

**Bord na gCon  
2016 Annual Report**

## *Bord na gCon Annual Report 2016*

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## WELCOME

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De réir théarmaí Ailt 19(2) de Achtanna Tionscail na gCon, 1958 agus 1993, cuireann Bord na gCon a Thuarascáil um Chuntais don Bhliain dar Críoch 31 Mí na Nollag, 2016, faoi bhráid An Roinn Talmhaíochta, Bia agus Mara.

In accordance with section 19(2) of the Greyhound Industry Acts, 1958 and 1993, Bord na gCon presents its Annual Report and Financial Statements for the year ended 31st December 2016, to the Minister for Department of Agriculture, Food and the Marine.

Bord na gCon is a commercial semi-state body, which is responsible for the control and development of the greyhound industry in Ireland. The Board was established pursuant to the Greyhound Industry Act (1958) which gives the Board wide powers to regulate all aspects of greyhound racing, from licensing of stadia to the issue of permits to officials, bookmakers and trainers.

All 17 stadia licensed by Bord na gCon operated during the year 2016. Seven of these licensed operations are owned and operated by private enterprise.

Funding for Bord na gCon is sourced by admission fees, income generated from bar and restaurant facilities at their stadia; by a percentage deduction from Totalisator (tote) pools operated at all licensed stadia; by a turnover charge on on-course bookmaker betting and Exchequer funding. Receipts from these sources are used to augment prize money, grant-aid development at stadia, to develop public auction sales, to advertise greyhound racing, to promote greyhound welfare and to administer and regulate the industry including the operation of a national drug testing laboratory.

## MISSION STATEMENT

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**‘To deliver a commercial, well regulated Greyhound Racing and Breeding Industry whilst enabling the delivery of a customer centred, highly exciting and value led entertainment experience.’**



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## **CHAIRMAN'S REPORT**

The year 2016 saw Bord na gCon manage through challenging trading circumstances to increase operating surpluses and increase prize money for greyhound owners. In these circumstances, the Board also further reduced the outstanding bank debts by €0.8 million. Difficult decisions have been unavoidable but necessary to ensure a viable future for greyhound racing. The Indecon Report was a wide-ranging review and I am proud to say that of 27 recommendations, 24 have been achieved while the remainder are being implemented currently or awaiting new legislation.

We finished 2016 with a net bank debt burden of €20.6 million. The annual cost in interest and repayments was €1.2m which can be re-invested in our business when this debt is cleared. The decision to close Harold's Cross was taken with absolute regret on behalf of the Board. However, free from crippling bank debt, I believe everyone in our industry can start looking forward with optimism.

Total prize money increased from €6.7 million in 2015 to €8 million in 2016 which will go some way to supporting greyhound owners nationwide. The group operating surplus increased from €2.3 million in 2015 to €3.21 million in 2016.

The year saw of a number of highlights across the sector. Bord na gCon secured a new TV agreement with SIS for live racing from the Kingdom Stadium in Tralee and the stadia in Youghal and Mullingar. This marks a significant new revenue stream for our business as live racing content is broadcast to in excess of 4,000 betting shops in the UK and Ireland. Bord na gCon remains focused on further developing new markets for our racing product as well as developments in the online and mobil market.

From a marketing perspective, there were a range of new campaigns initiated to drive attendances and grow revenues. These campaigns were targeted to different consumer segments at different times of the year. Digital marketing was heavily utilised through email, Facebook, Twitter and Instagram, helping to promote our industry and packages. Tourism and corporate business showed strong growth which has been helped by taking our catering services in-house.

Welfare and regulation remained as a primary focus of the Board in 2016. Welfare officers completed 571 inspections which resulted in 34 full investigations and over 20 sanctions being issued. In total, 5,387 samples were taken to combat doping, of these 48 resulted in an adverse analytical finding. All such findings were referred to the independent Control Committee for adjudication. While the occurrence of adverse findings may be less than one percent of all samples, the Board remains determined to ensure the integrity of our racing is held to the highest standards. Equally Bord na gCon does not tolerate any instances of poor welfare of greyhounds. The Irish Retired Greyhound Trust and its supported agencies rehomed 891 greyhounds in 2016. It is recognised more can be done to improve welfare which is why the Board has proposed a new traceability programme in the Greyhound Industry Bill 2017 which is currently being considered before the Houses of the Oireachtas. This new Bill is very welcome as it will make a number of significant changes that are overdue.

The greyhound industry has come through a very challenging period after the economic crash. A significant debt burden, inadequate regulation, outstanding legal cases and a large pension deficit were the key challenges that faced this Board who have not shirked away from their responsibility to face these issues. A bright future free from crippling debt is within sight for our industry with the opportunity to re-invest in prize money, marketing, IT and upgrading our stadiums amongst other improvements.

I wish to thank our excellent staff in every stadium across Ireland and in head office for their hard work and commitment in 2016. The core of our business would be undermined were it not for the support of our patrons and sponsors. On behalf of the Board, I wish the industry every success in the year ahead.



**Phil Meaney**  
**Chairman**

25<sup>th</sup> October 2017

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### CHIEF EXECUTIVE'S REPORT

Having been appointed to the position of Chief Executive Officer of Bord na gCon on 11th September 2017, I am pleased to be associated with the presentation of this report covering activities of the Board and the wider greyhound sector in 2016.

I note the solid progress that has been made in the operations of Bord na gCon work continues on the implementation of the 27 recommendations of the Indecon Report. By the end of 2016, 24 of the recommendations had been fully implemented and the implementation of the remainder is in process pending implementation of new legislation.

Much time and effort has also been devoted to the enormous challenge which Brexit represents for the greyhound industry. Irish greyhound breeders are exposed to potentially disastrous impacts as the UK represents their sole export market. The Board have therefore been working very closely with the Department of Agriculture, Food and the Marine on this issue in recent months and this work will continue as Britain prepares to leave the EU.

The marketing and promotion of greyhound racing has also become a highly sophisticated operation with online channels playing an increasingly important role. Marketing activities utilises a mix of traditional advertising plus digital and social media to promote the sport to key target audiences both at home and abroad. In this regard, the new Mobil platforms allow the addition of new content and broaden the range of products on offer.

Tote has continued to grow its business principally from international markets. The appetite in the UK for Irish greyhound racing was evidenced by the new TV/media rights agreement with SIS secured by Bord na gCon for live racing from the Kingdom Stadium in Tralee and the stadia in Youghal and Mullingar broadcast to in excess of 4,000 betting shops in the UK. The Board will remain focused on further developing new markets for our racing product as well as developments in the online and mobil market.

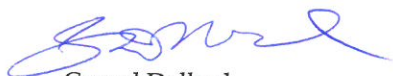
On the regulatory front, The Board remains determined to ensure the integrity of racing is maintained at the highest possible standard. Equally Bord na gCon does not tolerate any instances of poor welfare of greyhounds. Of course, more can be done to improve welfare which is why the Board have proposed a new traceability programme in the Greyhound Industry Bill 2017 which is currently being considered before the Houses of the Oireachtas.

The outlook for the industry is a bright one if recent progress can be maintained. Attendances at Greyhound racing events in stadia controlled by the Board increased by 6,109 to 492,470 patrons when compared to 2015 - Total prize money for race meetings increased from €6.7 million in 2015 to €8 million in 2016. Also, the group operating surplus increased from €2.3 million in 2015 to €3.2 million in 2016.

The Irish Greyhound industry has strengths which can be harnessed to reach out to new audiences and demographics, to exploit new wagering models based on technology platforms and to ensure best practice in regulation, integrity and welfare. To achieve this, the industry must be managed carefully with regard to its finances and to ensure long-term benefits for all within the sector.

I wish to acknowledge the valued contribution of all staff in Bord na gCon in managing the organisation and the key role of the Board in determining strategic direction.

I look forward to working with board members, staff and all stakeholders in the consolidation and future development of the greyhound industry into the future.



Gerard Dollard  
Chief Executive Officer  
25<sup>th</sup> October 2017

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## BORD na gCON BOARD & EXECUTIVE BIOGRAPHIES



### **Phil Meaney, Chairman**

Phil Meaney was appointed Chairman by the Minister in April 2011. He was with Stone Development, a subsidiary of SISK, for 40 years and was Managing Director for the last 10 years. He has been involved in greyhounds for about 25 years; was Chairman of Kilkenny Greyhound Stadium and served on the Executive of the Irish Coursing Club and on the Finance Committee.



### **Pat Creed, Board Member**

Pat Creed joined the Board in December 2015. He has been the Managing Director of Bank of Ireland Finance since 2006. He has 32 years of banking experience at Bank of Ireland in various Senior Management roles. Pat was educated at Mitchelstown CBS and Trinity College Dublin qualifying with an MSc in Business.



### **Frank Nyhan, Board Member**

Frank Nyhan joined the Board in December 2015. Frank qualified as a Solicitor in 1978 and is the principal in the firm of Frank Nyhan & Associates Solicitors based in Mallow, Co Cork. State Solicitor for Cork City since 2013, he is a fellow of the Chartered Institute of Arbitrators and a CEDR Accredited Mediator.



### **Dr Colm Gaynor, Board Member**

Colm Gaynor joined the Board in August 2014. Colm is a Veterinarian and a Barrister-at-law. He has over 30 years of experience in the areas of policy development and official controls relating to animal health, welfare and food safety. He has served as Chief Veterinary Officer for Ireland and Director in the European Commission. He is currently Adjunct Professor at University College Dublin, Chair of the Minister for Agriculture's Scientific Advisory Committee on Animal Health and Welfare, and Chair of the Irish National Committee for the Protection of Animals used for Scientific Purposes.

### **Riona Heffernan, Board Member**



Riona Heffernan joined the Board in February 2014. Riona trained with PricewaterhouseCoopers in Dublin and is a Chartered Accountant. She joined C&C Group plc. in 2010 where she holds the position of Head of Group Finance.



### **Billy O'Dwyer, Board Member**

Billy O'Dwyer joined the Board in April 2008. Billy has been involved in greyhounds all his life and has been a director of Thurles Greyhound Track for the last 12 years. He was also secretary of Thurles Coursing Club for 10 years.



### **Mattie Murphy, Board Member**

Mattie Murphy joined the Board in November 2011. Mattie began his career teaching in Gort in 1970 and was Principal for 25 years before retiring after a total of 35 years' service. Mattie was also a member of the Galway management team and achieved success at many levels.

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### BORD na gCON BOARD & EXECUTIVE BIOGRAPHIES continued



#### **Gerard Dollard, CEO**

Gerard was appointed to the position of Chief Executive Officer with Bord na gCon in September 2017. Prior to this Gerard had an extensive career in Limerick and Clare Local Authorities having held positions as Finance Officer and Director of Services with responsibility for Economic Development, Planning, Tourism, Environmental and Fire Services. He also held the position of Deputy Chief Executive with Clare County Council prior to joining the Board. As Project leader of the Cliffs of Moher Visitor Experience Project, Gerard had responsibility for delivery of the €31.5m development and the putting in place of a commercial model for the second most visited tourist location in Ireland. Gerard holds a professional accountancy qualification and an MBA from the University of Limerick.



#### **Michael Murnane, CFO**

Michael joined the Board in February 2012, having previously held the position of Financial Controller in Adare Manor Hotel and Golf Resort. Prior to that Michael held senior management positions with Grant Thornton Chartered Accountants, gaining extensive experience and exposure to SME clients in all aspects of commercial business. His role in Bord na gCon is to provide an objective voice on financial performance. He is also responsible for all group legal financial and taxation affairs and contributes to organisational strategy.



#### **Joe Lewins, Director of Tote and IT**

Joe joined Bord na gCon in November 2013 having previously held the position of Managing Director of Ladbrokes Ireland. Joe has overall responsibility for strategic and operational management of the Board's totepools betting business. The role involves planning and delivering process and systems solutions creating efficiencies and increasing exposure to all stakeholders. He is also responsible for utilising and realising the potential for technology to transform the business.



#### **Colin Walsh, Director of Commercial Operations**

Colin joined Bord na gCon in April 2013 having previously held the position of CEO of Ballycotton Seafoods Ltd. Prior to that Colin was the Group Marketing Manager with Thomas Crosbie Holdings and held a number of positions with Punch Industries including Head of Marketing and General Manager. Colin holds a BBS in Marketing and Economics from University of Limerick and an MSC in Management from Trinity College. Colin is responsible for the Board's stadium network and marketing and facilities management functions.



#### **Philip Peake, Head of Events & Hospitality Services**

Philip joined Bord na gCon in 2008 and has held a number of senior management roles. Philip is a graduate of Athlone Institute of Technology, where he studied Business Studies specialising in Hotel and Catering Management. Prior to joining the Board, Philip worked in a range of hotel management roles. Philip's primary focus is the delivery of Food and Beverage services to the stadia network. This encompasses overall operational and financial performance including the implementation of marketing and sales strategies to drive stadium attendances.



#### **Hilary Forde, Director of Racing Governance & Compliance**

Hilary joined Bord na gCon in May 2014. Hilary is a qualified Solicitor in Ireland, England and Wales, specialising in Sports Law. Her role is to ensure that the current regulatory and compliance system is effectively observed by all stakeholders in the Irish greyhound industry. She is also responsible for the development and implementation of a world class regulatory code to ensure the highest integrity of greyhound racing in Ireland.

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## **FINANCIAL REVIEW**

Financial statements for Bord na gCon year ended 31 December 2016 continued to show satisfactory results with the Group Income and Expenditure Account affirming an operating surplus<sup>1</sup> of €3.2m for the year (2015 - €2.30m).

Tote Turnover at €19.47m includes income generated from the sale of media rights to SIS from three Board tracks that commenced on February 9<sup>th</sup> 2016. Winnings of €14.7m were paid on amounts wagered through Bord na gCon's Tote operations.

Total food and beverage sales, from stadia operated by Events and Hospitality Services, was €7.5m which represents an increase of 2.4% on 2015. Gross profit generated from these sales was €4.9m resulting in an increase of 3.8% on the gross profit generated in 2015.

Notwithstanding the challenges that remain, principally at stadia located outside Dublin, income from track activities increased by 2% to €3.7m during 2016.

Bord na gCon contributed an additional €1.4m to prize money, an increase of 30% on 2015. This increase brought the total prize money contributed by the Board in 2016 to €6.1m (€4.7m in 2015). Total prize money including sponsorship and race entry fees was €8.03m in 2016

There were 16,573 races held in 2016 accommodating 86,694 greyhound entries spread over 1,677 race meetings. These race statistics represent an additional 473 races facilitating and a further 2,801 greyhound entries over the 2015 race schedule.

## **GROUP INCOME AND EXPENDITURE ACCOUNT**

Tote sales to international co-mingling customers amounted to €2.07m which represented an increase of 14% on income generated in 2015. Sale of media rights commenced on February 9<sup>th</sup> 2016 from Tralee, Youghal and Mullingar generated fees of €0.47m in 2016. Tote operating costs increased by 6% or €0.15m to €2.52m

The allocation from the Horse and Greyhound Racing Fund showed an increase of 8.8% or €1.2m from the previous year. The total allocation from the fund in 2016 was €14.8m.

The total prize money pool of €8.0m showed an increase of €1.4m from the previous year's total of €6.7m. This increase of 20% follows the decision of the Board to increase race grants from January 1<sup>st</sup> 2016.

During 2016, group expenditure excluding prize money was €6.6m which is 10% lower than the expenditure total in 2015. Interest costs of the Boards bank loans were €0.4m.

The deficit for the defined benefit pension scheme stood at €5.0 m on 31 December 2016, which represents a reduction of €3.0m following the implementation of the restructuring programme. The year-end total gross banks debt of the Board's gross bank debt was €21.7m, which is on demand.

## **GROUP CASH FLOW**

In 2016, Group cash inflows from operating activities amounted to €2.3m and included €1.4m contributions to the liability on the defined benefit pension scheme. During the year, payments to acquire tangible fixed assets totalled €0.9m. Cash inflows generated were required to pay €0.4m for interest on bank borrowing along with repayment of bank loans and overdrafts of €0.8m.

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<sup>1</sup> Operating surplus is defined as profits before interest, taxation, depreciation, amortisation and defined benefit pension costs



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### **TOTE REVIEW**

Tote continued to stabilise its on track tote turnover despite a very challenging summer period due principally to sporting alternatives including the European Soccer Championships.

Tote enjoyed continued growth from the international markets, up 43% against 2015 with co-mingling turnover reaching €2.07m. Additionally Tote turnover from the web platform increased to €0.7m.

The Mobil platform development will allow the Board to add content and broaden the range of products and events on offer. Bord na gCon have successfully launched Irish and UK horse racing on the Mobil platform since March 2017 thereby leveraging the high profile Greyhound and Horse events that take place.

The launch of the Mobil platform in March has resulted in recruiting additional customers, reactivation of accounts, increased app activity and improvement in the customer experience.

Bord na gCon will continue to expand new bet type opportunities. The Board successfully launched the Bet Bundle, a value bet offering €12 of bet types for €10 during the busy Christmas period and it has remained a firm favourite with our restaurant customers. As a new product offering, the Board are in discussions with our horse racing counterparts for a new, more competitive jackpot.

The five year contract with SIS for the provision of the retail betting product to retail bookmaker shops located in Ireland and the United Kingdom continues at Youghal, Mullingar and Tralee and has been well received by all bookmakers. Since March 2017 this product has been expanded from the Kingdom stadium who now operate a full BAGS (Bookmakers Afternoon Greyhound Service) style meeting on a Saturday morning with an eight race programme.

Tote has continued to explore new technology and integrated synergies to enhance customer experiences while availing of these technologies to ensure cost efficiency.

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### COMMERCIAL OPERATIONS REVIEW

Bord na gCon implemented a marketing support programme for Greyhound Racing in 2016, targeting the leisure and racing audience in Ireland and overseas. The marketing activity continued to map traditional advertising, digital and social marketing to promote attendance at our tracks for a night out, benefit nights, supporting and promoting key classic events locally and nationally and to increase the total exposure of the sport at stadia, online and across social media platforms.

Marketing campaigns featured restaurant and food and beverage packages at key times in the year to generate attendance and income. This is reflected in the very strong performance of Christmas bookings and also with families for Communion and Confirmations. The successful Puppy Treats campaign is an example which targets families during key holiday periods including Easter and Summer holidays and October mid-term break; such campaigns run during the year to promote a night of greyhound racing to particular segments.

The promotion of Greyhound racing across multiple platforms continued during 2016 with on-going email campaigns to customer databases, production and dissemination of racing and leisure content, including video content for website and social media such as Facebook, Twitter and Instagram. This activity was undertaken for general promotion and to support headline sponsors to achieve targets in terms of audience and reach, thereby ensuring a return on investment for sponsorship.

National and local campaigns through radio advertising were implemented and supported with a full suite of online and social media activity at key times such as pre-Christmas, to drive party bookings nationally and locally. Radio was also used to support the sale of benefit nights. The strategy of monthly top up pay-day campaigns ensured an almost constant presence on radio across 2016. The advertising call-to-action directed customers to [gogreyracing.ie](http://gogreyracing.ie). National and local campaigns ran for each stadium website locally to drive footfall and bookings.

Greyhound racing continues to be a central component within communities for fundraising, with organisations across the country benefitting from the use of greyhound racing to support their local causes. Non-race day income continues to be generated from stadium rental for events such as discos, show jumping, space rental and income from telecoms companies.

Attendances to Bord na gCon controlled stadia increased by 6,109 to 492,470 patrons in 2016 when compared to 2015; attendances in Dublin increased by 4.4%.

A Euro 2016 preview event took place in Harold's Cross in advance of the start of the soccer tournament. It featured a partnership event with Balls.ie with ticket giveaways to soccer fans across all Bord na gCon venues. The event featured celebrity panellists John Aldridge and Norman Whiteside in a discussion hosted by Ger Gilroy of Newstalk followed by racing. Extensive video content was available after the event for online and social media campaigns promoting greyhound racing.

Tourism and corporate business development continued during 2016 with regional, national and international tourism trade fairs attended by Board staff. Tourism promotion of the industry to the individual travellers and groups through various Tour Operators was again supported by Tourism Ireland and Fáilte Ireland with their domestic and international marketing teams. Bord na gCon produced a unique virtual reality video for the promotion of greyhound racing at trade fairs. This video offers the viewer a realistic sense of the thrill of greyhound racing and was successfully used with prospective customers.

The Irish Greyhound Industry Awards were staged on Saturday 23<sup>rd</sup> April at Limerick Greyhound Stadium.

The headline greyhound racing classic events including the Boylesports Irish Greyhound Derby, The Irish Independent Laurels, The Con & Annie Kirby Memorial Stake, Dublin Coach Juvenile Derby and the Kerry AgriBusiness St Leger were all supported with specific and customised marketing plans for each event. The support of all sponsors during 2016 is greatly appreciated by all in the Industry, especially in the face of targeted disruption by groups opposed to greyhound racing. 2016 saw the conclusion of the three year sponsorship of the Irish Greyhound Derby. The event was successfully staged delivering on the targets set by the sponsors.

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At the Irish Sponsorship Awards, the Con & Annie Kirby Memorial was nominated for Best Societal Sponsorship, while at the Event Industry Awards; the Best Event Caterer and Best Sporting Event category featured the Boylesports Irish Greyhound Derby.

Live television coverage by RTÉ featured both the semi-finals and finals of the Boylesports Irish Greyhound Derby for the first time, which was successful in terms of audience delivery for the event on both nights raising the profile of the Derby with non-racing enthusiasts. The Boylesports Irish Greyhound Derby also featured on RFGTV and Sky in 2017.

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### REGULATION REVIEW

Regulatory reform proved to be another major milestone in 2016. The Board made significant and continued progress in this area for the industry, against the background of the regulatory and welfare recommendations arising from the Indecon Report (2014), the Morris Report (2015) and the public consultations on regulatory change. The Regulatory and Welfare Department are continuing to build on recent successes and learn from the challenges on foot of the regulatory and welfare platform established in 2015. Some of the key developments in the regulatory department can be summarised in the following bullet points:

- Closer collaboration with the Minister and officials in the Department of Agriculture and Food, on all matters to support and develop the greyhound industry
- Introduction of secondary legislation which enables the Board to
  - Undertake out of competition testing at kennels;
  - Publish all laboratory results where there is an adverse analytical finding;
  - Prohibit a greyhound from racing when an adverse analytical finding has been made until such time as a test for prohibited substances has been carried out and the result of the test is negative;
  - Publish all Control Committee decisions;
  - A system of record keeping for all medications administered to a greyhound and the purchasing traceability of such medicines. This proposal has now been implemented through legislation and distribution of these records has taken place at all stadia by our Integrity and Welfare Officials. The implementation of such a record will have significant benefits in the areas of integrity, intelligence, education and welfare for all industry stakeholders and the regulatory authority.
  - Establish a list of laboratories approved for testing the 'B' sample in place of the Public Analysts;
- Bord na gCon have used the existing legislative and regulatory framework to
  - Undertake in-competition testing at all high profile events;
  - Undertake testing at greyhound sales and trials;
  - Prosecute for breaches under the Welfare of Greyhounds Act 2011;
  - Enhance licensing application screening under the Greyhound Trainers Regulations 1961 and necessary conditions attached;
  - Revoke licence of trainers found to have committed anti-doping breaches and issue a Disqualification Order of the involved Greyhounds;
  - Introduce a list of laboratories for independent analysis of the "B sample on request from owners and trainers;
- Established a Scientific Committee of national and international experts to advise the Board generally on matters relating to doping and medication control;
- Bord na gCon have issued guidance to all Industry participants on the risks of feeding meat to racing greyhounds that may yield a positive test result when sampled under our rules of racing;
- Bord na gCon have and will continue to publish all available policies on our website as a "one stop shop" for regulatory information;
- Developed and continue to enhance the integrity function with the appointment of an Integrity Officer in 2015, specialising in intelligence and investigative procedures for all regulatory and welfare cases. This ensures the appropriate expertise and enables us to strengthen alliances with enforcement agencies and other sports governing bodies nationally and internationally.

Bord na gCon will continue to develop and strengthen our robust regulatory framework to safeguard the successful growth and sustainability of the Irish Greyhound industry. As always, the confidence of the public in the integrity of racing is paramount and this requires the utmost standards of regulatory, welfare and integrity functions.

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### **WELFARE REVIEW**

Greyhound welfare is a top priority for Bord na gCon and we are proactive in ensuring that consistent and appropriate animal welfare standards are met throughout the industry.

The Welfare of Greyhounds Act 2011 specifies standards for greyhound welfare, establishes a register of Greyhound Breeding Establishments and regulates their operation. The Board has a dedicated Welfare Manager who works with 16 welfare officers to conduct investigations of stray or mistreated greyhounds and to conduct kennel inspections. A Code of Practice has been established to set standards and clearly define what is expected of all individuals engaged in the care and management of registered greyhounds.

Under the Welfare of Greyhounds Act 2011, Bord na gCon Welfare Officers actively investigate all reported cases of greyhound mistreatment and our investigations may lead to sanctions and prosecutions in the District Court. The Board cooperates with the ISPCA and An Garda Síochána where appropriate in these investigations. In 2016, our Welfare Officers completed 571 kennel inspections and carried out 34 full investigations with 20 sanctions being issued.

Two Welfare Notices were served by Welfare Officers of Bord na gCon following welfare inspections. The issuing of these Welfare Notices resulted in a significant reduction in greyhound numbers on one of the premises and also resulted in improvements to greyhound accommodation on both premises. These results were in line with the measures that were listed in the Welfare Notices.

Bord na gCon follows best practice and Track Maintenance Procedures are implemented at all Greyhound Stadia nationwide. Racing Managers and track maintenance staff have received training and the Board carry out unannounced track inspections which include an audit of all track maintenance documentation.

Control Stewards carry out track inspections prior to all race meetings and prior to all trial sessions. Qualified veterinary staff attends all race meetings and sales trials held at registered stadia to ensure that appropriate care is provided to greyhounds and to advise the Stewards on welfare.

As a result of completing 571 inspections of kennels, it is reassuring there were a very small number of cases of neglect. This supports the Board's view that the vast majority of Ireland's racing greyhounds are looked after appropriately. The welfare of greyhounds remains a top priority for Bord na gCon and this can be further enhanced in the new traceability measure proposed within the Greyhound Industry Bill 2017.

### **Rehoming of Greyhounds**

The Irish Retired Greyhound Trust (IRGT) [Registered Charity Number: 20034849] was established by Bord na gCon and is jointly funded together with greyhound owners to rehome greyhounds after retirement and in promoting greyhounds as domestic pets. Many retired greyhounds are also rehomed throughout Ireland, Europe and North America through charities supported by the IRGT.

In 2016, through its network of Irish and International rehoming agencies, the IRGT provided rehoming opportunities for 517 retired greyhounds and through the provision of financial assistance to a number of private rehoming agencies, aided the rehoming of a further 374 greyhounds. To promote the suitability of retired greyhounds as pets, Bord na gCon and the IRGT teamed up with GAIN Pet Foods to run a number of Retired Greyhound Shows in 2016.

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### RACING REVIEW

TOP 20 IRISH OWNERS - BASED ON TOTAL WINS				
	<u>Winning Greyhound</u>	<u>Winning Owner(s)</u>	<u>Winning Trainer</u>	<u>Winning Time</u>
BoyleSports Irish Greyhound Derby	Rural Hawaii	Mrs. Helen O'Dwyer & Mr. Michael O'Dwyer	Mr. Graham Holland	29.65
Gallivan-Murphy-Hooper-Dolan Juvenile Unraced Classic	Escapism	Mrs. Eimear Coffey	Mr. Owen McKenna	28.35
Ladbrookes Easter Cup	Jaytee Jet	Mr. John Turner	Mr. Paul Hennessy	29.45
Con and Annie Kirby Memorial 525 Stake	Droopys Roddick	Mr. J.M. Proctor	Mr. Pat Buckley	28.09
GAIN Dog Foods Irish Cesarewitch	Droopys Acrobat	Mr. J.M. Proctor	Mr. Pat Buckley	33.31
GAIN Dog Foods Open 600	Ballyhooly Henry	The Ashville Syndicate	Mr. Tom O'Neill	32.24
Bank of Ireland Finance Produce Stakes	Clares Rocket	Full House Syndicate	Mr. Graham Holland	28.00
Sporting Press Irish Oaks	Witches Belle	Ms. Edel Twomey	Mr. Liam Twomey	28.44
Irish Independent Irish Laurels	Skywalker Manner	Mrs. Anne O'Connor & Mr. Ray Patterson	Mr. Graham Holland	28.29
GAIN Dog Foods Corn Cuchulainn	Airmount Tess	Mr. Gerard Kiely	Mr. Gerard Kiely	41.84
Bar One Racing Irish Sprint Cup Open 400	Ballymac Bigmike	Mr. Christy Mahon & Ms. Denise Mahon	Mr. Robert G. Gleeson	21.01
Dublin Coach Juvenile Derby	Droopys Wilbury	Mr. Robert Brinkley	Mr. Pat Buckley	28.51
Kerry Agri-Business St. Leger	Priceless Brandy	Mr. Bryan Murphy & Mrs. Kathleen Murphy	Mr. Paul Hennessy	29.30
HRX Irish Grand National	Brinkleys Dominic	Brinkleys Estate Agents Syndicate	Mr. Pat Buckley	29.60

TOP 20 IRISH OWNERS - BASED ON TOTAL WINS			
	<u>Name of Owner</u>	<u>Wins</u>	<u>Races</u>
1	Mr. Derek Kehoe	85	598
2	Mr. Eugene Price	67	251
3	Mr. Donal G. O'Mahony	60	353
4	Mrs. Pauline Quinn	53	270
5	Mr. Tom Egan	50	262
6	Mr. Danny Cawley	50	305
7	Mr. Mark Lowther	50	144
8	Mr. Richard Whitley Snr.	47	211
9	Mrs. Marcella Campbell	43	228
10	Mr. William J. Shaw	41	257

## *Bord na gCon Annual Report 2016*

### RACING REVIEW continued

2016 - TOP 20 IRISH PUBLIC TRAINERS - BASED ON TOTAL WINS			
	<u>Name of Trainer</u>	<u>Wins</u>	<u>Races</u>
1	Mr. Graham Holland	258	888
2	Mr. Paul Hennessy	164	729
3	Mr. Peter Cronin	120	418
4	Mr. Pat Buckley	119	351
5	Mr. Tommy Bolton	118	631
6	Mr. Kieran Lynch	110	545
7	Mr. Derek Kehoe	95	659
8	Mr. James Melia	80	340
9	Mr. Ronnie McKeown	75	321
10	Mr. Martin (Murt) Leahy	70	328

2016 - TOP 20 IRISH PRIVATE TRAINERS - BASED ON TOTAL WINS			
	<u>Name of Trainer</u>	<u>Wins</u>	<u>Races</u>
1	Mr. John McDonough	78	355
2	Mr. David Flanagan	68	250
3	Mr. William Finn	58	228
4	Mr. David Murray	47	159
5	Mr. Karol Ramsbottom	45	154
6	Mr. Pat Kiely	42	220
7	Mr. Oliver Bray	42	185
8	Mr. Stephen Murray	40	211
9	Mr. Martin Fahy	34	146
10	Mr. Anthony Slattery	33	135

## *Bord na gCon Annual Report 2016*

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### **CONTROL COMMITTEE / CONTROL APPEAL COMMITTEE**

Bord na gCon established an independent Control Committee and Control Appeal Committee in June 2007 to adjudicate on all matters concerning the integrity of greyhound racing. Details of membership during 2016 are as follows:

- Mr. Gerald Meaney, B.A L.L.B., Chairman
- Mr. Alan Keenan
- Mr. James Hannon M.V.B, L.L.B.
- Mr. Thomas J. Mulligan
- Mr. Diarmuid O'Neill

Mr. James Hannon was appointed to the Control Committee in September 2016 having succeeded Mr. Patrick Dunne M.R.C.V.S.

Meetings of the Control Committee take place on a regular basis and greatly enhance the independence of the disciplinary structure within greyhound racing and this, together with the Board's extensive prohibited substance testing regime, enhances public confidence in greyhound racing as a clean sport.

The action or sanction taken in any particular case is a matter entirely for the Control Committee within the Regulations. All decisions of the Control Committee are published in accordance with Article 8(6) of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007 to 2016.

The independent Control Appeal Committee determines appeals made to it pursuant to Article 14 of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007 to 2016. Details of membership during 2016 are as follows: -

- Mr. Frank O'Leary, M.R.C.V.S., Chairman
- Ms. Fiona Hughes, M.R.C.V.S.
- Mr. Pat Barriscale, B.C.L., B.L.

Substances which cannot be traced back to normal feeding are considered prohibited. The high level of testing conducted by the Board is significant in comparison to other sporting authorities and is a measure of the Board's commitment to integrity management.



**AUDIT REPORT  
& GROUP FINANCIAL STATEMENTS**

## *Bord na gCon Annual Report 2016*

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### MEMBERS AND OTHER INFORMATION

Bord na gCon (Irish Greyhound Board) was established pursuant to the Greyhound Industry Act 1958.

#### **Members of the Board**

Phil Meaney (Chairman)  
Billy O'Dwyer  
Mattie Murphy  
Riona Heffernan  
Colm Gaynor  
Pat Creed  
Frank Nyhan

#### **Chief Executive Officer**

Geraldine Larkin – contract released 31 December 2016  
Dr. Sean Brady – Interim Chief Executive Officer  
Gerard Dollard – appointed 11 September 2017

#### **Registered office**

Greenpark  
Dock Road  
Limerick

#### **Auditors**

Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

#### **Bankers**

Allied Irish Bank plc.  
Bank Centre  
Ballsbridge  
Dublin 4

Bank of Ireland plc.  
125 O'Connell Street  
Limerick

#### **Solicitors**

Holmes O'Malley Sexton  
Bishopsgate  
Henry Street  
Limerick

# *Bord na gCon Annual Report 2016*

## **BOARD MEMBERS REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Board Members present their report and the audited financial statements for the financial year ended 31 December 2016. Bord na gCon is a body corporate created to fulfil the functions assigned to it by the Greyhound Industry Act 1958.

The financial statements for the financial year ended 31 December 2016 have been prepared in accordance with the generally accepted accounting practice FRS 102.

### **1. Principal Commercial Activities and Review of the Business**

The principal commercial activities of the Group continue to be:

- Operation of a totalisator and ancillary services;
- Operation of race-stadia together with complementary ancillary services including food & beverage services.

Funds generated from these activities along with the allocation from the Horse and Greyhound Racing Fund is re-invested in the industry through;

1. Contributions to prize money and racing incentives,
2. Grants to various bodies involved in the greyhound racing and breeding industry.
3. Promotion of greyhound welfare and rehoming of retired greyhounds
4. Administration and regulation of the industry including the operation of the national drug testing laboratory.

Bord na gCon repaid €0.8m off their bank loans during 2016 from operational cash flows. Stabilisation of the commercial activity of Bord na gCon remains a key financial objective which will be significantly enhanced through the permanent retirement of bank debt and addressing the deficit on the defined benefit pension scheme.

At the end of the year the group has assets of €62,916,491 and liabilities of €32,205,437.

<b>Key Summary Financial Performance for 2016</b>	<b>2016</b>	<b>2015</b>
Total Prize money and racing supports	€8,029,108	€6,672,752
Prize money Contributions from owners & sponsors	€1,890,088	€1,966,427
Operating Surplus	€3,209,929	€2,305,720
Attendance at greyhound race meetings	636,914	637,535
Number of race meetings held	1,675	1,642
Average attendance per race meeting	380	388

The Boards contribution to prize money at €6,139,020 represents an increase of €1,432,695 on prize money contributed during 2015.

### **2. Subsidiaries**

Information provided in respect of the subsidiary companies is as set out in Note 12.

## *Bord na gCon Annual Report 2016*

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### **BOARD MEMBERS REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **3. Members of the Board**

The Board held 16 meetings during 2016 and the members who held office during the year along with their meeting attendances was as follows:

<b>Member</b>	<b>No. of meetings</b>
Phil Meaney	16
Billy O'Dwyer	16
Mattie Murphy	16
Riona Heffernan	14
Colm Gaynor	16
Pat Creed	15
Frank Nyhan	16

Bord na gCon is a body corporate created by the Greyhound Industry Act 1958, it has no shares/debentures in issue. Additionally Board members hold no interest in any of the Board's subsidiaries.

#### **4. Health & Safety**

The wellbeing of Bord na gCon's employees is safeguarded through adherence to health and safety standards throughout all company locations. Board members are cognisant of their responsibilities under the Safety, Health & Welfare at Work Act 2005 and the Safety, Health & Welfare at Work Regulations 2007 and the Head of Compliance & Loss Prevention is the designated officer to oversee compliance with the Health & Safety Acts and associated regulations. There were no reportable incidents during 2016.

#### **5. Subsequent Events**

In May 2017, the Department of Education and Skills made an offer of €23 million for the purchase of the land and buildings at Harold's Cross. The Board intends to repay its fixed term bank debt from the proceeds of this sale. The carrying value of the related assets at 31 December 2016 (Note 10) was €6.8m. No other events have occurred after the statement of financial position date which require disclosure.

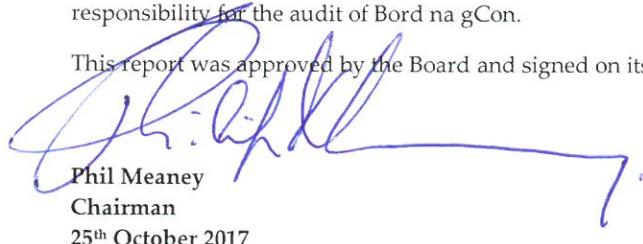
#### **6. Accounting Records**

The measures that the Board have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the employment of accounting personnel and maintenance of computerised accounting systems. The Board's accounting records are maintained at their offices at Greenpark, Dock Rd, Limerick.

#### **7. Auditor**

In accordance with the Horse and Greyhound Racing Act 2001, the Comptroller and Auditor General have responsibility for the audit of Bord na gCon.

This report was approved by the Board and signed on its behalf by



**Phil Meaney**  
Chairman  
25<sup>th</sup> October 2017



**Riona Heffernan**  
Board Member  
25<sup>th</sup> October 2017

## *Bord na gCon Annual Report 2016*

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### STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

The Board is responsible for preparation of the Board Members' report and the financial statements, which give a true and fair view of the state of affairs of Bord na gCon and the results of the Group for the period under review.

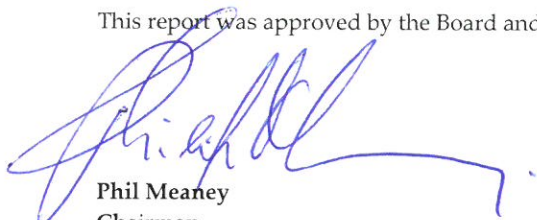
In preparing these financial statements, the Board are required to:

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

The Board are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time, the financial position of the Board and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland.

The Board 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.

This report was approved by the Board and signed on its behalf by



**Phil Meaney**  
Chairman  
25<sup>th</sup> October 2017



**Riona Heffernan**  
Board Member  
25<sup>th</sup> October 2017



## Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Bord na gCon

I have audited the financial statements of Bord na gCon for the year ended 31 December 2016 under the Horse and Greyhound Racing Act 2001. The financial statements comprise the group statement of income and expenditure, the group statement of comprehensive income, the group statement of financial position, the Bord na gCon statement of financial position, the group statement of cash flows, the group statement of changes in capital and reserves, the Bord na gCon statement of changes in capital and reserves and the related notes. The financial statements have been prepared in the form prescribed under Section 14 of the Act, and in accordance with generally accepted accounting practice in Ireland.

#### Responsibilities of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to Bord na gCon's circumstances, and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read Bord na gCon's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

#### Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and of Bord na gCon as at 31 December 2016 and of the group surplus for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of Bord na gCon were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### Emphasis of matter — going concern

Without qualifying my opinion, I draw attention to Note 3(a) to the financial statements. The note discloses that the Board considers that preparation of the financial statements on the going concern basis remains appropriate based on the net proceeds of the disposal of the Group's Harold's Cross site being sufficient to retire fixed term bank debt, the renewal of overdraft facilities on expiry of the current facility, ongoing State funding, and increases in profit from racing facilities.

#### Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in Bord na gCon's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect Bord na gCon's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

#### CEO settlement

I draw attention to Note 8 to the financial statement which discloses a payment of €116,000 to the former CEO on the termination of her contract in December 2016.

*Seamus McCarthy*

Seamus McCarthy  
Comptroller and Auditor General

27 October 2017

## *Bord na gCon Annual Report 2016*

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### STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Board Members of Bord na gCon, I acknowledge our responsibility for ensuring a system of internal financial control is operated and maintained.

The system of internal financial control is such that it provides reasonable, but not absolute assurance that assets of the Board are safeguarded; that financial transactions are authorised and properly recorded and that material errors or irregularities are detected and addressed in a timely manner.

The key procedures which have been put in place by the Board, and are designed to provide effective and appropriate internal financial controls, include:

- A clearly defined organisational structure within Bord na gCon and its subsidiaries, with clarity on management, responsibilities and powers;
- An expected level of accountability across all levels of the organisation;
- A Code of Ethics for all employees and the Board to maintain the highest ethical standards in conducting business;
- Clearly defined policies and procedures throughout the organisation to monitor activities and safeguard the assets of all companies within the organisation;
- Procedures for reporting and investigating significant control failures to ensure that appropriate corrective action is taken on a timely basis. This is overseen by the Internal Audit function and reported to the Board by the Chair of the Audit Committee. The Audit Committee works to a Board approved charter;

A formal process to identify and evaluate organisation business risks is in place which is supported by a risk reporting policy issued in 2015. The Risk Management Committee meets regularly where the risk register is reviewed and updated; this function is further supported through the appointment of a Risk Officer. The risk register is reviewed by the Audit Committee at each meeting. Critical risks are reviewed at board meetings on an on-going basis.

The system of internal financial control is built on a framework of:

- Regular financial information;
- Administrative procedures including segregation of duties and responsibilities and a system of delegation and accountability;
- A comprehensive budgeting system with a detailed review process by executives and signed off by the Board;
- Regular reviews by the Board of financial reports and key actual performance activity with performance measured against budgets;
- Clearly defined capital investment expenditure control procedures;
- Adherence to the fraud policy which addresses the responsibility of staff and management for the detection and reporting of fraud or suspected fraud;

Bord na gCon has an outsourced Internal Audit Function which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies and reports directly to the Audit Committee and in turn to the Board of Bord na gCon. This formal internal audit work provides independent assurance to the Board that the Internal Financial Control processes remain effective. The Internal Audit plans are carried out based on a risk analysis of activity and expenditure and the plans are pre-approved by the Audit Committee on behalf of the Board. In 2016, six Audit Committee meetings were held. During 2016 the Internal Auditor conducted a number of internal audits and subsequent follow up audits along with other assignments agreed as part of the current internal audit plan.

I confirm that the Bord conducted a review of the effectiveness of the system of internal financial control for the financial year ending on 31 December 2016

This report was approved by the Board and signed on its behalf by



**Phil Meaney**  
Chairman

25<sup>th</sup> October 2017

## Bord na gCon Annual Report 2016

### GROUP STATEMENT OF INCOME & EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Notes	2016 €	2015 €
<b>Total turnover from racing activities</b>	4	28,278,120	28,155,589
Winnings paid on Tote wagering		(14,659,325)	(15,189,837)
Operating costs of racing activities	6	(12,598,811)	(12,348,250)
<b>Total tote and race related operating costs</b>		<u>(27,258,136)</u>	<u>(27,538,087)</u>
<b>Surplus from racing activities</b>		<b>1,019,984</b>	617,502
<b>Other Income</b>			
Allocation from the Horse & Greyhound Racing Fund		14,800,000	13,600,000
Prize money contributions from owners and sponsors		1,890,088	1,966,427
Media and other income		117,244	100,138
	4	<u>16,807,332</u>	<u>15,666,565</u>
<b>Expenditure</b>			
Contribution to Prize money		5,768,360	4,566,713
Racing Incentive Schemes		370,660	139,612
Contributions to prize money from owners & sponsors		1,890,088	1,966,427
Racing regulation, laboratory integrity & governance		1,686,167	1,845,035
Grant assistance to private stadia		311,222	282,061
Contributions to greyhound welfare & Irish Retired Greyhound Trust		217,306	206,381
Information technology		647,763	782,055
Bord na gCon administration costs		1,631,116	1,298,456
Legal and professional fees		712,976	1,443,727
Board salaries and expenses		130,086	131,234
Marketing and promotion		1,251,643	1,316,646
<b>Total expenditures including prize money contributions</b>		<u>14,617,387</u>	<u>13,978,347</u>
<b>Group Operating Surplus before Interest, Depreciation &amp; Taxation</b>	5	<b>3,209,929</b>	2,305,720
Depreciation	10	(2,000,582)	(2,170,941)
Capital Grants Amortised	20	1,556,748	1,728,301
Interest on Loans		(409,220)	(479,152)
Profit on Disposal of Property, plant and equipment		-	36,898
Exceptional Item	19	4,000,062	-
Defined Benefit Pension Costs	19	(99,717)	(1,078,226)
<b>Surplus before taxation</b>		<u>6,257,220</u>	342,600
Taxation	9	-	-
Loss Attributable to Minority Interest		95,645	96,143
<b>Group Surplus for Year</b>		<u>6,352,865</u>	438,743
Opening Revenue Reserves at 1 January		46,554	(392,189)
<b>Closing Revenue Reserves at 31<sup>st</sup> December</b>		<u>6,399,419</u>	<u>46,554</u>

All income and expenditure for the year relates to continuing activities except for as outlined in Note 1.17.

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

Phil Meaney  
Chairman

25<sup>th</sup> October 2017



Riona Heffernan  
Board Member

25<sup>th</sup> October 2017




## *Bord na gCon Annual Report 2016*

### GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Notes	2016 €	2015 €
Surplus / (Deficit) for the year		6,352,865	438,743
Pension scheme Movements:			
Actual return less expected return on schemes assets	19	182,619	(152,000)
Experience gain	19	826,088	531,000
Changes in assumptions	19	(2,803,000)	2,118,000
Actuarial (loss) / Gain recognised in the pension scheme		(1,794,293)	2,497,000
Total comprehensive income for the year		4,558,572	2,935,743

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

  
Phil Meaney  
Chairman

25<sup>th</sup> October 2017



Riona Heffernan  
Board Member

25<sup>th</sup> October 2017

## Bord na gCon Annual Report 2016

### GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

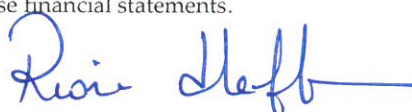
	Notes	2016		2015	
		€	€	€	€
<b>Fixed assets</b>					
Property, plant and equipment	10		59,636,135		60,771,815
Intangible assets	11		8,600		12,900
Financial assets	12		5,951		5,951
			<u>59,650,686</u>		<u>60,790,666</u>
<b>Current assets</b>					
Inventory	13	510,335		445,913	
Trade and Other Receivables	14	1,661,898		2,127,264	
Cash and Cash Equivalents		<u>1,093,572</u>		<u>896,387</u>	
		<u>3,265,805</u>		<u>3,469,564</u>	
<b>Liabilities: amounts falling due within one year</b>	15	<u>(27,149,437)</u>		<u>(6,719,574)</u>	
<b>Net current liabilities</b>			<u>(23,883,632)</u>		<u>(3,250,010)</u>
Total assets less current liabilities			<u>35,767,054</u>		<u>57,540,656</u>
<b>Liabilities: amounts falling due after more than one year</b>					
Net Pension (liability)	19		<u>(5,056,000)</u>		<u>(8,138,000)</u>
<b>Net assets</b>			<u><u>30,711,054</u></u>		<u><u>27,804,875</u></u>
<b>Capital and reserves</b>					
Revenue reserve			6,399,419		46,554
Capital Reserve	20		32,060,481		33,571,464
Other Reserves	21		1,433,177		1,433,177
Pension Reserve			<u>(10,103,293)</u>		<u>(8,309,000)</u>
			<u>29,789,784</u>		<u>26,742,195</u>
Minority Interest	18		<u>921,270</u>		<u>1,062,680</u>
			<u><u>30,711,054</u></u>		<u><u>27,804,875</u></u>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

  
Phil Meaney  
Chairman

25<sup>th</sup> October 2017



Riona Heffernan  
Board Member

25<sup>th</sup> October 2017

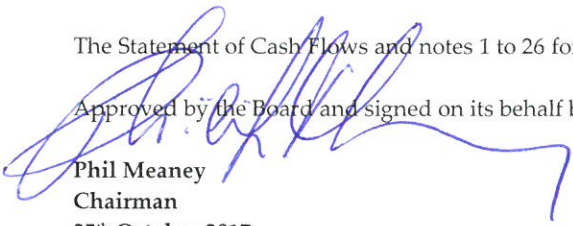
## Bord na gCon Annual Report 2016

### BORD na gCON STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (COMPANY)

	Notes	2016		2015	
		€	€	€	€
<b>Fixed assets</b>					
Property, plant and equipment	10		1,132,747		797,502
Intangible assets	11		8,600		12,900
Financial assets	12		15,788,739		14,259,461
			<u>16,930,086</u>		<u>15,069,863</u>
<b>Current assets</b>					
Inventory	13	82,573		89,860	
Trade and Other Receivables	14	1,068,416		1,308,680	
Cash and Cash Equivalents		567,210		473,828	
		<u>1,718,199</u>		<u>1,872,368</u>	
Liabilities: amounts falling due within one year	15	(32,265,353)		(11,901,603)	
<b>Net current liabilities</b>			<u>(30,547,154)</u>		<u>(10,029,235)</u>
<b>Total assets less current liabilities</b>			<u>(13,617,068)</u>		<u>5,040,628</u>
Liabilities: amounts falling due after more than one year	16		-		(21,597,781)
<b>Net Liabilities</b>			<u>(13,617,068)</u>		<u>(16,557,153)</u>
<b>Capital and reserves</b>					
Revenue Reserve			5,281,744		2,340,389
Capital Reserve	20		(20,168,550)		(20,167,280)
Other Reserves	21		1,269,738		1,269,738
			<u>(13,617,068)</u>		<u>(16,557,153)</u>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

  
Phil Meaney  
Chairman  
25<sup>th</sup> October 2017

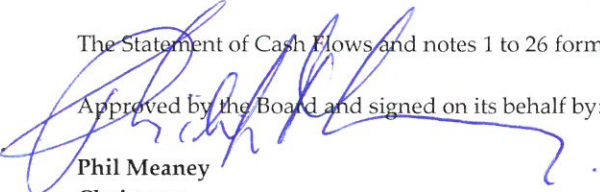
  
Riona Heffernan  
Board Member  
25<sup>th</sup> October 2017

## *Bord na gCon Annual Report 2016*

GROUP STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016	Notes	2016 €	2015 €
<b>Cash flow from operations</b>			
Cash flows from operating activities	22	2,291,781	1,282,454
Taxation		-	-
<b>Net cash generated from operating activities</b>		<b>2,291,781</b>	<b>1,282,454</b>
<b>Cash flows from investing activities</b>			
Purchase of equipment		(864,902)	(716,384)
Proceeds from disposal of fixed asset		-	701,458
<b>Net cash used in investing activities</b>		<b>(864,902)</b>	<b>(14,926)</b>
<b>Cash flows from financing activities</b>			
Interest (paid)		(410,619)	(479,497)
(Repayments) of loans & overdrafts		(819,075)	(771,813)
<b>Net cash used in financing activities</b>		<b>(1,229,694)</b>	<b>(1,251,310)</b>
<b>Net Cash increase in cash &amp; cash equivalents</b>	23	<b>197,185</b>	<b>16,218</b>
Cash & cash equivalent at 1 January		896,387	880,169
<b>Cash &amp; cash equivalent at 31 December</b>	23	<b>1,093,572</b>	<b>896,387</b>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

  
**Phil Meaney**  
 Chairman  
 25<sup>th</sup> October 2017

  
**Riona Heffernan**  
 Board Member  
 25<sup>th</sup> October 2017

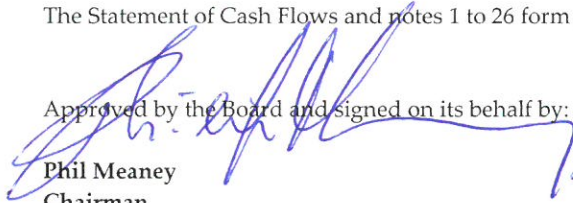
## Bord na gCon Annual Report 2016

### GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 DECEMBER 2016

	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Pension Reserve €	Minority Interest €	Total €
At 1 January 2016		46,554	33,571,464	1,433,177	(8,309,000)	1,062,680	27,804,875
Movement in Capital Reserve	20	-	(1,556,748)	-	-	-	(1,556,748)
Group surplus for the year		6,257,220	-	-	-	-	6,257,220
Movement in Minority Interest	18	95,645	45,765	-	-	(141,410)	-
Actuarial Gain	19	-	-	-	(1,794,293)	-	(1,794,293)
<b>At 31 December 2016</b>		<b>6,399,419</b>	<b>32,060,481</b>	<b>1,433,177</b>	<b>(10,103,293)</b>	<b>921,270</b>	<b>30,711,054</b>
<hr/>							
Prior Year	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Pension Reserve €	Minority Interest €	Total €
At 1 January 2015		(392,189)	35,253,555	1,433,177	(10,806,000)	1,205,033	26,693,576
Movement in Capital Reserve	20	-	(1,728,301)	-	-	-	(1,728,301)
Group surplus for the year		342,600	-	-	-	-	342,600
Movement in Minority Interest	18	96,143	46,210	-	-	(142,353)	-
Actuarial Gain	19	-	-	-	2,497,000	-	2,497,000
<b>At 31 December 2015</b>		<b>46,554</b>	<b>33,571,464</b>	<b>1,433,177</b>	<b>(8,309,000)</b>	<b>1,062,680</b>	<b>27,804,875</b>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

  
**Phil Meaney**  
 Chairman  
 25<sup>th</sup> October 2017

  
**Riona Heffernan**  
 Board Member  
 25<sup>th</sup> October 2017

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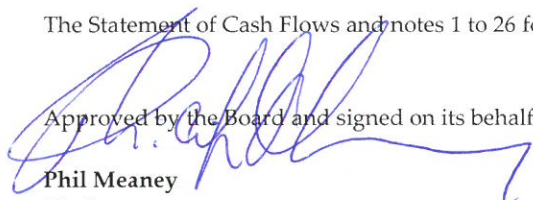
### BORD na gCON STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 DECEMBER 2016

	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Total €
At 1 January 2016		2,340,389	(20,167,280)	1,269,738	(16,557,153)
Movement in Capital Reserve	20	-	(1,270)	-	(1,270)
Surplus for the year attributable to Bord na gCon	5	2,941,355	-	-	2,941,355
<b>At 31 December 2016</b>		<u>5,281,744</u>	<u>(20,168,550)</u>	<u>1,269,738</u>	<u>(13,617,068)</u>

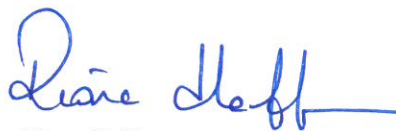
Prior Year	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Total €
Balance at 1 January 2015		98,298	(20,166,010)	1,269,738	(18,797,974)
Movement in Capital Reserve	20	-	(1,270)	-	(1,270)
Surplus for the year attributable to Bord na gCon	5	2,242,091	-	-	2,242,091
<b>At 31 December 2015</b>		<u>2,340,389</u>	<u>(20,167,280)</u>	<u>1,269,738</u>	<u>(16,557,153)</u>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:



**Phil Meaney**  
Chairman  
25<sup>th</sup> October 2017



**Riona Heffernan**  
Board Member  
25<sup>th</sup> October 2017

# *Bord na gCon Annual Report 2016*

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## **Statement of Accounting Policies**

### **Accounting policies**

#### **1.1 General Information**

Bord na gCon is a body corporate created under Irish legislation to fulfil the functions assigned to it by the Greyhound Industry Act 1958. It is domiciled in Ireland and the group is tax resident in Ireland.

Bord na gCon was involved in operating race stadia together with complementary ancillary services at 10 race venues during 2016 along with the operation of a totalisator at race meetings from all licensed 17 stadia. Central activities are located at Greenpark, Dock Road, Limerick. Bord na gCon considers itself a Public Benefit Entity.

The financial statements have been prepared under the Historical cost convention, modified to include certain items at fair value in accordance with FRS 102 issued by the Financial Reporting Council.

All turnover and costs associated with catering facilities are fully recognised in the financial statements.

The significant accounting policies adopted by the group and applied consistently in the preparation of these financial statements are set out below.

#### **1.2 Basis of Consolidation**

The group financial statements comprise the financial statements of Bord na gCon and its subsidiaries. The financial statements of the Board's investment - Kilkenny Greyhound Racing Company Limited - have not been consolidated within these financial statements as the investment is held at cost less impairment. All intra company transactions are eliminated on consolidation. The accounting dates of all subsidiary companies are coterminous with that of Bord na gCon.

#### **1.3 Revenue**

Turnover represents revenue from race meetings and other ancillary services including, bar and restaurant operations. Turnover also accounts for income generated through percentage deduction from totalisator pools and revenue generated through charges on on-course bookmaker betting. Allocations from the Horse and Greyhound Racing Funds are accounted for on a cash receipts basis.

#### **1.4 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use. The board conducted a review for impairment during 2016. This review compares the carrying value of an asset with the higher of market value of the asset or the value in use - the present value of future cash flows deriving from the asset under review. The calculation of value in use is carried out at the level of the income generating unit. The Board considers that given the interdependency between its stadia, the income generating unit is the combined group from all stadia.

Where asset impairment occurs, it is recognised in the Group Income & Expenditure account and allocated to the individual subsidiaries on a proportional basis. The board does not recognise impairment of individual assets within the group or stadia that are offset by excess of valuation over carrying value in the stadia. Key assumptions underpinning the review of impairment include

- Planned reductions in the extent of track operational losses through improved commercial performance,
- Increased profits from the traditional Board's Tote operations,
- Increases in contributions from new betting and other products / services,
- Budgeted proceeds from the Board's disposal programme,
- The stadia will be maintained to a high standard and the value will be maintained,
- Resale value of stadia,
- Discount value used – risk free interest rate.

The review of valuation in relation to assets other than the Board's stadia is conducted on an individual asset basis

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## Statement of accounting policies (continued)

### Depreciation

Freehold land is not depreciated. Depreciation on the remaining assets is calculated by equal instalments so as to provide for their cost over the period of their expected useful lives at the following annual rates:

Freehold Land	-	NIL
Freehold & Leasehold Premises	-	2%
Totalisator Buildings	-	10%
Totalisator Equipment	-	20%
Track Equipment, Furniture and Fittings	-	10%
Leased Tote Equipment	-	10%
Computer Equipment	-	20%
Motor Vehicles	-	20%
Catering Equipment	-	12.5%

The groups' policy is to review the remaining economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated life and residual value.

Fully depreciated assets are retained in the cost of assets and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the income and expenditure account.

### 1.5 Goodwill

The cost of purchased goodwill is shown as an intangible asset in the Statement of Financial Position; negative goodwill is released to the Group Statement of Income and Expenditure in the period in which the non-monetary assets are recorded.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

### 1.6 Inventories

Inventories comprise consumable items and goods held for resale. Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis and includes invoice price and transportation costs. Net realisable value comprises the actual or estimated selling price less all further costs to completion or to be incurred in marketing, selling and distribution.

At the end of each reporting period inventories are assessed for impairment. Any impairment charge is recognised in the Group Statement of Income and Expenditure. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Group Statement of Income and Expenditure.

### 1.7 Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

### 1.8 Trade Payables

Trade payables are classified as current if payable within one year or less. If not, they are presented as non-current liabilities.



## Statement of accounting policies (continued)

### 1.9 Borrowings

Borrowings are recognised initially at the transaction price (present value of cash payable to the bank, including transactions costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised as interest and is charged as incurred. Interest charged is included in finance costs.

Borrowings are classified as current liabilities unless the group has a right to defer settlement of the liability for at least 12 months after the reporting date.

### 1.10 Leases

#### Finance Leases

Leases in which substantially all the risks and rewards of ownership are transferred by the lessor are classified as finance leases.

Property, plant and equipment acquired under finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments and are depreciated over the shorter of the lease term and their useful lives. The capital element of the lease obligation is recorded as a liability and the interest element of the finance lease rentals is charged to the Group Statement of Income & Expenditure on an annuity basis. Each lease payment is apportioned between the liability and finance charges using the effective interest method.

#### Operating Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charges to the Group Statement of Income and Expenditure on a straight - line basis over the period of the lease.

### 1.11 Taxation

The company is managed and controlled in the Republic of Ireland, and is tax resident in Ireland. Tax is recognised in the Group Statement of Income and Expenditure, except to the extent that it relates to items recognised in the Statement of Comprehensive Income or directly in equity. In these cases, the tax effect of these items is also recognised in the Statement of Comprehensive Income or equity respectively.

(i) *Current Tax*

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date.

(ii) *Deferred Tax*

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

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Current or deferred tax assets and liabilities are not discounted.

### 1.12 Oireachtas Grants

Allocations from the Horse & Greyhound Racing Fund are treated as revenue grants and credited to the Group Statement of Income & Expenditure when received.

### Statement of accounting policies (continued)

#### 1.13 Employee Benefits

The group provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a defined benefit pension plan.

- (i) *Short Term Benefits*  
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.
- (ii) *Defined Contribution Pension Plan (PRSA)*  
The company operates a defined contribution plan and a Personal Retirement Savings Account (PRSA). Under both plans the company pays fixed contributions into a separate fund. The company pays contributions to privately administrated pension plans on a contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.
- (iii) *Defined Benefit Pension Plan*  
The company also operates a defined benefit pension plan. In this instance, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit method. An excess of plan liabilities over plan assets is presented on the Statement of Financial Position as a liability.  
The pension charge in the Statement of Income & Expenditure comprises the current service cost and past service cost. The difference between the expected return on plan assets and the interest cost on the plan liabilities is credited as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur.

#### 1.14 Prize money

Prize money consists of race entry fees, sponsorship of certain race events and race grants provided by Bord na gCon. The payment of prize money follows from approved race results and are then made directly to owners or their nominated representatives by Bord na gCon directly by bank transfer on a bi-weekly basis.

#### 1.15 Contingencies

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote or the possible liability can be quantified. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefit is probable.

#### 1.16 Capital Reserve

The Capital Reserve represents retained surplus applied for the acquisition of assets including the development of Board owned stadia. Releases are made from this reserve to the Group Statement of Income and Expenditure in line with the depreciation and write down of grant-assisted assets.

Previously the Board has considered funding made available from the Horse and Greyhound Racing Fund to represent compensation for the reduction in on-course bookmaker's levy, funding for prize money grants and funding for the development of the industry by way of capital grants. Where funding received exceeded the aggregate of levy compensation, prize money grants and capital grants to private stadia, the excess was regarded as a capital grant and transferred to the capital reserve. Where funding received was less than aggregate, a transfer was made from the capital reserve to the revenue reserve. From 2012, the Board has decided not to transfer amounts to the capital reserve where amounts received from the Horse and Greyhound Fund exceeds levy compensation, prize money grants and capital grants to private stadia.

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### **Statement of accounting policies (continued)**

#### **1.17 Discontinuation of Racing at Harold's Cross**

The 2016 statement of income and expenditure includes results in relation to operations at Harold's Cross for 2016. Greyhound racing at Harold's Cross ceased in February 2017. As a result the operations for this subsidiary have been accounted for on a non-going concern basis; however the company remains actively involved in the closure of Harold's Cross site which is anticipated to be concluded in the next 9 months. Consideration as to the future direction of the company will be decided once the process concludes. All racing activities have transferred to Shelbourne Park.

#### **2 Transition to FRS 102**

The group presents its financial statements in accordance with FRS 102 and the Companies Act 2014. In preparing this financial information, the group has applied certain exceptions and exemptions from full retrospective application of FRS 102 as noted below.

##### **Exemptions**

#### **2.1 Business Combinations**

The company has elected not to apply Section 19 of FRS 102 retrospectively to business combinations effected before 1 January 2014.

#### **2.2 Investments in Subsidiaries**

The group has adopted the carrying value of subsidiary investments under Irish GAAP on the date of transition as their deemed cost rather than carrying out a valuation at the date of transition as permitted by FRS 102.

### Statement of accounting policies (continued)

#### 3 Critical Accounting Judgements and Estimates

The preparation of these financial statements requires the Board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Judgements and estimates are evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as below.

##### *(a) Board assessment of going concern*

The Board consider the going concern basis for the preparation of the 2016 financial statements remains appropriate. This assessment is based on the following.

- (i) Funding proposals approved by the Pensions Authority on 6 September 2016 have been implemented by Bord na gCon. This resulted in a reduction in the scheme liability and provision for increased contributions to the scheme in future years by Bord na gCon.
- (ii) Increase in income streams from supply of greyhound racing content to a private company SIS. A contract was signed in June 2016 for the supply of greyhound racing content at Mullingar, Youghal and Kingdom stadia. This was expanded in March 2017 to include an additional race event broadcasting each Saturday morning from the Kingdom Stadium;
- (iii) The allocation from the Horse and Greyhound Racing Funds received in 2016 of €14.8 million has been increased to €16.0 million for 2017. The Board has assumed that the allocation will not decrease over the medium term.

The Board's assessment of Bord na gCon's ability to operate as a going concern includes the following key assumptions:

- A. The net proceeds from the sale of the Harold's Cross site will be sufficient to retire fixed term bank debt with surplus funds remaining to address capital investment into the greyhound industry. In May 2017, an offer of €23 million was received and accepted from the Department of Education and Skills for the purchase of the Harold's Cross site.
- B. Banking facilities will remain available in the interim to assist in conclusion of the aforementioned sale.
- C. Overdraft facilities of €6.25 million will remain available to Bord na gCon on the expiry of the current facility.
- D. Bord na gCon's annual allocation of funds from the Oireachtas under section 12 of the Horse and Greyhound Racing Act 2001 will continue at present levels.
- E. Increased profits from racing facilities which will be supported by establishing and increasing income streams from off stadium wagering and on-line streaming of racing events.

##### *(b) Establishing lives for depreciation and amortisation purposes of property, plant & Equipment*

Long - lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of total assets. The annual depreciation charge and amortisation of capital reserve depend primarily on the estimated lives of each type of asset and estimates of residual values. The Board regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Details of useful economic life are included in accounting policies, Note 1.4.

### Statement of accounting policies (continued)

#### *(c) Inventory Provision*

The level of provision required is reviewed on an on-going basis, however no inventory provisions were required for the year ending 31 December 2016 (2015 - €0)

#### *(d) Providing for doubtful debts*

The group makes an estimate of the recoverable value of trade and other receivables. The group uses estimates based on historical experience in determining the level of debts, which the group believes will not be collected.

These estimates include such factors as the current credit rating of the debtor, the aging profile of the debtor and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

#### *(e) Retirement Benefit Obligation*

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, advices received from the Board's actuarial advisor and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds,
- (ii) future compensation levels, future labour market conditions.

#### *(f) Impairment*

The Board reviews its assets for impairment on a regular basis. Accounting policy 1.4 sets out the key assumptions underpinning the review.

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 4 Turnover

Group turnover is derived from services originating in Ireland and comprises.

- Turnover from racing activities is derived from turnover from tote and all other track related racing activities, including on site sale of food and beverages.
- Turnover for Bord na gCon is derived from the annual allocation the Horse and Greyhound Racing Fund, media income and other sundry income streams

	2016	2015
<b>Class of business</b>	<b>€</b>	<b>€</b>
Food & beverage sales	7,479,704	7,303,224
Cost of supply for food & beverage sales	(2,590,450)	(2,594,434)
Gross Profits from food & beverage sales	<u>4,889,254</u>	<u>4,708,790</u>
Tote turnover	19,475,140	19,586,685
Bookmaker income	179,217	190,077
Track income	3,734,509	3,670,037
<b>Turnover from racing activities</b>	<b><u>28,278,120</u></b>	<b><u>28,155,589</u></b>
Allocation from Horse & Greyhound Racing Fund	14,800,000	13,600,000
Prize money contributions from owners and sponsors	1,890,088	1,966,427
Media income	40,000	40,000
Other income	77,244	60,138
<b>Turnover for Bord na gCon</b>	<b><u>16,807,332</u></b>	<b><u>15,666,565</u></b>

#### 5 Group Surplus

	2016	2015
<b>Group Surplus before taxation has been arrived at after charging</b>	<b>€</b>	<b>€</b>
Auditors remuneration	80,403	87,767
Depreciation	2,000,582	2,170,941
Group interest payable	409,220	479,152
Redundancy costs	125,273	3,259
<b>And after crediting</b>		
Amortisation of capital reserve	1,556,748	1,728,301
<b>The Chief Executive Officer's remuneration package was as follows:</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Basic salary	132,920	132,920
Pension contributions	32,230	27,691
Payment on contract termination (Note 8)	115,996	-
	<u>281,146</u>	<u>160,611</u>

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### Note 5 (Continued)

##### **Bord na gCon – Surplus / (Deficit)**

The surplus after taxation for the year of the Bord na gCon parent entity is €2,941,355 (2015: €2,242,091). The surplus has been dealt with in the financial statements.

#### 5.1 Remuneration of Board members and expenses

	2016	2015
	€	€
<b>Bord na gCon Group Board members' remuneration:-</b>		
Phil Meaney	21,600	21,600
Billy O Dwyer	8,100	12,600
Frank Nyhan	8,380	-
Mattie Murphy	8,100	12,600
Pat Creed	8,380	-
Riona Heffernan	8,100	12,600
Colm Gaynor	12,600	-
Retired Board Members	-	23,100
	75,260	82,500
<b>Bord na gCon Group Board members' Expenses:-</b>		
Board members' travel & subsistence	46,744	46,884
Board's members' meeting expenses & other	8,082	1,850
	54,826	48,734

#### 6 Operating costs of racing activities

	2016	2015
	€	€
<b>Tote operations</b>		
Tote operating costs	1,046,567	821,683
Tote staff costs	1,473,448	1,547,104
Betting collection costs	113,803	116,457
<b>Track operations</b>		
Track operating costs	3,573,346	3,470,368
Track staff costs	2,597,269	2,746,480
<b>Food and Beverage operations</b>		
Direct costs and other operational costs	965,181	867,791
Food & Beverage staff related costs	2,829,197	2,778,367
Total operating costs of racing activities	12,598,811	12,348,250

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 7 Employees

Number of employees - *Full Time Equivalents (FTE's)*

The average monthly number of FTE's employed by the group in the financial year is set out below	2016 Number	2015 Number
Bord na gCon & Subsidiaries - full time staff	128	125
Bord na gCon & Subsidiaries - race night casual staff ( <i>FTE's</i> )	115	115
	243	240

Total staff costs are comprised of:	2016 €	2015 €
Wages, salaries redundancy & expenses	9,228,196	9,328,937
Employers social insurance costs	836,198	837,942
Employers pension contributions to defined contribution & PRSA schemes	140,475	147,763
Defined benefit scheme current service cost ( <b>Note 19</b> )	99,717	1,078,226
	10,304,586	11,392,868

No employee costs were capitalised during the year or in the prior year.

#### 7.1 Total Employee Benefits:

In accordance with Department of Public Expenditure and Reform circular 13/2014 the following outlines the employee benefits greater than €60,000 in 2016:

Employee benefits	Number of employees	
	2016	2015
60,000 – 70,000	2	8
70,000 – 80,000	5	2
80,000 – 90,000	3	4
90,000 – 100,000	1	3
100,000 – 110,000	3	1
110,000 – 120,000	0	2
120,000 – 130,000	0	0
130,000 – 140,000	0	0
140,000 – 150,000	0	0
150,000 – 160,000	0	0
160,000 – 170,000	1	1

Employee benefits include remuneration, pension benefits and other benefits to include benefit in kinds.



## *Bord na gCon Annual Report 2016*

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### **Statement of accounting policies (continued)**

#### **8 Legal Costs & Settlements:**

In December 2016, a compromise agreement was reached to the mutual satisfaction of the Board and the former CEO. This sum was equivalent to salary and pension contributions to the end of the contract term in July 2017 amounting to €115,996, including a contribution of €1,000 towards legal fees.

The IGB incurred net costs of €253,358 (including legal fees) in 2016 in connection with the settlement of a legal claim concerning a former employee retirement benefit entitlements. This settlement resulted in the transfer out of the individual's accrued retirement benefits from the IGB defined benefit (DB) scheme but also resulting in the IGB no longer having any DB obligations to this individual. Additionally, the IGB are protected in the future from the risks and uncertainties associated with the management of DB entitlements in this matter.

#### **9 Taxation**

There was no corporation tax charge arising in 2016 (2015 - €0) due to current and prior year tax losses in the Board's subsidiary companies.

## Bord na gCon Annual Report 2016

### Statement of accounting policies (continued)

#### 10 Property, Plant and Equipment (Group)

	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
<b>Cost</b>	€	€	€	€	€
At 1 January 2016	45,745,923	32,432,685	16,649,848	109,388	94,937,844
Additions	-	-	864,902	-	864,902
Assets disposed	-	-	-	-	-
At 31 December 2016	45,745,923	32,432,685	17,514,750	109,388	95,802,746
<b>Depreciation</b>					
At 1 January 2016	7,290,705	12,773,490	14,005,900	95,934	34,166,029
Assets disposed	-	-	-	-	-
Charge for the year	52,973	24,525	1,915,324	7,760	2,000,582
At 31 December 2016	7,343,678	12,798,015	15,921,224	103,694	36,166,611
<b>Net book values</b>					
At 31 December 2016	38,403,268	19,633,647	1,593,526	5,694	59,636,135
At 31 December 2015	38,455,218	19,659,195	2,643,948	13,454	60,771,815

#### Property, Plant and Equipment - Bord na gCon

	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
<b>Cost</b>	€	€	€	€	€
At 1 January 2016	51,153	1,236,560	4,972,207	89,450	6,349,370
Additions	-	-	529,593	-	529,593
Assets disposed	-	-	-	-	-
At 31 December 2016	51,153	1,236,560	5,501,800	89,450	6,878,963
<b>Depreciation</b>					
At 1 January 2016	38,525	922,043	4,509,354	81,946	5,551,868
Assets disposed	-	-	-	-	-
Charge for the year	1,023	24,525	162,640	6,160	194,348
At 31 December 2016	39,548	946,568	4,671,994	88,106	5,746,216
<b>Net book values</b>					
At 31 December 2016	11,605	289,992	829,806	1,344	1,132,747
At 31 December 2015	12,628	314,517	462,853	7,504	797,502

The cost of the property, plant and equipment included above which have been fully depreciated at 31st December 2016 is €11,063,034 (2015 €10,310,629) for the group and €4,099,178 (2015 €4,444,513) for Bord na gCon.

## Bord na gCon Annual Report 2016

### Statement of accounting policies (continued)

#### 10 Property, Plant and Equipment (Group) (continued)

Leasehold buildings include a 999 year licence in respect of the use of a car park at the Limerick Greyhound Stadium for racing events. This asset was purchased in 2008 for €1.1 million and its current carrying value is €0.99m. In 2008 the Board entered into a 30 year agreement with the third party owner of the car park whereby the board would purchase the freehold interest at a fixed price of €925,000 should the third party be unable to use this car park for other developments planned on adjacent lands to Limerick Greyhound Stadium.

Prior Year	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2015	46,309,378	33,062,146	22,328,087	202,638	101,902,249
Additions	-	-	708,384	8,000	716,384
Assets disposed	(563,455)	(403,484)	(630,797)	(101,250)	(1,698,986)
Assets, no longer in use	-	(225,977)	(5,755,826)	-	(5,981,803)
At 31 December 2015	45,745,923	32,432,685	16,649,848	109,388	94,937,844

#### Depreciation

At 1 January 2015	6,943,369	12,094,575	19,784,399	188,974	39,011,317
Assets disposed	(178,384)	(129,817)	(625,449)	(101,250)	(1,034,900)
Assets, no longer in use	-	(225,977)	(5,755,352)	-	(5,981,329)
Charge for the year	525,720	1,034,709	602,302	8,210	2,170,941
At 31 December 2015	7,290,705	12,773,490	14,005,900	95,934	34,166,029

#### Net book values

At 31 December 2015	38,455,218	19,659,195	2,643,948	13,454	60,771,815
At 31 December 2014	39,366,009	20,967,571	2,543,688	13,664	62,890,932

#### Property, Plant and Equipment - Bord na gCon

Prior Year	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2015	614,608	1,866,021	11,199,419	190,700	13,870,748
Additions	-	-	142,935	-	142,935
Assets disposed	(563,455)	(403,484)	(614,321)	(101,250)	(1,682,510)
Assets, no longer in use	-	(225,977)	(5,755,826)	-	(5,981,803)
At 31 December 2015	51,153	1,236,560	4,972,207	89,450	6,349,370

#### Depreciation

At 1 January 2015	204,884	1,245,242	10,700,097	177,036	12,327,259
Assets disposed	(178,384)	(129,817)	(613,245)	(101,250)	(1,022,696)
Assets, no longer in use	-	(225,977)	(5,755,352)	-	(5,981,329)
Charge for the year	12,025	32,595	177,854	6,160	228,634
At 31 December 2015	38,525	922,043	4,509,354	81,946	5,551,868

#### Net book values

At 31 December 2015	12,628	314,517	462,853	7,504	797,502
At 31 December 2014	409,724	620,779	499,322	13,664	1,543,489

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 10 Property, Plant and Equipment (Group) (continued)

At 31 December 2016, Freehold land and buildings includes assets at Harold's Cross with a carrying value of €6.8m. In May 2017 an offer from the Department of Education and Skills was accepted for this site.

**Charges on Board Assets** - The assets of The Dublin Greyhound & Sports Association Limited, Clonmel Greyhound Stadium, The Waterford Greyhound Race Company (1953) Limited, Shelbourne Greyhound Stadium Limited, Limerick Greyhound Racing Track Limited, Cork Greyhound Race Company Limited and The Kingdom Greyhound Racing Company Limited are held as security for the facilities provided by AIB Bank, to the group.

#### Impairment Review

Bord na gCon completed an Impairment review of all property, plant and equipment within the Bord na gCon group. This review compared the carrying value of group assets with the greater of (a) market value or (b) the value in use, this being the present value of future cash flows derived from the group assets under review. The 2016 Impairment Review determined that no provision was required. The key assumptions underpinning this assessment are as noted in the accounting policy 1.4.

#### 11 Intangible Assets

Group	Negative		
	Goodwill	Goodwill	Total
Cost	€	€	€
At 1 January 2016	(150,575)	43,000	(107,575)
At 31 December 2016	(150,575)	43,000	(107,575)
<b>Amortisation</b>			
At 1 January 2016	(150,575)	30,100	(120,475)
Charge for year	-	4,300	4,300
At 31 December 2016	(150,575)	34,400	(116,175)
<b>Net book values at 31 December 2016</b>	<b>-</b>	<b>8,600</b>	<b>8,600</b>
Prior year	Negative		
	Goodwill	Goodwill	Total
Cost	€	€	€
At 1 January 2015	(150,575)	43,000	(107,575)
At 31 December 2015	(150,575)	43,000	(107,575)
<b>Amortisation</b>			
At 1 January 2015	(150,575)	25,800	(124,775)
Charge for year	-	4,300	4,300
At 31 December 2015	(150,575)	30,100	(120,475)
<b>Net book values at 31 December 2015</b>	<b>-</b>	<b>12,900</b>	<b>12,900</b>

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 11 Intangible Assets (continued)

<b>Bord na gCon</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Net book value at 1 January	12,900	17,200
Released during the year	(4,300)	(4,300)
Net book value at 31 December	<u>8,600</u>	<u>12,900</u>

During 2008, the greyhound newspaper Greyhound Weekly ceased trading. Bord na gCon had, prior to cessation of trading, advertised in the publication and submitted articles, the publication had a wide circulation within the greyhound community who were particularly interested in the section 'Talking Dogs'. The right and know-how of the 'Talking Dogs' section were purchased by Bord na gCon and are now available on the Bord na gCon website [www.igb.ie](http://www.igb.ie).

#### 12 Financial assets

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Investments	5,570	5,570
Prize-bonds	381	381
	<u>5,951</u>	<u>5,951</u>

Group investments relate to investments in Ballybeggan Park and Kilkenny Greyhound Racing Company Limited. These investments are recognised at cost.

<b>Bord na gCon:</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Shares in subsidiaries at cost less amounts written off	244,452	244,452
Long Term Loan to subsidiaries	15,544,287	14,015,009
	<u>15,788,739</u>	<u>14,259,461</u>

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 12 Financial assets (continued)

Details of investments held in subsidiary undertakings are disclosed as follows:

<b>Company</b>	<b>Detail of investment</b>	<b>Principal activity of the company</b>
Dublin Greyhound and Sports Association Ltd	100% of issued share capital	Management of greyhound racing venue at Harold's Cross, Dublin.
Cork Greyhound Race Company Ltd	100% of issued share capital	Management of greyhound racing venue at Curraheen, Cork.
The Kingdom Greyhound Racing Company Ltd	100% of issued share capital	Management of greyhound racing venue at Tralee, Kerry.
The Waterford Greyhound Race Company (1953) Ltd	100% of issued share capital	Management of greyhound racing venue at Kilcohan Park, Waterford.
Youghal Greyhound Race Company Ltd	97.46% of issued share capital	Management of greyhound racing venue at Youghal, Cork.
Limerick Greyhound Racing Track Ltd	100% of issued share capital	Management of greyhound racing venue at Greenpark, Limerick
Mullingar Greyhound Racing Company Ltd	51% of issued share capital	Management of greyhound racing venue at Mullingar, Westmeath.
Galway Greyhound Stadium Ltd	100% of issued share capital	Management of greyhound racing venue at Showground's, Galway.
Shelbourne Greyhound Stadium Ltd	100% of issued share capital	Management of greyhound racing venue at Shelbourne Park, Dublin.
Clonmel Greyhound Racing Company Ltd	100% of issued share capital	Property holding company of Board property in Clonmel, Tipperary.
Abargrove Ltd	100% of issued share capital	Management of Newbridge, Kildare greyhound racing track plus group food & beverage operations.

Republic of Ireland is the country of incorporation for all subsidiary companies. The registered offices for above listed companies is Bord gCon office, Greenpark, Dock Road Limerick

In the opinion of the directors the shares in the company's subsidiaries are worth at least the amounts at which they are stated in the Statement of Financial Position. The following table summarises the commercial activity of each subsidiary

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 12 Financial assets (continued)

Commercial activity of subsidiary companies	Year ended 31 December 2016			Year ended 31 December 2015		
	Tote Profit <sup>2</sup>	Track Profit/(Loss)	Capital & Revenue Reserves	Tote Profit	Track Profit/(Loss)	Capital & revenue Reserves
Clonmel Greyhound Racing Company Ltd		Property holding company	951,998		Property holding company	952,912
Abargrove Ltd	70,670	(332,309)	(114,319)	64,725	(307,912)	217,990
Cork Greyhound Race Company Ltd	302,024	(260,912)	2,111,930	310,015	(221,522)	2,372,842
Galway Greyhound Stadium Ltd	154,428	(193,396)	(1,328,205)	169,850	(233,645)	(1,134,809)
The Dublin Greyhound & Sports Association Ltd	335,192	(26,997)	(997,684)	331,760	(53,575)	(970,687)
The Kingdom Greyhound Racing Company Ltd	188,893	(144,742)	(1,185,645)	130,449	(135,556)	(1,040,903)
Limerick Greyhound Racing Track Ltd	181,297	(357,429)	(3,925,404)	183,867	(359,254)	(3,567,935)
Shelbourne Greyhound Stadium Ltd	714,909	259,037	4,829,517	725,478	174,997	4,570,480
Waterford Greyhound Race Company (1953) Ltd	98,009	(165,943)	(2,137,052)	101,984	(139,974)	(1,971,109)
Youghal Greyhound Race Company Ltd	86,431	(145,012)	(917,029)	5,530	(150,522)	(772,017)
Mullingar Greyhound Racing Company Ltd	143,995	(195,194)	(518,534)	116,245	(196,212)	(323,340)

<sup>2</sup> Tote profits include surplus generated from sale of media rights from the related track

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 13 Inventories

	2016	2015
<b>Groups</b>	€	€
Totalisator and track consumable inventory	117,529	135,164
Food & beverage goods for re-sale	389,037	306,364
Sundry consumable inventory	3,769	4,385
	510,335	445,913
	510,335	445,913
	2016	2015
<b>Bord na gCon</b>	€	€
Totalisator and track consumable inventory	78,804	85,475
Sundry consumable inventory	3,769	4,385
	82,573	89,860
	82,573	89,860

The net replacement cost of inventory is not expected to be materially different from that shown above.

#### 14 Trade and Other Receivables

	2016	2015
<b>Group</b>	€	€
Trade Receivables & Prepayments	1,648,968	1,963,185
Other Receivables	248	1,277
VAT recoverable	12,682	162,802
	1,661,898	2,127,264
	1,661,898	2,127,264
	2016	2015
<b>Bord na gCon</b>	€	€
Trade and Other Receivables & prepayments	1,068,283	1,150,428
VAT recoverable	-	158,119
Other Receivables	133	133
	1,068,416	1,308,680
	1,068,416	1,308,680

Trade and other receivables includes €532,309 (2015 - €544,363) due from two stadia operated by private enterprises and licensed by Bord na gCon. These balances are subject to agreed repayment terms with obligations being honoured to date.



## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 15 Liabilities Payable within one year

	2016	2015
<b>Group:</b>	<b>€</b>	<b>€</b>
Trade Creditors and Accruals	5,392,817	5,757,993
Deferred Income	16,333	-
Bank Loans and Overdrafts ( <b>Note 17</b> )	21,740,287	961,581
	27,149,437	6,719,574

	2016	2015
<b>Bord na gCon</b>	<b>€</b>	<b>€</b>
Trade Creditors, Accruals & Other Creditors	4,312,199	4,567,303
Amounts due to Subsidiary companies	6,213,672	6,385,141
Bank Loans and Overdrafts ( <b>Note 17</b> )	21,739,482	949,159
	32,265,353	11,901,603

Amounts due to subsidiary companies are repayable on demand.

The creditors and accruals figures include the following amounts

	2016	2015
<b>Group</b>	<b>€</b>	<b>€</b>
VAT	145,281	145,541
PAYE PRSI	272,864	302,641
<b>Bord na gCon</b>		
VAT	82,388	0
PAYE PRSI	138,702	154,732

#### 16 Liabilities Payable after more than one year

	2016	2015
<b>Group</b>	<b>€</b>	<b>€</b>
Bank loans	-	21,597,781
	-	21,597,781
<b>Bord na gCon</b>		
Bank loans	-	21,597,781
	-	21,597,781

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 17 Details of bank borrowings

	Within 1 year €000	Between 1 & 5 years €000	Total €000
<b>Maturity analysis of loans and overdrafts</b>			
Repayable by instalments	188	-	188
Bank loan subject to repayment from proceeds of asset disposal	16,194	-	16,194
Total value of fixed term bank loans	16,382	-	16,382
<b>Bank facilities not subject of fixed repayment obligations</b>			
Overdrafts	5,358	-	5,358
Total:	21,740	-	21,740

- Bord na gCon bank facilities are on demand. However the remaining balance on fixed term bank loans will be paid in full on completion of the sale of the Harold's Cross Site,
- It is expected that an overdraft facility of €6.25m will remain available to the Board,
- Board's assets as outlined in **Note 10** are held as security for the total facilities.

#### 18 Minority Interest

The minority interest arose on the 51% acquisition of Mullingar Greyhound Racing Company Limited in September 1999.

	2016 €	2015 €
At beginning of financial year	1,062,680	1,205,033
Loss Attributable to Minority Interest	(95,645)	(96,143)
Amortisation of Capital Reserve attributable to minority interest ( <b>Note 20</b> )	(45,765)	(46,210)
At end of financial year	921,270	1,062,680

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 19 Pension cost note

The group operates a defined contribution, PRSA and defined benefit pension schemes.

##### **Defined Contribution Scheme (DC) & PRSA**

In respect of the DC and PRSA schemes the Board's contribution in 2016 amounted to €140,475 (2015 €147,763).

##### **Defined Benefit Scheme**

The company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The company has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salaries along with additional contributions to reduce the funding deficit.

The scheme is closed to new entrants. A full actuarial valuation was carried out on 1st January 2014 and updated in 2017 by a qualified independent actuary. Proposals to address the deficit in this scheme were accepted by the Pension Authority on September 6<sup>th</sup> 2016 and these proposals were implemented in 2016.

<b>The major assumptions used by the actuary were:</b>	<b>2016</b>		<b>2015</b>	
	%		%	
Rate of increase in salaries	2.25		2.3	
Rate of increase in pensions in payment	1.5		1.5	
Rate of increase of state retirement pension	1.5		1.5	
Discount rate	1.8		2.6	
Inflation assumption	1.5		1.5	
Life expectancy (in years)	Male	Female	Male	Female
Retiring Today (members aged 65)	20.9	23.4	22.8	24.8
Retiring Today (members aged 40)	23.9	26.1	25.6	27.7

<b>The principal assets and liabilities in the scheme were:</b>	<b>Value at 31/12/2016</b>		<b>Value at 31/12/2015</b>	
	€ '000		€ '000	
Fixed Interest	8,772	59.7%	8,481	64.0%
Cash	5,496	37.4%	4,338	33.0%
Other (insured assets)	426	2.9%	444	3.0%
Total market value of assets	<u>14,694</u>		<u>13,263</u>	
Present value of scheme liabilities	<u>(19,750)</u>		<u>(21,401)</u>	
(Deficit) / Surplus in the scheme	<u>(5,056)</u>		<u>(8,138)</u>	
Related deferred tax liability	-		-	
Net pension Asset / (Liability).	<u>(5,056)</u>		<u>(8,138)</u>	

The plan assets do not include any of the Board's financial instruments nor is any property occupied by the Board or its subsidiaries.

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 19 Pension cost note (continued)

<b>Defined Benefit Pension Costs charged to the Income &amp; Expenditure Account:</b>	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
Current Service Cost	(382)	(420)
Accrued Current Service Cost	445	(445)
Interest on scheme liabilities	(506)	(491)
Expected Return on Scheme Assets	343	278
<b>Defined Benefit Pension Costs</b>	<u>(100)</u>	<u>(1,078)</u>
 <b>Curtailment on pension liabilities – Exceptional Item</b>	 <u>(4,000)</u>	 <u>-</u>

A pension curtailment gain arose on the restructuring of the Board's defined benefit pension scheme. The restructuring arose as a result of a funding proposal submitted to the Pensions Authority in order to ensure the future viability of the scheme.

<b>Analysis of Movement in Benefit Obligation</b>	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
Defined Benefit Obligation at beginning of year	21,401	23,667
Service Costs	382	420
Interest Cost	506	491
Plan Participants' contribution	24	25
Re-measurement of Defined Benefit Obligation	1,977	(2,649)
Plan introductions, changes, curtailments & settlements	(4,000)	0
Benefits paid from plan assets	(540)	(553)
Defined Benefit Obligation at end of year	<u>19,750</u>	<u>21,401</u>

<b>Change in plan assets</b>	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
Fair Value of plan assets at beginning of year	13,263	13,302
Expected return on plan assets	343	278
Actuarial gain / (loss)	183	(152)
Employers Contribution	1,421	363
Plan participants' contributions	24	25
Benefit paid from plan	(540)	(553)
Fair value of plan at year end	<u>14,694</u>	<u>13,263</u>
 <b>Net Defined Benefit Liability</b>	 <u>(5,056)</u>	 <u>(8,138)</u>

<b>Return on plan assets</b>	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
Total return on plan assets	<u>525</u>	<u>126</u>

## Bord na gCon Annual Report 2016

### Statement of accounting policies (continued)

#### 19 Pension cost note (continued)

An analysis of the amount recognised in the Group Statement of Comprehensive Income is as follows:	2016 €'000	2015 €'000
Actual return less expected return on scheme assets	183	(152)
Experience gains and losses	826	531
Changes in assumptions	(2,803)	2,118
Actuarial (loss) / gain	<u>(1,794)</u>	<u>2,497</u>

**Pension Commitment** The retirement benefits for active members (of the DB Scheme) are currently increasing in line with their salaries (or integrated salaries for Class A PRSI members). In the Funding Proposal (submitted to the Pensions Authority in June 2016 and approved by the Authority in September 2016), the Scheme Actuary assumed salary increases of the order of 2.5% per annum from 2017 onwards (0% for 2016). In August 2017, the Board resolved the following in respect of the active members of the DB Scheme

- i. cease future accrual of benefits with effect from 31 December 2021
- ii. increase accrued benefits (calculated as at 31 December 2021) in line with Statutory Revaluation from 1 January 2022 onwards until Normal Retirement Age [Statutory Revaluation is currently estimated at 1.5% per annum (over the medium to long term)]

#### 20 Capital Reserve

	Group		Bord na gCon	
	2016 €	2015 €	2016 €	2015 €
<b>Transfer from surplus</b>				
- In previous years	73,813,320	73,813,320	73,813,320	73,813,320
- In current year	-	-	-	-
	<u>73,813,320</u>	<u>73,813,320</u>	<u>73,813,320</u>	<u>73,813,320</u>
<b>Amounts Written Back</b>				
- In previous years	(11,113,993)	(11,113,993)	2,300,994	2,300,994
- In current year	-	-	-	-
	<u>(11,113,993)</u>	<u>(11,113,993)</u>	<u>2,300,994</u>	<u>2,300,994</u>
<b>Grants to Board Owned Stadia</b>				
- In previous years	(1,941,837)	(1,941,837)	(94,658,431)	(94,658,431)
- In current year	-	-	-	-
	<u>(1,941,837)</u>	<u>(1,941,837)</u>	<u>(94,658,431)</u>	<u>(94,658,431)</u>
<b>Amortisation to Income and Expenditure</b>				
- In previous years	(27,544,132)	(25,862,041)	(1,621,893)	(1,621,893)
- In current year	(1,556,748)	(1,728,301)	(1,270)	(1,270)
- Attributable to minority interest	45,765	46,210	-	-
	<u>(29,055,115)</u>	<u>(27,544,132)</u>	<u>(1,623,163)</u>	<u>(1,623,163)</u>
<b>Amortisation of Amounts Written Back</b>				
- In previous years	358,106	358,106	-	-
- In current year	-	-	-	-
	<u>358,106</u>	<u>358,106</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 December</b>	<u>32,060,481</u>	<u>33,571,464</u>	<u>(20,168,550)</u>	<u>(20,167,280)</u>

## *Bord na gCon Annual Report 2016*

### Statement of accounting policies (continued)

#### 21 Other Reserves

	Group		Bord na gCon	
	2016	2015	2016	2015
	€	€	€	€
General Reserve	1,269,738	1,269,738	1,269,738	1,269,738
Other Reserve	163,439	163,439	-	-
	<u>1,433,177</u>	<u>1,433,177</u>	<u>1,269,738</u>	<u>1,269,738</u>

The other reserve represents amenity grants received by subsidiary companies.

#### 22 Gross cash flows

Reconciliation of operating profit to net cash inflow from operating activities	2016	2015
	€	€
Surplus/(Deficit) before taxation	6,257,220	342,600
Gross interest payable	413,089	490,308
(Profit) on disposal of Property, plant and equipment	-	(36,898)
Amortisation of intangible assets	4,300	4,300
Depreciation	2,000,582	2,170,941
Amortisation of capital reserves	(1,556,748)	(1,728,301)
Increase in inventory	(64,422)	(303,027)
Decrease (increase) in Trade and other receivables	465,366	(177,093)
Decrease in Liabilities and provisions	(351,313)	249,624
Net pension	(4,876,293)	270,000
	<u>2,291,781</u>	<u>1,282,454</u>

#### 23 Analysis of changes in net funds

	Opening Balance	Cash Flows	Closing balance
	€	€	€
Cash & Cash Equivalent	896,387	197,185	1,093,572
Term Loan Repayable by Instalments	(4,631,939)	749,385	(3,882,554)
Other Bank Loan	(12,500,000)	-	(12,500,000)
Bank Overdraft	(5,427,423)	69,690	(5,357,733)
Group Debt	<u>(22,559,362)</u>	<u>819,075</u>	<u>(21,740,287)</u>
<b>Net Group Debt</b>	<u>(21,662,975)</u>	<u>1,016,260</u>	<u>(20,646,715)</u>

#### 24 Commitments & Contingencies

The board are involved in one legal case. No provision has been made in the financial statements for the year ended 31 December 2016 as any potential financial affect cannot be reasonably ascertained at this time.

Bord na gCon have implemented proposals approved by the Pensions Authority to address the deficit in relation to the defined benefit scheme. This will result in additional contributions of €0.8 million per annum to the scheme.

The board have no other commitment or capital commitments requiring disclosure.

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### Statement of accounting policies (continued)

#### 25 Board's Members' Interest

In the normal course of business Bord na gCon may enter contractual arrangements with undertakings in which Board Members are employed or otherwise interested. The Board adopted procedures in accordance with the guidelines issued by The Department of Public Expenditure and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the Board. The Board have continued to comply with the Departments guidelines covering situations of personal interest. In cases of potential conflict of interest, Board members did not participate on or attend any Board discussions relating to the matter.

During the year ended 31 December 2016, Mr Billy O'Dwyer, Board Member provided auctioneering services to the Board. The value of these services came to €1,050, (2015 - €250). Bord na gCon, through their subsidiary Abargrove Ltd, maintained a national pouring rights agreement with C&C Group Plc. Mr Riona Heffernan is an employee of C&C Group Plc. Neither, Mr O'Dwyer or Ms Heffernan attended or participated in any board discussions on these matters.

#### 26 Approval of financial statements

The board of directors approved these financial statements for issue on 25/10/2017.