<b>11,467,668</b>	11,183,900

The average monthly number of persons employed by the Company in the financial year was Nil (2020: Nil). Directors are not remunerated for their role as Directors of the Company.

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

The Company entered into a contract dated 9 December 2021 with the National Treasury Management Agency. The contract provides for the administration of the Prize Bond Scheme by the Company until 31 December 2022. In the financial year under review, the Company transferred net funds totalling €310,190,124 (2020: €416,422,869) 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 2021 was €5,619,971 (2020, due to NTMA: €10,122,490).

The Company entered into a contract dated 23 December 2019 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 2021. The company has extended this contract up to 31 December 2022. In accordance with the terms of the current contract, An Post earned total fees of €4,505,532 (2020: €4,578,134) during the financial year for the provision of administration services. The amount due by the Company to An Post at 31 December 2021 was €304,982 (2020: €321,912).

The Company entered into a contract dated 23 December 2019 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 2021. The company has extended this contract up to 31 December 2022. In accordance with the terms of the current contract, Fexco earned total fees of €6,852,498 (2020: €6,496,127) during the financial year for the provision of administration services. The amount due by the Company to Fexco at 31 December 2021 was €580,664 (2020: €556,247).

The Company holds exchequer notes worth €4,001,877 (2020: €4,004,544) on deposit with the NTMA. Negative interest of €2,667 (2020: Nil) was applied on the notes in the current financial year.

#### 5. Taxation on result on ordinary activities

##### a) Recognised in the income statement

	2021	2020
	€	€
Income tax for the financial year	-	-

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

	2021	2020
	€	€
Result before tax	-	-
Current tax rate of 12.5% (2019: 12.5%)	-	-
<b>Total tax for the financial year</b>	<b>-</b>	<b>-</b>

A deferred tax asset of €6,091 (2020: €6,091) has not been recognized on the basis the directors do not believe there will be sufficient taxable profits in order to utilise the asset.

## Notes to the Financial Statements (continued) for the financial year ended 31 December 2021

### 6. Trade and other receivables

	2021	2020
	€	€
Amount due from the National Treasury Management Agency in respect of contract fees	878,759	872,226
VAT receivable	6,379	-
Other receivables	123,607	-
	<u>1,008,745</u>	<u>872,226</u>

Amounts due from the National Treasury Management Agency are interest free and receivable on demand.

Other receivables include amounts that were bounced from the bank and are now due to the Company.

### 7. Trade and other payables

	2021	2020
	€	€
Amount due to the National Treasury Management Agency	6,498,730	10,994,716
Amount due to An Post	304,982	321,912
Amount due to Fexco	580,664	556,247
Amount due to Prize winners	3,734,420	4,247,974
VAT payable	-	965
Other creditors	5,600,451	5,840,372
	<u>16,719,247</u>	<u>21,962,186</u>

Negative interest of €2,667 (2020: €0) was charged to December 2021 on the amounts due to the National Treasury Management Agency. Amounts due to An Post and Fexco are interest free and payable on demand.

The other creditors figure includes a liability for outstanding cheques amounting to €4.3m (2020 €4.4m). These outstanding cheques are over six months old but remain liabilities of the Company.

### 8. Share capital and other reserves

	2021	2020
	€	€
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 financial year (2020: €Nil).

## **10. Contingencies**

There were no material contingent liabilities at the end of the financial year (2020: €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 Registration Office, Gloucester Place Lower, Mountjoy, Dublin 1, D01 C8P4, Republic of Ireland.

## **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 25th April 2022.

### Supplementary Information

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(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. 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 2021 and 2020.

Prize Value €	Number	
	2021	2020
1,000,000		2*
250,000	4*	
50,000	49	50
1,000	530	520
500	530	520
50	226,902	279,241
<b>Total</b>	<b>228,015</b>	<b>280,333</b>

*\* In February 2021, the two annual Jackpot Prizes of €1,000,000 were replaced by four quarterly prizes of €250,000. These quarterly prizes are awarded in the last draw at the end of each quarter March, June, September and December. In each other week a top prize of €50,000 is awarded.*

The total value of prizes awarded in 2021 was €15,590,100 (2020: €19,242,050), a 19% decrease in the financial year.

### 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 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	5

#### *Fexco operational centre, Killorglin*

Senior Management	1
Middle Management	2
Operational	76

# Operational Statistics (not covered by independent auditors' report) (continued)

## for the financial year ended 31 December 2021

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### 4. Statistics

	Sales €000	Encashments €000
Jan	67,832	25,009
Feb	81,443	27,755
Mar	64,993	21,498
Apr	50,671	28,618
May	53,830	25,770
Jun	48,122	24,278
Jul	46,636	30,856
Aug	46,042	30,591
Sep	47,284	27,290
Oct	48,747	30,303
Nov	54,856	34,066
Dec	50,088	21,629
<b>Total</b>	<b>660,544</b>	<b>327,663</b>

### 5. Sales channels

An Post: Visit any Post Office  
By Mail: State Savings, GPO, O'Connell Street, Dublin 1  
By telephone: 0818 20 50 60  
Online: [www.statesavings.ie](http://www.statesavings.ie)

### 6. Prize Bond holdings at 31 December 2021

Number of separate	
Prize Bond holdings	7.54m
Fund value	€4,442.6m



Unaudited Detailed Profit and Loss Account – this does not form part of the statutory financial statements

Notes	2021	2021	2020	2020
	€	€	€	€
<b>Income</b>				
Sales/receipts/turnover	<b>11,467,668</b>		11,183,900	
		<b>11,467,668</b>		11,183,900
<b>Trading account items</b>				
Cost of sales		-		-
<b>Gross trading profits</b>		<b>11,467,668</b>		<b>11,183,900</b>
<b>Expenses/deductions</b>				
Salaries/wages, staff costs	-		-	
Sub-contractors	-		-	
Legal and professional costs	<b>(14,000)</b>		(14,000)	
Printing, postage and stationary costs	-		-	
Marketing costs	<b>216,119</b>		153,532	
Commission costs	<b>(2,656,877)</b>		(2,828,233)	
Operational and administration costs	<b>(28,500)</b>		(13,780)	
Finance-related costs and net items	<b>(283,257)</b>		(235,390)	
IT Development Costs	-		-	
External contract fees	<b>(8,701,153)</b>		(8,246,029)	
		<b>(11,467,668)</b>		<b>(11,183,900)</b>
<b>Result on ordinary activities before taxation</b>		<b>-</b>		<b>-</b>







**The Prize Bond Company DAC**

**Company Registered Address**

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

Tel +353 1 705 7100

**StateSavings.ie**