



Bord na gCon

Annual Report 2013



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BORD na gCON

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, 2013, faoi bhráid An Roinn Talmhaíochta, Bia agus Mara.

In accordance with section 19(2) of the Greyhound Industry Acts, 1958 and 1993, Bord na gCon presents its Annual Report and Financial Statements for the year ended 31st December 2013, to the Minister for Department of Agriculture, Food and the Marine.

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

All 17 stadia licensed by Bord na gCon operated during the year 2013. Seven of these licensed stadia are owned and operated by private enterprise.

Funding for Bord na gCon is sourced by admission fees to their stadia; concession fees generated from restaurant facilities; 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 enable them improve spectator facilities, to develop public auction sales, to advertise greyhound racing, to promote greyhound welfare and to regulate the industry including the operation of a national drug testing laboratory.



Foreword to Annual Report 2013 by Chairman - Phil Meaney

I am pleased to present the 2013 annual report for Bord na gCon. The annual report reflects what has been a difficult year for the Industry due to challenging trading conditions which continue to impact disposable income and affect sport and leisure led industries within which we operate.

The Board's efforts to manage its activities in this difficult trading environment led to some decisions which have been difficult for industry stakeholders. Our focus has been on creating a stable platform on which progress can be achieved when more buoyant economic times return.

In spite of the challenges the Board has faced, there were notable achievements in the year under review.

- i. Bord na gCon entered a technology partnership with eircom Business. This partnership continues to develop the Board's technology platform to enable streaming and broadcasting of the Irish Greyhound product to a wide international audience.
- ii. The Board undertook the operation of Newbridge Greyhound Stadium in March 2013 to support the loyal and important racing population supporting this stadium.
- iii. Limerick Greyhound Stadium hosted the richest puppy stakes in the world, the Con and Annie Memorial Puppy Stakes which contributed an additional prize fund of €144,350 to the greyhound industry. On behalf of Bord na gCon I wish to acknowledge and sincerely thank the McManus family for their continued support of this event and its support to the local GAA network.
- iv. There was a 5% growth on 2012 for Christmas party bookings which was experienced by all in the Bord na gCon stadium network.
- v. Bord na gCon welcomed the first successful prosecution taken under the Welfare of Greyhounds Acts 2011. Such a prosecution will assist the Boards efforts to encourage and develop responsible ownership practices.
- vi. The Board continued their support of the Retired Greyhound Trust (RGT) with new re-homing opportunities being developed in Canada and North America. The efforts of the RGT resulted in an increase of 25% more retired greyhounds being rehomed when compared to 2012. Additionally the RGT continue to advance their support for private greyhound rehoming agencies.

On behalf of the Board, I wish to acknowledge the contribution of Adrian Neilan to the Irish Greyhound Industry, in the midst of the most challenging economic conditions ever faced by a Chief Executive of Bord na gCon.

The Board was pleased to announce the appointment of Ms Geraldine Larkin as its new Chief Executive Officer. Geraldine brings a wealth of regulatory and governance experience which will be of significant benefit to the Board as it maps out a future for this much changed industry. The appointments of fellow executive members, Mr Colin Walsh (Director of Commercial Operations), Mr Joe Lewins (Head of Tote and Wagering) and Ms Hilary Forde (Director of Racing Governance), ensures an executive team are in place to meet the objectives of Bord na gCon.

I am pleased to advise that Bord na gCon has already commenced the implementation of recommendations included in the Government commissioned independent report on the Irish Greyhound Industry completed by Indecon, international economic consultants. Bord na gCon has responded in detail to the twenty seven different Indecon recommendations on governance, finance, regulation and welfare. Those responses reflect the Board's determination that there has to be a significant change in the way the greyhound industry addresses all its activities. These changes will be challenging for many stakeholders but "more of the same" is no longer an option for an industry that faces many difficulties. I believe we now have the appropriate team in place to address the challenges and to work with all stakeholders to map out a brighter and more sustainable future for all.

Bord na gCon were delighted to welcome Boylesport.com as the official sponsor to the 2014 Derby. The Board was encouraged by the active involvement by the Boylesport's organisation in their promotion and participation in the flagship



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event for the IGB. The Board look forward to similar input for the 2015 Derby event. The prize fund over the 3 year period of this agreement will nudge close to €750,000 confirming the Derby's status as one of the richest races in the sport.

I would like to thank both Ministers of Agriculture and their officials within the Department of Agriculture Food & the Marine for their continued support during the year. The Board are very grateful for the additional financial support granted with increased allocation to the Horse & Greyhound Racing Fund as part of the 2015 budget. The Board will ensure these funds are invested wisely to offer the maximum return to all stakeholders within this important industry.

A special note of appreciation is extended to our patrons for their continued loyal support, which is evident from each track I have visited during the last year. I am confident that such support and continued involvement will be the foundation for the success of the Irish Greyhound Industry.

I would also like to thank all our sponsors, all my colleagues on the Board together with those who have given generously of their time to serve on subsidiary Boards and to IGB staff who carry out the day to day tasks of the management and administration of Irish greyhound racing at all locations whose hard work and commitment is greatly appreciated.

On behalf of the Board I would also like to recognise and remember the lasting contribution made by Patricia Griffin to the greyhound industry in her nearly 40 years' service to Bord na gCon. Patricia commenced her working career at the Limerick Head Office and later moved to Shelbourne Park. Patricia who was Head of Wagering at Bord na gCon passed away on October 8th 2013 and is very much missed by all of her work colleagues, owners, trainers and patrons of the industry. Her hard work and commitment in particular in promoting Tote and Wagering turnover made a significant difference in a very positive way to our business performance over many years. On Saturday November 8th 2014 a special Memorial Race was held in the memory of Patricia Griffin at Shelbourne Park at which her family attended and her brother Barry made the presentation to the winning greyhound on the night.

Phil Meaney

Chairman

Date: 18 December 2014



Foreword to Annual Report 2013 by Chief Executive Officer - Geraldine Larkin

On 1st July 2014 I was delighted to commence the position of Chief Executive of Bord na gCon. The support and encouragement I have received from all stakeholders involved in Irish Greyhound racing has been tremendous and reassures me of the passion that exists within this traditional Industry and the genuine intention from the majority involved in the Irish Greyhound Industry for this industry to overcome current challenges and prosper into the future.

Financial year 2013 remained a challenging year for the Irish economy with continuing pressure on consumer discretionary income as a whole with greyhound racing not being immune to these economic conditions. It is to Bord na gCon's credit that it achieved so much in such a difficult year to include but not limited to:

- i. Bord na gCon continues to enjoy substantial support from a wide range of sponsors. On behalf of Bord na gCon and indeed all involved in Irish Greyhound Racing I would like to acknowledge the sponsors support and their importance to this industry.
- ii. It is encouraging that Bord na gCon has achieved such progress in the implementation of their information technology framework and are now in position, to meet and supply the Irish Greyhound Product to the demand that exists in wider wagering international audience.
- iii. 28,671 people booked their Christmas party nights in Bord na gCon stadia which represented a 5% growth on 2012 bookings. Shelbourne Park surpassed the 10,000 mark enjoying the highest Christmas party bookings figure since 2007. A number of other stadia recorded similarly impressive figures; Kilcohan Park, Waterford enjoyed a bumper festive season with a 20% increase in bookings over 2012, similarly Limerick Stadium improved their bookings by 14% over 2012. Current statistics for 2014 Christmas bookings indicate the 2013 bookings total will be exceeded.
- iv. Bord na gCon continued to develop their efforts on the important subjects of Greyhound Welfare and through the IGB sponsored charity the Retired Greyhound Trust

While the above are all positive indicators, Bord na gCon will not be resting on its laurels as proven by our comprehensive reply to the Indecon recommendations. A detailed action plan has been enacted that will be further developed so that key milestones are achieved within the timeframes outlined in our reply to the Government's commissioned report on the Irish Greyhound Industry. While some tough decisions were initially required we are confident that Bord na gCon can be restored to a profitable organisation for which people will be proud to be involved with. This will not be easy. Bord na gCon cannot keep funding tracks which are not giving a return on money spent. Any decision on future funding will take into account the multiplicity of factors impacting on a stadium's performance. These may not be exclusively commercial metrics, although financial performance is important but for example will include strength of the local dog pool, the level of sponsorship achieved, the attendance levels and tote performance.

Taking these decisions will ensure the long term sustainability of the industry and will also ensure all stakeholders will benefit from what our industry can offer. Our reply to the Indecon report outlines plans for further improvements to Bord na gCon's racing governance and welfare structures which are aimed to improve transparency and trust within the operations of Bord na gCon. The additional allocation to the Horse & Greyhound Racing Fund granted as part of the 2015 budget allocation will prove to be an immense advantage to the work envisaged by the Board and executive of Bord na gCon.

I have previously referred to the support and encouragement I have received since I commenced as CEO of Bord na gCon. I would like to extend similar sentiments to the dedicated and hardworking staff located all over the country. Their



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commitment, enthusiasm, knowledge of greyhound racing and dedication to tasks, often in times of adversity is very heartening and are a team that I am sure I will have pride to lead.

I would also like to thank our chairman Mr Phil Meaney and his fellow board members whose advice and guidance have been invaluable.

Finally I wish to thank the support and encouragement received from owners, breeders and trainers whose importance to this Industry should not go without special mention. I look forward to working with all these groups so their valuable input can be involved in the progression of this Industry and its restoration to the position it should hold.

Geraldine Larkin

Chief Executive Officer

Date: 18 December 2014



BORD na gCON

INFORMATION

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

MEMBERS OF THE BOARD

Phil Meaney	
Teresa Wall	(Resigned 28 th May 2014)
Billy O'Dwyer	
Tim Gilbert	
Brendan Moore	(Resigned 22 nd January 2014)
Tony McNamee	
Mattie Murphy	
Riona Heffernan	(Appointed 5 th February 2014)
Colm Gaynor	(Appointed 28 th May 2014)

CHIEF EXECUTIVE OFFICER

Adrian Neilan	(Contract Completed 10th January 2014)
Michael Murnane - Acting	(10th January 2014 - 1st July 2014)
Geraldine Larkin	(Appointed 1st July 2014)

REGISTERED OFFICE

Greenpark
Dock road
Limerick

SOLICITORS

Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

BANKERS

Allied Irish Bank Plc.
Bank of Ireland Plc.

AUDITOR

Comptroller and Auditor General
Dublin Castle
Dublin 2



PREFACE AND KEY SUMMARY

A total of 17 stadiums were licensed by Bord na gCon during 2013.

Of the country's 17 greyhound stadiums, the Board operates the following stadiums: Shelbourne Park, Harold's Cross, Cork, Tralee, Waterford, Youghal, Limerick, Galway and Mullingar. The board holds a 51% share in the Mullingar Stadium. Bord na gCon has leased its stadium in Clonmel to Davis Road Greyhound Stadium Plc. The Board took over the running of Newbridge Greyhound Stadium in mid-March 2013.

<u>Key Summary Performance for 2013</u>	2013	2012
Total Prize money	<u>€7,852,151</u>	<u>€7,200,148</u>
Sponsorship	<u>€878,874</u>	<u>€904,769</u>
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	<u>€853,598</u>	<u>€2,564,024</u>
Group net (deficit)/surplus	<u>(€120,430)</u>	<u>€362,341</u>
Attendance	<u>687,510</u>	<u>720,470</u>
Number of meetings held	<u>1,753</u>	<u>1,837</u>
Average attendance per meeting	<u>392</u>	<u>392</u>



CONTROL COMMITTEE / CONTROL APPEAL COMMITTEE

Bord na gCon established an independent Control Committee and Control Appeal Committee in June 2007 to adjudicate on all matters concerning the integrity of greyhound racing. The Control Committee is comprised of well-known and respected people from the industry.

In August 2013 the following changes in membership of the Control Committee were approved by the Board of Bord na gCon:

New members appointed included:

- Mr Gerald Meaney, B.A L.L.B., Chairman (appointed 29/08/2013)
- Mr Alan Keenan, Professor, Emeritus Pharmacologist (appointed 29/08/2013)
- Mr Patrick Dunne M.R.C.V.S. (appointed 29/08/2013)
- Mr Thomas J. Mulligan (appointed 29/08/2013)
- Mr Diarmuid O'Neill (reappointed 29/08/2013)

The members who retired from the committee included:

- Mr Pat F O'Connor, B.C.L., Chairman (retired 19/06/2013)
- Dr Dermot Cribbin, MD,BDS. (retired 19/06/2013)
- Mr Danny McHenry M.R.C.V.S. (retired 19/06/2013)
- Mr Lexie Marmion (retired 19/06/2013)

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 Boards extensive prohibited substance testing regime, enhances public confidence in greyhound racing as a clean sport.

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

The independent Control Appeal Committee determines appeals made to it pursuant to Article 14 of the Greyhound Industry (Control Committee and Control Appeal Committee) Regulations 2007. Details of membership's changes within the Controls Appeal Committee during 2013 are as follows:-

- Mr Frank O'Leary, M.R.C.V.S., Chairman (reappointed 03/10/2013)
- Ms Fiona Hughes, M.R.C.V.S. (reappointed 03/10/2013)
- Mr Pat Barriscale, B.C.L., B.L. (appointed 03/10/2013)
- Mr Gerald Meaney, B.A L.L.B., (retired 28/08/2013)

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



NATIONAL GREYHOUND RACING AWARDS 2013

The National Greyhound Racing Awards take place each year to recognise and celebrate the sporting successes of those involved with Greyhound Racing. On Sunday March 23rd 2014, the Board celebrated the heroes of our sport in 2013. The event, took place in the Hodson Bay Hotel in Athlone featured awards in 10 different categories including the new category of Greyhound of the Year which was won by Locnamon Bridie.

Dog of the Year	Slippery Robert	Owner:	Larry Dunne
		Trainer:	Robert Gleeson
		Breeder:	Larry Dunne
Bitch of the Year	Locnamon Bridie	Owner:	Bill Chawke
		Trainer:	Paul Hennessy
		Breeder:	Gerard Langton
Sprinter of the Year	Knockglass Billy	Owner:	Martin Murphy
		Trainer:	Graham Holland
		Breeder:	Martin Murphy
Stayer of the Year	Shanless Becky	Owner:	Brendan Cullen
		Trainer:	Brendan Cullen
		Breeder:	Killian Power
Stud Dog of the year	Head Bound	Owner:	Sean and Michael Dunphy
Brood Bitch of the year	Locnamon Nell	Owner:	Gerard Langton
Newcomer of the Year	Sidarian Blaze	Owner:	The Sidarian Syndicate
		Trainer:	Graham Holland
		Breeder:	Patrick Scally
Greyhound of the Year	Locnamon Bridie	Owner:	Bill Chawke
		Trainer:	Paul Hennessy
		Breeder:	Gerard Langton



STATEMENT ON INTERNAL FINANCIAL CONTROL

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

The system of internal financial control provides reasonable but not absolute assurance that assets of Bord na gCon are safeguarded; that financial transactions are properly authorised, recorded and presented in the Financial Statements; that material errors are detected and addressed in a timely manner.

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

- An organisational structure with clear operating and reporting procedures including clearly defined powers and responsibilities;
- Code of Ethics for all employees and the Board to maintain the highest ethical standards in conducting business.
- Clearly defined policies and procedures throughout the Finance function including expenditure authorisation controls, payment controls and maximisation of segregation of duties in the finance function;
- Formal control procedures for capital investment expenditure;
- Procedures for reporting and investigating significant control failures to ensure that appropriate corrective action is taken on a timely basis;
- Information systems including a comprehensive budgeting system with a detailed review process by Executives and sign-off by the Board;
- Monthly reviews by the Board of budget to actual performance information for the business;
- The implementation of a formal process to identify and evaluate organisation business risks is continuing.

Bord na gCon historically had an in house Internal Audit function, but it outsourced the function of Internal Audit to an independent professional services firm in 2013 due to internal resourcing limitations. Since that time, the formal internal audit work conducted provides independent assurance to the Board that the Internal Financial Control processes remain effective. The outsourced Internal Audit professional services firm and the Internal Audit Committee comply with updated Code of Practice for the Governance of State Bodies published in July 2009.

The Internal Audit plans are carried out based on a risk analysis of activity and expenditure and the plans are pre-approved by the Audit Committee on behalf of the Board. In 2013, 4 Audit Committee meetings were held. The Internal Audit function conducted a number of Internal Audits.

During 2013 Bord na gCon has evolved its procurement function significantly. In August 2013 the board appointed a procurement officer. Work undertaken includes development and introduction of new protocols relating to the purchase of goods and services, review of procurement policies and procedures to ensure compliance with European and National legislation and Code of Corporate Governance, Compliance Check. In 2013, 20 tenders were commenced with 13 completed, 7 at various stages of process, and IGB participation in four OGP National framework Programmes. In certain circumstances, contracts were extended to ensure a continuity of the related service. However such services have been or are in the process of being addressed to ensure competitive procurement processes are undertaken by Bord na gCon.

I confirm that in the year ended 31st December 2013, there was a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board.

Phil Meaney

Chairman

Date: 18 December 2014



BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Board Members submit herewith their report and audited financial statements for the year ended 31 December 2013.

1. PRINCIPAL ACTIVITIES

The principal commercial activities of the Group continue to be:

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

Funds generated from these activities are re-invested in the industry through contributions to prize-money and grants to various bodies involved in the greyhound racing and breeding industry plus the promotion of greyhound welfare and the regulation of the industry including the operation of the national drug testing laboratory. There have been no significant changes in these activities during the year.

2. GROUP TRADING RESULTS FOR THE YEAR

	2013	2012
	€	€
Turnover	€28,792,452	€30,022,633
Allocation from Horse & Greyhound Fund	€11,004,000	€11,258,000
Earnings before interest, taxes, depreciation & amortisation	€853,598	€2,564,024
Capital grants to private stadia	€0	(€1,117,588)
Group net (deficit)/surplus	(€120,430)	€362,341

The Board do not have any capital commitments at 31 December 2013.

3. SUBSIDIARIES

Information provided in respect of the subsidiary companies is set out in Note 14 of the financial statements. In March 2013, the operation of Newbridge Greyhound Stadium was taken over by the Board, the result for the 10 months of Newbridge track operations have been included in the Annual Report.

4. MEMBERS OF THE BOARD

The Board held 12 meetings during 2013 and the members who held office during the year along with their meeting attendance was as follows:-

Member	No of Meetings
Phil Meaney	12
Teresa Wall	11
Billy O'Dwyer	12
Tim Gilbert	12
Brendan Moore	5
Tony McNamee	12
Mattie Murphy	12



BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

5. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The Board Members are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Bord na gCon and of its profit or loss for that year. In preparing those financial statements, the Board Members are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Bord na gCon will continue in business.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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


6. HEALTH & SAFETY

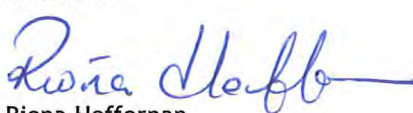
The well-being of Bord Na gCon employees is safeguarded through adherence to health and safety standards throughout all company locations. Board Members are cognisant of their responsibilities under the Safety Health & Welfare at Work Act 2005 and the Safety Health & Welfare at Work Regulations 2007 and have a designated health and safety manager. There were no reportable accidents in 2013.

7. 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.

Approved by the Board on 18 December 2014


Phil Meaney
Chairman


Riona Heffernan
Board Member



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Bord na gCon

I have audited the financial statements of Bord na gCon for the year ended 31 December 2013 under the Horse and Greyhound Racing Act 2001. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the group profit and loss account, the group statement of total recognised gains and losses, the group balance sheet, Bord na gCon balance sheet, the group cash flow, the detailed group profit and loss account and the related notes. The financial statements have been prepared in the form prescribed under Section 14 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Board

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

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the Financial Statements

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

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

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

In addition, I read Bord na gCon's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the group's and Bord na gCon's affairs at 31 December 2013 and of the group's deficit for 2013.

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

Going Concern

Without qualifying my opinion, I draw attention to Note 24 to the financial statements. This discloses that the Board considers that preparation of the financial statements on the going concern basis remains appropriate, based on the assumption of increased state funding, with effect from 2015, increases in profit from racing facilities, including new income streams, and the future sale of assets in accordance with an asset disposal strategy.

Matters on which I report by exception

I report by exception if

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

Non compliance with procurement rules

My audit identified a number of instances of non compliance with public procurement guidelines. The statement on internal financial control outlines the measures taken by Bord na gCon to improve its procurement functions, including the appointment of a permanent procurement officer.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

28 December 2014



BORD na gCON

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €	2012 €
Turnover from racing facilities		28,792,452	30,022,633
Allocation from the Horse & Greyhound Racing Fund		11,004,000	11,258,000
		<u>39,796,452</u>	<u>41,280,633</u>
Operation and administration costs		(39,465,938)	(39,326,661)
Operating Surplus		330,514	1,953,972
Grants to private stadia		0	(1,117,588)
Operating Surplus on ordinary activities		330,514	836,384
Gain on disposal of tangible fixed assets	3	0	2,000
Surplus before interest on ordinary activities		330,514	838,384
Group interest payable		(502,258)	(530,315)
(Deficit)/Surplus on ordinary activities before taxation		(171,744)	308,069
Taxation	4	0	0
(Deficit)/Surplus on ordinary activities after taxation		(171,744)	308,069
Loss attributable to minority interests		51,314	54,272
(Deficit)/Surplus for year		(120,430)	362,341
Transfer to Capital Reserve	12	0	0
Retained (Deficit)/Surplus for year		(120,430)	362,341
Opening Balance at 1 January		<u>730,347</u>	<u>368,006</u>
Closing Balance at 31 December		<u>609,917</u>	<u>730,347</u>

The notes (on pages 20 to 33) and the Detailed Group Profit and Loss Account (on page 34) form part of these financial statements.

Approved by the Board on 18 December 2014


Phil Meaney

Chairman


Riona Heffernan

Board Member

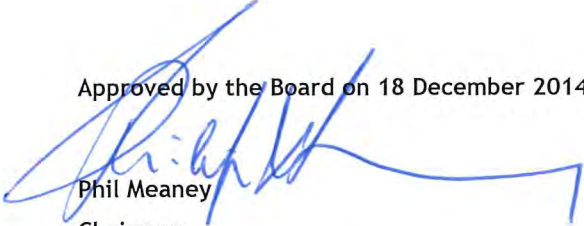


GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2013 €	2012 €
(Deficit)/Surplus for the financial year		<u>(120,430)</u>	<u>362,341</u>
<u>Pension Scheme Movements:</u>			
Actual return less expected return on schemes assets		(472,000)	471,000
Experience Gains and (Losses)		1,645,000	(344,000)
Changes in Assumptions		<u>(334,000)</u>	<u>(3,337,000)</u>
Actuarial Gain/ (Loss) recognised in the pension scheme	16	<u>839,000</u>	<u>(3,210,000)</u>
Total Recognised Gain/ (Loss) for the year		<u><u>718,570</u></u>	<u><u>(2,847,659)</u></u>

The notes (on pages 20 to 33) and the Detailed Group Profit and Loss Account (on page 34) form part of these financial statements.

Approved by the Board on 18 December 2014


Phil Meaney
Chairman


Riona Heffernan
Board Member



GROUP BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Intangible assets	5	21,500	25,800
Tangible assets	6	64,577,283	66,200,053
Financial assets		5,951	5,951
		<u>64,604,734</u>	<u>66,231,804</u>
CURRENT ASSETS			
Stocks	8	139,777	126,737
Debtors	9	2,386,666	2,042,003
Cash at bank and on hand		1,141,418	809,747
		<u>3,667,861</u>	<u>2,978,487</u>
CREDITORS (Amounts falling due within one year)	10	<u>(6,491,998)</u>	<u>(5,551,735)</u>
NET CURRENT ASSETS LESS CURRENT LIABILITIES		<u>(2,824,137)</u>	<u>(2,573,248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		61,780,597	63,658,556
CREDITORS (Amounts falling due after more than one year)	11	(22,401,833)	(22,849,626)
Net Pension (Liability)	16	<u>(6,839,000)</u>	<u>(7,222,000)</u>
NET ASSETS		<u><u>32,539,764</u></u>	<u><u>33,586,930</u></u>
FINANCED BY:			
Profit and Loss Account		609,917	730,347
Capital reserve	12	36,942,825	38,605,700
Other reserves	13	1,433,177	1,433,177
Pension reserve		<u>(7,781,000)</u>	<u>(8,620,000)</u>
Capital and Reserves	21	31,204,919	32,149,224
Minority interests	15	<u>1,334,845</u>	<u>1,437,706</u>
		<u><u>32,539,764</u></u>	<u><u>33,586,930</u></u>

The notes (on pages 20 to 33) and the Detailed Group Profit and Loss Account (on page 34) form part of these financial statements.

Approved by the Board on 18 December 2014


Phil Meaney

Chairman


Riona Heffernan

Board Member



BORD na gCON

BORD Na gCON BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Intangible assets	5	21,500	25,800
Tangible assets	6	1,442,432	1,663,749
Financial assets	7	10,519,989	8,907,242
		<u>11,983,921</u>	<u>10,596,791</u>
CURRENT ASSETS			
Stocks	8	83,314	73,613
Debtors	9	616,494	364,923
Cash at bank and on hand		877,736	482,364
		<u>1,577,544</u>	<u>920,900</u>
CREDITORS (Amounts falling due within one year)	10	<u>(11,053,334)</u>	<u>(10,122,845)</u>
NET CURRENT LIABILITIES		(9,475,790)	(9,201,945)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,508,131	1,394,846
CREDITORS (Amounts falling due after more than one year)	11	<u>(22,401,833)</u>	<u>(22,849,626)</u>
NET LIABILITIES		<u>(19,893,702)</u>	<u>(21,454,780)</u>
FINANCED BY:			
Profit and Loss Account		(998,700)	(2,516,728)
Capital Reserve	12	(20,164,740)	(20,207,790)
Other Reserves	13	1,269,738	1,269,738
		<u>(19,893,702)</u>	<u>(21,454,780)</u>

The notes (on pages 20 to 33) and the Detailed Group Profit and Loss Account (on page 34) form part of these financial statements.

Approved by the Board on 18 December 2014

Phil Meaney

Chairman

Riona Heffernan

Board Member



BORD na gCON

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €	2012 €
Net Cash inflow from operations	18	<u>1,335,441</u>	<u>3,788,098</u>
Returns on investments and servicing of finance			
Interest received		0	0
Interest paid		<u>(354,623)</u>	<u>(530,315)</u>
		<u>(354,623)</u>	<u>(530,315)</u>
Taxation		<u>0</u>	<u>0</u>
Capital expenditure & financial investment			
Payments to acquire tangible assets		(614,740)	(2,155,483)
Receipts from disposal of tangible assets		0	2,000
Grants paid to non-Bord na gCon stadia		0	(1,117,588)
		<u>(614,740)</u>	<u>(3,271,071)</u>
Net inflow/(outflow) before use of liquid resources & financing		366,078	(13,288)
Finance			
(Repayment)/Drawdown of Loans & Overdrafts		<u>(34,407)</u>	<u>11,401</u>
Increase/(Decrease) in cash	19 & 20	<u><u>331,671</u></u>	<u><u>(1,887)</u></u>

The notes (on pages 20 to 33) and the Detailed Group Profit and Loss Account (on page 34) form part of these financial statements.

Approved by the Board on 18 December 2014

Phil Meaney
Chairman

Riona Heffernan
Board Member



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Basis of consolidation

The group Financial Statements comprise the financial statements of Bord na gCon and its subsidiaries. The financial statements of the Board's associated company - Kilkenny Greyhound Racing Company Limited - are not dealt with in these financial statements as the amounts involved are not material. The accounting dates of the subsidiaries are coterminous with that of Bord na gCon.

(c) Fixed assets valuation and depreciation

Fixed assets are stated at cost less accumulated depreciation. As required under FRS 11, where events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, the Bord conducts a review for impairment. Such a review compares the carrying value of an asset with the higher of the 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 Bord considers that given the interdependency between its stadia, the income generating unit is the combined group of stadia.

Where asset impairment occurs, it is recognised in the group profit and loss account and allocated to the individual subsidiaries on a proportionate basis. The Bord does not recognise impairment of individual assets within the group or stadia that are offset by excess of valuation over carrying value in other stadia.

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

Depreciation

Freehold land is not depreciated. Depreciation on the remaining fixed 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 and leasehold premises	2%
Totalisator buildings	10%
Totalisator equipment	20%
Track equipment, furniture and fittings etc.	10%
Leased tote equipment	10%
Computer equipment	20%
Motor vehicles	20%

(d) Stocks

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

(e) Oireachtas Grants

Allocations from the Horse & Greyhound Racing Fund are treated as revenue grants and credited to the Profit and Loss Account.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

(f) **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 Profit and Loss Account in line with the depreciation and write-down of the grant-assisted assets.

Previously the board has considered funding made available from the Horse & Greyhound Racing to represent compensation for the reduction in the on-course bookmakers' levy, funding for prize money grants and funding for the development of the industry by way of capital grants. Where funding received 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 the aggregate, a transfer was made from the Capital Reserve to the Revenue Reserve. From 2012, the Bord 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.

(g) **Goodwill**

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

(h) **Pensions**

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

Defined Contribution Scheme

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

Defined Benefit Scheme

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

The pension charge in the Profit & Loss Account comprises the current service cost and past service cost. The difference between the expected return on scheme assets and the interest cost on the scheme liabilities is credited as other finance income.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur.

(i) **Prizemoney**

All prize money payments are made directly to owners by Bord na gCon.

(j) **Turnover**

Turnover represents revenue from race meetings and other ancillary services including bar, restaurant operations, Sponsorship and Entry Fees surrendered by Private Stadia to Bord na gCon, by a percentage deduction from totalisator pools, by a turnover charge on on-course bookmaker betting and Exchequer funding.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

2. GROUP SURPLUS BEFORE TAXATION

	Notes	2013 €	2012 €
<u>Group (Deficit)/Surplus before taxation has been arrived at after charging:</u>			
Board Members' remuneration:-			
- Phil Meaney		19,880	22,600
- Teresa Wall		12,600	12,600
- Tim Gilbert		12,600	12,600
- Billy O'Dwyer		12,600	12,600
- Martin Murphy		12,600	12,600
- Brendan Moore		12,600	12,600
- Tony McNamee		12,600	12,600
		<u>95,480</u>	<u>98,200</u>
Board Members' travel & subsistence		48,562	54,239
Board Members' meeting expenses		1,767	4,053
Auditor's remuneration		70,759	70,655
Depreciation	6	2,237,507	2,332,261
Group Interest Payable		502,258	530,315
Redundancy Costs		151,445	120,336
Chief Executive Officer's remuneration:-			
Basic salary		162,043	162,917
Superannuation costs		38,315	37,004
Other remuneration		4,123	4,123
		<u>204,481</u>	<u>204,044</u>
<u>And after crediting:</u>			
Amortisation of capital reserve	12	1,714,423	1,722,209
Interest receivable		0	0
		<u>0</u>	<u>0</u>

The CEO's other remuneration represents the value of benefit in kind amounts received by the CEO.

Bord na gCon - Company Surplus

The surplus after taxation for the year of the Bord na gCon parent entity is €1,518,028 (2012: surplus of €1,754,516). The surplus has been dealt with in the financial statements.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

3. PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS

Bord na gCon did not dispose of any assets in 2013; Assets disposed in 2012 resulted in a net profit of €2,000.

4. TAXATION

There was no corporation tax charge arising in 2013 (2102 - €0)

5. INTANGIBLE ASSETS

<u>Group</u>	2013			2012		
	<u>Negative Goodwill</u>	<u>Goodwill</u>	<u>Total</u>	<u>Negative Goodwill</u>	<u>Goodwill</u>	<u>Total</u>
	€	€	€	€	€	€
COST						
Cost at 1 January	(150,575)	43,000	(107,575)	(150,575)	43,000	(107,575)
At 31 December	<u>(150,575)</u>	<u>43,000</u>	<u>(107,575)</u>	<u>(150,575)</u>	<u>43,000</u>	<u>(107,575)</u>
AMORTISATION						
At 1 January	150,575	(17,200)	133,375	150,575	(12,900)	137,675
Released during the year	<u>0</u>	<u>(4,300)</u>	<u>(4,300)</u>	<u>0</u>	<u>(4,300)</u>	<u>(4,300)</u>
At 31 December	<u>150,575</u>	<u>(21,500)</u>	<u>129,075</u>	<u>150,575</u>	<u>(17,200)</u>	<u>133,375</u>
Net Book Value at 31 December	<u>0</u>	<u>21,500</u>	<u>21,500</u>	<u>0</u>	<u>25,800</u>	<u>25,800</u>
<u>Bord na gCon</u>				2013	2012	
				€	€	
COST						
Cost at 1 January				25,800	30,100	
Released during the year				<u>(4,300)</u>	<u>(4,300)</u>	
At 31 December				<u>21,500</u>	<u>25,800</u>	

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



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

6. TANGIBLE FIXED ASSETS

Group	Freehold Land and Buildings €	Leasehold Buildings €	Equipment €	Motor Vehicles €	Total €
Cost:					
At 1 January	45,983,642	33,062,146	21,574,439	291,988	100,912,215
Additions	325,736	-	289,001	-	614,737
Disposals	-	-	-	-	-
At 31 December	46,309,378	33,062,146	21,863,440	291,988	101,526,952
Accumulated Depreciation					
At 1 January	5,928,317	10,110,711	18,408,723	264,411	34,712,162
Charge for year	525,692	990,274	713,788	7,753	2,237,507
Disposals	-	-	-	-	-
At 31 December	6,454,009	11,100,985	19,122,511	272,164	36,949,669
Net Book Value					
At 31 December 2013	39,855,369	21,961,161	2,740,929	19,824	64,577,283
At 31 December 2012	40,055,325	22,951,435	3,165,716	27,577	66,200,053
Bord na gCon					
Cost:					
At 1 January	614,608	1,866,021	10,806,989	280,050	13,567,668
Additions	-	-	69,166	-	69,166
Disposals	-	-	-	-	-
At 31 December	614,608	1,866,021	10,876,155	280,050	13,636,834
Accumulated Depreciation					
At 1 January	180,834	1,179,104	10,291,508	252,473	11,903,919
Charge for year	12,026	33,071	237,633	7,753	290,483
Disposals	-	-	-	-	-
At 31 December	192,860	1,212,175	10,529,141	260,226	12,194,402
Net Book Value					
At 31 December 2013	421,748	653,846	347,014	19,824	1,442,432
At 31 December 2012	433,774	686,917	515,481	27,577	1,663,749

The cost of fixed assets included above which have been fully depreciated at 31 December 2013 amounts to €16,012,570 (2012: €14,763,407) for the group, and to €10,146,454 (2012: €9,476,549) for Bord na gCon.

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

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



BORD na gCON

NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

7. FINANCIAL ASSETS

	2013	2012
	€	€
Bord na gCon:		
Shares in subsidiaries at cost less amounts written off	244,452	244,452
Long term loans to subsidiaries	10,275,537	8,662,790
	<u>10,519,989</u>	<u>8,907,242</u>

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

8. STOCKS

	2013	2012
	€	€
Group:		
Totalisator and track equipment	136,889	121,872
Sundry expense stocks	2,888	4,865
	<u>139,777</u>	<u>126,737</u>
Bord na gCon:		
Totalisator and track equipment	80,426	68,748
Sundry expense stocks	2,888	4,865
	<u>83,314</u>	<u>73,613</u>

9. DEBTORS

	2013	2012
	€	€
Group:		
Trade debtors and prepayments	1,992,876	1,637,864
Other debtors	133	133
VAT recoverable	393,657	404,006
	<u>2,386,666</u>	<u>2,042,003</u>
Bord na gCon:		
Trade debtors and prepayments	616,361	364,790
Others debtors	133	133
	<u>616,494</u>	<u>364,923</u>

Trade Debtors and Prepayments includes €306,616 (2012 - €66,667), due from two stadia operated by private enterprises and licensed by the IGB. These balances are subject to agreed repayment terms.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

10. CREDITORS (Amounts falling due within one year)

	2013	2012
	€	€
<u>Group:</u>		
Creditors and accruals	5,914,784	5,387,907
Bank advances	577,214	163,828
	<u>6,491,998</u>	<u>5,551,735</u>
<u>Bord na gCon:</u>		
Creditors and accruals	3,854,259	3,488,062
Amounts due to subsidiary companies	6,712,577	6,524,225
Bank advances	486,498	110,558
	<u>11,053,334</u>	<u>10,122,845</u>

The creditors and accruals figures include the following amounts:

	2013	2012
	€	€
<u>Group:</u>		
VAT	<u>138,761</u>	<u>122,462</u>
PAYE/PRSI	<u>177,997</u>	<u>166,224</u>
<u>Bord na gCon:</u>		
VAT	<u>15,564</u>	<u>16,606</u>
PAYE/PRSI	<u>131,961</u>	<u>126,973</u>

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

	2013	2012
	€	€
<u>Group:</u>		
Bank borrowings	<u>22,401,833</u>	<u>22,849,626</u>
<u>Bord na gCon:</u>		
Bank borrowings	<u>22,401,833</u>	<u>22,849,626</u>

Bank borrowings are on an interest only basis until December 9th 2016. Bord na gCon bank facilities continue to operate within the agreed facility terms and limit of €25 million.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

12. CAPITAL RESERVE

	Group		Bord na gCon	
	2013	2012	2013	2012
	€	€	€	€
Transfer from surplus				
- In previous years	73,813,320	73,813,320	73,813,320	73,813,320
- In current year	0	0	0	0
	<u>73,813,320</u>	<u>73,813,320</u>	<u>73,813,320</u>	<u>73,813,320</u>
Amounts written back				
- In previous years	(11,113,993)	(10,213,571)	2,300,994	2,300,994
- In current year	0	(900,422)	0	0
	<u>(11,113,993)</u>	<u>(11,113,993)</u>	<u>2,300,994</u>	<u>2,300,994</u>
Grants to Board owned stadia				
- In previous years	(1,941,837)	(1,941,837)	(94,702,751)	(93,402,961)
- In current year	(0)	0	44,320	(1,299,790)
	<u>(1,941,837)</u>	<u>(1,941,837)</u>	<u>(94,658,431)</u>	<u>(94,702,751)</u>
Amortisation to Profit and Loss Account				
-In previous years	(22,509,896)	(20,840,178)	(1,619,353)	(1,618,083)
-In current year	(1,714,423)	(1,722,209)	(1,270)	(1,270)
-Attributable to minority interest	51,548	52,491	0	0
	<u>(24,172,771)</u>	<u>(22,509,896)</u>	<u>(1,620,623)</u>	<u>(1,619,353)</u>
Amortisation of amounts written back				
- In previous years	358,106	358,106	0	0
- In current year	0	0	0	0
	<u>358,106</u>	<u>358,106</u>	<u>0</u>	<u>0</u>
Balance at 31 December	<u>36,942,825</u>	<u>38,605,700</u>	<u>(20,164,740)</u>	<u>(20,207,790)</u>

13. OTHER RESERVES

	2013	2012
	€	€
Group:		
General reserve	1,269,738	1,269,738
Other reserve	163,439	163,439
Total	<u>1,433,177</u>	<u>1,433,177</u>
Bord na gCon:		
General reserve	1,269,738	1,269,738
Total	<u>1,269,738</u>	<u>1,269,738</u>

The other reserve represents amenity grants received by subsidiary companies.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

14. SUBSIDIARIES

Details of shareholding of Bord na gCon in subsidiary companies

Shelbourne Greyhound Stadium Limited	100.00%
Dublin Greyhound and Sports Association Limited	100.00%
Cork Greyhound Race Company Limited	100.00%
The Kingdom Greyhound Racing Company Limited	100.00%
Waterford Greyhound Race Company (1953) Limited	100.00%
Youghal Greyhound Race Company Limited	98.80%
Limerick Greyhound Racing Track Limited	100.00%
Mullingar Greyhound Racing Company Limited (Note 15)	51.00%
Abargrove Limited	100.00%
Clonmel Greyhound Racing Company Limited	100.00%
Galway Greyhound Stadium Limited	100.00%

Each subsidiary is involved in the Greyhound Industry. Bord na gCon stadium in Clonmel is subject to a sporting lease granted to Davis Road Greyhound Stadium Plc at a peppercorn rent. All subsidiary companies are incorporated in the Republic of Ireland.

There has been no change in share ownership during 2013.

15. MINORITY INTERESTS

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



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

16. PENSIONS

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

Defined Contribution Scheme

In respect of the PRSA Scheme the Board's contribution in 2013 amounted to €44,307 (2012: €58,149).

Defined Benefits Scheme

The Scheme is now closed to new entrants. A full actuarial valuation was carried out on 1st January 2005 and updated to 31st December 2013 by a qualified independent actuary. The major assumptions used by the actuary were:

	As at 31/12/2013	As at 31/12/2012
Rate of increase in salaries	3.0%	3.0%
Rate of increase in pensions payment	2.0%	2.0%
Rate of increase of state retirement pension	2.0%	2.0%
Discount rate	3.8%	3.9%
Inflation assumption	2.0%	2.0%
Life expectancy		
Retiring Today (member age 65)	23.5	23.3
Retiring Today (member age 40)	26.4	26.3

	Assets as at 2013 Expected		Assets as at 2012 Expected	
	31/12/13	Return	31/12/13	Return
<u>The assets in the scheme and the rate of return were:</u>	€'000	%	€'000	%
Fixed Interest	7,660	3.6%	8,044	3.3%
Cash	4,203	0.0%	4,311	0.8%
Other (insured assets)	324	3.6%	295	3.3%
Total Market value of assets	12,187		12,650	
Present value of scheme liabilities	(19,026)		(19,872)	
(Deficit)/Surplus in the scheme	(6,839)		(7,222)	
Related deferred tax liability	0		0	
Net Pension Asset/(Liability)	(6,839)		(7,222)	

	2013 €'000	2012 €'000
<u>Analysis of the amount charged to operating profit as follows:</u>		
Current service cost	371	245
Past service cost	0	0
	371	245

	2013 €'000	2012 €'000
<u>Analysis of the amount credited to other finance income is as follows:</u>		
Interest on scheme liabilities	(776)	(794)
Expected return on scheme assets	226	314
Curtailments	0	0
	(550)	(480)



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

16. PENSIONS (Continued)

<u>Analysis of the amount recognised in the statement of total recognised gains and losses is as follows:</u>	2013 €'000	2012 €'000
Actual return less expected return on scheme assets	(472)	471
Experience gains and losses	1,645	(344)
Changes in assumptions	(334)	(3,337)
	<u>839</u>	<u>(3,210)</u>
Actuarial gain/(loss) recognised in the STRGL		
	2013 €'000	2012 €'000
<u>Analysis of the movement in benefit obligation</u>		
Benefit obligation at beginning of year	19,872	16,106
Service cost	371	245
Interest cost	776	794
Plan participants' contributions	29	31
Actuarial (gain)/loss	(1,311)	3,681
Benefits paid	(667)	(968)
Premiums paid	(44)	(17)
Benefits obligation at end of year	<u>19,026</u>	<u>19,872</u>
Change in plan assets		
Fair value of plan assets at beginning of year	12,650	12,318
Expected return on plan assets	226	314
Actuarial (loss)/gain	(472)	471
Employer contributions	465	501
Plan participants' contributions	29	31
Benefits paid from plan	(667)	(968)
Premiums paid	(44)	(17)
Fair value of plan assets at end of year	<u>12,187</u>	<u>12,650</u>
(Deficit) at end of year	<u>(6,839)</u>	<u>(7,222)</u>

<u>History of Experience gains and losses</u>	2013		2012		2011		2010	
	€000	%	€000	%	€000	%	€000	%
Difference between expected & actual return on scheme assets (**)	(4/2)	(4.0%)	4/1	4.0%	102	1.0%	(811)	6.9%
Experience gains/(losses) of scheme liabilities (**)	1,645	9.0%	(344)	(2.0%)	5/5	3.6%	510	3.1%
Changes in actuarial assumptions	<u>(334)</u>		<u>(3,337)</u>		<u>(1,216)</u>		<u>383</u>	
	<u>839</u>		<u>(3,210)</u>		<u>(539)</u>		<u>82</u>	

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

(**) The percentages shown represent; the difference between expected and actual return on scheme assets as a percentage of the year end scheme assets The experience gains/ (losses) of scheme liabilities as a percentage of scheme liabilities.



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

17. EMPLOYEES REMUNERATION

The average numbers of persons employed by the group in the financial year was 176 (2012: 172) and is analysed into the following categories:-

Group:	Note	2013	2012
IGB & Subsidiaries - Full time staff		104	100
IGB & Subsidiaries - Race night casual staff		72	72
		<u>176</u>	<u>172</u>
		€	€
The staff costs are comprised of:			
Wages, salaries, redundancy and expenses		6,597,424	6,311,939
Employer's social insurance costs		505,106	484,981
Employer's Contribution to PRSA scheme		44,307	58,149
Defined Benefit Scheme Current Service Cost	16	371,000	245,000
		<u>7,517,837</u>	<u>7,100,069</u>

The average numbers of persons employed by Bord na gCon in the financial year was 112 (2012: 92) and is analysed into the following categories:-

Bord na gCon:	2013	2012
IGB & Subsidiaries - Full time staff	55	51
IGB & Subsidiaries - Race night casual staff	57	41
	<u>112</u>	<u>92</u>
	€	€
The staff costs are comprised of:		
Wages, salaries, redundancy and expenses	4,342,842	4,081,558
Employer's social insurance costs	285,049	266,558
Employer's pension and benefits costs **	302,408	351,881
	<u>4,930,299</u>	<u>4,699,997</u>

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



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

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

	2013 €	2012 €
(Deficit)/Surplus before taxation	(171,744)	308,069
Group interest paid	354,623	530,315
Operating Surplus	182,879	838,384
(Profit)/Loss on disposal of fixed assets	0	(2,000)
Grants to private stadia	0	1,117,588
Decrease in intangible assets	4,300	4,300
Depreciation	2,237,507	2,332,261
Amortisation of capital reserve	(1,714,423)	(1,722,209)
(Increase) in stocks	(13,040)	(17,102)
Decrease/(Increase) in debtors	(344,663)	1,155,344
Increase/(Decrease) in creditors and provisions	526,881	(142,468)
Net Pension	456,000	224,000
Net cash inflow from operating activities	<u>1,335,441</u>	<u>3,788,098</u>

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

	2013 €	2012 €
Increase/(Decrease) in cash	(81,715)	(1,887)
(Decrease)/Increase in debt	447,793	(11,401)
Net Movement	366,078	(13,288)
Opening net debt	<u>(22,203,707)</u>	<u>(22,190,419)</u>
Closing net debt	<u>(21,837,629)</u>	<u>(22,203,707)</u>

20. ANALYSIS OF NET DEBT

	Opening Balance €	Cash-flow €	Closing Balance €
Cash	809,747	331,671	1,141,418
Overdrafts	(163,828)	(413,386)	(577,214)
Bank loan	(22,849,626)	447,793	(22,401,833)
	<u>(22,203,707)</u>	<u>366,078</u>	<u>(21,837,629)</u>



NOTES ON THE GROUP FINANCIAL STATEMENTS 31 DECEMBER 2013 (Continued)

21. RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES

	Profit & Loss Account €'000	Capital Reserve €'000	General Reserve €'000	Pension Reserve €'000	Total €'000
Opening Balance at 1 Jan	730	38,606	1,433	(8,620)	32,149
Movement in Capital reserve (Note 12)	0	(1,663)	0	0	(1,663)
Deficit for year attributable to Group	(120)	0	0	0	(120)
Actuarial Loss	0	0	0	839	839
Closing Balance at 31 December	<u>610</u>	<u>36,943</u>	<u>1,433</u>	<u>(7,781)</u>	<u>31,205</u>

22. BOARD MEMBERS' INTEREST

In the normal course of business Bord na gCon and its subsidiaries may enter into contractual arrangements with undertakings in which Board Members are employed or otherwise interested. The Board adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the Board during the year. During the year a Board Member of Bord na gCon provided services to the Board. The value of these services came to €750.

23. COMMITMENTS & CONTINGENCIES

The board have no further capital commitments requiring disclosure.

24. GOING CONCERN

Bord na gCon have agreed credit facilities up to December 2016 with borrowing limits of €25 million with facilities on an interest only basis until 2016. The agreed facilities include the option to repay or refinance on reaching the maturity date, December 9th 2016.

At 31 December 2013, net bank borrowings stood at €21.8 million (Gross bank borrowings €22.9 million less cash at bank and on hand €1.1 million), 2012 net bank borrowing stood at €22.2m

Bord na gCon bank facilities operated within the agreed facility during 2013 and this position remains unchanged.

The Board consider the going concern basis remains appropriate based on projections and actions detailed within Bord na gCon's reply to Indecon's Independent report on the review of the Irish Greyhound Industry, which include projected increases in Board operating surplus along with future sale of assets following an agreed asset disposal strategy. Increases in operating surpluses are based on

- An annual allocation of funds from the Oireachtas under Section 12 of the Horse and Greyhound Racing Act 2001. In 2014 €10.84 million was made available. The allocation budgeted for 2015 has been set at €13.64m.
- Increased profits from racing facilities which will be supported by new income streams from off-stadium wagering and streaming of racing events to international markets.

25. APPROVAL OF ACCOUNTS

The accounts were approved by the Board Members on 18th December 2014.


BORD na gCON

DETAILED GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013		2013 €	2012 €
	Notes		
Turnover			
Tote Receipts		20,856,142	22,155,001
Bookmaker Income		263,498	306,629
Gate receipts and programme sales		3,031,081	3,015,381
Catering Income		1,290,709	1,231,959
Sponsorship - Board Stadia		707,693	676,929
Entry Fees - Board Stadia		789,864	769,750
Sponsorship - Private Stadia		171,181	227,840
Entry Fees - Private Stadia		445,448	463,710
Dog Sales Commission		5,718	6,816
Rental Income		252,131	273,346
Trial Fees		461,044	441,925
Miscellaneous		517,943	453,347
Turnover from racing facilities		28,792,452	30,022,633
Allocation from Horse & Greyhound Racing Fund		11,004,000	11,258,000
Expenses			
Tote Pay out		(16,055,935)	(17,081,606)
Prize money - Board Stadia		(5,318,040)	(4,835,060)
Prize money - Private Stadia		(2,534,111)	(2,365,088)
Staff costs	17	(7,517,837)	(7,100,069)
Net return on Pension Scheme Assets		(550,000)	(480,000)
Operating grants to private stadia		(253,533)	(265,433)
Tote equipment hire		(365,762)	(376,109)
Rent and Rates		(564,948)	(576,878)
Light & Heat		(515,288)	(477,363)
Repairs and renewals		(464,008)	(438,734)
Dog Sales costs		(1,233)	(917)
Other Track costs		(678,371)	(629,954)
Insurance		(141,667)	(94,771)
Contribution to Retired Greyhound Trust		(102,295)	(131,763)
Advertising		(1,369,309)	(1,593,588)
Travel & Promotion		(522,514)	(508,654)
Administration Costs		(1,585,514)	(1,335,266)
Inter track Expenses		(182,613)	(244,922)
I.T. Database Costs		(219,876)	(180,434)
Operating and administration costs		(38,942,854)	(38,716,609)
Earnings before interest, taxes, depreciation & amortisation		853,598	2,564,024
Depreciation		(2,237,507)	(2,332,261)
Impairment of non-trading fixed assets		0	(974,810)
Grant Amortised		1,714,423	1,722,209
Impairment of capital grants on non-trading assets		0	974,810
Grants to private stadia		0	(1,117,588)
Gain/(Loss) on disposal of tangible fixed assets	3	0	2,000
Group interest payable		(502,258)	(530,315)
Surplus before taxation and allocation of Minority Interest		(171,744)	308,069