

Notes to the Financial Statements

1. Consolidation

Bord na Móna plc is a majority State-owned company. 95% of its shares are held by the Minister for Communications, Energy and Natural Resources and by or on behalf of the Minister for Finance. The other 5% are held by the employees of the Group through an Employee Share Ownership Plan (ESOP).

The Group financial statements consolidate the financial statements of Bord na Móna plc and its subsidiaries.

2. (Loss)/profit before taxation

	Continuing operations	
	2011/2012 €'000	2010/2011 €'000
Turnover ¹		
Feedstock	121,339	126,271
Powergen	71,340	60,533
Retail	183,344	194,098
Resource Recovery	65,496	56,450
Environmental and other	13,026	13,559
	454,545	450,911
Less inter Group sales	(70,719)	(68,842)
Net third party turnover	383,826	382,069
Cost of sales	(276,974)	(268,506)
Gross profit	106,852	113,563
Distribution costs	(31,724)	(30,658)
Administration expenses ²	(78,014)	(58,447)
Group operating (loss)/profit	(2,886)	24,458

¹ The Group is organised into five divisions, Feedstock, Powergen, Retail, (formerly Fuels and Horticulture), Resource Recovery and Environmental. Analyses by business are based on the Group's management structure. No analysis of Group operating profit or assets by business segment is provided in accordance with SSAP 25, 'Segmental Reporting', as the directors are of the opinion that such disclosure would be seriously prejudicial to the Group's interests.

² Administration expenses includes:

- following the appraisal of certain of the Group's businesses, the Group have conducted impairment reviews of the Group's assets, in accordance with the Group's accounting policies. This process has resulted in an impairment charge of €16,857,000 against intangible assets (Note 7) (March 2011: €6,837,000) and an impairment charge of €6,876,000 against tangible assets (Note 8) (March 2011: Nil) in the Group's Resource Recovery and Environmental businesses.
- the charge for reorganisation and redundancy costs of €147,000 (March 2011: €745,000). The group operates a voluntary redundancy and early retirement scheme.

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2. (Loss)/profit before taxation (continued)

	2011/2012 €'000	2010/2011 €'000
(Loss)/profit before taxation is arrived at after charging/(crediting)		
Auditors remuneration¹		
Statutory audit of Group accounts	340	340
Other assurance services	230	287
Tax advisory services	392	209
Other non-audit services	171	20
Operating lease rentals		
Plant and machinery	1,432	1,715
Land and buildings	1,420	1,119
Staff costs:		
Wages and salaries	95,607	101,654
Social welfare costs	10,140	10,490
Pension costs	3,356	3,753
	109,103	115,897
Staff costs capitalised	(704)	(857)
Net staff costs	108,399	115,040
Depreciation (Note 8)	38,399	39,106
Impairment of tangible assets (Note 8)	6,876	0
Profit on disposal of peatlands	(138)	(240)
Profit on disposal of other fixed assets	(34)	(279)
Amortisation of intangible assets (Note 7)	3,291	3,723
Impairment of intangible assets (Note 7)	16,857	6,837
Research and business development expenditure	5,664	5,323
Capital grants amortised (Note 16)	(1,391)	(1,375)
Number of employees		
Average numbers employed		
Manufacturing and production	1,596	1,583
Administration	545	539
	2,141	2,122
Peak employment	2,468	2,332

¹ During the year, the Company obtained audit services from the Group's auditors to the value of €10,000 (2011: €10,000).

3. Dividends

	2011/2012 €'000	2010/2011 €'000
To the Minister for Communications, Energy and Natural Resources	4,115	3,296
To Bord na Móna ESOP Trustee Limited	217	173
	4,332	3,469

The Company paid a dividend of €0.07 per share during the year (2011: €0.05). The total dividend payment for the year was €4,332,000 (2011: €3,469,000) which represented 33% of the profits for the financial year ending 30 March 2011.

4. Directors' emoluments

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension €'000	Taxable Benefits €'000	Total €'000
Executive Directors						
Gabriel D'Arcy						
Year ended 28 March 2012	13	231	0	58	20	322
Year ended 30 March 2011	13	231	0	58	20	322

	Fees €'000	Other emoluments €'000	Company contributions to pension €'000	Total €'000
Directors - Worker Participation				
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 28 March 2012				
	50	441	35	526
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 30 March 2011				
	50	275	21	346

Mr P. McEvoy and Mr C. Ó Gógáin were appointed to the Board on 1 January 2011. Therefore, their emoluments for the year ended 30 March 2011 are only included from the appointment date.

Non executive Directors

Other non executive directors (7) 28 March 2012	79	0	0	79
Other non executive directors (7) 29 March 2011	97	0	0	97

The non executive Chairman receives a fee of €21,600 and each of the Directors receive an annual fee of €12,600. These amounts are adjusted on a pro rata basis where a term of office commences or concludes during the year.

5. Other finance (charges)/income

	2011/2012 €'000	2010/2011 €'000
(a) Interest receivable and similar income		
Interest receivable	5,705	6,232
(b) Interest payable and similar charges		
Interest payable on borrowings wholly repayable within five years		
Bank overdraft and loan	(148)	(128)
Unsecured loan notes	(7,543)	(3,602)
Interest payable on borrowings wholly repayable after more than five years		
Unsecured loan notes	(8,351)	(12,273)
Amortisation of issue costs	(176)	(176)
Net interest payable	(16,218)	(16,179)
Less capitalised interest ¹	132	1,349
	(16,086)	(14,830)
(c) Other finance income and charges		
Other finance income - pension schemes (Note 25)	1,598	1,576
Financing charges on provision for environmental reinstatement costs (Note 17)	(1,013)	(709)
	585	867
Net other finance charges	(9,796)	(7,731)

¹ The Group capitalise interest on fixed asset projects that take a substantial period of time to complete. The interest is included as part of the initial measurement of the cost of the fixed asset (Note 8).

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6. Taxation

	2011/2012 €'000	2010/2011 €'000
Taxation based on the (loss)/profit for the year:		
Irish corporation tax		
Current tax for the year	2,733	4,431
Adjustments in respect of prior years	113	(167)
	2,846	4,264
Foreign taxation		
Current tax for the year	9	33
Adjustments in respect of prior years	0	0
	9	33
Total current tax (see note below)	2,855	4,297
Deferred tax - origination and reversal of timing differences (Note 17)	664	(490)
Tax on profits on ordinary activities	3,519	3,807
Factors affecting corporation tax charge for the year		
(Loss)/profit before taxation	(12,742)	16,727
Standard rate of corporation tax for the year	12.5%	12.5%
(Loss)/profit before taxation multiplied by standard rate	(1,593)	2,091
Effects of:		
Expenses not deductible for tax purposes	722	168
Depreciation and amortisation in excess of capital allowances	791	1,294
Impairment of tangible assets	860	0
Amortisation of intangible assets	411	466
Impairment of intangible assets	2,107	855
Utilisation of tax losses	(60)	(38)
Manufacturing relief	0	(119)
Taxation rate differences	29	29
Pension contribution relief in excess of pension cost charge	(525)	(282)
Adjustments in respect of prior years	113	(167)
	2,855	4,297