

Bord na gCon
2017 Annual Report

Bord na gCon Annual Report 2017

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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, 2017, faoi bhráid An Roinn Talmhaíochta, Bia agus Mara.

In accordance with section 19(2) of the Greyhound Industry Acts, 1958 and 1993, Bord na gCon presents its Annual Report and Financial Statements for the year ended 31 December 2017, to the Minister for Agriculture, Food and the Marine.

MISSION STATEMENT

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



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CHAIRMAN'S REPORT

Difficult decisions were necessary in 2017, to clear a long-term legacy debt. For the past seven years, the legacy debt has acted as a financial straitjacket on our industry and I must acknowledge the patience of greyhound owners, trainers and breeders after a number of challenging years.

Not only did the Irish greyhound sector celebrate 90 years of racing in 2017, I believe 2017 will be a turning point for our industry.

The Board's first priority with an improved financial position was reflected in our decision to increase prize money by 25% in October 2017. This prize money boost was overdue and will represent an increase of €1.2 million bringing the total investment to circa €9 million in 2018. An enhancement in prize money is an essential ingredient for recovery. Further investments are needed in IT, marketing and upgrading our stadia given the competitive marketplace in which we find ourselves. Shelbourne Park will be first on the agenda as our premier stadium.

Despite the decline within our industry experienced in recent years, the commitment of owners, trainers and patrons must be acknowledged. Stakeholder engagement continued throughout 2017 which supported the drafting of our Strategic Plan 2018-2022.

Three distinct pillars for growth are identified in the Plan: increasing greyhound ownership, promoting a racing centric and betting model, and improved customer experience. However the Plan emphasises the foundations for this growth will be based on greyhound welfare, integrity and regulation, employee development and information technology. The Plan proposes a capital development programme totalling €12 million which includes a €3 million upgrade of Ireland's premier greyhound stadium, Shelbourne Park.

Ministers Michael Creed TD and Andrew Doyle TD have maintained strong Government support for the industry and the €16 million allocation in 2017 from the Horse & Greyhound Racing Fund is evident of this support. This funding supports five thousand jobs, directly and indirectly, across 16 tracks nationally, not to mention the prize money for 7,000 greyhound owners. Economist Jim Power has calculated the impact of this employment creates €171 million in additional spending while the greyhound owners contribute €135 million in spending. The national industry therefore contributes €300 million in additional economic activity. I believe with the new Strategic Plan for the sector, there are opportunities to rebuild our sector to its full potential.

While some public bodies may face criticism for avoiding change and reform, this criticism cannot be made of our sector. There is some small solace in knowing that once the Greyhound Industry Bill is enacted, every recommendation of the Indecon Report (2014) will have been implemented. Our regulatory approach has been equally transformed in recent years following changes informed by the Morris Report (2016).

The reforms enacted have strengthened our industry in recent years but the forces of change have not slowed and therefore our sector must never rest on its laurels. I must acknowledge the achievements of the Executive and of my fellow Board members for their tremendous efforts and support during 2017.

Spectators have enjoyed a feast of excellent racing in Classics such as the BoyleSports Irish Greyhound Derby, Con & Annie Kirby Memorial, Irish Independent Irish Laurels, Kerry Agribusiness Irish St. Leger, Sporting Press Irish Oaks, the Dublin Coach Juvenile Derby and the Bank of Ireland Finance Produce Stakes to name but a few.

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On the social side, the best in our industry were acknowledged at the National Greyhound Racing Awards. There are excellent staff in our business at all levels; from the grounds people at the track, to catering, Tote staff, stadia management, I want to thank every one of them for their hard work.

I wish to thank all those within the greyhound community for their commitment and support in recent years. The opportunities ahead for our sector must be utilised for the benefit of all within our industry.

Phil Meaney

Chairman

Date:



29/06/2018

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CHIEF EXECUTIVE'S REPORT

2017 has been a challenging year for the greyhound industry and all who operate within it as the focus on change within the industry has continued. This agenda for change emanated from the Indecon Report and Bord na gCon has maintained its focus on implementing the recommendations of the Report. The recommendation regarding asset disposal was progressed with the decision to dispose of Harold's Cross Greyhound Stadium. The offer to purchase from the Department of Education & Science for the sum of €23 million was accepted with the contract being concluded on 08 May 2018. The conclusion of this transaction enabled the Board to clear long term debt and commence an investment programme for the sector.

During 2017 much time was given by the Board and Executive to the development of a Strategic Plan for the period 2018-2022. This sets out a road map for the industry and is underpinned by a capital investment programme subject to satisfactory economic and financial circumstances prevailing. The plan focuses on increasing customer attendances, Tote activity and the numbers of owners and breeders while maintaining a strong system of regulation, welfare, people development and technology improvement.

The Board also commissioned Jim Power Economics to prepare an update of the 2010 report by the same company on the Economic and Financial Significance of the Irish Greyhound Industry. While the final report outlined the expected reduction in activity in the post Celtic tiger era, the industry still remains a significant one particularly across rural Ireland. The report also points to the potential that exists for growth in the sector.

Work continued during the year on the preparation of a new Greyhound Industry Bill. This will modernise existing legislation for the greyhound industry and represents a major update on the primary legislation of the Greyhound Industry Act 1958. It is hoped that the Bill will be published and enacted into law as soon as possible in 2018.

Bord na gCon continued to be engaged on the enormous challenge which Brexit presents for the greyhound industry. Irish greyhound breeders are exposed to potentially serious impacts as the UK represents their primary export market. There is also the regular transportation of greyhounds between Ireland and the UK for various high profile competitions. The Board will continue to engage with the various structures that have been put in place by Government through the Department of Agriculture Food and the Marine.

The marketing and promotion of greyhound racing remains a key priority for the Board. The recent appointment of the Director of Sales and Marketing will be of significant benefit to the local sales forces, who are tasked to improve the reach of Bord na gCon in terms of sales and promotional activity. The Board also recognises and acknowledges the role of sponsors in delivering an attractive racing programme at all stadia and will seek to strengthen existing relationships as well as creating new relationships as part of the roll out of its Strategic Plan 2018-2022.

Tote has continued to grow its business from international markets. The appetite in the UK for Irish greyhound racing is evidenced by the TV/media rights agreement with SIS secured by Bord na gCon for live racing from the Kingdom Stadium in Tralee and the stadia in Youghal and Mullingar. These stadia now broadcast to in excess of 4,000 betting shops in the UK. The Board is actively seeking to extend the number of locations from which 'pictures' are taken and will also remain focused on developing new markets for our racing product as well as developments in the online and mobile market.

On the regulatory front, the Board remains determined that the integrity of racing is maintained to the highest possible standard. During 2017 a senior level appointment of a Veterinary Director was made by the Board to increase the resources available in the areas of integrity and welfare. Positive progress was also made in the rehoming of greyhounds through the Board's Welfare Officer and the Irish Retired Greyhound Trust - a Trust specifically created by Bord na gCon to lead activity in rehoming initiatives. 548 greyhounds were rehomed by the IRGT in 2017 with a further 389 greyhounds being rehomed by other agencies with support from the IRGT.

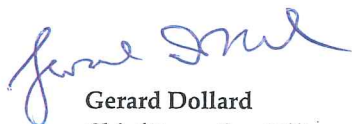
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Attendances at Greyhound racing events in 2017 of 514,546 patrons were affected by the 21 week closure of Shelbourne Park Greyhound stadium which impacted the overall sector evidenced by the reduction in race meetings from 1,675 in 2016 to 1,566 in 2017. The closure of Shelbourne Park stadium also resulted in a reduced operating surplus of €1.67 million. Total prize money for race meetings was €8 million, assisted by the decision of the Board to increase prize money by 25% from 01 October 2017.

The Irish Greyhound industry has strengths which can be harnessed to reach out to new audiences and demographics, to exploit new wagering models based on technology platforms and to ensure best practice in regulation, integrity and welfare. To achieve this, the industry must act in a unified and collective manner to ensure that challenges are met and opportunities are taken to grow the industry into the future. The Strategic Plan 2018-2022 offers a strong platform to support the process of improvement.

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

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



Gerard Dollard
Chief Executive Officer

Date: 28/06/2018

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BORD na gCON BOARD & EXECUTIVE BIOGRAPHIES



Phil Meaney, Chairman

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



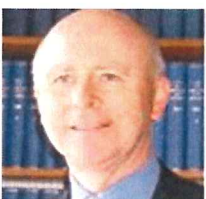
Pat Creed, Board Member

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



Frank Nyhan, Board Member

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



Dr Colm Gaynor, Board Member

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



Riona Heffernan, Board Member

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



Billy O'Dwyer, Board Member

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



Mattie Murphy, Board Member

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

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BORD na gCON BOARD & EXECUTIVE BIOGRAPHIES continued



Gerard Dollard, CEO

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



Michael Murnane, CFO

Michael joined the Board in February 2012. His role in Bord na gCon is to provide an objective voice on financial performance. He is also responsible for all group legal financial and taxation affairs and contributes to organisational strategy.



Joe Lewins, Director of Tote and IT

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



Philip Peake, Head of Events & Hospitality Services

Philip joined Bord na gCon in 2008. Philip's primary focus is the delivery of Food and Beverage services to the stadia network. This encompasses overall operational and financial performance including the implementation of marketing and sales strategies to drive stadium attendances.



Hilary Forde, Director of Racing Governance & Compliance

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



Denis Healy, Veterinary Director.

Denis joined Bord na gCon in September 2017. Denis's role in the IGB is to promote policies and a culture that ensures high welfare standards. He is also responsible for development of policies in relation to anti-doping and medication control and in particular to ensure that IGB's National Greyhound Testing Laboratory methods of analyses continue to meet current international best practices.



Mairead Cullen, Director of Sales and Marketing

Mairead joined Bord na gCon in April 2018 having previously held the position of Director of Sales & Marketing in Fitzpatrick Castle Hotel. Mairead is a graduate of Shannon College & NUI Galway. She has gained international experience throughout her career working in Europe & the Middle East prior to returning home to Ireland. Her focus is to drive attendance at the stadia & extend the market reach of the enterprise. She is responsible for the development of the sales and marketing strategy.

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FINANCIAL REVIEW

Financial statements for Bord na gCon year ended 31 December 2017 are reporting an operating surplus¹ of €1.67 million for the year (2016 - €3.21 million). The results achieved were stymied by a prolonged period of closure in Shelbourne Park.

The period of closure resulted in the loss of 123 race meetings affecting 1,147 individual races. Attendance was reduced by circa ninety eight thousand customers directly reducing consolidated track profit by €1.2 million. This disruption to racing also adversely impacted on other income streams, principally all tote betting platforms. A full Dublin racing schedule commenced on 27 June 2017. Recovery was fragmented for the remainder of 2017.

Disruption to the race schedule also resulted in €400,000 not being spent on prize money therefore having an affect on the wider greyhound industry.

Tote Turnover at €16 million includes income generated from the sale of media rights to SIS from three Board tracks and sales of the tote product to international co-mingling customers. Winnings of €11.9 million were paid on amounts wagered through Bord na gCon's Tote operations.

Total food and beverage sales, from stadia operated by Events and Hospitality Services, was €5.6 million generating a gross profit of €3.7 million.

Total prize money for the year was €8.0 million; Bord na gCon contributed 77.5% of this total assisted by the increase to ordinary race grants of 25% introduced from 01 October 2017, the remainder of prize money arose from race entry fees and sponsorship contributions.

There were 15,610 races held in 2017 (16,573 - 2016) spread over 1,566 race meetings (1,675 – 2016).

GROUP INCOME AND EXPENDITURE ACCOUNT

Tote sales to international co-mingling customers amounted to €2.08 million which represented a marginal increase over income generated in 2016 (€2.07 million). Sale of media rights from Tralee, Youghal and Mullingar generated fees of €800,000 in 2017. Tote operating costs continue to be reduced by 4.7% in 2017 (2016 reduction 6%) to €2.4 million.

The allocation from the Horse and Greyhound Racing Fund showed an increase of 8.1% to €16 million.

The total prize money pool of €8 million was adversely affected by the reduced race schedule experienced in Dublin and was similar with total prize money in 2016, (€8.02 million).

During 2017, group expenditure excluding prize money was €7.6 million which encompassed cost of organisational restructure and redundancies arising in the year.

The deficit for the defined benefit scheme stood at €3.6 million on 31 December 2017, which represents a total reduction of €1.5 million in this liability during the year. The total deficit on the defined pension liability has reduced by €4.6 million following the implementation of the restructuring programme. The Board's gross bank debt was €22 million, at 31 December 2017.

GROUP CASH FLOW

In 2017, Group cash inflows from operating activities amounted to €700,000 and included €980,000 contributions to the liability on the defined benefit pension scheme. During the year, payments to acquire tangible fixed assets totalled €400,000. Cash inflows generated were required to pay €300,000 for interest on bank borrowing along with repayment of bank debt.

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

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TOTE REVIEW

Tote turnover achieved for 2017, €15.9 million was affected by the cancellation of live racing at Ireland's premier track, Shelbourne Park for 22 weeks. All Tote betting platforms were adversely affected including track, online, Mobil and turnover for our international betting partners. The effects were also felt at other tracks for customers that would consume the inter-track product. While the resolution of the dispute has halted the decline, recovery has been fragmented due to staggered recovery into the Irish greyhound racing content.

The resolution of the legacy bank debt and the publication of the Strategic Plan 2018 – 2022 will provide opportunities to invest in the term ahead and Tote growth will continue to play an integral part in how we move the industry forward.

The international business continued to grow albeit only marginally due to the factors already highlighted. However, this performance gives us room for optimism as we will be offering a full racing programme in 2018 and consistency in product delivery along with liquidity in the pools are the main drivers for the international markets.

Our online and Mobil partnership with our near neighbours at Horse Racing Ireland (HRI) has seen some positive reciprocal turnover growth on horse and greyhound betting. Bord na gCon in partnership with HRI is planning to take this further with the introduction of a pick 6 jackpot bet '*Horse and Hound*' starting with a €10,000 guaranteed pot. The '*Horse and Hound*' as been launched at our tracks in January and online in February and initially features three horse races from Dundalk (winter meeting) and three greyhound races from Shelbourne Park on Friday evenings. It is planned to develop this product during the summer months when more evening horse racing meetings are available.

The Mobil app Barking Buzz is continually being developed to add a number of new features - most of which are a result of customer feedback or test group. The online and Mobil betting space is very competitive, however a targeted Key Performance Indicator has been set to increase the number of customers downloading Barking Buzz by 50% in 2018.

Improvement to the picture quality delivered to our customers and partners is a further target during 2018, both at the tracks and online which in turn will improve the quality of archived videos. These videos will feature on YouTube where an improved search facility will help both the form enthusiast and the owner/trainer to select and view any race or greyhound they desire.

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REGULATION REVIEW

The Regulation Department recognises the importance of ensuring the highest integrity standards across every area of the sport and this goal was strengthened in 2017 by the various actions as outlined below. The approach undertaken in recent years has been informed on foot of the Morris and Indecon Reports.

- From 5,294 samples tested in 2017, 0.005% returned an analytical finding (29 samples). In compliance with the Greyhound Industry Regulations (2007 - 2017), each adverse finding is published on the Board's website and referred to the Control Committee for adjudication. Every decision of the Control Committee or Control Appeal Committee is published on the Board's website. This level of transparency assists in the confidence that greyhound patrons and the general public place on greyhound racing.
- The testing regime was significantly enhanced in 2017 following the investment of €400,000 in a new world leading analytical machine that measures substances in parts per trillion including anabolic steroids. The new top of the range equipment belongs to the triple-quadrupole liquid chromatography–mass spectrometry (LC–MS) class of systems. The equipment and the expertise now available means Bord na gCon can detect a wide range of prohibited substances for a considerable period of time after they have been administered.
- The testing regime adopted by Bord na gCon includes unannounced and intelligence-led testing in place at race meetings, sales, private kennels and trials.
- Bord na gCon continued their participation in MIDAS (Management of Intelligence and Drugs Action in Sports) which involves inter-agency cooperation and intelligence sharing with the Irish Turf Club, Investigations Division of Department of Agriculture Food and the Marine, Horse Sport Ireland, Irish Coursing Club and the State Laboratory.
- Bord na gCon published research and findings on their website from the Scientific Advisory Committee (national and international experts to advise on latest research, medication controls and prohibited substances). Such findings specifically related to the detection and effect of Meloxicam and the Hydroxylated Metabolite of Pentobarbital.
- The appointment of a new Veterinary Director, in September 2017, will greatly enhance the level of expertise available to Bord na gCon.
- The submission of amendments to the Oireachtas Committee on Agriculture, Food and the Marine for the pre-legislative scrutiny of the General Scheme of the Greyhound Industry Bill.
- Booklet for Animal Remedies and Veterinary Treatments was published and distributed to accompany the requirement under legislation [Welfare of Greyhounds Regulations 2016 (S.I. No. 310 of 2016)] for owners and/or trainers to maintain a record of all animal remedies administered to the greyhound, or treatment provided by a veterinary practitioner to the greyhound. The implementation of such a record will have significant benefits in the areas of integrity, intelligence, education and welfare for all industry stakeholders and the regulatory authority.
- Bord na gCon has and will continue to publish all available policies on our website as the primary reference for greyhound regulatory information;

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

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WELFARE REVIEW

Greyhound Welfare

Greyhound welfare continues to be a top priority for Bord na gCon. There is an ongoing proactive approach, backed by increased funding, to ensure that animal welfare standards are consistently high throughout the industry.

All reported incidents of greyhound cruelty and neglect are investigated and where breaches of the Welfare of Greyhounds Act 2011 are identified appropriate action is taken. In 2017, Bord na gCon Welfare Officers carried out 477 kennel inspections and completed 48 full welfare investigations under the Welfare of Greyhounds Act 2011 resulting in 48 sanctions being issued. Forty three Fixed Payment Notices of €250 each were issued and three District Court fines totalling €1,250 were handed down following Bord na gCon's successful prosecution at Newcastlewest District Court in December 2017. These fines were issued for breaches of Section 10 (6) of the Welfare of Greyhounds Act 2011 which requires notification to the Irish Coursing Club when the sale or transfer or death of a greyhound occurs.

Two welfare notices were served by Bord na gCon Welfare Officers following welfare inspections. The issuing of the Welfare Notices resulted in a reduction in greyhound numbers at both premises.

Following the large number of kennel inspections carried out by Welfare officers it is reassuring to know that the care and management of the vast majority of registered greyhounds is up to an appropriate standard.

There are ongoing unannounced inspections at all greyhound stadia to ensure that track maintenance procedures are to the required standards. Further track inspections are carried out by Control Stewards prior to all race meetings and trial sessions. Veterinary staff attends all race meetings and sales trials to ensure that the appropriate level of care is provided to greyhounds.

Greyhound Welfare Initiatives

In September 2017, a Veterinary Surgeon was appointed to the position of Veterinary Director at Bord na gCon to further develop its integrity functions, particularly in the areas of doping and medication control and in the welfare of greyhounds.

Rehoming of Retired Greyhounds:

In 2017, through its network of Irish and International rehoming agencies, Bord na gCon's registered charity, the Irish Retired Greyhound Trust (IRGT), provided rehoming opportunities for 548 retired greyhounds and through the provision of financial assistance to a number of private rehoming agencies aided the rehoming of a further 389 greyhounds.

To promote the suitability of retired greyhounds as pets, Bord na gCon and the IRGT teamed up with GAIN Pet Foods to run a number of Retired Greyhound Strolls at ten locations throughout the country. The "*Strolls to GAIN Homes*" campaign afforded members of the public the opportunity to meet and interact with greyhounds along each route and demonstrated to the public that greyhounds are similar to other domestic dogs and that they also make fantastic pets.

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RACING REVIEW

2017 - TOP 10 IRISH OWNERS <i>Based on total wins</i>			
	Name of Owner	Wins	Races
1	Derek Kehoe	110	616
2	Donal G. O'Mahony	79	442
3	Paul Whyte	69	317
4	Marcella Campbell	68	320
5	Eugene Price	64	189
6	Liam Dowling	55	260
7	Howard Wallace	52	174
8	George Roche	49	252
9	James Slevin	47	294
10	Cormac Davern	5	173

2017 - TOP 10 IRISH PUBLIC TRAINERS <i>Based on total wins</i>			
	Name of Owner	Wins	Races
	Graham Holland	165	665
	Paul Hennessy	133	604
	Derek Kehoe	126	669
	Peter Cronin	114	400
	Neilus O'Connell	104	526
	Pat Buckley	98	338
	Marina McKeown (Northern Ireland)	90	328
	John A. Linehan	89	328
	William Mullin (Northern Ireland)	86	394
	Francis Murray	86	290

2017 - TOP 10 IRISH PRIVATE TRAINERS <i>Based on total wins</i>			
	Name of Owner	Wins	Races
	John McDonagh	104	602
	Paul Whyte	85	342
	David Flanagan	75	318
	David Murray	52	209
	Stephen Murray	50	285
	Oliver Bray	43	193
	Paul Burke	40	262
	Paul Conlon	33	168
	Karol Ramsbottom	33	132
	Gerard Dowling	31	144

Source -- www.igb.ie

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CONTROL COMMITTEE / CONTROL APPEAL COMMITTEE

Bord na gCon established an independent Control Committee and Control Appeal Committee in June 2007 to adjudicate on all matters concerning the integrity of greyhound racing. Details of membership of the Control Committee during 2017 are as follows:

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

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

The action or sanction taken in any particular case is a matter entirely for the Control Committee within the Regulations. All decisions of the Control Committee are published in accordance with Article 8(6) of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007 to 2017.

The independent Control Appeal Committee determines appeals made to it pursuant to Article 14 of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007 to 2017. Details of membership during 2017 are as follows: -

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

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

**AUDIT REPORT
& GROUP FINANCIAL STATEMENTS**

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MEMBERS AND OTHER INFORMATION

Members of the Board

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

Chief Executive Officer

Dr. Sean Brady – Interim Chief Executive Officer
Gerard Dollard – appointed 11 September 2017

Registered office

Greenpark
Dock Road
Limerick

Auditors

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

Bankers

Allied Irish Bank plc.
Bank Centre
Ballsbridge
Dublin 4

Bank of Ireland plc.
125 O'Connell Street
Limerick

Solicitors

Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

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GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board Members present their report and the audited financial statements for the financial year ended 31 December 2017 that has been prepared in accordance with the generally accepted accounting principle FRS 102.

Governance

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. Bord na gCon operates under the aegis of the Department of Agriculture, Food and the Marine ("DAFM").

The Board is accountable to the Minister for Agriculture, Food and the Marine and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day to day management, control and direction of the Group are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the group and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of the group.

Board responsibilities

The Board adopted a Statement of Responsibilities of the Board and a Schedule of Reserved Board Functions.

The Board is also cognisant of their responsibilities toward the body's systems of internal controls, management of risk associated with the operations of the Board and for reporting on the business as a going concern. Additionally, the Board has overall legal responsibility for directing the activity of Bord na gCon and its subsidiaries.

This responsibility extends to the oversight and management of the organisation as a whole and would include the following areas:

- Strategic & business planning including adoption of annual budgets and evaluations of performance;
- Financial management;
- Resource allocation;
- Corporate governance;
- Regulatory and taxation matters;
- Employment matters.

The Board is responsible for preparation of the governance statement board members' report and the financial statements, which give a true and fair view of the state of affairs of Bord na gCon and the Group.

The Board is responsible for keeping in such form as may be approved by the Minister for Agriculture, Food and the Marine with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of all moneys received and expended by it, including an income and expenditure account and a statement of financial position.

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

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

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

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Group by reference to the annual plan and budget is conducted at each monthly board meeting.

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

The Board is also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the Group give a true and fair view of the financial performance and the financial position of the Group at 31 December 2017.

Board structure

The group is governed by a Board of a chairman and six members appointed by the Minister for Agriculture, Food and the Marine, following a recruitment process overseen by the Public Appointments Service. Board members may be appointed for a period of up to three years and may be re-appointed and may serve a maximum of two terms. The Board met on 24 occasions during 2017.

The Board completed an external Board effectiveness and evaluation review in 2014. The board undertook an annual self assessment evaluation of its own performance in 2017. An external review is to be completed in August 2018.

The Board has established five committees, as follows:

1. **Audit and Risk Committee** comprises of three Board members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually. The members of the Audit and Risk Committee are Mattie Murphy, Riona Heffernan and Pat Creed. There were four meetings of the ARC in 2017.
2. **Regulation Committee** comprises three Board members, Billy O'Dwyer, Mattie Murphy and Colm Gaynor and three non-Board members, Hilary Forde, Pat Herbert, and Denis Healy. There were eight meetings of the Regulation Committee in 2017.
3. **Sales Committee** comprises two Board members, Billy O'Dwyer and Mattie Murphy and four non Board members, Hilary Forde, Pat Herbert, Barry Coleman and Richard O'Regan. There were six meetings of the Sales Committee during 2017.
4. **Finance Committee** comprises of Riona Heffernan, Frank Nyhan and Pat Creed. There were two meetings of this committee during 2017 where all members attended.
5. **Remuneration Committee** comprises of Phil Meaney, Frank Nyhan and Riona Heffernan who were required to meet once during 2017.

Bord na gCon Annual Report 2017

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

Schedule of attendance, fees and expenses

A schedule of attendance of Board members at Board and Committee meetings for 2017 is set out below including the fees and expenses received by each member:

Board member	Fees 2017	Expenses 2017*	Board meetings	Regulation committee	Sales committee	ARC
Phil Meaney (Chairman)	21,600	9,476	24			
Board members						
Billy O'Dwyer	8,100	8,502	24	8	6	
Frank Nyhan	8,100	6,691	23			
Mattie Murphy	8,100	13,589	24	8	6	4
Pat Creed	8,100	5,148	23			4
Riona Heffernan	8,100	3,297	20			4
Colm Gaynor	12,600	4,414	22	8		

*Board members expenses may include periods other than 2017

Key personnel changes

There was no change in Board personnel during 2017. The Board appointed Mr Gerard Dollard as Chief Executive Officer in September 2017. He succeeded Dr. Sean Brady who served as interim CEO from January to August 2017. Mr Denis Healy was appointed Veterinary Director during 2017.

Disclosures required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the Group has complied with the requirements of the Code of Practice for the Governance of State Bodies ("Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

- **Employee benefits breakdown**

Short-term benefits in excess of €50,000 are categorised into the following bands:

Range in employee benefits	Number of Employees	
	2017	2016
€50,000 – €75,000	16	17
€75,001 – €100,000	4	4
€100,001 – €125,000	3	3
€125,001 – €150,000	-	-
€150,001 – €175,000	-	1

Note: For the purposes of this disclosure, short term employee benefits in relation to services rendered during the reporting period include salary and other payments made on behalf of the employee, but exclude employer's PRSI.

Bord na gCon Annual Report 2017

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

- **Consultancy costs**

Consultancy costs include the cost of external advice to management and exclude outsourced "business-as-usual" functions.

	2017	2016
	€	€
Legal	138,336	168,134
Tax and financial advisory	12,500	24,339
Strategy & Organisational restructure	153,558	-
Pension and human resources	227,001	220,176
Public relations and marketing	<u>102,510</u>	<u>14,027</u>
Total	<u>633,905</u>	<u>426,676</u>

No consultancy costs were capitalised and all have been charged to the Statement of Income and Expenditure.

- **Legal costs and settlements**

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general advice received by the Group which is disclosed in Consultancy costs above.

	2017	2016
Legal fees – legal proceedings	<u>€38,165</u>	<u>€446,633</u>

- **Travel and subsistence**

	2017	2016
	€	€
Travel and subsistence expenditure is categorised as follows		
Domestic travel and subsistence		
- Board	51,117	46,744
- Employees	519,115	525,153
International travel and subsistence	<u>18,783</u>	<u>7,404</u>
Total	<u>589,015</u>	<u>579,301</u>

Bord na gCon Annual Report 2017

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

• Hospitality Expenditure

The income and Expenditure Account includes the following hospitality expenditure:	2017 €	2016 €
Staff hospitality	2,880	2,175
Client hospitality	-	-
Total	<u>2,880</u>	<u>2,175</u>

Principal Commercial Activities and Review of the Business

Funding for Bord na gCon is sourced by admission fees, income generated from bar and restaurant facilities at their stadia; by a percentage deduction from Totalisator (tote) pools; by a turnover charge on on-course bookmaker betting and Exchequer funding.

Receipts from these sources are used to augment prize money, grant-aid development at stadia, to develop public auction sales, to advertise greyhound racing, to promote greyhound welfare and to administer and regulate the industry including the operation of a national drug testing laboratory.

At the beginning of 2017, Bord na gCon had licenced 17 stadia. Seven of these are owned and operated by private enterprises, 10 are operated by Bord na gCon. Clonmel is operated under a leasehold by Bord na gCon. In February 2017, greyhound racing ceased at Harold's Cross Stadium (which was operated by Bord na gCon).

Key Summary Financial Performance for 2017	2017	2016
Total Prize money and racing supports	€8,001,782	€8,029,108
Prize money Contributions from owners & sponsors	€1,752,790	€1,890,088
Operating Surplus ²	€1,671,511	€3,209,929
Attendance at greyhound race meetings	514,546	636,914
Number of race meetings held	1,566	1,675
Average attendance per race meeting	329	380

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

Subsidiaries

Information provided in respect of the subsidiary companies is as set out in Note 10.

Health & Safety

The wellbeing of Bord na gCon's employees is safeguarded through adherence to health and safety standards throughout all company locations. Board members are cognisant of their responsibilities under the Safety, Health & Welfare at Work Act 2005 and the Safety, Health & Welfare at Work Regulations 2007 and the Head of Compliance & Loss Prevention is the designated officer to oversee compliance with the Health & Safety Acts and associated regulations. There were no reportable incidents during 2017.

² Operating surplus is defined as profits before interest, taxation, depreciation, amortisation and defined benefit pension costs

Bord na gCon Annual Report 2017

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)

Subsequent Events

In May 2017, the Department of Education and Skills made an offer of €23 million for the purchase of the land and buildings at Harold's Cross. The legal conveyance was concluded on 08 May 2018 at the contracted price. The Board repaid its fixed term bank debt from the proceeds of this sale. No other events have occurred after the statement of financial position date which requires disclosure.

Accounting Records

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

Auditor

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

Statement of Compliance

The Board has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exceptions:

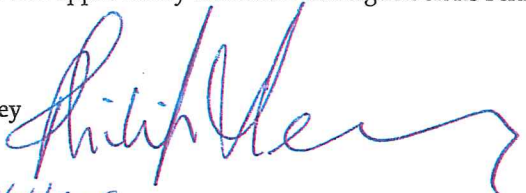
Bord na gCon has procedures in place to ensure compliance with current procurement rules and guidelines and complied with those procedures with the exception of goods and services related to its catering operation as outlined within the Statement of Control. The entity has been evaluating and updating the risk management framework and policy which was finalised in June 2018.

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

Phil Meaney
Chairman

Date:

28/06/2018



Riona Heffernan
Board Member

Date

28/06/2018





Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Bord na gCon

Opinion on financial statements

I have audited the group financial statements of Bord na gCon for the year ending 31 December 2017 as required under the provisions of section 14 of the Horse and Greyhound Racing Act 2001. The financial statements comprise

- the group statement of income and expenditure
- the group statement of comprehensive income
- the group statement of financial position
- the Bord na gCon statement of financial position
- the group statement of cash flows
- the group statement of changes in capital and reserves
- the Bord na gCon statement of changes in capital and reserves and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Bord na gCon group at 31 December 2017 and of its income and expenditure for 2017 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Bord na gCon and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

Bord na gCon has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
29 June 2018

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. The Board members are responsible for

- the preparation of financial statements in the form prescribed under section 14 of the Horse and Greyhound Racing Act 2001
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 14 of the Horse and Greyhound Racing Act 2001 to audit the financial statements of Bord na gCon and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty

exists related to events or conditions that may cast significant doubt on Bord na gCon's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Bord na gCon to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT ON INTERNAL CONTROL

On behalf of the Board Members of Bord na gCon I acknowledge the Board's responsibility for ensuring a system of internal control is operated and maintained. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies 2016 ("Code").

Purpose of system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Group for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Capacity to manage risk

The Group has an Audit and Risk Committee ("ARC") comprising three Board members, one of whom is the Chair, with financial and audit expertise. The ARC met four times in 2017.

The Group has also established an internal audit function using a third party audit firm which is adequately resourced and conducts a programme of work agreed with the ARC.

The Group has also appointed a Risk Officer with operational responsibility for administering the risk management framework. The Group has been evaluating and updating the risk management framework and policy which was finalised in June 2018.

Risk and control framework

The Group has implemented a risk management system which identifies and reports key risks and management actions being taken to address and, to the extent possible, to mitigate those risks.

A strategic risk register is in place which identifies the key risks facing the Group and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated regularly by the Board and the ARC. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

Operational risk registers also exist at functional levels within the Group and these detail the controls and actions needed to mitigate risks and assign responsibility for operation of controls to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented;
- Financial responsibilities have been assigned at management level with corresponding accountability;
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Board;
- There are systems aimed at ensuring the security of the information and communication technology systems;
- There are systems in place to safeguard the assets; and
- Control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

Bord na gCon Annual Report 2017

STATEMENT ON INTERNAL CONTROL (continued)

On-going monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board. I confirm that the following on-going monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

I confirm that Bord na gCon has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 Bord na gCon complied with those procedures with the exception of goods and services related to its catering operation as outlined below.

Procurement procedures below EU threshold values are governed by national procurement guidelines. These guidelines require an open tendering procedure advertised on e-Tenders where the contract value is estimated to exceed €25,000 (excl. VAT). In the case of contracts for goods relating to its catering operation, Abargrove Ltd, Bord na gCon conducted a competitive procurement process for catering services from a pool of suppliers chosen based on market knowledge. They were not advertised on e-Tenders as required under national procurement guidelines. Successful candidates from the request for tender were placed on a panel effective from October 2016. Abargrove would draw down from the panel throughout 2017. These agreements, which expired in September 2017, were extended for three months to the end of 2017 due to disruptions in trade experienced during the financial year. Bord na gCon's catering operation, Abargrove Ltd, has subsequently registered on e-Tenders in 2018 and are properly procuring supplies through same as required.

Review of effectiveness

I confirm that the Group has procedures to monitor the effectiveness of its risk management and control procedures. The Group's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the ARC which oversees their work and the senior management within the Group responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2017 in February 2018.

Internal control issues

No weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements.

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

Phil Meaney
Chairman

Date:


28/06/2018

Bord na gCon Annual Report 2017

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

	Notes	2017			2016		
		Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
		€	€	€	€	€	€
Total turnover from racing activities	3	22,392,278	318,185	22,710,463	24,979,370	3,298,750	28,278,120
Winnings paid on Tote wagering		(11,767,954)	(139,939)	(11,907,893)	(13,111,885)	(1,547,440)	(14,659,325)
Operating costs of racing activities	5	(11,071,620)	(276,432)	(11,348,052)	(10,790,192)	(1,372,317)	(12,162,509)
Total tote and race related operating costs		(22,839,574)	(416,371)	(23,255,945)	(23,902,077)	(2,919,757)	(26,821,834)
(Deficit)/Surplus from racing activities		(447,296)	(98,186)	(545,482)	1,077,293	378,993	1,456,286
Other Income							
Allocation from the Horse & Greyhound Racing Fund		16,000,000	-	16,000,000	14,800,000	-	14,800,000
Prizemoney contributions from owners and sponsors		1,752,790	-	1,752,790	1,890,088	-	1,890,088
Media and other income		80,879	-	80,879	117,244	-	117,244
	3	17,833,669	-	17,833,669	16,807,332	-	16,807,332
Expenditure							
Contribution to Prizemoney		5,769,206	-	5,769,206	5,768,360	-	5,768,360
Incentive Schemes		479,786	-	479,786	370,660	-	370,660
Contributions to prize money from owners & sponsors		1,752,790	-	1,752,790	1,890,088	-	1,890,088
Racing regulation, laboratory integrity & governance		1,639,285	-	1,639,285	1,686,167	-	1,686,167
Grant assistance to private stadia		340,758	-	340,758	311,222	-	311,222
Contributions to greyhound welfare & Irish Retired Greyhound Trust		363,989	-	363,989	348,252	18,533	366,785
Information technology		694,680	-	694,680	647,763	-	647,763
Bord na gCon administration costs		1,516,645	-	1,516,645	1,622,359	-	1,622,359
Legal and professional fees		654,675	-	654,675	712,976	-	712,976
Board salaries and expenses		136,633	-	136,633	130,086	-	130,086
Redundancies & organisational restructure		488,575	-	488,575	8,757	-	8,757
Marketing and promotion		1,779,654	-	1,779,654	1,522,697	15,769	1,538,466
Total expenditure including prize money contributions		15,616,676	-	15,616,676	15,019,387	34,302	15,053,689
Group Operating Surplus before Interest, Depreciation & Taxation		1,769,697	(98,186)	1,671,511	2,865,238	344,691	3,209,929
Depreciation	8 & 9	(1,883,975)	(293,093)	(2,177,068)	(1,772,995)	(227,587)	(2,000,582)
Capital Grants Amortised		1,265,046	250,051	1,515,097	1,344,290	212,458	1,556,748
Interest on Loans		(329,391)	-	(329,391)	(409,220)	-	(409,220)
Profit on Disposal of Property, plant and equipment		1,000	-	1,000	-	-	-
Exceptional Item	17	-	-	-	4,000,062	-	4,000,062
Defined Benefit Pension Costs		(370,862)	-	(370,862)	(99,717)	-	(99,717)
(Deficit) / Surplus before taxation	4	451,515	(141,228)	310,287	5,927,658	329,562	6,257,220
Taxation	7	-	-	-	-	-	-
Loss Attributable to Minority Interest		106,973	-	106,973	95,645	-	95,645
Group (Deficit) / Surplus for Year		558,488	(141,228)	417,260	6,023,303	329,562	6,352,865
Opening Revenue Reserves at 1 January				6,399,419			46,554
Closing Revenue Reserves at 31st December				6,816,679			6,399,419

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

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

Approved by the Board and signed on its behalf by:

Phil Meaney
Chairman

Date: 28/06/2018

Riona Heffernan
Board Member

Date: 28/06/2018

Bord na gCon Annual Report 2017

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

	Notes	2017 €	2016 €
Surplus / (Deficit) for the year		417,260	6,352,865
Pension scheme Movements:			
Actual return less expected return on schemes assets	17	207,795	182,619
Actuarial gain/(loss) arising during period	17	672,484	(1,976,912)
Actuarial (loss) / Gain recognised in the pension scheme		880,279	(1,794,293)
Total comprehensive income for the year		1,297,539	4,558,572


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

Approved by the Board and signed on its behalf by:

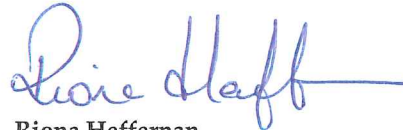
Phil Meaney

Chairman

Date:



28/06/2018



Riona Heffernan

Board Member

Date:

28/06/2018

Bord na gCon Annual Report 2017

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Notes	2017		2016	
		€	€	€	€
Fixed assets					
Property, plant and equipment	8		51,508,395		59,636,135
Intangible assets	9		4,300		8,600
Financial assets	10		5,570		5,951
			51,518,265		59,650,686
Current assets					
Inventory	11	333,761		510,335	
Trade and Other Receivables	12	2,106,799		1,661,898	
Assets Held for Sale	13	6,389,345		-	
Cash and Cash Equivalents		1,238,026		1,093,572	
		10,067,931		3,265,805	
Liabilities: amounts falling due within one year					
	14	(27,631,023)		(27,149,437)	
Net current liabilities			(17,563,092)		(23,883,632)
Total assets less current liabilities			33,955,173		35,767,054
Liabilities: amounts falling due after more than one year					
Net Pension (liability)	17		(3,568,650)		(5,056,000)
Net assets			30,386,523		30,711,054
Capital and reserves					
Revenue reserve			6,816,679		6,399,419
Capital Reserve	18		30,590,752		32,060,481
Other Reserves	19		1,433,177		1,433,177
Pension Reserve			(9,223,014)		(10,103,293)
			29,617,594		29,789,784
Minority Interest	16		768,929		921,270
			30,386,523		30,711,054

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

Approved by the Board and signed on its behalf by:

Phil Meaney
Chairman

Date:

28/06/2018

Riona Heffernan
Board Member

Date:

28/06/2018

Bord na gCon Annual Report 2017

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

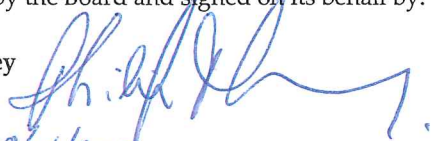
	Notes	2017		2016	
		€	€	€	€
Fixed assets					
Property, plant and equipment	8		1,170,462		1,132,747
Intangible assets	9		4,300		8,600
Financial assets	10		17,236,526		15,788,739
			<u>18,411,288</u>		<u>16,930,086</u>
Current assets					
Inventory	11	95,808		82,573	
Trade and Other Receivables	12	1,559,214		1,068,416	
Cash and Cash Equivalents		678,208		567,210	
		<u>2,333,230</u>		<u>1,718,199</u>	
Liabilities: amounts falling due within one year	14	(32,390,970)		(32,265,353)	
Net current liabilities			<u>(30,057,740)</u>		<u>(30,547,154)</u>
Total assets less current liabilities			<u>(11,646,452)</u>		<u>(13,617,068)</u>
Net Liabilities			<u>(11,646,452)</u>		<u>(13,617,068)</u>
Capital and reserves					
Revenue Reserve			7,253,629		5,281,744
Capital Reserve	18		(20,169,819)		(20,168,550)
Other Reserves	19		1,269,738		1,269,738
			<u>(11,646,452)</u>		<u>(13,617,068)</u>

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

Approved by the Board and signed on its behalf by:

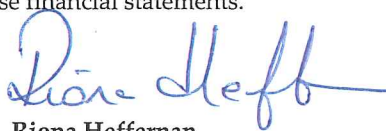
Phil Meaney
Chairman

Date:


28/06/2018

Riona Heffernan
Board Member

Date:


28/06/2018

Bord na gCon Annual Report 2017

GROUP STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	Notes	2017 €	2016 €
Cash flow from operations			
Cash flows from operating activities	20	676,406	2,291,781
Taxation		-	-
Net cash generated from operating activities		676,406	2,291,781
Cash flows from investing activities			
Purchase of equipment		(438,673)	(864,902)
Proceeds from disposal of fixed asset		1,000	-
Net cash used in investing activities		(437,673)	(864,902)
Cash flows from financing activities			
Interest (paid)		(307,168)	(410,619)
Increase/(Repayments) of loans & overdrafts		212,889	(819,075)
Net cash used in financing activities		(94,279)	(1,229,694)
Net Cash increase in cash & cash equivalents	21	144,454	197,185
Cash & cash equivalent at 1 January		1,093,572	896,387
Cash & cash equivalent at 31 December	21	1,238,026	1,093,572

The notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

Phil Meaney
Chairman

Date:

28/06/2018



Riona Heffernan
Board Member

Date:

28/06/2018

Bord na gCon Annual Report 2017

GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 DECEMBER 2017

	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Pension Reserve €	Minority Interest €	Total €
At 1 January		6,399,419	32,060,481	1,433,177	(10,103,293)	921,270	30,711,054
Movement in Capital Reserve	18	-	(1,515,097)	-	-	-	(1,515,097)
Group surplus for the year		310,287	-	-	-	-	310,287
Movement in Minority Interest	16	106,973	45,368	-	-	(152,341)	-
Actuarial Gain	17	-	-	-	880,279	-	880,279
At 31 December		6,816,679	30,590,752	1,433,177	(9,223,014)	768,929	30,386,523

Prior Year	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Pension Reserve €	Minority Interest €	Total €
At 1 January		46,554	33,571,464	1,433,177	(8,309,000)	1,062,680	27,804,875
Movement in Capital Reserve	18	-	(1,556,748)	-	-	-	(1,556,748)
Group surplus for the year		6,257,220	-	-	-	-	6,257,220
Movement in Minority Interest	16	95,645	45,765	-	-	(141,410)	-
Actuarial Gain	17	-	-	-	(1,794,293)	-	(1,794,293)
At 31 December		6,399,419	32,060,481	1,433,177	(10,103,293)	921,270	30,711,054

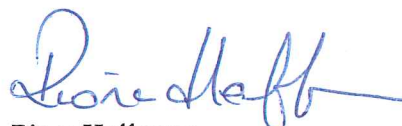
The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

Approved by the Board and signed on its behalf by:

Phil Meaney
Chairman

Date:

28/06/2018



Riona Heffernan
Board Member

Date:

28/06/2018

Bord na gCon Annual Report 2017

BORD na gCON STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 DECEMBER 2017

	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Total €
At 1 January		5,281,744	(20,168,550)	1,269,738	(13,617,068)
Movement in Capital Reserve	18	-	(1,269)	-	(1,269)
Surplus for the year attributable to Bord na gCon	4	1,971,885	-	-	1,971,885
At 31 December		<u>7,253,629</u>	<u>(20,169,819)</u>	<u>1,269,738</u>	<u>(11,646,452)</u>

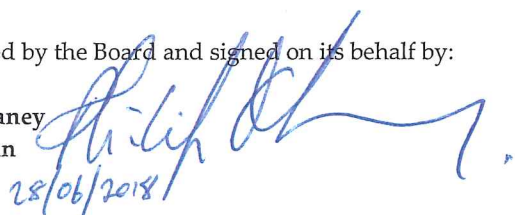
Prior Year	Notes	Revenue Reserve €	Capital Reserve €	General Reserve €	Total €
At 1 January		2,340,389	(20,167,280)	1,269,738	(16,557,153)
Movement in Capital Reserve	18	-	(1,270)	-	(1,270)
Surplus for the year attributable to Bord na gCon	4	2,941,355	-	-	2,941,355
At 31 December		<u>5,281,744</u>	<u>(20,168,550)</u>	<u>1,269,738</u>	<u>(13,617,068)</u>

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

Approved by the Board and signed on its behalf by:

Phil Meaney
Chairman

Date:


28/06/2018


Riona Heffernan
Board Member
Date: 28/06/2018

Bord na gCon Annual Report 2017

Statement of Accounting policies

1.1 General Information

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

At the beginning of 2017, Bord na gCon was involved in operating race stadia together with ancillary services at 10 stadia. Greyhound racing ceased at Harold's Cross in February 2017. Bord na gCon was also involved in the operation of totaliser betting at all 17 licenced stadia. Central activities are located at Greenpark, Dock Road, Limerick. Bord na gCon is a Public Benefit entity.

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

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

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

1.2 Basis of Consolidation

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

1.3 Revenue

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

1.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use. The board conducted a review for impairment during 2017. This review compares the carrying value of an asset with the higher of market value of the asset or the value in use - the present value of future cash flows deriving from the asset under review. The calculation of value in use is carried out at the level of the income generating unit. The Board considers that given the interdependency between its stadia, the income generating unit is the combined group from all stadia.

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

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

Bord na gCon Annual Report 2017

Statement of accounting policies (continued)

1.4 Property, Plant and Equipment (continued)

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

Depreciation

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

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

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

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

1.5 Assets Classified as Held for Sale

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets are classified within current assets as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.6 Goodwill

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

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

1.7 Inventories

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

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

1.8 Cash & Cash Equivalents

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

Statement of accounting policies (continued)

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

1.9 Trade Payables

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

1.10 Borrowings

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

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

1.11 Leases

Finance Leases

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

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

Operating Leases

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

1.12 Taxation

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

(i) *Current Tax*

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

(ii) *Deferred Tax*

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

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

Statement of accounting policies (continued)

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

1.13 Oireachtas Grants

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

1.14 Employee Benefits

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

(i) *Short Term Benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) *Defined Contribution Pension Plan (PRSA)*

The company operates a defined contribution plan and a Personal Retirement Savings Account (PRSA). Under both plans the company pays fixed contributions into a separate fund. The company pays contributions to privately administrated pension plans on a contractual or voluntary basis. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(iii) *Defined Benefit Pension Plan*

The company also operates a defined benefit pension plan. In this instance, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit method. An excess of plan liabilities over plan assets is presented on the Statement of Financial Position as a liability.

The pension charge in the Statement of Income & Expenditure comprises the current service cost and past service cost. The difference between the expected return on plan assets and the interest cost on the plan liabilities is credited as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur.

1.15 Prize money

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

1.16 Contingencies

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

1.17 Capital Reserve

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

Previously the Board has considered funding made available from the Horse and Greyhound Racing Fund to represent compensation for the reduction in on-course bookmaker's levy, funding for prize money grants and funding for the development of the industry by way of capital grants. Where funding received exceeded the aggregate of levy compensation, prize money grants and capital grants to private stadia, the excess was regarded as a capital grant and transferred to the capital reserve. Where funding received was less than aggregate, a transfer was made from the capital

Statement of accounting policies (continued)

reserve to the revenue reserve. From 2012, the Board has decided not to transfer amounts to the capital reserve where amounts received from the Horse and Greyhound Fund exceeds levy compensation, prize money grants and capital grants to private stadia.

1.18 Discontinuation of Racing at Harold's Cross

Greyhound racing at Harold's Cross ceased in February 2017. A sale agreement was signed in May 2017 at a selling price of €23 million. The agreement was subject to a number of conditions and was also subject to contract. The sale was concluded in May 2018 and will be accounted for in the Group's 2018 financial statements. The Financial Statements of Harold's Cross Subsidiary have been prepared on a non-going concern basis in 2017 and the carrying value of the site and stadium assets are included under current assets.

2 Critical Accounting Judgements and Estimates

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

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

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

(a) Board assessment of going concern

As outlined in Note 1.18, the Board entered into an agreement to dispose of its facilities at Harold's Cross during 2017. The sale was concluded in May 2018. The sale proceeds totalling €23 million were received in 2018 and will be used to pay off the subsidiary's (Dublin Greyhound and Sport Association Limited) creditors and liabilities and to retire the Group's fixed term bank debt with surplus funds remaining to address capital investment into the greyhound industry.

The Board consider the going concern basis for the preparation of the 2017 financial statements remains appropriate. This assessment is based on the following:

- i. The net proceeds from the sale of the Harold's Cross property was sufficient to retire all fixed term bank debt with surplus funds remaining to address capital investment into the greyhound industry.
- ii. Appropriate overdraft facilities will continue to be made available to Bord na gCon.
- iii. Bord na gCon's annual allocation of funds from the Oireachtas under section 12 of the Horse and Greyhound Racing Act 2001 will continue at present levels.
- iv. Increased profits from racing facilities which will be supported by establishing and increasing income streams from off stadium wagering and on-line streaming of racing events.

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

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

(c) Inventory Provision

The level of provision required is reviewed on an on-going basis, however no inventory provisions were required for the year ending 31 December 2017 (2016 - €0)

Statement of accounting policies (continued)

(d) Providing for doubtful debts

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

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

(e) Retirement Benefit Obligation

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

The assumptions can be affected by:

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

(f) Impairment

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

Bord na gCon Annual Report 2017

Notes to the financial statement for the year ended 31 December 2017

3 Turnover

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

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

Class of business	2017			2016		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
	€	€	€	€	€	€
Food & beverage sales	5,507,028	84,386	5,591,414	6,489,450	990,254	7,479,704
Cost of supply for food & beverage sales	(1,835,342)	(33,755)	(1,869,097)	(2,194,348)	(396,102)	(2,590,450)
Gross Profits from food & beverage sales	3,671,686	50,631	3,722,317	4,295,102	594,152	4,889,254
Tote turnover	15,797,666	183,421	15,981,087	17,430,893	2,044,247	19,475,140
Bookmaker income	123,835	(296)	123,539	171,432	7,785	179,217
Track income	2,799,091	84,429	2,883,520	3,081,943	652,566	3,734,509
Turnover from racing activities	22,392,278	318,185	22,710,463	24,979,370	3,298,750	28,278,120
Allocation from Horse & Greyhound Racing Fur	16,000,000	-	16,000,000	14,800,000	-	14,800,000
Prizemoney contributions from owners and spo	1,752,790	-	1,752,790	1,890,088	-	1,890,088
Media income	40,000	-	40,000	40,000	-	40,000
Other income	40,879	-	40,879	77,244	-	77,244
Turnover for Bord na gCon	17,833,669	-	17,833,669	16,807,332	-	16,807,332

4 Group Surplus

	2017	2016
	€	€
Group Surplus before taxation has been arrived at after charging		
Auditors remuneration	87,206	80,403
Depreciation	2,177,068	2,000,582
Group interest payable	329,391	409,220
And after crediting		
Amortisation of capital reserve	1,515,097	1,556,748
Bord na gCon – Surplus / (Deficit)		

The surplus after taxation for the year of the Bord na gCon parent entity is €1,971,885 (2016: €2,941,355). The surplus has been dealt with in the financial statements.

Bord na gCon Annual Report 2017

Notes to the financial statement for the year ended 31 December 2017

5 Operating costs of racing activities

	2017			2016		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
	€	€	€	€	€	€
Tote operations						
Tote operating costs	1,091,375	8,196	1,099,571	988,103	58,464	1,046,567
Tote staff costs	1,298,432	10,826	1,309,258	1,369,358	104,090	1,473,448
Betting collection costs	100,938	1,196	102,134	100,195	13,608	113,803
Track operations						
Track operating costs	2,686,032	166,383	2,852,415	2,729,048	407,996	3,137,044
Track staff costs	2,705,402	43,419	2,748,821	2,353,750	243,519	2,597,269
Food and Beverage operations						
Direct costs and other operational costs	876,608	16,877	893,485	767,130	198,051	965,181
Food & Beverage staff related costs	2,312,833	29,535	2,342,368	2,482,608	346,589	2,829,197
Total operating costs of racing activities	11,071,620	276,432	11,348,052	10,790,192	1,372,317	12,162,509

6 Employees

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

	2017	2016
	Number	Number
employed by the group in the financial year is set out below		
Bord na gCon & Subsidiaries - full time staff	125	128
Bord na gCon & Subsidiaries - race night casual staff (FTE's)	100	115
	<u>225</u>	<u>243</u>

Total staff costs are comprised of:

	2017	2016
	€	€
Short term employee benefits	8,499,436	9,103,473
Employers social insurance costs	767,950	836,198
Termination benefits	358,477	124,723
	<u>9,625,863</u>	<u>10,064,394</u>
Employers pension contributions to defined contribution & PRSA schemes	165,614	140,475
Defined benefit scheme current service cost (Note 17)	370,862	99,717
	<u>10,162,339</u>	<u>10,304,586</u>

The termination benefits above relate to redundancy agreements with seven staff during the reporting period. No employee costs were capitalised during the year or in the prior year.

The Chief Executive Officer's remuneration package was as follows:

	2017	2016
	€	€
Basic salary	40,898	132,920
Pension contributions	5,538	32,230
Payment on contract termination	-	115,996
Fees (incl. unrecoverable VAT)	117,075	-
	<u>163,511</u>	<u>281,146</u>

2016: Ms Geraldine Larkin €281,146 (including contract termination payment. 2017: Jan-Aug Dr Sean Brady (Interim CEO – Contract), €117,075. Sep-Dec: Mr Gerard Dollard €46,436 (including pension contributions).

Bord na gCon Annual Report 2017

Notes to the financial statement for the year ended 31 December 2017

Note 6 Employees note (continued)

Key management personnel:	2017	2016
	€	€
Remuneration	744,246	685,274
Payment on contract termination	-	115,996
	<u>744,246</u>	<u>801,270</u>

Key management personnel in Bord na gCon consists of the members of the Board, the Chief Executive Officer along with members of the executive as detailed on Page 9. The total value of employee benefits for key management personnel is set out in the previous table. This does not include the value of retirement benefits earned in the period by the CEO and members of the executive³. The key management personnel are members of Bord na gCon defined contribution scheme.

7 Taxation

There was no corporation tax charge arising in 2017 (2016 - €0) due to current and prior year tax losses in the Board's subsidiary companies.

³ Chairman and Board members do not benefit from pension benefits.

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Notes to the financial statement for the year ended 31 December 2017

8 Property, Plant and Equipment (Group)

	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2017	45,745,923	32,432,685	17,514,750	109,388	95,802,746
Additions	-	14,440	424,233	-	438,673
Assets disposed	-	-	(18,689)	(30,800)	(49,489)
Reclassification of Assets as held for sale	(9,972,367)	-	(930,734)	-	(10,903,101)
At 31 December 2017	35,773,556	32,447,125	16,989,560	78,588	85,288,829

Depreciation

At 1 January 2017	7,343,678	12,798,015	15,921,224	103,694	36,166,611
Charge for the year	509,138	974,211	690,775	2,944	2,177,068
Assets disposed	-	-	(18,689)	(30,800)	(49,489)
Reclassification of Assets as held for sale	(3,844,927)	-	(668,829)	-	(4,513,756)
At 31 December 2017	4,007,889	13,772,226	15,924,481	75,838	33,780,434

Net book values

At 31 December 2017	31,765,667	18,674,899	1,065,079	2,750	51,508,395
At 31 December 2016	38,403,268	19,633,647	1,593,526	5,694	59,636,135

Property, Plant and Equipment - Bord na gCon

	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2017	51,153	1,236,560	5,501,800	89,450	6,878,963
Additions	-	-	299,834	-	299,834
Assets disposed	-	-	-	(30,800)	(30,800)
At 31 December 2017	51,153	1,236,560	5,801,634	58,650	7,147,997

Depreciation

At 1 January 2017	39,548	946,568	4,671,994	88,106	5,746,216
Assets disposed	-	-	-	(30,800)	(30,800)
Charge for the year	1,023	24,525	235,227	1,344	261,920
At 31 December 2017	40,571	971,093	4,907,221	58,650	5,977,535

Net book values

At 31 December 2017	10,582	265,467	894,413	-	1,170,462
At 31 December 2016	11,605	289,992	829,806	1,344	1,132,747

The cost of the property, plant and equipment included above which have been fully depreciated at 31 December 2017 is €13,644,055 (2016 €11,063,034) for the group and €4,326,107 (2016 €4,099,178) for Bord na gCon.

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Notes to the financial statement for the year ended 31 December 2017

Property, Plant and Equipment (Group) (continued)

Leasehold buildings include a 999 year licence in respect of the use of a car park at the Limerick Greyhound Stadium for racing events. This asset was purchased in 2008 for €1.1 million and its current carrying value is €990,000. In 2008 the Board entered into a 30 year agreement with the third party owner of the car park whereby the board would purchase the freehold interest at a fixed price of €925,000 should the third party be unable to use this car park for other developments planned on adjacent lands to Limerick Greyhound Stadium.

Prior Year	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2016	45,745,923	32,432,685	16,649,848	109,388	94,937,844
Additions	-	-	864,902	-	864,902
Assets disposed	-	-	-	-	-
At 31 December 2016	45,745,923	32,432,685	17,514,750	109,388	95,802,746

Depreciation					
At 1 January 2016	7,290,705	12,773,490	14,005,900	95,934	34,166,029
Assets disposed	-	-	-	-	-
Charge for the year	52,973	24,525	1,915,324	7,760	2,000,582
At 31 December 2016	7,343,678	12,798,015	15,921,224	103,694	36,166,611

Net book values					
At 31 December 2016	38,403,268	19,633,647	1,593,526	5,694	59,636,135
At 31 December 2015	38,455,218	19,659,195	2,643,948	13,454	60,771,815

Property, Plant and Equipment - Bord na gCon

Prior Year	Freehold Land and Buildings	Leasehold Buildings	Equipment	Motor Vehicles	Total
Cost	€	€	€	€	€
At 1 January 2016	51,153	1,236,560	4,972,207	89,450	6,349,370
Additions	-	-	529,593	-	529,593
Assets disposed	-	-	-	-	-
At 31 December 2016	51,153	1,236,560	5,501,800	89,450	6,878,963

Depreciation					
At 1 January 2016	38,525	922,043	4,509,354	81,946	5,551,868
Assets disposed	-	-	-	-	-
Charge for the year	1,023	24,525	162,640	6,160	194,348
At 31 December 2016	39,548	946,568	4,671,994	88,106	5,746,216

Net book values					
At 31 December 2016	11,605	289,992	829,806	1,344	1,132,747
At 31 December 2015	12,628	314,517	462,853	7,504	797,502

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Notes to the financial statement for the year ended 31 December 2017

Property, Plant and Equipment (Group) (continued)

In May 2017, following the cessation of greyhound racing at its Harold's Cross stadium, the Board entered into a sale agreement for the disposal of its property and site at Harolds Cross. The contract provided for the sale of the stadium and lands including an adjacent house and fixtures and fixtures thereon. The carrying value of the asset was €6.4 million. The sale agreement was conditional on re-zoning of the land for educational use and was also subject to contract. Bord na gCon has transferred the Harold's Cross site and stadium assets held for resale to current assets.

Charges on Board Assets:

The assets of The Dublin Greyhound & Sports Association Limited, Clonmel Greyhound Stadium, The Waterford Greyhound Race Company (1953) Limited, Shelbourne Greyhound Stadium Limited, Limerick Greyhound Racing Track Limited, Cork Greyhound Race Company Limited and The Kingdom Greyhound Racing Company Limited were held as security for the facilities provided by AIB Bank, to the group on 31 December 2017.

Following release of the mortgage charge on 08 May 2018 by AIB Bank against The Dublin Greyhound & Sports Association Limited, AIB continue to hold mortgage charges against assets of the remaining subsidiary companies for overdraft facilities made available to Bord na gCon.

Impairment Review

Bord na gCon completed an impairment review of all property, plant and equipment within the Bord na gCon group. This review compared the carrying value of group assets with the greater of (a) market value or (b) the value in use, this being the present value of future cash flows derived from the group assets under review. The 2017 impairment review determined that no provision was required. The key assumptions underpinning this assessment are as noted in the accounting policy 1.4.

9 Intangible Assets

Group	Negative		
	Goodwill	Goodwill	Total
Cost	€	€	€
At 1 January 2017	(150,575)	43,000	(107,575)
At 31 December 2017	(150,575)	43,000	(107,575)
Amortisation			
At 1 January 2017	(150,575)	34,400	(116,175)
Charge for year	-	4,300	4,300
At 31 December 2017	(150,575)	38,700	(111,875)
Net book values at 31 December 2017	-	4,300	4,300
	Negative		
	Goodwill	Goodwill	Total
Cost	€	€	€
At 1 January 2016	(150,575)	43,000	(107,575)
At 31 December 2016	(150,575)	43,000	(107,575)
Amortisation			
At 1 January 2016	(150,575)	30,100	(120,475)
Charge for year	-	4,300	4,300
At 31 December 2016	(150,575)	34,400	(116,175)

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Notes to the financial statement for the year ended 31 December 2017

Net book values at 31 December 2016	-	8,600
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Intangible Assets (continued)

	2017	2016
	€	€
Net book value at 1 January	8,600	12,900
Released during the year	(4,300)	(4,300)
Net book value at 31 December	4,300	8,600

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

10 Financial assets

	2017	2016
	€	€
Investments	5,570	5,951

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

	2017	2016
	€	€
Bord na gCon:		
Shares in subsidiaries at cost less amounts written off	244,452	244,452
Long Term Loan to subsidiaries	16,992,074	15,544,287
	17,236,526	15,788,739

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Notes to the financial statement for the year ended 31 December 2017

Financial assets (continued)

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

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

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

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

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Notes to the financial statement for the year ended 31 December 2017

Financial assets (continued)	Year ended 31 December 2017			Year ended 31 December 2016		
	Tote Profit ⁴	Track Profit/(Loss)	Capital & Revenue Reserves	Tote Profit	Track Profit/(Loss)	Capital & revenue Reserves
Clonmel Greyhound Racing Company Ltd	Property holding company		950,247	Property holding company		951,998
Abargrove Ltd	66,404	(478,164)	(592,483)	70,670	(332,309)	(114,319)
Cork Greyhound Race Company Ltd	247,632	(234,345)	1,877,585	302,024	(260,912)	2,111,930
Galway Greyhound Stadium Ltd	120,927	(192,189)	(1,520,394)	154,428	(193,396)	(1,328,205)
The Dublin Greyhound & Sports Association Ltd	24,460	(168,819)	(1,166,503)	335,192	(26,997)	(997,684)
The Kingdom Greyhound Racing Company Ltd	369,470	(202,631)	(1,388,276)	188,893	(144,742)	(1,185,645)
Limerick Greyhound Racing Track Ltd	145,084	(356,303)	(4,281,707)	181,297	(357,429)	(3,925,404)
Shelbourne Greyhound Stadium Ltd	449,502	(115,476)	4,714,041	714,909	259,037	4,829,517
Waterford Greyhound Race Company (1953) Ltd	88,583	(143,251)	(2,280,303)	98,009	(165,943)	(2,137,052)
Youghal Greyhound Race Company Ltd	86,958	(157,231)	(1,074,260)	86,431	(145,012)	(917,029)
Mullingar Greyhound Racing Company Ltd	154,117	(218,317)	(736,851)	143,995	(195,194)	(518,534)

⁴ Tote profits include surplus generated from sale of media rights from the related track

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Notes to the financial statement for the year ended 31 December 2017

11 Inventories

	2017	2016
Group	€	€
Totalisator and track consumable inventory	125,552	117,529
Food & beverage goods for re-sale	202,490	389,037
Sundry consumable inventory	5,719	3,769
	333,761	510,335
Bord na gCon	€	€
Totalisator and track consumable inventory	90,089	78,804
Sundry consumable inventory	5,719	3,769
	95,808	82,573

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

12 Trade and Other Receivables

	2017	2016
Group	€	€
Trade Receivables & Prepayments	1,482,767	1,565,821
Deferred expenses in respect of debt restructure including asset disposal	623,899	83,147
Other Receivables	133	248
VAT recoverable	-	12,682
	2,106,799	1,661,898

Deferred expenditure of € 623,899 was incurred in respect of costs associated with the project initiated to resolve long term debt, protect group assets securing bank overdraft facilities and progress the disposal of the group asset registered in the name of Dublin Greyhound & Sports Association Ltd at Harold's Cross. The deferred expenditure will be recognised in the 2018 financial statements as part of the sale of the Harold's Cross site and stadium. The disposal and elimination of long term bank debt were successfully completed in May 2018.

	2017	2016
Bord na gCon	€	€
Trade and Other Receivables & prepayments	1,559,081	1,068,283
Other Receivables	133	133
	1,559,214	1,068,416

Trade and other receivables includes €555,989 (2016 - €532,309) due from two stadia operated by private enterprises and licensed by Bord na gCon. These balances are subject to agreed repayment terms.

13 Assets Classified as Held for Sale

As noted in the basis of preparation, the company's trade ceased in 2017 and the sale of the premises at Harold's Cross concluded post year end. Therefore all associated assets have been classified as assets held for sale and presented separately within current assets in the balance sheet. The proceeds of disposal are expected to substantially exceed the book value of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

The major classes of assets comprising the operations classified as held for sale are as follows:

	2017	2016
	€	€
Property, Plant and Equipment	6,389,345	-

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Notes to the financial statement for the year ended 31 December 2017

14 Liabilities Payable within one year

	2017	2016
Group:	€	€
Trade Creditors and Accruals	5,665,354	5,392,817
Deferred Income	12,493	16,333
Bank Loans and Overdrafts (Note 15)	21,953,176	21,740,287
	27,631,023	27,149,437

	2017	2016
Bord n gCon	€	€
Trade Creditors, Accruals & Other Creditors	4,320,929	4,312,199
Amounts due to Subsidiary companies	6,119,030	6,213,672
Bank Loans and Overdrafts (Note 15)	21,951,011	21,739,482
	32,390,970	32,265,353

Amounts due to subsidiary companies are repayable on demand.

	2017	2016
The creditors and accruals figures include the following amounts	€	€
Group		
VAT	157,674	145,281
PAYE PRSI	316,540	272,864
Bord na gCon		
VAT	97,042	82,388
PAYE PRSI	195,704	138,702

15 Details of bank borrowings

	Within 1 year	Between 1 & 5 years	Total
Maturity analysis of loans and overdrafts			
Total value of fixed term bank loans repayable on demand	(16,195,054)	-	(16,195,054)
Bank facilities not subject of fixed repayment obligations			
Overdrafts	(5,758,122)	-	(5,758,122)
Total:	(21,953,176)	-	(21,953,176)

- Bank loans were repaid in full with the conclusion of the Harold's Cross site sale.
- Overdraft facilities continue to be made available to Bord na gCon with Board's assets as outlined in Note 8 held as security for the overdraft facilities.

16 Minority Interest

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

	2017	2016
	€	€
At beginning of financial year	921,270	1,062,680
Loss Attributable to Minority Interest	(106,973)	(95,645)
Amortisation of Capital Reserve attributable to minority interest (Note 18)	(45,368)	(45,765)
At end of financial year	768,929	921,270

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Notes to the financial statement for the year ended 31 December 2017

17 Pension cost

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

Defined Contribution Scheme (DC) & PRSA

In respect of the DC and PRSA schemes the Board's contribution in 2017 amounted to €165,614 (2016 €140,475).

Defined Benefit Scheme

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

The scheme is closed to new entrants. A full actuarial valuation was carried out on 01 January 2017 by a qualified independent actuary. The actuarial position was subsequently updated to 31 December 2017 to provide an up to date assessment for the purposes of FRS102. Proposals to address the statutory Funding Standard deficit in this scheme were accepted by the Pension Authority on 06 September 2016 and these proposals were implemented from 2016.

The major assumptions used by the actuary were:

	2017		2016	
	%		%	
Rate of increase in salaries	1.5		2.25	
Rate of increase in pensions in payment	-		1.5	
Rate of increase of state retirement pension	1.65		1.5	
Discount rate	1.8		1.8	
Inflation assumption	1.65		1.5	
Life expectancy (in years)	Male	Female	Male	Female
Retiring Today (members aged 65)	21.0	23.6	20.9	24.8
Retiring Today (members 65 in 15 years)	22.9	25.2	23.9	27.7

The principal assets and liabilities in the scheme were:	Value at		Value at	
	31/12/2017		31/12/2016	
	€ '000		€ '000	
Fixed Interest	9,734	59.7%	8,772	59.7%
Cash	685	37.4%	5,496	37.4%
Other (insured assets)	5,156	2.9%	426	2.9%
Total market value of assets	15,575		14,694	
Present value of scheme liabilities	(19,144)		(19,750)	
(Deficit) / Surplus in the scheme	(3,569)		(5,056)	
Related deferred tax liability	-		-	
Net pension Asset / (Liability).	(3,569)		(5,056)	

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

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Notes to the financial statement for the year ended 31 December 2017

Pension cost note (continued)

Defined Benefit Pension Costs charged to the Income & Expenditure Account:	2017	2016
	€'000	€'000
Current Service Cost	(289)	(382)
Accrued Current Service Cost	-	445
Interest on scheme liabilities	(351)	(506)
Expected Return on Scheme Assets	269	343
Defined Benefit Pension Costs	<u>(371)</u>	<u>(100)</u>
 Curtailment on pension liabilities – Exceptional Item	 <u>-</u>	 <u>(4,000)</u>

In 2016, a pension curtailment gain arose on the restructuring of the Board's defined benefit pension scheme. The restructuring arose as a result of a funding proposal submitted to the Pensions Authority in order to ensure the future viability of the scheme.

Analysis of Movement in Benefit Obligation	2017	2016
	€'000	€'000
Defined Benefit Obligation at beginning of year	19,750	21,401
Service Costs	289	382
Interest Cost	351	506
Plan Participants' contribution	21	24
Re-measurement of Defined Benefit Obligation	(672)	1,977
Plan introductions, changes, curtailments & settlements	0	(4,000)
Benefits paid from plan assets	(595)	(540)
Defined Benefit Obligation at end of year	<u>19,144</u>	<u>19,750</u>
 Change in plan assets	 2017	 2016
	€'000	€'000
Fair Value of plan assets at beginning of year	14,694	13,263
Expected return on plan assets	269	343
Actuarial gain / (loss)	208	183
Employers Contribution	978	1,421
Plan participants' contributions	21	24
Benefit paid from plan	(595)	(540)
Fair value of plan at year end	<u>15,575</u>	<u>14,694</u>
 Net Defined Benefit Liability	 <u>(3,569)</u>	 <u>(5,056)</u>
 Return on plan assets	 2017	 2016
	€'000	€'000
Total return on plan assets	<u>477</u>	<u>525</u>

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Notes to the financial statement for the year ended 31 December 2017

Pension cost note (continued)

An analysis of the amount recognised in the Group Statement of Comprehensive Income is as follows:	2017	2016
	€'000	€'000
Actual return less expected return on scheme assets	208	183
Actuarial gain/(loss) arising during period	672	(1,977)
Re-measurement Effects Recognised in Other Comprehensive Income/(Loss)	880	(1,794)

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

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

18 Capital Reserve

	Group		Bord na gCon	
	2017	2016	2017	2016
	€	€	€	€
Transfer from surplus				
- In previous years	73,813,320	73,813,320	73,813,320	73,813,320
- In current year	-	-	-	-
	73,813,320	73,813,320	73,813,320	73,813,320
Amounts Written Back				
- In previous years	(11,113,993)	(11,113,993)	2,300,994	2,300,994
- In current year	-	-	-	-
	(11,113,993)	(11,113,993)	2,300,994	2,300,994
Grants to Board Owned Stadia				
- In previous years	(1,941,837)	(1,941,837)	(94,658,431)	(94,658,431)
- In current year	-	-	-	-
	(1,941,837)	(1,941,837)	(94,658,431)	(94,658,431)
Amortisation to Income and Expenditure				
- In previous years	(29,055,115)	(27,544,132)	(1,624,433)	(1,623,163)
- In current year	(1,515,097)	(1,556,748)	(1,269)	(1,270)
- Attributable to minority interest	45,368	45,765	-	-
	(30,524,844)	(29,055,115)	(1,625,702)	(1,624,433)
Amortisation of Amounts Written Back				
- In previous years	358,106	358,106	-	-
- In current year	-	-	-	-
	358,106	358,106	-	-
Balance at 31 December	30,590,752	32,060,481	(20,169,819)	(20,168,550)

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Notes to the financial statement for the year ended 31 December 2017

19 Other Reserves

	Group		Bord na gCon	
	2017	2016	2017	2016
	€	€	€	€
General Reserve	1,269,738	1,269,738	1,269,738	1,269,738
Other Reserve	163,439	163,439	-	-
	<u>1,433,177</u>	<u>1,433,177</u>	<u>1,269,738</u>	<u>1,269,738</u>

The other reserve represents amenity grants received by subsidiary companies.

20 Gross cash flows

Reconciliation of operating profit to net cash inflow from operating activities	2017	2016
	€	€
Surplus/(Deficit) before taxation	310,287	6,257,220
Gross interest payable	329,391	413,089
(Profit) on disposal of Property, plant and equipment	(1,000)	-
Amortisation of intangible assets	4,300	4,300
Depreciation	2,177,068	2,000,582
Amortisation of capital reserves	(1,515,097)	(1,556,748)
Decrease/(Increase) in inventory	176,574	(64,422)
(Increase)/Decrease in trade and other receivables	(444,901)	465,366
(Increase)/ Decrease in liabilities and provisions	246,474	(351,313)
Net pension	(606,690)	(4,876,293)
	<u>676,406</u>	<u>2,291,781</u>

21 Analysis of changes in net funds

	Opening Balance	Cash Flows	Closing balance
	€	€	€
Cash & Cash Equivalent	<u>1,093,572</u>	<u>144,454</u>	<u>1,238,026</u>
Bank Loan	(16,382,554)	187,500	(16,195,054)
Bank Overdraft	(5,357,733)	(400,389)	(5,758,122)
	<u>(21,740,287)</u>	<u>(212,889)</u>	<u>(21,953,176)</u>
Net Group Debt	<u>(20,646,715)</u>	<u>(68,435)</u>	<u>(20,715,150)</u>

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Notes to the financial statement for the year ended 31 December 2017

22 Commitments & Contingencies

The board are involved in one legal case. No provision has been made in the financial statements for the year ended 31 December 2017 as any potential financial affect cannot be reasonably ascertained at this time.

Bord na gCon, through the independent Control Committee and Control Appeals Committee, are involved in two High Court Judicial Review applications, taken by third parties, relating to the activities of the independent Committees. No provision has been allowed in the financial statement for the year ended 31 December 2017 as any potential financial affect cannot be reasonably ascertained at this time.

Bord na gCon have implemented proposals approved by the Pensions Authority to address the deficit in relation to the defined benefit scheme. This will result in additional contributions of €800,000 per annum to the scheme.

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

23 Board's Members' Interest

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

During the year ended 31 December 2017, Mr Billy O'Dwyer, Board Member provided auctioneering services to the Board. The value of these services came to €800 (2016 - €1,050). Bord na gCon, through their subsidiary Abargrove Ltd, maintained a national pouring rights agreement with C&C Group Plc. Ms Riona Heffernan is an employee of C&C Group Plc. Neither, Mr O'Dwyer nor Ms Heffernan attended or participated in any board discussions on these matters.

24 Events after the reporting date

The sale of the Harold's Cross site was concluded on 08 May 2018 achieving the contracted sales price of €23 million. Costs involved which included securing overdraft facilities, protecting group assets and addressing the costs involved in the sale of the Harold's Cross asset was €1.04 million of which €623,899 has been accounted for as deferred expenditure at 31 December 2017. The sales proceeds repaid all bank loans in full along with accrued interest.

Bord na gCon have commenced enacting the initiatives included in their Strategic Plan 2018 – 2022 following its publication on 12 March 2018 including.

The financial statement of Bord na gCon have been prepared adopting the principle of going concern which is appropriate considering the retirement of bank debt, availability of cash resources along with enacting the goals included in the strategic plan 2018 – 2022.

25 Reclassification of prior year amounts

During 2017 Bord na gCon assumed responsibility for marketing and on track veterinary services by transferring these services from subsidiary companies. Costs incurred in 2016 (Marketing - €286,823; Veterinary services €149,479) have been reclassified under Bord na gCon expenditure in the annual report year ended 31 December 2017. This has not changed the overall result reported in the prior year comparatives.

26 Approval of financial statements

The board of directors approved these financial statements for issue on 28/06/2018.