



**Irish Greyhound Board  
Bord na gCon**

**Annual Report 2011**



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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, 2011, 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 Report and Accounts for the year ended 31st December 2011, 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.

A total of 17 stadia licensed by Bord na gCon operated during the year 2011. Eight of these stadia licensed by Bord na gCon are owned and operated by private enterprises.

Funding for Bord na gCon is sourced by admission fees to their stadia; concession fees generated from restaurant and bar facilities; by a percentage deduction from totalisator pools; by a turnover charge on on-course bookmaker betting; race entry fees; sponsorship and Exchequer funding. Receipts from these sources are used to augment prize money, to grant-aid development at stadia 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 2011 by Chairman - Phil Meaney**

I am pleased to present the 2011 Annual Report for Bord na gCon. Despite what are extraordinary difficult economic circumstances we have managed to increase our key operational performances to include a growth of 3% in people attending our stadia and further support from our sponsors. This in turn will continue to drive the resurgence in popularity of Greyhound Racing with the public, tourists and our stakeholders - a welcome positive boost. I was honoured to receive the Chairman's role a year ago and rest assured we will not be resting on our laurels and our Board, fuelled by some new members, are determined to steer the industry through this global recession.

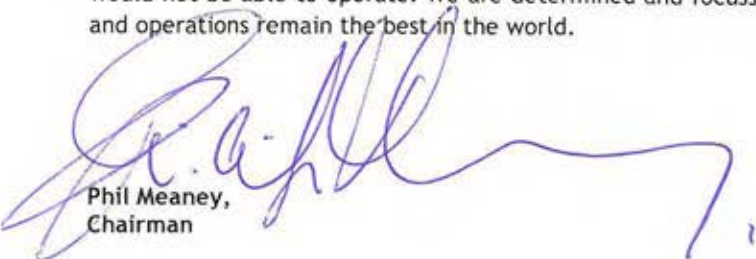
I don't want to overlook the contribution that the Government have made to our industry that has recognised the value of the IGB's role and that of the entire greyhound sector to the overall economy. Despite the fact we are in extremely challenging economic times Ministers Coveney and McEntee saw the need to maintain the Horse and Greyhound Fund close to last year's level with just a minor cut in the Fund. This will ensure that in 2012 we will maintain prize monies at current levels, drive forward the necessary on-going capital expenditure necessary for our track venues and allow us to continue investing in our most important integrity and welfare programmes. All these on-going investments will ensure our industry produces a very good return for the funds provided by the Exchequer to the industry and indeed as we saw last year produce a surplus from our commercial activities.

Over the past months we have had some notable successes already to continue our vein of good form. Already we have announced two major new sponsorships with SIS and Betfair for some of our marquee events to add to the [Ladbrokes.com](http://Ladbrokes.com) Derby. Furthermore we have put ink to paper on a very notable deal with SIS which will see our product and content beamed all over the world.

In order that we never rest on our laurels I have initiated a comprehensive strategic review of the industry which will determine our future direction up to 2017. The views from all stakeholders were sought and will be incorporated into the strategic business plan plus the constructive inputs will help us meet the challenges, grow, strengthen and future proof our business into the decade ahead.

I would like to pay tribute to my fellow Board members for their most valuable inputs into policies and contributing their combined commercial nous into maintaining profitability and value for money for our Government partners and for ensuring the on-going viable sustainability of the sport for our owners and breeders. I would like to welcome our new Board members, Mattie Murphy, Tony McNamee and Brendan Moore appointed by Minister Shane McEntee and am glad to say they have already made their mark in the Boardroom and have certainly added to the expertise available to myself and the Executive and I'd like to acknowledge their inputs to date.

Finally I would like to thank all our stakeholders who contribute to the industry and to the racing public without whom we would not be able to operate. We are determined and focussed on the future and will ensure that our standards, regulations and operations remain the best in the world.



Phil Meaney,  
Chairman



**Foreword to Annual Report 2011 by Chief Executive Officer - Adrian Neilan**

I wish to share with you my thoughts on the overall review of 2011. The resilience of our stakeholders, the recognition by the general public of the importance of our industry to the overall economy, management decisions and more efficient processes under the guidance of our board, the marketing of our product to the public, the new revenue generation techniques derived over the past 12 months as well as the emergence of some new superstars in the sport have all led to a very positive operating surplus in 2011 of €3.37 million.<sup>1</sup>

In 2011 economist Jim Power completed and published his economic impact assessment of our industry which confirmed the importance of the greyhound sector to the overall economy both in rural and urban areas. The industry employs over 10,300 people with a gross wage bill of €207 million per annum which produces a tax contribution of €21 million. The total economic benefit of the greyhound industry is €244 million which is in turn injected into local economies & supports thousands of jobs. The contribution that the Industry received under the Horse and Greyhound Racing Fund produced a very good return for the Irish economy.

Despite a marginal cut in the Horse and Greyhound Fund for 2012 we will be able to marginally increase prize monies over 2011 levels and this is due to on-going efficiencies as well as benefitting from new content revenue schemes.

We have just come to the end of our 2007-2011 strategic plan and we are about to begin a new strategic plan. It is worth noting the results achieved to date which were within our control.

- On an overall basis we have delivered over €17.1 million in operating surpluses<sup>1</sup> which was on a par with the preceding 5 year term (2002-2006).
- Despite receiving over one million less from the Horse and Greyhound fund during this period compared to the previous period IGB paid out close to €1 million more in Industry prize money. To deliver these figures during a period when the level of discretionary spending has dropped alarmingly compared to the 2002-2006 period is a very noteworthy and significant achievement.
- Our operating costs have at €39.9 million dropped by 45% since 2007 whilst the levels of service we are delivering to the public has in fact increased.

Accordingly I am very proud of the organisation and very proud of the people who work for the industry to deliver these results.

Irish greyhound racing is experiencing a resurgence of popularity as the industry saw some impressive performances throughout its operations nationwide. A greater focus on online marketing has led to restaurant pre-bookings up 17% on 2010 rising from 163,617 bookings up to 192,874 in 2011. Over 25,000 people booked their Christmas events which was a record for this period and shows the ability of the industry to compete within the wider entertainment space and proving to be a fantastic alternative for a fun and social night out at very attractive prices.

<sup>1</sup> Operating surpluses are stated before capital grants to private stadia, depreciation, (loss)/profit on asset disposal and bank interest



Tote had an encouraging year despite the economic conditions and depressed consumer spending. Surpluses continue to be generated from tote activities due to more combination package deals within the stadiums coupled with the introduction of a new performance management system. Through 2012 it is the intention to continue to drive this part of the business aggressively particularly with the use of new technologies which will further help drive these operations.

The IGB Brand continues to grow and it is now seen as a very value led, customer centric entertainment option and a great place to spend a night out. As an organisation it also developed in terms of how we innovate, with close to 20,000 people booking online via our portals and our new iPhone app which was launched in 2011. Ireland's flagship greyhound stadium, Shelbourne Park, really bucked the recessionary trend to show a very impressive economic and operating performance for 2011. Increases in overall attendances coupled with a 5% increase in sponsorships reflected the increased popularity of greyhound racing.

The recently announced SIS deal will operationalize the strategy of developing an export of our content and product worldwide as well as our considerable know-how and expertise. Greyhound Stadia continue to be a great attraction for visitors to Ireland with close to 40,000 tourists visiting us during their holidays and we intend to further increase that number. Our systems allow us to deliver a highly customised approach to any visitors to the extent that programs and betting guides are translated to any language required.

As always proper sustainable funding mechanisms will need to be kept in place in order to sustain and further develop the industry. Increased contributions from all betting channels and especially online where most wagering is now conducted is required in order to provide a sustainable exchequer funding stream for the industry. The effects of the economic recession coupled with the reduction in the Horse and Greyhound Racing Fund have seen a significant drop in the greyhound racing pool and this is the one area that is currently causing us great concern. Whilst the fund is an issue and its impact on prize money, it is very clear that a significant amount of greyhound owners or syndicates have decided to exit from the industry due to personal financial reasons. This has meant reduced greyhound racing pools and also more pressure on Greyhound trainers as they try to earn a return from the industry. Consequently as an industry we need to put plans in place to address this very worrying decline as this has a significant knock-on effect of the commercial performance of each stadium.

Greyhound welfare is a hugely important element of how we conduct our work. In short greyhound welfare is our business. The recently passed Welfare of Greyhounds Act 2011 will further reinforce Ireland as the world leader with the most stringent guidelines and laws governing greyhounds. Our recent alliance and new relationship with the Irish Kennel Club further enhances our efforts to promote retired greyhounds as pets on top of our growing and substantial rehoming programme throughout Ireland and especially Europe. 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. This will be an on-going risk area for our business.

2012 will continue to see top class racing throughout the calendar year especially with the most famous race in the greyhound world which is the Ladbrokes.com Irish Greyhound Derby as well as some exciting new sponsorships such as the SIS Gold Cup with more to be announced.

Finally I would like to thank our dedicated and hardworking staff and our new Board of Directors who have been fundamental in sustaining the sport with their passion and enthusiasm and tireless commitment to the industry. I am also most grateful to our new Chairman, Phil Meaney, who took the helm in these challenging times and his business insights, experience and advice have proved invaluable and most helpful in steering the industry over the past year.

Adrian Neilan,  
Chief Executive Officer.



## BORD na gCON

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### 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 16 <sup>th</sup> February 2011)
Phil Meaney	(appointed 12 <sup>th</sup> April 2011)
Daniel J. Reilly	(retired 2 <sup>nd</sup> December 2011)
Tony McKenna	(retired 2 <sup>nd</sup> December 2011)
Teresa Wall	
Billy O'Dwyer	
Tim Gilbert	
Brendan Moore	(appointed 2 <sup>nd</sup> December 2011)
Tony McNamee	(appointed 2 <sup>nd</sup> December 2011)
Mattie Murphy	(appointed 2 <sup>nd</sup> December 2011)

#### 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 stadiums were licensed by Bord na gCon during the year 2011.

Of the country's 17 greyhound stadiums, the Board owns and operates the following stadiums: Shelbourne Park, Harold's Cross, Cork, Tralee, Waterford, Youghal, Limerick, Galway and Mullingar. The board holds a 51% share in the Mullingar Stadium. Bord na gCon has leased their stadium in Clonmel to Davis Road Greyhound Stadium Plc.

**Key Summary Performance for 2011**

	2011	2010	% change
Total Prize money	€7,249,062	€7,815,319	(7.2)%
Sponsorship	€944,612	€896,562	5.3%
Operating surplus before grants	€3,371,706	€2,575,572	31%
Attendance	756,561	733,929	3%





## 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)

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 Gerald Meaney (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 2011

The 2011 National Greyhound Racing Awards took place on Sunday 11<sup>th</sup> March 2012, in the Hodson Bay Hotel, Athlone. The prestigious function was held as a lunchtime ceremony, and over 200 guests attended the event, recognising the outstanding achievements in the Greyhound Racing industry. Minister of State at the Department of Agriculture, Marine & Food, Shane McEntee T.D.(R.I.P.), addressed the attendees, and presented the awards on the day.

Attendees on the day were shown photographic highlights of the previous year, along with video highlights of the 2011 classics. Galway Crystal was again sponsors of the Awards.

2011 National Greyhound Racing Award winners were selected by a panel of industry figures, in the following categories.

### Dog of the Year

#### *Razldazl George*

Owner: Dazzling Syndicate  
Trainer: Dolores Ruth  
Breeder: Liam Marks

### Bitch of the Year

#### *Droopys Twirl*

Owner: Kieran Ryan  
Trainer: John A. Linehan  
Breeder: Sean Dunphy

### Sprinter of the Year

#### *Shoemakers Lad*

Owner: Thomas Harte  
Trainer: Patrick Guilfoyle  
Breeder: Patrick Guilfoyle

### Stayer of the Year

#### *Ceroc Shaneboy*

Owner: Howard Berlin / D. Smith / L. Calcutt (*Previous owner Denis Kiely*)  
Trainer: Michael Kiely  
Breeder: Michael Kiely

### Stud Dog of the year

#### *Head Bound*

Owner: Sean Dunphy

### Brood Bitch of the year

#### *Razldazl Pearl*

Owner: Dolores Ruth and Liam Marks



## 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.

### Procurement

The audit drew attention to a number of instances where goods and services had not been tendered for or where quotations had not been sought from a number of suppliers. In many cases existing suppliers were employed due to their unique and general knowledge of the greyhound industry. The Bord has commenced a review process in order to ensure full compliance with public procurement guidelines.

### Prize Money over payment

Bord na gCon issues prize money payments by electronic transfer (EFT) to owners and trainers on a fortnightly basis. An error was made in payment of prize money on the 20<sup>th</sup> of January 2011. One bank payment file, containing a number of prize money payments, made previously in June 2010 was paid again on 20<sup>th</sup> of January 2011. The value of the overpayment was €296,498.70 and affected 1,632 Greyhound Owners and Trainers. Once it was discovered Bord na gCon communicated to all affected individuals to outline what happened and options to refund the overpayment to Bord na gCon.

Bord na gCon commissioned a detailed independent assessment, to investigate how this happened and to propose recommendations to prevent this happening again. All recommendations from this report were adopted in their entirety by Bord na gCon.

From the total over paid a balance of €49,439 remained to be refunded to Bord na gCon at 31 December 2011 from the parties concerned. Bord na gCon expect to recover a significant portion of this money.



## Business Risks

Risk assessment of 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 2011. 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 on-going 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 approval of the Board, and are closely monitored on an on-going 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, Food, and the Marine 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 Board is exposed and annual internal audit plans are based on this analysis.

The Internal Auditor reports directly to the Chairperson 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 Chairperson of the Audit Committee. To operate effectively the Board's Audit Committee should meet at least four times a year. The Audit Committee had scheduled to meet four times in 2011 but had to defer their December meeting to January 2012.



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 31<sup>st</sup> December 2011, there was a review by the Board of the effectiveness of the system of internal financial control.

Signed on behalf of the Board.

Phil Meaney  
Chairman



**BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

The Board Members submit herewith their report and audited financial statements for the year ended 31 December 2011.

1. **PRINCIPAL ACTIVITIES**

The principal activities of the Group continue to be:

- Operation of a totalisator at race meetings;
- Operation of race-stadia 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**

	2011	2010
	€	€
Turnover	<u>31,871,685</u>	<u>32,867,465</u>
Operating surplus before grants	3,371,706	2,575,572
Grants to private stadia	<u>(1,520,000)</u>	<u>(53,405)</u>
Surplus on ordinary activities	1,851,706	2,522,167
(Loss)/Gain on disposal of tangible fixed assets	(825,956)	658,949
Group interest payable	(550,489)	(270,860)
Loss attributable to minority interests	<u>48,701</u>	<u>78,171</u>
Surplus for the year	<u>523,962</u>	<u>2,988,427</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 11 meetings during 2011 and the members who held office during the year along with their meeting attendance was as follows:-

Member	No of Meetings
Dick O'Sullivan	2
Phil Meaney	9
Daniel J. Reilly	8
Tony McKenna	7
Teresa Wall	11
Billy O'Dwyer	11
Tim Gilbert	11
Brendan Moore	2
Tony McNamee	2
Mattie Murphy	2



BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (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 surplus 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 2011.

7. AUDITOR

The Comptroller & Auditor General has responsibility for the audit of Bord na gCon in accordance with Section 14 of the Horse and Greyhound Racing, Act 2001

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member




## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

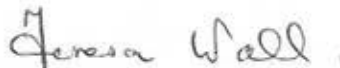
	Notes	2011 €	2010 €
Turnover from racing facilities		31,871,685	32,867,465
Allocation from the Horse & Greyhound Racing Fund		11,460,000	11,852,800
		<u>43,331,685</u>	<u>44,720,265</u>
Operation and administration costs		(39,959,979)	(42,144,693)
Operating surplus before grants		3,371,706	2,575,572
Grants to private stadia		(1,520,000)	(53,405)
Operating surplus on ordinary activities		1,851,706	2,522,167
(Loss)/Gain on disposal of tangible fixed assets	3	(825,956)	658,949
Surplus before interest on ordinary activities		1,025,750	3,181,116
Group interest payable		(550,489)	(270,860)
Surplus on ordinary activities before taxation		475,261	2,910,256
Taxation	4	0	0
Surplus on ordinary activities after taxation		475,261	2,910,256
Surplus attributable to minority interests		48,701	78,171
Surplus for year		523,962	2,988,427
Transfer to Capital Reserve	12	(3,650,622)	(4,645,738)
Retained (Deficit) for year		(3,126,660)	(1,657,311)
Opening Balance at 1 January		3,494,666	5,151,978
Closing Balance at 31 December		<u>368,006</u>	<u>3,494,666</u>

The surplus after taxation for the year dealt with in the financial statements of Bord na gCon is a surplus of €1,471,123 (2010: surplus of €2,741,247).

The notes (on pages 21 to 34) and the Detailed Group Profit and Loss Account (on page 35) form part of these financial statements.

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member





## Comptroller and Auditor General

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

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#### Bord na gCon

I have audited the financial statements of Bord na gCon for the year ended 31 December 2011 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, the Bord na gCon balance sheet, the group cash flow, the detailed group 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.

In addition, I read all the financial and non-financial information in the annual report to identify if there are material inconsistencies with the audited financial statements. 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, 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 2011 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.

#### Going concern

Without qualifying my opinion, I draw attention to Note 24 to the financial statements. This discloses that the Board considers that preparation of the financial statements on the going concern basis remains appropriate, based on the assumption of continued State funding and of future increases in turnover from racing facilities.

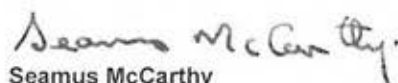
#### Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- 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 information given in Bord na gCon's annual report for the year for which the financial statements are prepared is not consistent with the financial statements, 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.

#### Control weaknesses

The statement of internal financial control discloses that there was a number of instances of non-compliance with public procurement guidelines, and an overpayment of prizemoney. It also sets out action taken by the Board to respond to these control weaknesses.



Seamus McCarthy  
Comptroller and Auditor General

15 March 2013




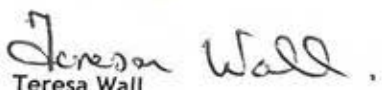
## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2011 €	2010 €
Surplus for the financial year			
Pension Scheme Movements		<u>523,962</u>	<u>2,988,427</u>
Actual return less expected return on schemes assets		102,000	(811,000)
Experience Gains and (Losses)		575,000	383,000
Changes in Assumptions		(1,216,000)	510,000
Actuarial Gain/ (Loss) recognised in the pension scheme	16	<u>(539,000)</u>	<u>82,000</u>
Total Recognised Gain/ (Loss) for the year		<u>(15,038)</u>	<u>3,070,427</u>

The notes (on pages 21 to 34) and the Detailed Group Profit and Loss Account (on page 35) form part of these financial statements.

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member




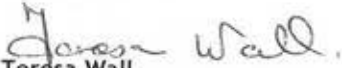
## GROUP BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 €	2010 €
<b>FIXED ASSETS</b>			
Intangible assets	5	30,100	34,400
Tangible assets	6	67,351,641	70,425,379
Financial assets		5,951	5,951
		<u>67,387,692</u>	<u>70,465,730</u>
<b>CURRENT ASSETS</b>			
Stocks	8	109,635	104,010
Debtors	9	3,197,345	2,490,697
Cash at bank and on hand		811,634	510,700
		<u>4,118,614</u>	<u>3,105,407</u>
<b>CREDITORS (Amounts falling due within one year)</b>	10	(5,894,352)	(7,332,026)
<b>NET CURRENT LIABILITIES</b>		<u>(1,775,738)</u>	<u>(4,226,619)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		65,611,954	66,239,111
<b>CREDITORS (Amounts falling due after more than one year)</b>	11	(22,712,465)	(21,192,154)
Net Pension (Liability)/Asset	16	(3,788,000)	(3,101,000)
<b>NET ASSETS</b>		<u>39,111,489</u>	<u>41,945,957</u>
<b>FINANCED BY:</b>			
Profit and Loss Account		368,006	3,494,666
Capital reserve	12	41,175,840	40,242,588
Other reserves	13	1,433,177	1,433,177
Pension reserve		(5,410,000)	(4,871,000)
		<u>37,567,023</u>	<u>40,299,431</u>
Capital and Reserves	21	37,567,023	40,299,431
Minority interests	15	1,544,466	1,646,526
		<u>39,111,489</u>	<u>41,945,957</u>

The notes (on pages 21 to 34) and the Detailed Group Profit and Loss Account (on page 35) form part of these financial statements.

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member

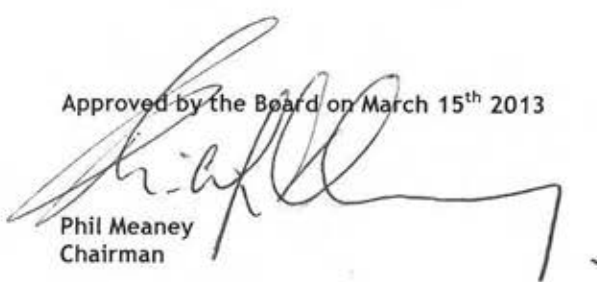


## BORD Na gCON BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 €	2010 €
<b>FIXED ASSETS</b>			
Intangible assets	5	30,100	34,400
Tangible assets	6	1,947,029	2,489,367
Financial assets	7	8,337,675	19,335,361
		<u>10,314,804</u>	<u>21,859,128</u>
<b>CURRENT ASSETS</b>			
Stocks	8	62,917	64,823
Debtors	9	652,474	856,899
Cash at bank and on hand		588,751	437,487
		<u>1,304,142</u>	<u>1,359,209</u>
<b>CREDITORS (Amounts falling due within one year)</b>	10	<u>(10,814,717)</u>	<u>(11,120,932)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(9,510,575)</u>	<u>(9,761,723)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		804,229	12,097,405
<b>CREDITORS (Amounts falling due after more than one year)</b>	11	<u>(22,712,465)</u>	<u>(21,192,154)</u>
<b>NET LIABILITIES</b>		<u>(21,908,236)</u>	<u>(9,094,749)</u>
<b>FINANCED BY:</b>			
Profit and Loss Account		(4,271,244)	(2,091,745)
Capital Reserve	12	(18,906,730)	(8,272,742)
Other Reserves	13	1,269,738	1,269,738
		<u>(21,908,236)</u>	<u>(9,094,749)</u>

The notes (on pages 21 to 34) and the Detailed Group Profit and Loss Account (on page 35) form part of these financial statements.

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member



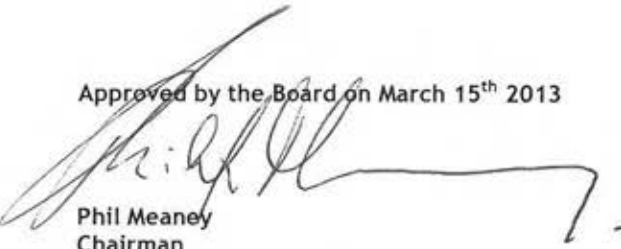
BORD na gCON

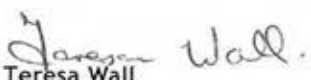
GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €	2010 €
Net Cash outflow from operating activities	18	1,850,050	1,966,618
Returns on investments and servicing of finance			
Interest received		167	684
Interest paid		(550,489)	(270,860)
		<u>(550,322)</u>	<u>(270,176)</u>
Taxation		<u>0</u>	<u>7,997</u>
Capital expenditure & financial investment			
Payments to acquire tangible assets		(2,716,216)	(10,769,762)
Receipts from disposal of tangible assets		2,121,000	830,272
Grants paid to non-Bord na gCon stadia		(1,520,000)	(53,405)
		<u>(2,115,216)</u>	<u>(9,992,895)</u>
Net outflow before use of liquid resources & financing		(815,488)	(8,288,456)
Finance			
Drawdown of Loans & Overdrafts		1,116,422	8,112,492
Increase (Decrease) in cash	19 & 20	<u>300,934</u>	<u>(175,964)</u>

The notes (on pages 21 to 34) and the Detailed Group Profit and Loss Account (on page 35) form part of these financial statements.

Approved by the Board on March 15<sup>th</sup> 2013

  
Phil Meaney  
Chairman

  
Teresa Wall  
Board Member



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011

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 2011 (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 stadia. 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 stadia, 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 Stadia to Bord na gCon.



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

## 2. GROUP SURPLUS BEFORE TAXATION

	2011 €	2010 €
Group Surplus before taxation has been arrived at after charging:		
Board Members' remuneration:-		
Dick O'Sullivan	2,880	21,600
Phil Meaney	16,279	0
Tony McKenna	11,647	12,600
Danny Reilly	11,647	12,600
Teresa Wall	12,600	12,600
Tim Gilbert	12,600	12,600
Billy O'Dwyer	12,600	12,600
Martin Murphy	1,050	0
Brendan Moore	1,050	0
Tony McNamee	1,050	0
	<u>83,403</u>	<u>84,600</u>
Board Members' travel & subsistence	71,273	52,619
Board Members' meals & entertainment	3,178	5,866
Auditor's remuneration	74,215	77,339
Depreciation (Note 6)	2,842,998	2,448,995
Group Interest Payable	550,489	270,860
Redundancy Costs	117,681	195,674
Chief Executive Officer's remuneration:		
Basic salary	155,000	144,478
Superannuation costs	39,060	37,004
Other remuneration	15,264	15,000
	<u>209,324</u>	<u>196,482</u>
And after crediting:		
Amortisation of capital reserve (Note 12)	2,770,727	1,538,270
Interest receivable	<u>167</u>	<u>684</u>

## 3. LOSS ON DISPOSAL OF TANGIBLE FIXED ASSETS

The net loss includes a loss of €934,000 on the sale of the board's property at Market Field.

## 4. TAXATION

	2011 €	2010 €
Corporation Tax Refund/(Liability)	<u>0</u>	<u>0</u>





NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

5. INTANGIBLE ASSETS

Group	2011			2010		
	Negative Goodwill	Goodwill	Total	Negative Goodwill	Goodwill	Total
<b>COST</b>						
Cost at 1 January	(150,575)	43,000	(107,575)	(150,575)	43,000	(107,575)
Acquired during the year	-	-	-	-	-	-
At 31 December	<u>(150,575)</u>	<u>43,000</u>	<u>(107,575)</u>	<u>(150,575)</u>	<u>43,000</u>	<u>(107,575)</u>
<b>AMORTISATION</b>						
At 1 January	150,575	(8,600)	141,975	150,575	(4,300)	146,275
Released during the year	0	(4,300)	(4,300)	0	(4,300)	(4,300)
At 31 December	<u>150,575</u>	<u>(12,900)</u>	<u>137,675</u>	<u>150,575</u>	<u>(8,600)</u>	<u>141,975</u>
<b>NET BOOK AMOUNT AT 31 DECEMBER</b>	<u>0</u>	<u>30,100</u>	<u>30,100</u>	<u>0</u>	<u>34,400</u>	<u>34,400</u>

Bord na gCon

2011  
€

2010  
€

**COST**

Cost at 1 January	34,400	38,700
Acquired during the year		
Released during the year	(4,300)	(4,300)
At 31 December	<u>30,100</u>	<u>34,400</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 titled "Talking Dogs". The rights and know-how of the "Talking Dogs" section were purchased by Bord na gCon and are now available to view on the website [www.igb.ie](http://www.igb.ie).



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

## 6. TANGIBLE FIXED ASSETS

Group	Freehold Land and Buildings €	Leasehold Buildings €	Totalisator Track and Other Equipment €	Leased Tote Equipment €	Motor Vehicles €	Total €
<b>Cost:</b>						
At 1 January	44,994,116	34,345,647	21,129,683	108,210	297,688	100,875,344
Additions	2,294,561	1,703	419,952			2,716,216
Disposals	(2,054,774)	(1,285,204)	(483,540)			(3,823,518)
At 31 December	<u>45,233,903</u>	<u>33,062,146</u>	<u>21,066,095</u>	<u>108,210</u>	<u>297,688</u>	<u>99,768,042</u>
<b>Accumulated Depreciation</b>						
At 1 January	4,951,418	8,310,639	16,849,668	108,210	230,030	30,449,965
Charge for year	469,815	1,257,426	1,069,217		46,540	2,842,998
Disposals		(453,329)	(423,233)			(876,562)
At 31 December	<u>5,421,233</u>	<u>9,114,736</u>	<u>17,495,652</u>	<u>108,210</u>	<u>276,570</u>	<u>32,416,401</u>
<b>Net Book Amount:</b>						
At 31 December 2011	<u>39,812,670</u>	<u>23,947,410</u>	<u>3,570,443</u>	<u>-</u>	<u>21,118</u>	<u>67,351,641</u>
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>
<b>Bord na gCon</b>						
<b>Cost:</b>						
At 1 January	609,807	1,866,021	10,677,873	12,154	285,750	13,451,605
Additions	4,801	-	40,583			45,384
Disposals	-	-	-			-
At 31 December	<u>614,608</u>	<u>1,866,021</u>	<u>10,718,456</u>	<u>12,154</u>	<u>285,750</u>	<u>13,496,989</u>
<b>Accumulated Depreciation</b>						
At 1 January	156,851	1,113,438	9,461,703	12,154	218,092	10,962,238
Charge for year	11,959	32,595	496,628		46,540	587,722
Disposals						
At 31 December	<u>168,810</u>	<u>1,146,033</u>	<u>9,958,331</u>	<u>12,154</u>	<u>264,632</u>	<u>11,549,960</u>
<b>Net Book Amount:</b>						
At 31 December 2011	<u>445,798</u>	<u>719,988</u>	<u>760,125</u>	<u>-</u>	<u>21,118</u>	<u>1,947,029</u>
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>

The cost of fixed assets included above which have been fully depreciated at 31 December 2011 amounts to €13,423,510 (2010: €11,822,229) for the group, and to €8,778,812 (2010: €8,029,769) for Bord na gCon.

Arising from the development of new track and corporate headquarters at Limerick Stadium the board has assets surplus to its immediate requirements. This includes land at Meelick and its former head office in Limerick city. These assets are included in the total fixed assets of €67.3 million at a carrying value of €1.5 million. The board has obtained valuations which indicate the carrying value of the properties as €1.55m.



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

## 6. TANGIBLE FIXED ASSETS continued

The assets of Dublin Greyhound & Sports Association Limited, The Waterford Greyhound Race Company (1953) Limited, Clonmel Greyhound Racing Company 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 and overdraft facility, provided by AIB Bank, to the group.

## 7. FINANCIAL ASSETS

	2011 €	2010 €
<b>Bord na gCon</b>		
Shares in subsidiaries at cost less amounts written off	244,452	244,452
Long term loans to subsidiaries	8,093,223	19,090,909
	<u>8,337,675</u>	<u>19,335,361</u>

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

## 8. STOCKS

	2011 €	2010 €
<b>Group:</b>		
Totalisator and track equipment	59,079	68,122
Sundry expense stocks	50,556	35,888
	<u>109,635</u>	<u>104,010</u>
<b>Bord na gCon:</b>		
Totalisator and track equipment	55,209	55,672
Sundry expense stocks	7,708	9,151
	<u>62,917</u>	<u>64,823</u>

## 9. DEBTORS

	2011 €	2010 €
<b>Group:</b>		
Trade debtors and prepayments	1,701,600	2,076,662
Other debtors	133	38,436
VAT recoverable	1,495,612	375,599
	<u>3,197,345</u>	<u>2,490,697</u>
<b>Bord na gCon:</b>		
Trade debtors and prepayments	382,718	762,152
Others debtors	133	133
Amounts due from subsidiary companies	269,623	94,614
	<u>652,474</u>	<u>856,899</u>

All amounts receivable from debtors are due within one year.



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

## 10. CREDITORS (Amounts falling due within one year)

	2011 €	2010 €
<b>Group:</b>		
Creditors and accruals	5,604,764	6,638,549
Bank advances	289,588	693,477
	<u>5,894,352</u>	<u>7,332,026</u>
<b>Bord na gCon:</b>		
Creditors and accruals	3,891,713	4,095,925
Amounts due to subsidiary companies	6,823,574	6,774,133
Bank advances	99,430	250,874
	<u>10,814,717</u>	<u>11,120,932</u>

The creditors and accruals figures include the following amounts:

<b>Group:</b>		
VAT	103,527	98,753
PAYE/PRSI	235,441	181,388
	<u>338,968</u>	<u>280,141</u>
<b>Bord na gCon:</b>		
VAT	19,646	24,204
PAYE/PRSI	203,568	125,616
	<u>223,214</u>	<u>149,820</u>

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

	2011 €	2010 €
<b>Group:</b>		
Bank borrowings	22,712,465	21,192,154
	<u>22,712,465</u>	<u>21,192,154</u>
<b>Bord na gCon:</b>		
Bank borrowings	22,712,465	21,192,154
	<u>22,712,465</u>	<u>21,192,154</u>



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

## 12. CAPITAL RESERVE

	Group		Bord na gCon	
	2011	2010	2011	2010
	€	€	€	€
<b>Transfer from surplus</b>				
- In previous years	70,162,698	65,516,960	70,162,698	65,516,960
- In current year	3,650,622	4,645,738	3,650,622	4,645,738
	<u>73,813,320</u>	<u>70,162,698</u>	<u>73,813,320</u>	<u>70,162,698</u>
<b>Amounts written back</b>				
- In previous years	(10,213,571)	(10,213,571)	803,088	803,088
- In current year	-	-	1,497,906	-
	<u>(10,213,571)</u>	<u>(10,213,571)</u>	<u>2,300,994</u>	<u>803,088</u>
<b>Grants to Board owned stadia</b>				
- In previous years	(1,941,837)	(1,941,837)	(77,622,984)	(76,315,535)
- In current year	-	-	(15,779,977)	(1,307,449)
	<u>(1,941,837)</u>	<u>(1,941,837)</u>	<u>(93,402,961)</u>	<u>(77,622,984)</u>
<b>Amortisation to Profit and Loss Account</b>				
- In previous years	(18,122,808)	(16,639,623)	(1,615,544)	(1,615,544)
- In current year	(2,770,727)	(1,538,270)	(2,539)	-
- Attributable to minority interest	53,357	55,085	-	-
	<u>(20,840,178)</u>	<u>(18,122,808)</u>	<u>(1,618,083)</u>	<u>(1,615,544)</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>41,175,840</u>	<u>40,242,588</u>	<u>(18,906,730)</u>	<u>(8,272,742)</u>

## 13. OTHER RESERVES

	2011	2010
	€	€
<b>Group:</b>		
General reserve	1,269,738	1,269,738
Other reserve	163,439	163,439
<b>Total</b>	<u>1,433,177</u>	<u>1,433,177</u>
<b>Bord na gCon:</b>		
General reserve	1,269,738	1,269,738
Other reserve	-	-
<b>Total</b>	<u>1,269,738</u>	<u>1,269,738</u>

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. Bord na gCon has leased their stadium in Clonmel to Davis Road Greyhound Stadium Plc.

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 1<sup>st</sup> September 1999.



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (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 2011 amounted to €145,693 (2010: €140,652). 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 1<sup>st</sup> January 2005 and updated to 31<sup>st</sup> December 2011 by a qualified independent actuary. The major assumptions used by the actuary were:

	As at 31/12/2011 %	As at 31/12/2010 %
Rate of increase in salaries	3.00	3.00
Rate of increase in pensions payment	2.00	2.00
Rates of increase of state retirement pension increases	2.00	2.00
Discount rate	5.00	5.50
Inflation assumption	2.00	2.00

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

	Assets As at 31/12/2011 €'000	Expected Return 2011 %	Assets As at 31/12/2010 €'000	Expected Return 2010 %
Equities	0		0	
Fixed Interest	7,600	4.0	7,400	4.0
Property	0			
Cash	4,423	2.0	4,137	2.0
Other (insured assets)	295	4.0	276	4.0
Total Market value of assets	12,318		11,813	
Present value of scheme liabilities	(16,106)		(14,914)	
(Deficit)/Surplus in the scheme	(3,788)		(3,101)	
Related deferred tax liability	0			
Net Pension Asset/(Liability)	(3,788)		(3,101)	

	2011 €'000	2010 €'000
Analysis of the amount charged to operating profit as follows:		
Current service cost	216	366
Past service cost	0	0
	<u>216</u>	<u>366</u>

Analysis of the amount credited to other finance income is as follows:

Interest on scheme liabilities	(820)	(803)
Expected return on scheme assets	390	772
Curtailments	0	0
	<u>(430)</u>	<u>(31)</u>

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	102	(811)
Experience gains and losses	575	510
Changes in assumptions	(1,216)	383
Actuarial gain/(loss) recognised in the STRGL	<u>(539)</u>	<u>82</u>



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

## 16. PENSIONS (Continued)

	2011 €'000	2010 €'000
<b>Analysis of the movement in benefit obligation</b>		
Benefit obligation at beginning	14,914	15,353
Service cost	216	366
Interest cost	820	803
Plan participants' contributions	28	35
Actuarial (gain)/loss	641	(893)
Benefits paid	(512)	(598)
Expenses paid	(1)	(114)
Premiums paid	0	(38)
Curtailments	0	0
<b>Benefits obligation at end of year</b>	<b>16,106</b>	<b>14,914</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	11,813	11,935
Expected return on plan assets	390	772
Actuarial gain / (loss)	102	(811)
Employer contributions	498	632
Plan participants' contributions	28	35
Benefits paid from plan	(512)	(598)
Expenses paid	(1)	(114)
Premiums paid	0	(38)
<b>Fair value of plan assets at end of year</b>	<b>12,318</b>	<b>11,813</b>
<b>(Deficit) at end of year</b>	<b>(3,788)</b>	<b>(3,101)</b>

## History of Experience gains and losses :

	2011		2010		2009		2008	
	€'000	%	€'000	%	€'000	%	€'000	%
Difference between expected and actual return on scheme assets	102	0.8	(811)	(6.9)	1,180	9.9	(6,129)	(60.6)
Changes in assumptions	(1,216)		383		(1,046)		1,142	
Experience gains and losses of scheme liabilities	575	(3.6)	510	(3.1)	1,018	6.6	(275)	(1.84)
<b>Total amount recognised in the STRGL</b>	<b>(539)</b>		<b>82</b>		<b>1,152</b>		<b>(5,262)</b>	

## 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 2011 (Continued)

## 17. EMPLOYEES REMUNERATION

The average numbers of persons employed by the group in the financial year was 440 (2010: 441) and is analysed into the following categories:-

Group:	Note	2011	2010
Senior Management		5	6
Middle Management		26	25
Executive Officers/Clerical		39	40
Field Staff		19	19
Control Stewards		11	11
Other		4	3
		<u>104</u>	<u>104</u>
Part time staff - track		336	337
		<u>440</u>	<u>441</u>

The staff costs are comprised of:

		€	€
Wages, salaries, redundancy and expenses		6,204,511	6,375,472
Employer's social insurance costs		505,705	534,539
Employer's Contribution to PRSA scheme		145,693	65,596
Defined Benefit Scheme -Current Service Cost	16	485,895	366,000
		<u>7,341,804</u>	<u>7,341,607</u>

The average numbers of persons employed by Bord na gCon in the financial year was 318 (2010: 318) and is analysed into the following categories:-

Bord na gCon:	2011	2010
Senior Management	4	5
Middle Management	11	10
Executive Officers/Clerical	22	23
Field Staff/Control Stewards	14	14
Other	2	1
	<u>53</u>	<u>53</u>
Part time staff - track	265	265
	<u>318</u>	<u>318</u>

The staff costs are comprised of:

Wages, salaries, redundancy and expenses	3,911,229	4,188,362
Employer's social insurance costs	283,775	314,734
Employer's pension and benefits costs *	476,495	501,126
	<u>4,671,499</u>	<u>5,004,222</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).



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (Continued)

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

	2011 €	2010 €
Surplus before taxation	475,261	2,910,256
Group interest payable	550,489	270,860
Interest receivable	(167)	(684)
Operating Surplus	<u>1,025,583</u>	<u>3,180,432</u>
Loss /(Profit) on disposal of fixed assets	825,956	(658,949)
Grants to private stadia	1,520,000	53,405
Decrease in intangible assets	4,300	4,300
Depreciation	2,842,998	2,448,995
Amortisation of capital reserve	(2,770,729)	(1,538,272)
(Increase) in stocks	(5,625)	(15,971)
(Increase) in debtors	(706,648)	(691,126)
(Decrease) in creditors and provisions	(1,033,785)	(581,196)
Net Pension	148,000	(235,000)
Net cash outflow from operating activities	<u>1,850,050</u>	<u>1,966,618</u>

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

	2011 €	2010 €
Increase/(Decrease) in cash	300,934	(175,964)
(Increase)/Decrease in debt	<u>(1,116,422)</u>	<u>(8,112,492)</u>
Net Movement	(815,488)	(8,288,456)
Opening net funds	(21,374,931)	(13,086,475)
Closing net funds	<u>(22,190,419)</u>	<u>(21,374,931)</u>

## 20. ANALYSIS OF NET DEBT

	Opening Balance €	Cashflow €	Closing Balance €
Cash	510,700	300,934	811,634
Overdrafts	(693,477)	403,889	(289,588)
Bank loan	(21,192,154)	(1,520,311)	(22,712,465)
	<u>(21,374,931)</u>	<u>(815,488)</u>	<u>(22,190,419)</u>



## NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2011 (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	3,495	40,242	1,433	(4,871)	40,299
Movement in Capital reserve (Note 12)	-	934	-	-	934
Deficit for year attributable to Group	(3,127)	-	-	-	(3,127)
Actuarial Loss	-	-	-	(539)	(539)
Closing Balance at 31 December	<u>368</u>	<u>41,176</u>	<u>1,433</u>	<u>(5,410)</u>	<u>37,567</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 Board Member of Bord na gCon provided services to the Board. The value of these services came to €19,914

## 23. COMMITMENTS &amp; CONTINGENCIES

The Board has capital commitments of €2.4M at the end of 2011 to include of the final payment due to Dundalk Racing Stadium, developments of the stadium at Clonmel Greyhound & Youghal Greyhound Stadia and a capital grant payment to Thurles Greyhound Stadia payable in 2013. The board have no further capital commitments requiring disclosure.

## 24. GOING CONCERN

Bord na gCon has agreed credit facilities up to December 2016 with borrowing limits of €25 million. The borrowings are on an interest only basis until 2016. At 31 December 2011, net bank borrowings stood at €22.2 million.

The Board consider that the going concern basis remains appropriate based on five-year projections, which assume increases in the operating surplus over the period. This is based on

- An annual allocation of funds from the Oireachtas under Section 12 of the Horse and Greyhound Racing Act 2001. In 2012 €11.240 million was made available and €11.004 million was made available for 2013.
- Increases in turnover from racing facilities

## 25. APPROVAL OF ACCOUNTS

The accounts were approved by the Board Members on March 15<sup>th</sup> 2013.


**DETAILED GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 €	2010 €
<b>Turnover</b>			
Tote Receipts		23,868,379	24,464,543
Bookmaker Income		357,193	429,709
Gate receipts and programme sales		3,252,220	3,175,876
Catering Income		1,407,342	1,365,262
Sponsorship - Board Stadia		705,127	634,613
Entry Fees - Board Stadia		839,480	850,314
Sponsorship - Private Stadia		239,485	261,949
Entry Fees - Private Stadia		463,440	540,444
Dog Sales Commission		16,151	17,582
Miscellaneous		1,152,868	1,158,173
Net return on Pension Scheme Assets		(430,000)	(31,000)
<b>Turnover from racing facilities</b>		<b>31,871,685</b>	<b>32,867,465</b>
Allocation from Horse & Greyhound Racing Fund		11,460,000	11,852,800
<b>Expenses</b>			
Tote Pay out		(18,626,868)	(19,036,435)
Prize money - Board Stadia		(4,853,229)	(4,874,930)
Prize money - Private Stadia		(2,395,833)	(2,940,389)
Staff costs	17	(7,059,804)	(7,341,607)
Operating grants to private stadia		(270,400)	(258,600)
Tote equipment hire		(378,105)	(416,139)
Rent and Rates		(550,522)	(622,183)
Light & Heat		(512,910)	(415,675)
Depreciation		(2,842,998)	(2,448,995)
Grant Amortised		2,770,727	1,538,271
Repairs and renewals		(494,574)	(442,897)
Dog Sales costs		(4,822)	(5,192)
Other Track costs		(629,903)	(573,732)
Insurance		(116,344)	(96,785)
Contribution to Retired Greyhound Trust		(142,648)	(148,419)
Advertising		(1,531,399)	(1,432,474)
Travel, Promotion & Entertainment		(541,231)	(513,872)
Administration Costs		(1,389,800)	(1,622,132)
Inter track Expenses		(210,241)	(220,327)
I.T. Database Costs		(179,075)	(272,181)
<b>Operating and administration costs</b>		<b>(39,959,979)</b>	<b>(42,144,693)</b>
<b>Operating surplus before grants</b>		<b>3,371,706</b>	<b>2,575,572</b>
Grants to private stadia		(1,520,000)	(53,405)
(Loss)/Gain on disposal of tangible fixed assets	3	(825,956)	658,949
Group interest payable		(550,489)	(270,860)
<b>Surplus before taxation</b>		<b>475,261</b>	<b>2,910,256</b>