

Notes to the Financial Statements

continued

12. Debtors

| | THE GROUP | | THE COMPANY | |
|--|---------------|---------------|----------------|----------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Trade debtors | 55,259 | 56,030 | 0 | 0 |
| Amounts due from subsidiary companies | 0 | 0 | 249,909 | 215,561 |
| Amount owed by joint venture undertaking | 246 | 0 | 0 | 0 |
| Value-added tax | 0 | 0 | 122 | 176 |
| Corporation tax | 385 | 1,685 | 96 | 106 |
| Deferred tax (Note 17(e)) | 1,290 | 2,050 | 335 | 281 |
| Prepayments and accrued revenue | 12,273 | 14,196 | 2,908 | 2,981 |
| Other debtors | 2,709 | 2,100 | 377 | 372 |
| | 72,162 | 76,061 | 253,747 | 219,477 |
| Amounts fall due as follows: | | | | |
| - within one year | 71,709 | 75,392 | 59,939 | 70,373 |
| - after more than one year | 453 | 669 | 193,808 | 149,104 |
| | 72,162 | 76,061 | 253,747 | 219,477 |

13. Creditors - amounts falling due within one year

| | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|----------------|----------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Bank loans and overdraft (Note 15) | 0 | 621 | 102,408 | 111,920 |
| Capital grants (Note 16) | 1,392 | 1,438 | 0 | 0 |
| Trade creditors and accruals | 50,628 | 50,202 | 1,009 | 354 |
| Deferred revenue | 8,059 | 8,038 | 0 | 0 |
| Other accruals | 13,936 | 16,640 | 8,425 | 8,627 |
| Other creditors | 6,936 | 7,759 | 0 | 0 |
| Amounts due to subsidiaries companies | 0 | 0 | 7,834 | 16,687 |
| Amount owed to joint venture undertaking | 1,525 | 0 | 0 | 0 |
| Creditors in respect of taxation and social welfare (see below) | 4,564 | 7,400 | 2,421 | 2,581 |
| | 87,040 | 92,098 | 122,097 | 140,169 |

Creditors in respect of taxation and social welfare comprise:

| | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|
| Income tax deducted under PAYE | 1,382 | 1,456 | 1,361 | 1,436 |
| Pay-related social insurance | 991 | 994 | 967 | 972 |
| Corporation tax | 787 | 3,525 | 0 | 0 |
| Value-added tax | 1,277 | 1,212 | 0 | 0 |
| Other taxes | 127 | 213 | 93 | 173 |
| | 4,564 | 7,400 | 2,421 | 2,581 |

14. Creditors - amounts falling due after more than one year

| | THE GROUP | | THE COMPANY | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Unsecured loan notes (Note 15) | 263,040 | 262,865 | 263,040 | 262,865 |
| Capital grants (Note 16) | 12,101 | 13,446 | 0 | 0 |
| | 275,141 | 276,311 | 263,040 | 262,865 |

15. Bank loans, overdrafts and unsecured notes

| | Within One Year €'000 | Between One and Two Years €'000 | Between Two and Five Years €'000 | After more than Five Years €'000 | Total €'000 |
|----------------------|-----------------------------|---------------------------------------|--|--|----------------|
| THE GROUP | | | | | |
| Unsecured loan notes | 0 | 19,542 | 105,216 | 138,282 | 263,040 |
| At 28 March 2012 | 0 | 19,542 | 105,216 | 138,282 | 263,040 |
| At 30 March 2011 | 621 | 0 | 60,092 | 202,773 | 263,486 |

THE COMPANY

| | | | | | |
|----------------------|---------|--------|---------|---------|---------|
| Overdrafts | 102,408 | 0 | 0 | 0 | 102,408 |
| Unsecured loan notes | 0 | 19,542 | 105,216 | 138,282 | 263,040 |
| At 28 March 2012 | 102,408 | 19,542 | 105,216 | 138,282 | 365,448 |
| At 30 March 2011 | 111,920 | 0 | 60,092 | 202,773 | 374,785 |

On 28 March 2012 the Group had US\$355,000,000 fixed rate debt (€263,891,375 equivalent) arising from two US private placement transactions, which were completed on 22 June 2006 (US\$150,000,000 : €117,462,803) and 6 August 2009 (US\$205,000,000 : €146,428,572). In order to hedge the exchange rate exposures and convert the floating interest rates to fixed, the Group entered into a number of swap arrangements to match the maturity profile of the unsecured loan notes. The maturity profile of the unsecured loan notes is 7% repayable in June 2013, 16% repayable in 2014, 25% repayable in 2016, 12% repayable in 2017, 19% repayable 2018 and 21% repayable in 2019.

Fair value of the financial instruments:

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties other than in a forced liquidation or sale. The carrying amounts (book value) and fair value amounts of the Group's liabilities were:

| | 2012 Book Value €'000 | 2012 Fair Value €'000 | 2011 Book Value €'000 | 2011 Fair Value €'000 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| THE GROUP | | | | |
| Fixed rate debt US Private Placement 22 June 2006 | 117,463 | 116,414 | 117,463 | 98,885 |
| Fixed rate debt US Private Placement 6 August 2009 | 146,428 | 137,553 | 146,428 | 145,222 |
| Total Fixed rate debt US Private Placement | 263,891 | 253,967 | 263,891 | 244,107 |

16. Deferred income - capital grants

| | THE GROUP | |
|--------------------------------------|----------------|---------------|
| | 2012 €'000 | 2011 €'000 |
| At beginning of the financial year | 14,884 | 15,728 |
| Additions | 0 | 531 |
| Amortised during the year (Note 2) | (1,391) | (1,375) |
| At end of the financial year | 13,493 | 14,884 |
| Amounts due as follows: | | |
| - within one year (Note 13) | 1,392 | 1,438 |
| - after more than one year (Note 14) | 12,101 | 13,446 |
| | 13,493 | 14,884 |

Notes to the Financial Statements

continued

17. Provisions for liabilities and charges

THE GROUP

| | Environmental Reinstatement | Reorganisation & Redundancy | Insurance | Other | Deferred Tax excluding deferred tax on pension deficit | Total |
|---------------------------------------|--------------------------------|--------------------------------|-----------|---------|---|---------|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| At 30 March 2011 | 28,759 | 750 | 8,560 | 77 | 8,406 | 46,552 |
| Reclassification ¹ | 818 | 19 | 0 | 1,711 | 0 | 2,548 |
| Charge to the profit and loss account | 725 | 369 | 1,750 | 1,400 | (587) | 3,657 |
| Credit to the profit and loss account | (1,178) | (222) | (1,405) | (74) | 0 | (2,879) |
| Financing charge (Note 5) | 1,013 | 0 | 0 | 0 | 0 | 1,013 |
| Capitalised during the year | 3,712 | 0 | 0 | 0 | 0 | 3,712 |
| Utilised during the year | (1,077) | (509) | (1,881) | (1,444) | 0 | (4,911) |
| At 28 March 2012 | 32,772 | 407 | 7,024 | 1,670 | 7,819 | 49,692 |

THE COMPANY

| | Environmental Reinstatement | Reorganisation & Redundancy | Insurance | Other | Deferred Tax excluding deferred tax on pension deficit | Total |
|---------------------------------------|--------------------------------|--------------------------------|-----------|-------|---|---------|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| At 30 March 2011 | 3,130 | 0 | 8,260 | 0 | 0 | 11,390 |
| Reclassification | (90) | 0 | 0 | 58 | 0 | (32) |
| Charge to the profit and loss account | 0 | 19 | 1,750 | 125 | 0 | 1,894 |
| Credit to the profit and loss account | (112) | 0 | (1,405) | (8) | 0 | (1,525) |
| Utilised during the year | (133) | 0 | (1,704) | (50) | 0 | (1,887) |
| At 28 March 2012 | 2,795 | 19 | 6,901 | 125 | 0 | 9,840 |

¹ Reclassification of amounts previously included in other accruals (Note 13).

(a) Environmental Reinstatement

Environmental reinstatement costs include:

- (i) Costs that will be incurred at the end of the economic lives of the peatlands. Under FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for these costs when the circumstances occur giving rise to the obligation under the company's I.P.P.C. licence to decommission and reinstate the peatlands post peat production. The provision of €14,975,000 represents the present value of the expected future costs of decommissioning and reinstatement. These future costs will be charged to the provision as incurred. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.
- (ii) Environmental provisions of €6,770,000 recognised in accordance with FRS 12 and FRS 7 'Fair Value in Acquisition Accounting', in respect of the Group's assessment of environmental liabilities arising on acquisition of the AES business in May 2007. These provisions represent liabilities in relation to a number of AES sites which were in existence prior to the Group's acquisition of the business. The provisions are based on the Group's estimate of future remediation costs, based on advice received from third party environmental experts. Two of the sites have been reinstated in full.
- (iii) The cost of final capping and covering of landfill sites post closure of the landfill facility. In accordance with FRS 12, the Group's minimum unavoidable costs measured at present value amounts to €7,116,000 at 28 March 2012. The Group continue to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years.
- (iv) Certain other environmental restoration costs are recognised in accordance with the provisions of FRS 12, being the Group's estimate of waste removal and waste management costs associated with certain of their lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts.

17. Provisions for liabilities and charges (continued)

(v) A provision is made for power station closure costs based on the present value of the current estimate of the costs of closure of generating stations at the end of their useful economic lives. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(b) Reorganisation and Redundancy

A provision for reorganisation and redundancy costs is recognised when a constructive obligation exists. The provision represents the Directors' best estimate of the cost of these measures and it is expected to be used within the next year. Included in debtors at March 2012 is a sum of €254,000 (2011: €217,000) which is recoverable from the Department of Enterprise, Trade and Innovation.

(c) Insurance

The insurance provision relates to employers, public and product liability claims covered under the Group's self-insurance policy. This provision is determined on completion of a case by case assessment.

(d) Other

Other provisions covers various anticipated warranty, refundable deposits and other costs, including costs yet to be incurred relating to contracting work carried out.

(e) Deferred Tax

The deferred tax provision is comprised of :

| | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Accelerated capital allowances | 7,030 | 7,474 | (175) | (153) |
| Provisions | (348) | (299) | (160) | (128) |
| Unutilised tax losses | (153) | (819) | 0 | 0 |
| Undiscounted provision for deferred tax | 6,529 | 6,356 | (335) | (281) |
| Pension asset - deferred tax liability (Note 25) | 139 | 693 | | |
| Pension liability - deferred tax asset (Note 25) | (5,403) | (2,618) | | |
| Deferred tax including that relating to pension deficit | 1,265 | 4,431 | | |
| Deferred tax at the beginning of the financial year | 4,431 | 5,044 | (281) | (33) |
| Deferred tax charge/(credit) in the profit and loss account excluding charge related to pensions | 139 | (970) | (54) | (248) |
| Deferred tax charge in the profit and loss account related to pensions | 525 | 480 | 0 | 0 |
| Net deferred tax charge/(credit) in the profit and loss account (Note 6) | 664 | (490) | (54) | (248) |
| Deferred tax (credit)/charge on pension liability in statement of total recognised gains and losses | (3,864) | (123) | 0 | 0 |
| Loss relief surrendered to minority shareholder | 34 | 0 | 0 | 0 |
| Provision at the end of the financial year | 1,265 | 4,431 | (335) | (281) |
| Deferred tax provision | 7,819 | 8,406 | 0 | 0 |
| Deferred tax asset (Note 12) | (1,290) | (2,050) | (335) | (281) |
| Deferred tax liability related to pension fund asset (Note 25) | 139 | 693 | 0 | 0 |
| Deferred tax asset related to pension fund liability (Note 25) | (5,403) | (2,618) | 0 | 0 |
| | 1,265 | 4,431 | (335) | (281) |

At 28 March 2012 the Group had other potential deferred tax assets amounting to €1,810,000 (March 2011: €797,000). These assets have not been recognised due to uncertainty over recoverability.