



**Irish Greyhound Board
Bord na gCon**

Annual Report 2010

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Welcome

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, 2010, faoi bhráid an Roinn Talmhaíochta, Iascaigh agus Bia.

In accordance with section 19(2) of the Greyhound Industry Acts, 1958 and 1993, Bord na gCon presents its Report and Accounts for the year ended 31st December 2010, to the Minister for Department of Agriculture, Fisheries and Food.

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 tracks to the issue of permits to officials, bookmakers and trainers.

A total of 17 tracks licensed by Bord na gCon operated during the year 2010. Eight of these tracks licensed are owned and operated by private enterprise. Funding for Bord na gCon is sourced by a turnover charge on the on-course bookmaker betting, by a percentage deduction from totalisator pools and Exchequer funding. Receipts from these sources are used to augment prize money, to grant-aid development at tracks to enable them to improve spectator facilities, to develop public auction sales, to advertise greyhound racing and to operate a national drug testing laboratory.





Foreword to Annual Report 2010

Phil Meaney

Chairman

I was honoured to accept the position of Chairman of Bord na gCon on the 12th April 2011. I have been involved in the Greyhound industry for the past 25 years and I see this appointment as an opportunity to give something back to a sport that has given me so much pleasure. I realise that there are many challenges ahead as we come through a global recession that has had a particularly negative impact on Ireland.

Firstly I would like to pay tribute to the former Chairman Mr. Dick O'Sullivan. Dick oversaw many changes during his term in office and has left Bord na gCon in a strong position going forward.

My vision for my tenure as Chairman is that I can build on the successes of all the past chairmen and help drive the industry into the future. I know I can bring my own unique skills and experience to the table and I look forward to working with the Board as well as all employed in the sector, to help this industry deliver its true potential.

Clearly I was not here last year in order to get ultimate assurance in regard to the statement of financial control however I am been advised by my Board that all is in order so on that basis I am happy to sign this foreword.

A large, stylized handwritten signature in blue ink, which appears to read 'Phil Meaney'.

Phil Meaney
Chairman





Foreword to Annual Report 2010
Chief Executive Officer
Adrian Neilan

It is very easy to keep reviewing each year in isolation which is typical of these contributions to annual reports. However sometimes in reviewing on a yearly basis we do not get to see the trends over a longer period as well as to consider the wider significant contribution that the Greyhound Industry makes to our national economy. Hence I would like to review the wider industry as well as looking at high level trends over the past four years in this report.

The greyhound industry in Ireland is very strong and makes a very valuable contribution to rural economic and social life and as such is a sector that is deserving of attention and recognition. The industry employs just over 10,300 people directly and indirectly.

Employment in the greyhound industry is spread very widely across the country. This regional dispersion is reflected in the geographic spread of the 17 race tracks around the country and the ownership of greyhounds in every county. The race meetings generate significant levels of expenditure and economic activity every week in rural towns, while the greyhound owners make a significant contribution to economic activity through the purchase of the various goods and services required to maintain greyhound ownership. The industry generates economic activity and employment in rural areas, which would not happen in the absence of this very important indigenous industry.

The contribution from the Horse and Greyhound Fund has declined significantly over the past three years. The contribution peaked at €15.3 million in 2008 but in 2010 it had fallen by 22.2 per cent from that peak to €11.9 million. Despite the significant decline of €1.7 million in funding from the Horse and Greyhound Fund in 2009, prize money grant structures were maintained in 2009 and it was only in 2010 that the prize money grant structure reflected the decline in funding which commenced in 2009. The total cost to greyhound owners each year of keeping the 'greyhound pipeline' in operation is around €244 million. This is a significant amount of expenditure and much of it is injected into local economies and supports thousands of local jobs.

Following on from the Strategic Plan for the industry that was developed in November 2006, the IGB decided that a far more streamlined commercial focus would be required in order to safeguard its future. It decided to put a clear focus on operational excellence in order to dramatically reduce its operating cost and deliver high levels of capital surplus in order to fund capital developments and pay down capital debt. In recent years there has been a key focus on control of costs, reflecting the very changed and very challenging economic and financial environment.

Considerable success has been achieved in reducing operating costs and major efficiencies have been achieved. Total Operating and Administration costs stood at €42.1m million in 2010. This represents a decline of 42% per cent on 2007 levels. Over that period staff costs have fallen from €10.2 million to €7.3 million, representing a decline of 28.2 per cent.

The IGB currently has 104 full time staff and 337 part time staff. The total employee costs including pensions are €7.34 million.



Operating Surplus

YEAR	OPERATING SURPLUS BEFORE GRANTS	YEAR	OPERATING SURPLUS BEFORE GRANTS
2003	€4.3 m	2007	€5.4 m
2004	€4.1 m	2008	€5.1 m
2005	€1.8 m	2009	€0.7 m
2006	€2.2 m	2010	€2.6 m

Reflecting the success that has been delivered in terms of achieving efficiencies, the IGB delivered an operating surplus of €2.6 million in 2010. Whilst getting similar levels of funding from the Horse and Greyhound Fund, the IGB delivered a cumulative surplus of €13.6 million in the harsh economic period between 2007 and 2010, compared to €12.4 million in the preceding four-year period.

This surplus was delivered despite the fact that capital spending totalled €24.9 million between 2007 and 2010, up from €22.7 million over the period 2003 to 2006. In addition prize money grants totalled €29.8 million between 2007 and 2010, up from €28.5 million between 2003 and 2006.

In summary, higher profits, more capital development and higher prize money was delivered between 2007 and 2010 than in the preceding four-year period, despite the very difficult economic environment. We are very proud of this achievement and I know we are now better positioned to generate more funding for the industry once the economic situation improves. We already see signs in 2011 that conditions have started to improve and people are more confident than they were in 2010.

It is very clear that to sustain and grow the greyhound industry into the future, proper sustainable funding mechanisms will have to be put in place. Some of this will have to come from all betting channels. Without adequate and sustainable funding, the industry will struggle to sustain itself and its current contribution to the economy will suffer and its enormous potential will not be realised.

The greyhound industry makes a very significant economic impact across Ireland and the potential is considerable. Ireland is regarded as a world-class leader in dog breeding and there has to be significant potential to exploit this much further. The Greyhounds industry can become an even more significant export industry while the Irish Greyhound industry model can be transferred to other countries who are seeking to develop an industry. The domestic tourism potential can also be significantly exploited over and above what is currently been realised.

Greyhound welfare is a hugely important element of how we conduct our work. In short greyhound welfare is our business. If we do not ensure proper welfare standards are upheld then we will not have people watching greyhound racing, we will not have people betting on our racing and more importantly we will not be able to attract new customers to our industry. All industry stakeholders have a very important role to play in this aspect and I am delighted that the new Welfare Bill, which will shortly be introduced, will have a significant amount of legal measures to address any non-conformances by people who do not follow the same welfare standards as the vast majority of greyhound people.

The industry has an exciting future and can make an even more important contribution to national and regional economic activity and employment, provided proper support and structures are put in place. Such investment has strong justification in an economy that is facing such an array of economic and financial challenges.

Returning to 2010 the economic situation remained challenging, the severe cold weather in January and December 2010 affected the Greyhound Industry greatly with lost race nights and reduced attendances. Our attendances were down another 15% in 2010 over 2009 but we have this stabilised and improved in 2011

We are also continuing to restructure our cost base to reflect the changing economic times and thus were able to generate an operating surplus of €2.6m in 2010 which will be reinvested in the industry.

2010 also saw some very positive capital developments for the industry. The new Limerick Greyhound Stadium opened in October 2010 and since its opening it has welcomed more than 40,000 people through its gates. Seventeen fundraising nights took place over the first 3 months of operation and 'a night at the dogs' fundraiser is continuing to be very popular, with many Mid-West clubs and charitable organisations having booked their dates throughout 2011. The Christmas experience was a huge success with over 3,000 diners in December.



There has been great support from our long-term patrons of greyhound racing. In addition, the venue has attracted thousands of people new to the sport such as families and younger people, who have enjoyed the atmosphere, the great value night out and the state of the art facilities.

The success of the new stadium reaffirms our belief that by investing and upgrading our facilities we will continue to attract the public and provide people with top quality entertainment in a top quality setting.

2010 saw a number of exciting new sponsorship arrangements for major events at Shelbourne Park with Ladbrokes becoming the new sponsor of the Irish Greyhound Derby committing to a minimum 3 year period. Other new sponsors included Mike McKenna who took on the sponsorship of the College Causeway/Killahan Phanter Easter Cup, Townview Foods who sponsored the Champion Stakes for the first time, the Hegarty Family who sponsored the Hegarty Family 600 (previously the Ladbrokes 600) and PJ Fahy who sponsored two additional valuable events on the racing calendar.

We are always delighted to attract new sponsors to the industry and together with our established sponsors they help secure the future of greyhound racing in Ireland.

While 2010 was a challenging year we believe we are in a very strong position going forward. We will continue to strongly represent the industry and continue to explore new means to generate revenue for the industry.

Finally I would like to express my deep gratitude to my past Chairman Dick O' Sullivan who decided to step down in February 2011. I have no doubt that without his leadership the results above would not have been achieved. Furthermore, I want to thank him for his support, guidance and advice he has given me over the past few years. Thanks Dick!


Adrian Neilan
CEO



Bord na gCon Information

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

MEMBERS OF THE BOARD

Dick O'Sullivan (retired 16th February 2011)
Phil Meaney (appointed 12th April 2011)
Daniel J. Reilly
Tony McKenna
Teresa Wall
Billy O'Dwyer
Tim Gilbert

CHIEF EXECUTIVE OFFICER

Adrian Neilan

REGISTERED OFFICE

Greenpark,
Dock road
Limerick

SOLICITORS

Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

BANKERS

Allied Irish Bank Plc
Bank of Ireland Plc

AUDITOR

Comptroller and Auditor General
Dublin Castle
Dublin 2



Preface and Key Summary

A total of 17 tracks licensed by Bord na gCon operated during the year 2010. Of the country's 17 greyhound tracks, the Board owns the following tracks: Shelbourne Park, Harold's Cross, Cork, Tralee, Waterford, Youghal, Limerick and Galway and also has a 51% share in the Mullingar track.

Key Summary Performance for 2010

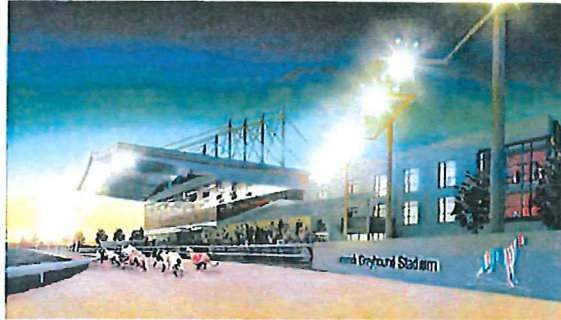
	2010	2009	% change
Total Prizemoney	7,815,319	10,716,336	(27%)
Sponsorship	896,562	1,334,138	(33%)
Operating surplus before grants	2,575,572	664,780	294%
Attendance	768,613	906,964	(15.25%)

Capital Development Programme

LIMERICK STADIUM

Work on the site of the new Limerick Greyhound Stadium finished in 2010. The stadium, which is located on the site of the former horse racing course in Greenpark, was opened in October 2010.

Limerick Greyhound Stadium, also houses the new headquarter offices of the Irish Greyhound Board, is a pre-eminent greyhound racing and hospitality stadium. It will host over 1,200 races a year and has a capacity attendance of 2,900, putting it among the top rank of greyhound racing stadia on an international scale.



An artist's impression of the completed stadium

The stadium includes a substantial 190 seat restaurant, private hospitality suites and gallery bars, all of which make it a significant attraction for people in the mid-west region.



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. The Control Committee is comprised of well known and respected people from the industry and is made up of :-

- Mr Pat F O'Connor (BCL), Chairman
- Dr Dermot Cribbin (MD,BDS)
- Mr Diarmuid O'Neill (Former C.E.O Offaly VEC)
- Mr Danny McHenry (MRCVS)
- Mr Lexie Marmion (Former Control Steward)

Mr Kevin Heffernan, retired from the position of Chairman of the Control Committee in June 2010 on completion of the statutory three year term and was succeeded by Mr Pat F O'Connor (BCL). Mr Diarmuid O'Neill was appointed to the Control Committee in July 2010.

Meetings of the Control Committee take place monthly and greatly enhance the independence of the disciplinary structure within greyhound racing and this, together with the Boards 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, whereby a person is found guilty of an offence, are published in accordance with Article 8(6) of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007.

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. The members of the Control Appeal Committee are:-

- Mr Frank O'Leary (MRCVS), Chairman
- Ms Fiona Hughes (MRCVS)
- Mr Matt Breslin (B.A L.L.B)

The Board operates a zero tolerance prohibited substance testing regime. 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.



National Greyhound Racing Awards 2010

The 2010 National Greyhound Racing Awards, took place on Sunday, 20th March 2011, in the Radisson Blu Hotel, Limerick. The prestigious function was hosted as a lunchtime event, and over 240 people attended the event, among them well known faces from the industry. Minister of State at the Department of Agriculture, Fisheries & Food, Shane McEntee T.D., addressed the attendees on his first official function as Junior Minister, and was greatly received. Minister Shane McEntee T.D. and Kieran O'Donnell T.D. presented the awards on the day.

Attendees at the event were also shown photographic highlights of the year passed, and a video update of the history and success of the new Limerick Greyhound Stadium. The event also coincided with Limerick's tenure as European City of Sport 2011. Galway Crystal were sponsors of the Awards.

2010 National Greyhound Awards Winners were selected by a panel of industry figures, in the following categories.

Dog of the Year

Tyrur McGuigan

Owner: PJ Fahy
Trainer: Conor Fahy
Breeder: PJ Fahy

Bitch of the Year

Dalcash Dvinksy

Owner: Fr Jack Meade
Trainer: Fr Jack Meade
Breeder: Fr Jack Meade

Sprinter of the Year

Sheepwalk Mac

Owner: Richard D. Gilroy
Trainer: Michael Taggart
Breeder: Aidan McAllister
Sean O'Neill

Stayer of the Year

Kiltrea Key

Owner: John Doyle
Trainer: John Doyle
Breeder: John Doyle

Brood Bitch of the Year

Tyrur Temptress
Owner: P.J. Fahy



STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Board Members of Bord na gCon, I acknowledge that the Board has overall responsibility for the systems of internal control and for monitoring the effectiveness of internal controls. Management is responsible for the identification and evaluation of significant risks together with design and operation of suitable internal control systems. These systems are designed to provide reasonable but not absolute assurance against material misstatement or loss.

In order to discharge that responsibility in a manner which ensures compliance with legislation and regulations, the Board has established an organisational structure with clear operating and reporting procedures, secured the services of appropriately qualified personnel, designed suitable lines of responsibility, put in place appropriate authorisation limits, made arrangements in respect of segregation of duties and delegated the necessary authority for decision making.

Control Environment

The Board has taken steps and reviews their implementation so as to ensure an appropriate control environment is in place by:

- Clearly defined organisational structure, with defined mechanisms to higher levels of management and authority limits and reporting to the Board.
- Code of Ethics that requires all employees to maintain the highest ethical standards in conducting business.
- Responsibility by management at all levels for internal control over their respective business functions.
- The Internal Audit Committee and the Internal Audit Function complying with the Framework Code of Best Practice as outlined in the updated Code of Practice for the Governance of State Bodies published in July 2009.

Business Risks

Risk assessment of the business operations is conducted on an annual basis by senior management and is presented to the Audit Committee by the Risk Officer who is independent of the Internal Audit function. The Board recognises the need to ensure that risks are continually reviewed by the Audit Committee and the Audit Committee has considered the risk assessment in 2010. As part of this review the Audit Committee and the Board considered its processes for identifying and evaluating business risks to ensure that they:

- Identify the nature, extent and financial implication of risks facing the Board including the extent and categories which it regards as acceptable
- Assess the likelihood of identified risks occurring
- Assess the Board's ability to manage and mitigate the risks that do occur
- Assess the costs of operating particular controls relative to the benefit obtained
- Carry out regular reviews of strategic plans both short and long term and an evaluation of the risks in bringing those plans to fruition.
- Work closely with the Government Departments to ensure that there is a clear understanding of the Board's goals and support for the strategies to achieve those goals.
- Set annual and longer term targets for each area of our business followed by regular reporting on the results achieved.

On an ongoing basis, major business risks are matters of discussion at Board meetings; in particular the Board approves all borrowings.

The system of internal financial control is based, on a framework of regular management reporting, administration procedures including segregation of duties and a system of delegation and accountability including:

- Comprehensive budgeting systems with an annual budget which is subject to Board approval.
- Comprehensive system of financial reporting. Cumulative monthly actual results are reported against budget and considered by the Board. The Board questions significant variances and remedial action is taken where appropriate.
- Comprehensive set of policies and procedures relating to operational and financial controls, including capital expenditure. Large capital projects require the approval of the Board, and are closely monitored on an ongoing basis by Management.
- Comprehensive set of management information and performance indicators is produced monthly using a series of interrelated metric templates. This enables progress against longer-term objectives and annual budgets to be monitored, trends evaluated and variances acted upon.
- Regular meetings with the Department of Agriculture, Fisheries and Food in relation to the industry's performance to discuss and review long term industry and organisational improvement opportunities.



While it is the function of management to put in place the necessary systems, processes and procedures required to deliver on the Board's business objectives, the Board places a high degree of importance on having such systems and processes independently examined and assessed by the Board's internal audit function. The internal audit function is mandated to operate in accordance with its Charter and the requirements of the updated Code of Practice for the Governance of State Bodies published in July 2009. The work of the internal audit is informed by analysis of the risks to which the Bord is exposed and annual internal audit plans are based on this analysis.

The Internal Auditor reports directly to the Chairman of the Audit Committee and the Chief Executive Officer, as Accounting Officer. Internal audit in Bord na gCon is overseen by an Audit Committee, which is made up of three non-executive members, all of whom are main Board Members. The role of the Committee is to oversee the internal audit function and to advise the Board in relation to its operation and development.

The Committee operates in accordance with a Charter, which sets out its role, membership functions, working procedures and reporting requirements. The Charter is jointly agreed by the Board and the Audit Committee and is formally signed off by the Board Chairman and the Chairman of the Audit Committee. To operate effectively the Board's Audit Committee should meet at least four times a year and this criterion has been met in 2010. An external resource outsourced from a firm of accountants provides advice to the Audit Committee and attends their meetings on request.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee which oversees the work of the Internal Auditor, the Executive Managers within the Board responsible for the development and maintenance of the financial control framework and addressing any comments made by the Comptroller and Auditor General in his management letters. The Audit Committee, on behalf of the Board, reviews at their meetings, the effectiveness of the system of internal financial control and reports after each meeting to the Board.

Annual Review of Controls

I confirm that in the year ended 31st December 2010, there was a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board.

Phil Meaney.
Chairman

A handwritten signature in black ink, appearing to read 'Phil Meaney', with a long horizontal line extending to the right.

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Board Members submit herewith their report and audited financial statements for the year ended 31 December 2010.

1. PRINCIPAL ACTIVITIES

The principal activities of the Group continue to be:

- Operation of a totalisator at race meetings;
- Operation of race-tracks together with complementary ancillary services.

Any surplus generated from the above activities is re-invested in the industry through contributions to prize-money and grants to various bodies involved in the greyhound racing and breeding industry.

There have been no significant changes in these activities during the year.

2. GROUP TRADING RESULTS FOR THE YEAR

	2010 €	2009 €
Turnover	<u>32,867,465</u>	<u>43,048,344</u>
Operating surplus before grants	2,575,572	664,780
Grants to private tracks	<u>(53,405)</u>	<u>(563,503)</u>
Surplus on ordinary activities	2,522,167	101,277
Gain on disposal of tangible fixed assets	658,949	2,169
Group interest payable	(270,860)	(169,578)
Taxation	0	7,997
Loss/(Profit) attributable to minority interests	78,171	41,591
Surplus for the year	<u><u>2,988,427</u></u>	<u><u>(16,544)</u></u>

3. SUBSIDIARIES

Information provided in respect of the subsidiary companies is set out in Note 14 of the financial statements.

4. MEMBERS OF THE BOARD

The Board held 15 meetings during 2010 and the members who held office during the year along with their meeting attendance was as follows:-

Member	No of Meetings
Dick O'Sullivan	15
Daniel J. Reilly	12
Tony McKenna	13
Teresa Wall	12
Billy O'Dwyer	15
Tim Gilbert	15



BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (Continued)

5. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The Board Members are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Bord na gCon and of its profit or loss for that year. In preparing those financial statements, the Board Members 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 Bord na gCon will continue in business.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Bord na gCon and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. They are also responsible for safeguarding the assets of Bord na gCon and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. HEALTH & SAFETY

The well being of Bord Na gCon 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 have a designated health and safety manager. There were no reportable accidents in 2010

7. AUDITOR

The Comptroller and Auditor General continues to have responsibility for the audit of Bord na gCon in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993.

Approved by the Board on

Phil Meaney

Tony McKenna

Tony McKenna

Phil Meaney





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 2010 under the Horse and Greyhound Racing Act 2001. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, Bord na gCon Balance Sheet, the Group Cash Flow, the Detailed Profit and Loss Account and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Members of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of Bord na gCon's affairs and of its surplus or deficit, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and 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.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Group's and Bord na gCon's affairs at 31 December 2010 and of the Group's deficit for the year then ended.

In my opinion, proper books of account have been kept by Bord na gCon. The financial statements are in agreement with the books of account.

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
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, 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
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to the other matters upon which reporting is by exception.

John Buckley
Comptroller and Auditor General
30 June 2011

BORD na gCON**GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 €	2009 €
Turnover from racing facilities		32,867,465	43,048,344
Allocation from the Horse & Greyhound Racing Fund		11,852,800	13,625,600
Operation and administration costs		44,720,265 (42,144,693)	56,673,944 (56,009,164)
Operating Surplus before grants		2,575,572	664,780
Grants to private tracks		(53,405)	(563,503)
Operating (Deficit)/Surplus on ordinary activities		2,522,167	101,277
Gain on disposal of tangible fixed assets	3	658,949	2,169
(Deficit)/Surplus before interest on ordinary activities		3,181,116	103,446
Group interest payable		(270,860)	(169,578)
(Deficit)/Surplus on ordinary activities before taxation		2,910,256	(66,132)
Taxation	4	0	7,997
(Deficit)/Surplus on ordinary activities after taxation		2,910,256	(58,135)
(Deficit) Surplus attributable to minority interests		78,171	41,591
(Deficit)/Surplus for year		2,988,427	(16,544)
Transfer to Capital Reserve	12	(4,645,738)	(2,785,587)
Retained (Deficit)/Surplus for year		(1,657,311)	(2,802,131)
Opening Balance at 1 January		5,151,978	7,954,109
Closing Balance at 31 December		3,494,666	5,151,978

The surplus after taxation for the year dealt with in the financial statements of Bord na gCon is a surplus of €2,741,247 (2009: surplus of €261,854).

The notes (on pages 22 to 35) and the Detailed Group Profit and Loss Account (on page 36) form part of these financial statements.

Approved by the Board:-

Phil Meaney

Tony McKenna

Tony McKenna

Phil Meaney



GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2010 €	2009 €
Surplus for the financial year		<u>2,988,427</u>	<u>(16,544)</u>
Pension Scheme Movements			
Actual return less expected return on schemes assets		(811,000)	1,180,000
Experience Gains and (Losses)		893,000	1,018,000
Changes in Assumptions		0	(1,046,000)
Actuarial Gain/(Loss) recognised in the pension scheme	16	<u>82,000</u>	<u>1,152,000</u>
Total Recognised Gain/(Loss) for the year		<u>3,070,427</u>	<u>1,135,456</u>

The notes (on pages 22 to 35) and the Detailed Group Profit and Loss Account (on page 36) form part of these financial statements.

Approved by the Board:-

Phil Meaney

Tony McKenna



BORD na gCON**GROUP BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 €	2009 €
FIXED ASSETS			
Intangible assets	5	34,400	38,700
Tangible assets	6	70,425,379	62,275,935
Financial assets		5,951	5,951
		<u>70,465,730</u>	<u>62,320,586</u>
CURRENT ASSETS			
Stocks	8	104,010	88,039
Debtors	9	2,490,697	1,799,571
Cash at bank and on hand		510,700	686,664
		<u>3,105,407</u>	<u>2,574,274</u>
CREDITORS (Amounts falling due within one year)	10	(7,332,026)	(7,583,903)
NET CURRENT LIABILITIES		<u>(4,226,619)</u>	<u>(5,009,629)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		66,239,111	57,310,957
CREDITORS (Amounts falling due after more than one year)	11	(21,192,154)	(13,400,984)
Net Pension (Liability)/Asset	16	(3,101,000)	(3,418,000)
NET ASSETS		<u>41,945,957</u>	<u>40,491,973</u>
FINANCED BY:			
Profit and Loss Account		3,494,666	5,151,978
Capital reserve	12	40,242,588	37,080,035
Other reserves	13	1,433,177	1,433,177
Pension reserve		(4,871,000)	(4,953,000)
Capital and Reserves	21	<u>40,299,431</u>	<u>38,712,190</u>
Minority interests	15	1,646,526	1,779,783
		<u>41,945,957</u>	<u>40,491,973</u>

The notes (on pages 22 to 35) and the Detailed Group Profit and Loss Account (on page 36) form part of these financial statements.

Approved by the Board:-

Phil Meaney

Tony McKenna

Tony McKenna

Phil Meaney



BORD na gCON**BORD Na gCON BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 €	2009 €
FIXED ASSETS			
Intangible assets	5	34,400	38,700
Tangible assets	6	2,489,367	3,101,602
Financial assets	7	19,335,361	8,265,300
		<u>21,859,128</u>	<u>11,405,602</u>
CURRENT ASSETS			
Stocks	8	64,823	61,184
Debtors	9	856,899	544,737
Cash at bank and on hand		437,487	434,144
		<u>1,359,209</u>	<u>1,040,065</u>
CREDITORS (Amounts falling due within one year)	10	(11,120,932)	(9,573,230)
NET CURRENT LIABILITIES		<u>(9,761,723)</u>	<u>(8,533,165)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,097,405	2,872,437
CREDITORS (Amounts falling due after more than one year)	11	(21,192,154)	(13,400,984)
NET LIABILITIES		<u>(9,094,749)</u>	<u>(10,528,547)</u>
FINANCED BY:			
Profit and Loss Account		(2,091,745)	(187,254)
Capital Reserve	12	(8,272,742)	(11,611,031)
Other Reserves	13	1,269,738	1,269,738
		<u>(9,094,749)</u>	<u>(10,528,547)</u>

The notes (on pages 22 to 35) and the Detailed Group Profit and Loss Account (on page 36) form part of these financial statements.

Approved by the Board:-

Phil Meaney

Tony McKenna



BORD na gCON**GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 €	2009 €
Net Cash outflow from operating activities	18	(9,886,182)	(11,471,862)
Returns on investments and servicing of finance			
Interest received		684	1,970
Interest paid		(270,860)	(169,578)
		<u>(270,176)</u>	<u>(167,608)</u>
Taxation		<u>7,997</u>	<u>(7,293)</u>
Capital expenditure & financial investment			
Payments to acquire tangible assets		(10,769,762)	(4,062,799)
Receipts from disposal of tangible assets		830,272	2,494
Grants paid to non-Bord na gCon tracks		(53,405)	(563,503)
		<u>(9,992,895)</u>	<u>(4,623,808)</u>
Equity dividends paid		<u>-</u>	<u>-</u>
Net outflow before use of liquid resources & financing		(20,141,256)	(16,270,571)
Finance			
Allocation from Horse & Greyhound Racing Fund		11,852,800	13,625,600
Drawdown of Loans & Overdrafts		8,112,492	2,236,829
Increase (Decrease) in cash	19 & 20	<u>(175,964)</u>	<u>(408,142)</u>

The notes (on pages 22 to 35) and the Detailed Group Profit and Loss Account (on page 36) form part of these financial statements.

Approved by the Board:-

Phil Meaney

Tony McKenna



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010

1. ACCOUNTING POLICIES

(a) **Accounting convention**

The financial statements have been prepared on an accruals basis under the historical cost convention and in accordance with generally accepted accounting practice. Financial Reporting Standards recommended by the recognised accounting bodies have been adopted as they become applicable.

(b) **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 associated company - Kilkenny Greyhound Racing Company Limited - are not dealt with in these financial statements as the amounts involved are not material. The accounting dates of the subsidiaries are coterminous with that of Bord na gCon.

(c) **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Freehold land is not depreciated. Depreciation on the remaining fixed assets is calculated by equal annual 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 and leasehold premises	2%
Totalisator buildings	10%
Totalisator equipment	20%
Track equipment, furniture and fittings etc.	10%
Leased tote equipment	10%
Computer equipment	20%
Motor vehicles	20%

(d) **Leases**

Finance leases

Where an asset is acquired under a lease which entails taking substantially all the risks and rewards of ownership of the asset, the lease is treated as a finance lease.

Under a finance lease the capital element of the asset is included in tangible fixed assets and amortised over the life of the asset and the outstanding liability is included in creditors.

Rental payments are apportioned between the interest element which is charged to the Profit and Loss Account and the capital element which reduces the outstanding liability.

Operating leases

All other leases are operating leases and rentals payable under such leases are charged to the Profit and Loss Account in the year to which they relate.

(e) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents invoiced cost from suppliers.

(f) **Deferred Taxation**

Provision for deferred taxation is made by the liability method in respect of material short term and other significant timing differences except to the extent that it is reasonably probable that such taxation will not become payable in the future.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

(g) **Oireachtas Grants**
Allocations from the Horse & Greyhound Racing Fund are treated as revenue grants and credited to the Profit and Loss Account.

(h) **Capital Reserve**
The Capital Reserve represents retained surplus applied for the acquisition of assets including the development of Bord owned tracks. Releases are made from this reserve to the Profit and Loss Account in line with the depreciation and write-down of the grant-assisted assets.

Funding made available from the Horse & Greyhound Racing fund is considered by the Board to represent compensation to Bord na gCon for the reduction in the on-course bookmakers' levy, funding for prize money grants and funding for the development of the industry by way of capital grants. Where funding received from the fund exceeds the aggregate of levy compensation, prize money grants and capital grants to private tracks, the excess is regarded as a capital grant and transferred to the Capital Reserve. Where funding received is less than the aggregate, a transfer is made from the Capital Reserve to the Revenue Reserve.

(i) **Goodwill**
The cost of purchased goodwill is shown as an intangible fixed asset in the Balance Sheet in accordance with FRS10, accounting for goodwill and intangible assets. Negative goodwill is released to the Profit and Loss Account in the periods in which the non-monetary assets are recovered.

(j) **Pensions**
Bord na gCon has both a defined contribution (PRSA) and a defined benefit scheme.

Defined Contribution Scheme

Payments to the PRSA scheme are charged to Profit & Loss Account in the period to which they relate.

Defined Benefit Scheme

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method. An excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability.

The pension charge in the Profit & Loss Account comprises the current service cost and past service cost. The difference between the expected return on scheme assets and the interest cost on the scheme 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 Total Recognised Gains and Losses for the year in which they occur.

(k) **Prizemoney**
All prize money payments are made directly to owners by Bord na gCon.

(l) **Turnover**
Turnover represents revenue from race meetings and other ancillary services including bar, restaurant operations and Sponsorship and Entry Fees surrendered by Private Tracks to Bord na gCon.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

2. GROUP SURPLUS BEFORE TAXATION

	2010 €	2009 €
Group Surplus before taxation has been arrived at after charging:		
Board Members' remuneration:-		
Dick O'Sullivan	21,600	24,000
Daniel Reilly	12,600	14,000
Tony McKenna	12,600	14,000
Frank O'Connell (R.I.P 24 th August 2009)	0	9,334
Teresa Wall	12,600	14,000
Tim Gilbert	12,600	14,000
Billy O'Dwyer	12,600	14,000
	<u>84,600</u>	<u>103,334</u>
Board Members' travel & subsistence	52,619	76,144
Board Members' meals & entertainment	5,866	13,650
Auditor's remuneration	77,339	78,948
Depreciation (Note 6)	2,448,995	2,647,466
Interest payable on loans and overdrafts	278,404	169,578
Redundancy Costs	195,674	1,378,679
Chief Executive Officer's remuneration:		
Basic salary	144,478	147,504
Performance related bonus		-
Superannuation costs	37,004	37,004
Other remuneration	15,000	15,000
	<u>196,482</u>	<u>199,508</u>
And after crediting:		
Amortisation of capital reserve (Note 12)	1,538,270	1,672,866
Interest receivable	684	1,970
	<u>684</u>	<u>1,970</u>

The Contract of the CEO was submitted to the Department of Arts, Sports and Tourism in December 2007. The CEO's pay is in accordance with that contract.

3. PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS

In 2010, the Bord na gCon group disposed of various assets which resulted in a net profit of €658,949



BORD na gCON**NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)****4. TAXATION**

	2010 €	2009 €
Corporation Tax Refund/(Liability)	0	7,997

5. INTANGIBLE ASSETS

Group	2010 Negative Goodwill	Goodwill	Total	2009 Negative Goodwill	Goodwill	Total
COST						
Cost at 1 January	(150,575)	43,000	(107,575)	(150,575)	43,000	(107,575)
Acquired during the year						
At 31 December	(150,575)	43,000	(107,575)	(150,575)	43,000	(107,575)
AMORTISATION						
At 1 January	150,575	(4,300)	146,275	135,522		135,522
Released during the year	0	(4,300)	(4,300)	15,053	(4,300)	10,753
At 31 December	150,575	(8,600)	141,975	150,575	(4,300)	146,275
NET BOOK AMOUNT AT 31 DECEMBER	0	34,400	34,400	0	38,700	38,700

Bord na gCon

	2010 €	2009 €
COST		
Cost at 1 January		
Acquired during the year	38,700	43,000
Released during the year	(4,300)	(4,300)
At 31 December	34,400	38,700

During 2008, the greyhound newspaper Greyhound Weekly ceased trading. The Irish Greyhound Board 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 titled "Talking Dogs". The rights and know-how of the "Talking Dogs" section were purchased by the Irish Greyhound Board and are now available to view on our website www.igb.ie.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

6. TANGIBLE FIXED ASSETS

Group	Freehold Land and Buildings €	Leasehold Buildings €	Totalisator Track and Other Equipment €	Leased Tote Equipment €	Motor Vehicles €	Total €
Cost:						
At 1 January	34,582,915	34,345,647	20,943,724	108,210	325,688	90,306,184
Additions	10,579,968	-	189,794	-	-	10,769,762
Disposals	(168,767)	-	(3,835)	-	(28,000)	(200,602)
At 31 December	<u>44,994,116</u>	<u>34,345,647</u>	<u>21,129,683</u>	<u>108,210</u>	<u>297,688</u>	<u>100,875,344</u>
Accumulated Depreciation						
At 1 January	4,398,122	7,700,456	15,617,570	108,210	205,890	28,030,249
Charge for year	557,414	610,183	1,233,208	-	48,190	2,448,995
Disposals	(4,118)	-	(1,111)	-	(24,050)	(29,279)
At 31 December	<u>4,951,418</u>	<u>8,310,639</u>	<u>16,849,668</u>	<u>108,210</u>	<u>230,030</u>	<u>30,449,965</u>
Net Book Amount:						
At 31 December 2010	<u>40,042,698</u>	<u>26,035,008</u>	<u>4,280,015</u>	<u>-</u>	<u>67,658</u>	<u>70,425,379</u>
At 31 December 2009	<u>30,184,793</u>	<u>26,645,191</u>	<u>5,326,153</u>	<u>-</u>	<u>119,798</u>	<u>62,275,935</u>
Bord na gCon						
Cost:						
At 1 January	609,807	1,866,021	10,587,535	12,154	313,750	13,389,267
Additions	-	-	90,338	-	-	90,338
Disposals	-	-	-	-	(28,000)	(28,000)
At 31 December	<u>609,807</u>	<u>1,866,021</u>	<u>10,677,873</u>	<u>12,154</u>	<u>285,750</u>	<u>13,451,605</u>
Accumulated Depreciation						
At 1 January	144,923	1,080,367	8,856,269	12,154	193,952	10,287,665
Charge for year	11,928	33,071	605,434	-	48,190	698,623
Disposals	-	-	-	-	(24,050)	(24,050)
At 31 December	<u>156,851</u>	<u>1,113,438</u>	<u>9,461,703</u>	<u>12,154</u>	<u>218,092</u>	<u>10,962,238</u>
Net Book Amount:						
At 31 December 2010	<u>452,956</u>	<u>752,583</u>	<u>1,216,170</u>	<u>-</u>	<u>67,658</u>	<u>2,489,367</u>
At 31 December 2009	<u>464,884</u>	<u>785,654</u>	<u>1,731,266</u>	<u>-</u>	<u>119,798</u>	<u>3,101,602</u>

The cost of fixed assets included above which have been fully depreciated at 31 December 2010 amounts to €11,822,229 (2009: €10,496,677) for the group, and to € 8,029,769 (2009: €7,487,853) for Bord na gCon.

The Markets Field in Limerick was sold in 2011 for €1m less than its carrying value in the 2010 accounts. This will be reflected in the 2011 accounts.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)**6. TANGIBLE FIXED ASSETS continued**

The assets of Dublin Greyhound & Sports Association Limited, Kingdom Greyhound Racing Company Limited, The Waterford Greyhound Race Company (1953) Limited, Shelbourne Greyhound Stadium Limited, Limerick Greyhound Racing Track Limited and Cork Greyhound Race Company Limited are being used as security for a €25M loan facility, provided by AIB Bank, to the group.

7. FINANCIAL ASSETS

	2010 €	2009 €
Bord na gCon		
Shares in subsidiaries at cost less amounts written off	244,452	244,452
Long term loans to subsidiaries	19,090,909	8,020,848
	<u>19,335,361</u>	<u>8,265,300</u>

Details of group's percentage of issued equity capital and nature of business of subsidiary companies are given in Note 14.

8. STOCKS

	2010 €	2009 €
Group:		
Totalisator and track equipment	68,122	63,821
Sundry expense stocks	35,888	24,218
	<u>104,010</u>	<u>88,039</u>
Bord na gCon:		
Totalisator and track equipment	55,672	50,030
Sundry expense stocks	9,151	11,154
	<u>64,823</u>	<u>61,184</u>



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

9. DEBTORS

	2010	2009
	€	€
Group:		
Trade debtors and prepayments	2,076,662	1,677,153
Other debtors	38,436	8,142
VAT recoverable	375,599	114,276
	<u>2,490,697</u>	<u>1,799,571</u>
Bord na gCon:		
Trade debtors and prepayments	762,152	455,376
Others debtors	133	133
Amounts due from subsidiary companies	94,614	89,228
	<u>856,899</u>	<u>544,737</u>

All amounts receivable from debtors are due within one year.

10. CREDITORS (Amounts falling due within one year)

	2010	2009
	€	€
Group:		
Creditors and accruals	6,638,549	7,211,748
Bank advances	693,477	372,155
	<u>7,332,026</u>	<u>7,583,903</u>
Bord na gCon:		
Creditors and accruals	4,095,925	4,490,708
Amounts due to subsidiary companies	6,774,133	4,846,517
Bank advances	250,874	236,005
	<u>11,120,932</u>	<u>9,573,230</u>

The creditors and accruals figures include the following amounts:

Group:		
VAT	98,753	117,188
PAYE/PRSI	181,388	191,155
Bord na gCon:		
VAT	24,204	42,220
PAYE/PRSI	125,616	114,804



BORD na gCON

NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

11. CREDITORS (Amounts falling due after more than one year)

	2010 €	2009 €
Group:		
Bank borrowings	21,192,154	13,400,984
	<u>21,192,154</u>	<u>13,400,984</u>
Bord na gCon:		
Bank borrowings	21,192,154	13,400,984
	<u>21,192,154</u>	<u>13,400,984</u>

The bank borrowings increased by €7,791,170 in 2010. This was to provide funding for the new Limerick stadium. Our total bank borrowings are on an interest only basis until 2016 with the option of repaying or rolling over the loan at that point in time.

12. CAPITAL RESERVE

	Group		Bord na gCon	
	2010	2009	2010	2009
	€	€	€	€
Transfer from surplus				
- In previous years	65,516,960	62,731,373	65,516,960	62,731,373
- In current year	4,645,738	2,785,587	4,645,738	2,785,587
	<u>70,162,698</u>	<u>65,516,960</u>	<u>70,162,698</u>	<u>65,516,960</u>
Amounts written back				
- In previous years	(10,213,571)	(10,213,571)	803,088	803,088
- In current year	0	-	-	-
	<u>(10,213,571)</u>	<u>(10,213,571)</u>	<u>803,088</u>	<u>803,088</u>
Grants to Board owned tracks				
- In previous years	(1,941,837)	(1,941,837)	(76,315,535)	(75,971,077)
- In current year	0	-	(1,307,449)	(344,458)
	<u>(1,941,837)</u>	<u>(1,941,837)</u>	<u>(77,622,984)</u>	<u>(76,315,535)</u>
Amortisation to Profit and Loss Account				
-In previous years	(16,639,623)	(15,023,075)	(1,615,544)	(1,614,274)
-In current year	(1,538,270)	(1,672,866)	-	(1,270)
-Attributable to minority interest	55,085	56,318	-	-
	<u>(18,122,808)</u>	<u>(16,639,623)</u>	<u>(1,615,544)</u>	<u>(1,615,544)</u>
Amortisation of amounts written back				
- In previous years	358,106	358,106	0	-
- In current year	0	-	0	-
	<u>358,106</u>	<u>358,106</u>	<u>0</u>	<u>-</u>
Balance at 31 December	<u>40,242,588</u>	<u>37,080,035</u>	<u>(8,272,742)</u>	<u>(11,611,031)</u>



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

13. OTHER RESERVES

	2010	2009
	€	€
Group:		
General reserve	1,269,738	1,269,738
Other reserve	163,439	163,439
Total	1,433,177	1,433,177
Bord na gCon:		
General reserve	1,269,738	1,269,738
Other reserve	-	-
Total	1,269,738	1,269,738

The other reserve represents amenity grants received by subsidiary companies.

14. SUBSIDIARIES

	Percentage of equity Held by Bord na gCon 2010 and 2009
Shelbourne Greyhound Stadium Limited	100%
Dublin Greyhound and Sports Association Limited	100%
Cork Greyhound Race Company Limited	100%
The Kingdom Greyhound Racing Company Limited	100%
Waterford Greyhound Race Company (1953) Limited	100%
Youghal Greyhound Race Company Limited	98.8%
Limerick Greyhound Racing Track Limited	100%
Mullingar Greyhound Racing Company Limited (see Note 15)	51%
Abargrove Limited	100%
Clonmel Greyhound Racing Company Limited	100%
Galway Greyhound Stadium Limited	100%

Each subsidiary is involved in the Greyhound Industry.

All subsidiary companies are incorporated in the Republic of Ireland.

15. MINORITY INTERESTS

The minority interest arose on the 51% acquisition of Mullingar Greyhound Racing Company Limited on 1st September 1999.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

16. PENSIONS

The Group operates both a Defined Contribution (PRSA) and a Defined Benefits Scheme.

Defined Contribution Scheme

In respect of the PRSA Scheme the Board's contribution in 2010 amounted to €140,652 (2009: €109,252). No amounts were outstanding or prepaid at the year end.

Defined Benefits Scheme

The Scheme is now closed to new entrants. A full actuarial valuation was carried out on 1st January 2005 and updated to 31st December 2010 by a qualified independent actuary. The major assumptions used by the actuary were:

	As at 31/12/2010	As at 31/12/2009
Rate of increase in salaries	%	%
Rate of increase in pensions payment	3.00	3.00
Rates of increase of state retirement pension increases	2.00	2.00
Discount rate	2.00	2.00
Inflation assumption	5.50	5.25
	2.00	2.00

The assets in the scheme and the rate of return were:

	Assets As at 31/12/2010 €'000	Expected Return 2010 %	Assets As at 31/12/2009 €'000	Expected Return 2009 %
Equities	0		7,864	7.7
Fixed Interest	7,400	4.0	2,593	3.9
Property			650	6.7
Cash	4,137	2.0	256	3.0
Other (insured assets)	276	4.0	572	3.0
Total Market value of assets	11,813		11,935	
Present value of scheme liabilities	(14,914)		(15,353)	
(Deficit)/Surplus in the scheme	(3,101)		(3,418)	
Related deferred tax liability	-		-	
Net Pension Asset/(Liability)	(3,101)		(3,418)	

	2010 €'000	2009 €'000
Analysis of the amount charged to operating profit as follows:		
Current service cost	336	407
Past service cost	-	-
	336	407

Analysis of the amount credited to other finance income is as follows:		
Interest on scheme liabilities	(803)	(854)
Expected return on scheme assets	772	628
Curtailments	0	248
	(31)	22

Analysis of the amount recognised in the statement of total recognised gains and losses is as follows :		
Actual return less expected return on scheme assets	(811)	1,180
Experience gains and losses	893	1,018
Changes in assumptions	0	(1,046)
Actuarial gain/(loss) recognised in the STRGL	82	1,152



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

16. PENSIONS (Continued)

	2010	2009
	€'000	€'000
Analysis of the movement in benefit obligation		
Benefit obligation at beginning	15,353	14,938
Service cost	366	407
Interest cost	803	854
Plan participants' contributions	35	45
Actuarial (gain)/loss	(893)	28
Benefits paid	(598)	(521)
Expenses paid	(114)	(113)
Premiums paid	(38)	(37)
Curtailments	0	(248)
Benefits obligation at end of year	14,914	15,353
Change in plan assets		
Fair value of plan assets at beginning of year	11,935	10,120
Expected return on plan assets	772	628
Actuarial gain / (loss)	(811)	1,180
Employer contributions	632	633
Plan participants' contributions	35	45
Benefits paid from plan	(598)	(521)
Expenses paid	(114)	(113)
Premiums paid	(38)	(37)
Fair value of plan assets at end of year	11,813	11,935
(Deficit) at end of year	(3,101)	(3,418)

History of Experience gains and losses :

	2010		2009		2008		2007	
	€'000	%	€'000	%	€'000	%	€'000	%
Difference between expected and actual return on scheme assets	(811)		1,180	9.9	(6,129)	(60.6)	(1,590)	(10.5)
Experience gains and losses of scheme liabilities	893		1,018	6.6	(275)	(1.84)	76	0.5
Total amount recognised in the STRGL	82		1,152		(5,262)		(643)	

Bord na gCon – FRS 17:

FRS 17 has not been implemented in the financial statements of the parent company as it is not possible to identify its share of the Group pension liability.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

17. EMPLOYEES REMUNERATION

The average numbers of persons employed by the group in the financial year was 441 (2009: 485) and is analysed into the following categories:-

Group:	Note	2010	2009
Senior Management		6	6
Middle Management		25	24
Executive Officers/Clerical		40	47
Field Staff		19	19
Control Stewards		11	12
Other		3	4
		<u>104</u>	<u>112</u>
Part time staff - track		<u>337</u>	<u>373</u>
		<u><u>441</u></u>	<u><u>485</u></u>

The staff costs are comprised of:

		€	€
Wages, salaries, redundancy and expenses		6,375,472	8,571,796
Employer's social insurance costs		534,539	646,157
Employer's Contribution to PRSA scheme		65,596	109,252
Defined Benefit Scheme -			
Current Service Cost	16	<u>366,000</u>	<u>407,000</u>
		<u><u>7,341,607</u></u>	<u><u>9,734,205</u></u>

The average numbers of persons employed by Bord na gCon in the financial year was 318 (2009: 357) and is analysed into the following categories:-

Bord na gCon:	2010	2009
Senior Management	5	5
Middle Management	10	11
Executive Officers/Clerical	23	27
Field Staff/Control Stewards	14	15
Other	1	2
	<u>53</u>	<u>60</u>
Part time staff - track	<u>265</u>	<u>297</u>
	<u><u>318</u></u>	<u><u>357</u></u>

The staff costs are comprised of:

Wages, salaries, redundancy and expenses	4,188,362	5,973,080
Employer's social insurance costs	314,734	386,094
Employer's pension and benefits costs *	501,126	465,854
	<u>5,004,222</u>	<u>6,825,028</u>

*This amount represents the parent company's contribution to the schemes as distinct from the current service cost which cannot be identified separately from the group cost (see Note 16).

The Chief Executive and the Chairman agreed a contract in December 2007. This was submitted to the Department of Arts, Sports and Tourism in December 2007. Subsequently it was requested of the board that the CEO agree to new terms and they are very confident of delivering on this request. The CEO's pay is in accordance with the Department of Finance guidelines.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010 €	2009 €
(Deficit)/Surplus before taxation	2,910,256	(66,132)
Interest payable	270,860	169,578
Interest receivable	(684)	(1,970)
Operating Surplus	<u>3,180,432</u>	<u>101,476</u>
(Profit)/Loss on disposal of fixed assets	(658,949)	(2,169)
Allocation from Horse & Greyhound Racing Fund	(11,852,800)	(13,625,600)
Grants to private tracks	53,405	563,503
Decrease in intangible assets	4,300	(10,753)
Depreciation	2,448,995	2,647,466
Amortisation of capital reserve	(1,538,272)	(1,672,866)
(Increase)/Decrease in stocks	(15,971)	26,222
(Increase) in debtors	(691,126)	1,621,603
Increase/(Decrease) in creditors and provisions	(581,196)	(872,744)
Net Pension	(235,000)	(248,000)
Net cash outflow from operating activities	<u>(9,886,162)</u>	<u>(11,471,862)</u>

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 €	2009 €
Increase/(Decrease) in cash	(175,963)	(408,142)
(Increase)/Decrease in debt	<u>(8,112,492)</u>	<u>(2,236,829)</u>
Net Movement	(8,288,455)	(2,644,971)
Opening net funds	(13,086,475)	(10,441,504)
Closing net funds	<u>(21,374,930)</u>	<u>(13,086,475)</u>

20. ANALYSIS OF NET DEBT

	Opening Balance €	Cashflow €	Closing Balance €
Cash	686,664	(175,963)	510,701
Overdrafts	(372,155)	(321,322)	(693,477)
Bank loan	(13,400,984)	(7,791,170)	(21,192,154)
	<u>(13,086,475)</u>	<u>(8,288,455)</u>	<u>(21,374,930)</u>



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2010 (Continued)**21. RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES**

	Profit & Loss Account €'000	Capital Reserve €'000	General Reserve €'000	Pension Reserve €'000	Total €'000
Opening Balance at 1 Jan	5,152	37,080	1,433	(4,953)	38,712
Movement in Capital reserve (Note 12)	-	3,163	-	-	3,163
Surplus for year attributable to Group	(1,657)	-	-	-	(1,657)
Actuarial Gain/(Loss)	-	-	-	82	82
Closing Balance at 31 December	<u>3,495</u>	<u>40,243</u>	<u>1,433</u>	<u>(4,871)</u>	<u>40,299</u>

22. BOARD MEMBERS' INTERESTS

In the normal course of business Bord na gCon and its subsidiaries may enter into 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 Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the Board during the year. During the year a Board Member of Bord na gCon provided auctioneering services for greyhound auction sales. The value of these services came to €1,250.

23. COMMITMENTS & CONTINGENCIES

The Board has capital commitments for Stadium Grants of € 5.6 million.

24. GOING CONCERN

The Horse and Greyhound Racing Act made provision for financing Bord na gCon in the medium term. In 2004, the Minister for Arts, Sport and Tourism, with the consent of the Minister for Finance, increased the limit of the total amount which can be paid into the Fund from monies provided by the Oireachtas from €254 million to €550 million, of which 20% is available to Bord na gCon. As the Directors are satisfied that the group is in a position to arrange its affairs and the necessary finance to enable the group to discharge its liabilities, the Directors consider that the going concern basis remains appropriate in preparing the financial statements.

25. APPROVAL OF ACCOUNTS

The accounts were approved by the Board Members on 2nd June 2011.



BORD na gCON

DETAILED GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 €	2009 €
Turnover			
Tote Receipts		24,464,543	32,884,036
Bookmaker Income		429,709	606,036
Gate receipts and programme sales		3,175,876	3,821,485
Catering Income		1,365,262	1,672,756
Sponsorship – Board Tracks		634,613	910,057
Entry Fees – Board Tracks		850,314	967,304
Sponsorship – Private Tracks		261,949	424,081
Entry Fees – Private Tracks		540,444	598,832
Dog Sales Commission		17,582	28,822
Miscellaneous		1,158,173	1,112,935
Net return on Pension Scheme Assets		(31,000)	22,000
Turnover from racing facilities		32,867,465	43,048,344
Allocation from Horse & Greyhound Racing Fund		11,852,800	13,625,600
Expenses			
Tote Payout		(19,036,435)	(25,942,281)
Prizemoney – Board Tracks		(4,874,930)	(6,826,106)
Prizemoney – Private Tracks		(2,940,389)	(3,890,230)
Staff costs	17	(7,341,607)	(9,734,205)
Operating grants to private tracks		(258,600)	(381,518)
Tote equipment hire		(416,139)	(535,737)
Rent and Rates		(622,183)	(575,191)
Light & Heat		(415,675)	(442,270)
Depreciation		(2,448,995)	(2,647,466)
Grant Amortised		1,538,271	1,672,866
Repairs and renewals		(442,897)	(541,471)
Dog Sales costs		(5,192)	(6,029)
Other Track costs		(573,732)	(659,839)
Insurance		(96,785)	(75,986)
Contribution to Retired Greyhound Trust		(148,419)	(194,999)
Advertising		(1,432,474)	(2,114,144)
Travel, Promotion & Entertainment		(513,872)	(601,877)
Administration Costs		(1,622,132)	(1,805,630)
Intertrack Expenses		(220,327)	(410,518)
I.T. Database Costs		(272,181)	(296,533)
Operating and administration costs		(42,144,693)	(56,009,164)
Operating surplus before grants		2,575,572	664,780
Grants to private tracks		(53,405)	(563,503)
Profit/Loss on disposal of tangible assets	3	658,949	2,169
Group interest payable		(270,860)	(169,578)
(Deficit)/Surplus before taxation		2,910,256	(66,132)



