

## Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law, and the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRS as adopted by the EU and the Company financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act, 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act, 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

**John Horgan**  
Director

**Mike Quinn**  
Director

30 June 2016

## Independent Auditor's Report

We have audited the Group and Company financial statements ("financial statements") of Bord na Móna plc for the year ended 30 March 2016 which comprise the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows, and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and, in respect of the Company financial statements, Irish law and FRS 101 Reduced Disclosure Framework.

### Opinions and conclusions arising from our audit

#### 1. Our opinion on the financial statements is unmodified

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 30 March 2016 and of its profit for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 30 March 2016;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act, 2014.

#### 2. Our conclusions on other matters on which we are required to report by the Companies Act, 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

#### 3. We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act, 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code, as included in the directors' report on page 50, does not reflect the Group's compliance with paragraph 13.1 (iii) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

## Independent Auditor's Report (continued)

### **Basis of our report, responsibilities and restrictions on use**

As explained more fully in the Statement of Directors' Responsibilities set out on page 54, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act, 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 the Group's and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Laura Gallagher**  
*for and on behalf of*  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**

1 Stokes Place  
St. Stephen's Green  
Dublin 2

30 June 2016

# Consolidated Financial Statements

For the year ended 30 March 2016

## Consolidated Income Statement

for the year ended 30 March 2016

	Note	30 March 2016 €'000	25 March 2015 €'000
<b>Continuing Operations</b>			
Revenue	3	432,820	406,721
Cost of sales		(295,851)	(272,430)
Gross profit		136,969	134,291
Other income	7	8,044	15,005
Distribution expenses		(32,387)	(30,541)
Administrative expenses (excluding exceptional items)		(54,027)	(49,188)
<b>Exceptional items</b>			
Impairment of tangible assets	7 & 10	(23,643)	-
Impairment of intangible assets	7 & 12	(847)	-
Restructuring costs	7 & 18	(7,259)	-
Pension past service curtailment gain	7 & 26	10,700	-
Administration expenses (including exceptional items)		(75,076)	(49,188)
<b>Operating profit</b>		<b>37,550</b>	<b>69,567</b>
Finance income	8	4,761	3,085
Finance costs	8	(19,652)	(15,837)
Net finance costs		(14,891)	(12,752)
Share of loss of joint ventures	14	(442)	(382)
<b>Profit before tax</b>		<b>22,217</b>	<b>56,433</b>
Income tax expense	9	(5,828)	(13,882)
Profit from continuing operations		16,389	42,551
<b>Discontinued operations</b>			
Gain/(loss) from discontinued operations, net of tax	22	893	(7,505)
<b>Profit for the year</b>		<b>17,282</b>	<b>35,046</b>
<b>Profit attributable to:</b>			
Owners of the Company		17,228	35,016
Non-controlling interests		54	30
		<b>17,282</b>	<b>35,046</b>

The accompanying notes are an integral part of these financial statements

## Consolidated Statement of total Comprehensive Income

for the year ended 30 March 2016

	Note	30 March 2016 €'000	25 March 2015 €'000
Profit for the year		17,282	35,046
<b>Items that will never be reclassified to profit or loss</b>			
Remeasurements of defined benefit pension liability	26	11,438	(25,465)
Related tax on remeasurements of defined benefit pension liability	9	(1,372)	3,126
		10,066	(22,339)
<b>Items that are or may be reclassified to profit or loss</b>			
Foreign operations - foreign currency translation		128	596
Cash flow hedges - effective portion of changes in fair value		(6,442)	58,599
Related tax on changes in fair value of hedges		805	(7,325)
Cash flow hedges - reclassified to profit or loss (cash payments)		(4,690)	(2,824)
Related tax on cash flow hedges reclassified to profit or loss (cash payments)		586	353
Cash flow hedges - reclassified to profit or loss (foreign exchange)		7,806	(51,340)
Related tax on cash flow hedges reclassified to profit or loss (foreign exchange)		(976)	6,417
Share of joint venture other comprehensive income		(2,056)	-
		(4,839)	4,476
Other comprehensive income net of tax		5,227	(17,863)
<b>Total comprehensive income for the year</b>		<b>22,509</b>	<b>17,183</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		22,455	17,153
Non-controlling interests		54	30
		<b>22,509</b>	<b>17,183</b>

The accompanying notes are an integral part of these financial statements.

## Consolidated Balance Sheet

as at 30 March 2016

	Note	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>Assets</b>				
<b>Non current assets</b>				
Property, plant and equipment	10	300,868	341,765	312,707
Intangible assets	12	41,694	35,486	23,577
Investment properties	11	34,000	25,400	9,000
Derivative financial instruments	29	37,749	48,882	-
Joint ventures	14	25,069	3,559	2,166
Retirement benefit asset	26	4,540	-	3,390
Deferred tax assets	9	-	-	236
<b>Total non-current assets</b>		<b>443,920</b>	<b>455,092</b>	<b>351,076</b>
<b>Current assets</b>				
Inventories	13	104,347	101,481	91,678
Trade and other receivables	15	77,149	83,042	76,327
Assets held for sale	27	1,968	-	-
Cash and cash equivalents	23	98,174	96,369	173,250
<b>Total current assets</b>		<b>281,638</b>	<b>280,892</b>	<b>341,255</b>
<b>Total assets</b>		<b>725,558</b>	<b>735,984</b>	<b>692,331</b>
<b>Equity</b>				
<b>Equity attributable to owners of the company</b>				
Share capital	20	82,804	82,804	82,804
Share premium	20	1,959	1,959	1,959
Cash flow hedge reserve		233	3,144	(736)
Other reserves		(2,056)	-	-
Foreign currency translation reserve		724	596	-
Retained earnings		137,728	120,575	119,210
Total equity attributable to owners of the company		221,392	209,078	203,237
Non-controlling interests		(608)	(662)	(456)
<b>Total equity</b>		<b>220,784</b>	<b>208,416</b>	<b>202,781</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Retirement benefit obligations	26	38,758	67,367	46,397
Loans and borrowings	19	166,019	248,536	197,146
Capital grant	17	12,103	10,293	10,916
Provisions	18	48,734	47,773	42,372
Deferred tax liabilities	9	11,081	5,127	-
Derivative financial instruments	28	-	-	6,892
<b>Total non-current liabilities</b>		<b>276,695</b>	<b>379,096</b>	<b>303,723</b>
<b>Current liabilities</b>				
Loans and borrowings	19	75,862	990	41,593
Bank overdraft	19	29,006	24,739	667
Provisions	18	18,721	11,968	10,385
Trade and other payables	16	104,490	110,775	133,182
<b>Total current liabilities</b>		<b>228,079</b>	<b>148,472</b>	<b>185,827</b>
<b>Total liabilities</b>		<b>504,774</b>	<b>527,568</b>	<b>489,550</b>
<b>Total equity and liabilities</b>		<b>725,558</b>	<b>735,984</b>	<b>692,331</b>

The accompanying notes are an integral part of these financial statements.

On behalf of the board **John Horgan**  
Chairman

**Mike Quinn**  
Managing Director

30 June 2016

## Consolidated Statement of Changes in Equity

for the year ended 30 March 2016

	Attributable to equity holders of the company							Non-controlling interests	Total
	Share capital	Share premium	Cashflow hedge reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000		
At 27 March 2014	82,804	1,959	(736)	-	-	119,210	203,237	(456)	202,781
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	35,016	35,016	30	35,046
<b>Other comprehensive income</b>									
Remeasurements of defined benefit liability	-	-	-	-	-	(22,339)	(22,339)	-	(22,339)
Foreign operations - foreign currency translation difference	-	-	-	-	596	-	596	-	596
Cash flow hedge - effective portion of changes in fair value	-	-	51,274	-	-	-	51,274	-	51,274
Cash flow hedge - reclassified to profit or loss(cash payments)	-	-	(2,471)	-	-	-	(2,471)	-	(2,471)
Cash flow hedge - reclassified to profit or loss (foreign exchange)	-	-	(44,923)	-	-	-	(44,923)	-	(44,923)
<b>Transactions with owners of the company</b>									
Acquisition of non-controlling interest*	-	-	-	-	-	(141)	(141)	(98)	(239)
Dividends	-	-	-	-	-	(11,171)	(11,171)	(138)	(11,309)
<b>At 25 March 2015</b>	<b>82,804</b>	<b>1,959</b>	<b>3,144</b>	<b>-</b>	<b>596</b>	<b>120,575</b>	<b>209,078</b>	<b>(662)</b>	<b>208,416</b>
<b>Total Comprehensive Income</b>									
Profit for the Year	-	-	-	-	-	17,228	17,228	54	17,282
<b>Other comprehensive income</b>									
Remeasurements of defined benefit liability	-	-	-	-	-	10,066	10,066	-	10,066
Foreign operations - foreign currency translation difference	-	-	-	-	128	-	128	-	128
Cash flow hedge - effective portion of changes in fair value	-	-	(5,637)	-	-	-	(5,637)	-	(5,637)
Cash flow hedge - reclassified to profit or loss(cash payments)	-	-	(4,104)	-	-	-	(4,104)	-	(4,104)
Cash flow hedge - reclassified to profit or loss (foreign exchange)	-	-	6,830	-	-	-	6,830	-	6,830
Share of joint venture other comprehensive income	-	-	-	(2,056)	-	-	(2,056)	-	(2,056)
<b>Transactions with owners of the company</b>									
Dividends	-	-	-	-	-	(10,141)	(10,141)	-	(10,141)
<b>At 30 March 2016</b>	<b>82,804</b>	<b>1,959</b>	<b>233</b>	<b>(2,056)</b>	<b>724</b>	<b>137,728</b>	<b>221,392</b>	<b>(608)</b>	<b>220,784</b>

\*In the prior year the group acquired the minority interest in Renewable Energy Ireland Limited.

The accompanying notes are an integral part of these financial statements.



## Consolidated Statement of Cash Flows

for the year ended 30 March 2016

	Note	30 March 2016 €'000	25 March 2015 €'000
<b>Cash flows from operating activities</b>			
Profit for the financial year		17,282	35,046
<b>Adjustment for:</b>			
Depreciation of property, plant and equipment	10	46,246	44,183
Amortisation of intangible assets	12	4,346	3,414
Fair value movement on investment properties	11	(7,489)	(14,505)
Profit on sale of property, plant equipment	10	(357)	(175)
Capital grants amortisation	17	(1,747)	(1,608)
Impairment of tangible and intangible assets	10 & 12	24,490	245
Gain on pension restructuring	26	(10,700)	-
Emission allowances surrendered		4,115	2,902
Loss on termination of discontinued operations	22	-	4,637
Share of loss of joint ventures	14	442	382
Net finance costs	8	14,891	12,752
Tax expense	9	5,828	13,882
Operating cash flows before changes in working capital and provisions		97,347	101,155
<b>Changes in:</b>			
Trade and other payables		(8,270)	6,809
Trade and other receivables		9,647	(7,321)
Inventories		(2,866)	(9,803)
Provisions		6,625	439
Increase in cash contributions over pension charge		(11,816)	(2,067)
Interest paid		(17,257)	(16,717)
Tax paid		(4,583)	(10,765)
<b>Cash generated from operating activities</b>		<b>68,827</b>	<b>61,730</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment	10	1,661	319
Intangible asset purchase	12	(16,441)	(11,485)
Capital grant received	17	4,389	1,124
Purchase of property, plant and equipment	10	(29,604)	(99,903)
Capital expenditure on investment property	11	(1,906)	(1,895)
Investment in joint ventures	14	(24,008)	(1,775)
Interest received		71	370
<b>Net cash used in investing activities</b>		<b>(65,838)</b>	<b>(113,245)</b>
<b>Cash flows from financing activities</b>			
Repayment of unsecured loan notes		-	(40,714)
Cash receipts on derivatives	8	4,690	2,824
Dividends paid		(10,141)	(11,171)
Acquisition of non-controlling interest		-	(239)
Dividends paid to non-controlling interest		-	(138)
<b>Net cash used in financing activities</b>		<b>(5,451)</b>	<b>(49,438)</b>
Net decrease in cash and cash equivalents		(2,462)	(100,953)
Cash and cash equivalents at the beginning of year	23	71,630	172,583
<b>Cash and cash equivalents at the end of year</b>	<b>23</b>	<b>69,168</b>	<b>71,630</b>

The accompanying notes are an integral part of these financial statements.

# Notes forming part of the Consolidated Financial Statements

## 1. Reporting entity

Bord na Móna plc (the “Company”) is a company domiciled in Ireland. These consolidated financial statements as at and for the year ended 30 March 2016, comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in joint ventures. The company’s registered office is Main Street, Newbridge, Co. Kildare.

One ordinary share is held by the Minister for Communications, Energy and Natural Resources. 5% of the ordinary shares are held by the employees of the Group through an Employee Share Ownership Plan (ESOP). The remainder of the issued share capital is held by the Minister for Finance (whose shares stand transferred to the Minister for Public Expenditure and Reform under the Ministers and Secretaries Act 2011).

## 2. Significant accounting policies (including use of estimates and judgements)

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been consistently applied by all Group entities.

### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These are the Group’s first consolidated financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework (“FRS 101”). A separate Company income statement is not presented in these financial statements as the Company has availed of the exemption provided by section 304 of the Companies Act 2014.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 30. There were no new standards adopted during the year.

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

- investment property is measured at fair value;
- the defined benefit plan liability is recognised as the net of the fair value of plan assets and the present value of the defined benefit obligation; and
- derivatives are measured at fair value.

### Functional currency

The financial statements are presented in Euro, which is the functional currency of the Company. All financial information presented in Euro has been rounded to the nearest thousand, except when otherwise indicated.

### Use of estimates and judgements

The preparation of the consolidated financial statements and Company financial statements in conformity with IFRS and FRS 101 respectively requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The judgements in applying accounting policies that have the most significant effect on amounts recognised in the consolidated and Company financial statements are:

- Valuation of pension scheme assets and liabilities – refer to note 26
- Carrying amount of property, plant and equipment – refer to note 10
- Measurement of provisions – refer to note 18
- Peat supply agreement – The Group has agreements in place to supply peat to the ESB until 2019. The price charged is based primarily on the price of other carbon-based fuels. The Group has considered the terms of the contracts and is satisfied that the contracts qualify for the ‘own-use’ exemption under IFRS from financial instrument accounting and that there are no embedded derivatives in the contracts requiring separation.
- Peat – The Group has determined that peat does not meet the definition of a biological asset under IFRS. The rationale is that there is no manual intervention involved in the creation of peat. In addition, peat in its current form is not considered a living animal or plant.

## Notes forming part of the Consolidated Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in note 29 on Financial Instruments and Risk Management.

#### Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 53-week period 26 March 2015 to 30 March 2016 (prior year: 52-week period 27 March 2014 to 25 March 2015).

#### Going concern

The financial statements have been prepared on the going concern basis.

#### Amendments to IFRSs that are not yet effective

A number of new IFRS requirements are effective for periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. These include the following:

- Amendments to IAS 16 and IAS 38: *Clarification of acceptable methods of depreciation and amortisation* (effective 1 January 2016).
- IFRS 15: *Revenue from contracts with customers* (effective 1 January 2018)\*
- IFRS 9: *Financial Instruments* (expected to be effective 1 January 2018 at the earliest)\*
- Annual Improvements to IFRS's 2010-2012, 2011-2013 and 2012-2014\*

The group is currently in the process of its assessment of the impact of these new IFRS requirements. In addition, there are a number of forthcoming IFRS requirements that are not expected to have a material impact on the Group.

#### Basis of consolidation

##### Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Gains and losses on such settlements are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not subsequently remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

##### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

\* Not yet endorsed by the EU.

## 2. Significant accounting policies (continued)

### *Joint ventures*

A joint venture is an arrangement over which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its individual assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which joint control ceases.

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity and recognises any consideration received at fair value. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is recognised in profit or loss.

### *Non-controlling interests*

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Subsequently they are allocated their share of total comprehensive income.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiaries are carried at cost less impairment in the financial statements of the company.

## **Foreign Currency**

### *i. Foreign Currency Transactions*

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not retranslated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### *ii. Foreign Operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign Currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

## **Exceptional items**

Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance. Judgement is used by the Group in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the Group Income Statement and related notes as exceptional items.

## Notes forming part of the Consolidated Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the lower of the fair value of the underlying asset and the present value of the minimum lease payments; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

#### Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's balance sheet.

#### Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement and statement of other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

#### Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the net gain or loss on hedging instruments that are recognised in profit or loss; and
- the reclassification of amounts related to cash-flow hedges previously recognised in OCI.

Interest income or expenses is recognised using the effective interest method.

The Groups' finance cost excludes interest capitalised on assets in the course of construction. In addition the unwind of discounts on provisions and the net interest cost on defined benefit pensions are charged to finance costs.

#### Taxation

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

## 2. Significant accounting policies (continued)

### *Current tax*

Current tax represents the amount expected to be payable or receivable in respect of taxable profit or loss for the year and any adjustment to the tax payable and receivable in respect of previous years. It is calculated using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset only if certain criteria are met.

### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### **Revenue**

#### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

#### *Rendering of services*

The Group is involved in the provision of peatland services to the National Park and Wildlife Services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

#### *Deferred revenue and accrued revenue*

On receipt of payment from customers in advance of the performance of the Group's contractual obligations to its customers the Group recognises deferred revenue on the balance sheet, representing the Group's unperformed obligations under the contract terms. When the Group performs its obligations and thereby obtains the right to consideration, the related revenue is recognised in the income statement. The costs associated with the delivery of the services are charged to cost of sales as incurred.

Revenue earned on goods/service delivery but unbilled is recognised in accordance with contractual terms as accrued revenue on the balance sheet.

## Notes forming part of the Consolidated Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### Investment property rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income is recognised as other income.

#### Property, plant and equipment

##### Recognition and measurement

Freehold land other than peatland is measured at cost less any accumulated impairment losses. Peatland and all other items of property, plant and equipment are measured at cost less accumulated depreciation, depletion and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs associated with this; and
- capitalised borrowing costs.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) and depreciated separately.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Borrowings costs that are directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets. Where funds are borrowed specifically for the purpose of financing the construction of property, plant and equipment, the amount of finance costs capitalised is limited to the actual costs incurred on the borrowings during the period in respect of expenditure on the property, plant and equipment. The capitalisation of borrowing costs ceases when the asset is commissioned or where active development has been interrupted for an extended period of time.

##### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

##### Depletion and depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over the estimated useful lives. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Property, plant and equipment is depreciated from the date that they are available for use or in respect of assets in the course of construction from the date that the asset is completed and ready for use.

There are a number of different useful lives used over which the assets are depreciated as below:

##### Assets on a straight line basis

Other items of property, plant and equipment are depreciated on a straight line basis at the rates indicated:

Plant and machinery	5% to 12.5%	per annum
Wind farms	5%	per annum
Motor Vehicles	20%	per annum
Buildings	5% to 10%	per annum
IT Equipment	20% to 33.3%	per annum

#### Other asset categories

##### Generating assets

The Group's power plant at Edenderry is depreciated on an electrical output basis in order to relate the depreciation to the estimated production capability of the plant. The electrical output method of depreciation seeks to relate the depreciation charge to the estimated production capability of the plant.

## 2. Significant accounting policies (continued)

The Group's peaking plant at Edenderry and the wind farms are depreciated on a straight line basis with the charge calculated to write the cost of the assets down to its estimated residual value. The use of the straight line basis of depreciation reflects the anticipated consumption of the economic benefit of the plants on a consistent basis over the useful life (twenty years) of the plants based on its availability to the grid.

### Landfill

The infrastructural cost of the landfill asset is depreciated over the licensed life of twenty years. The landfill cells and the related capitalised costs for which there is a related environmental provision such as capping are depreciated on the basis of the usage of void space.

### Assets in course of construction

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

A depreciation charge is recorded in respect of peatland based on the peat reserves that will be consumed to meet the Group's supply obligations under Peat Supply Agreements.

### Intangible assets and goodwill

#### i. Recognition and measurement

<b>Goodwill</b>	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
<b>Research and development</b>	Expenditure on research activities is recognised in profit or loss as incurred.  Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition development expenditure is measured at cost less accumulated amortisation from the date it is available for use and any accumulated impairment losses.
<b>Other intangible assets (excluding emissions allowances)</b>	Other intangible assets, including contracts, grid connections, customer lists and software are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives are as follows:

- Grid connection – 20 years
- Software – 3-8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Goodwill is not amortised but subject to annual impairment reviews.

### Emission allowances

#### Purchased:

Emissions allowances purchased are recorded as intangible assets at cost and are not amortised as they are held for settlement of the emission liability. As emissions arise, a charge is recorded in the income statement to reflect the amount required to settle the liability to the Government Authority. This liability will include the carrying amount of the emission allowances held plus the current market value of any additional allowances required to settle the obligation. These allowances, together with any additional allowances received, are returned to the relevant Authority within four months of the end of that calendar year, in order to cover the liability for actual emissions during that year. The intangible asset is reduced on settlement of the liability.



## Notes forming part of the Consolidated Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### *Granted:*

In accordance with the provisions of the European Union emissions trading scheme, emissions allowances covering a percentage of the expected emissions during the year are granted to one of the Bord na Móna companies at the beginning of each year by the relevant Government Authority. Emissions allowances granted are recognised at nil. The corresponding liability that will be settled using granted allowances is also recognised at nil.

#### **Investment property**

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item at the end of the previous reporting period) is recognised in profit or loss.

#### **Impairment**

##### *i. Non-derivative financial assets*

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

##### *ii. Non-financial assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **Inventories**

Inventories and work in progress are valued at the lower of cost and net realisable value. Coal stocks are valued at weighted average actual cost. Briquette stocks are valued on the lower of actual costs or the standard normalised cost. Growing media horticulture stocks are valued at weighted average actual costs.

Cost of milled peat includes all direct expenditure incurred in bringing products to their existing location and condition under normal operating conditions. The cost of milled peat stock harvested is determined at each peatland location as the cost of the annual harvest allocated over the normal levels of harvest production calculated based on standard tonnage. The unit cost is reduced to actual cost where actual cost per tonne is lower than standard cost per tonne. The costs of milled peat stocks include a peat depletion charge, direct labour, other costs and related production overheads. Variations from standard tonnage (i.e. up tonnages where the actual output tonnages are greater due to lower moisture content) are recognised on measurement of the peat when the stock pile is fully used. The additional bonuses of work groups which only arise when up-tonnage is recognised are provided for when the related up tonnages are identified and recognised as part of this measurement process.

Net realisable value is based on estimated selling price in the ordinary course of business less the estimated cost of completion necessary to make the sale and any penalty payments.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand and short-term deposits.

## 2. Significant accounting policies (continued)

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

In the statement of cash flows cash and cash equivalents are shown net of short-term overdrafts which are repayable on demand.

### Pensions and post-retirement benefits

The Group has both defined benefit and defined contribution pension arrangements.

#### Defined contribution schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### Defined benefit schemes: Group

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Where the scheme rules require a surplus arising in the scheme to be shared between employer and the members, the amount attributable to the members is treated as an increase in the scheme liabilities. The movement in the share attributable to members is recognised in the Statement of Total Comprehensive Income (OCI).

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset) at the previous reporting date, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

#### i. Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

#### Non-derivative financial assets and financial liabilities – recognition and derecognition (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Notes forming part of the Consolidated Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### ii. Non-derivative financial assets – measurement

##### *Financial assets at fair value through profit or loss*

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

##### *Held-to-maturity financial assets*

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### *Loans and receivables*

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### *Available-for-sale financial assets*

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

#### iii. Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

#### iv. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognised initially at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss unless hedge accounting is being applied.

##### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

#### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from retained earnings, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when paid.

#### Provisions and contingent liabilities

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

## 2. Significant accounting policies (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

### Grants

Government grants other than emission allowances are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

## 3. Revenue

	30 March 2016 €'000	25 March 2015 €'000
<b>Continuing operations:</b>		
Peat	85,767	80,697
PowerGen	103,421	98,765
Fuels	85,761	91,659
Horticulture	58,898	52,083
Resource Recovery	95,541	81,933
Other	3,432	1,584
<b>Total</b>	<b>432,820</b>	<b>406,721</b>

The Group is organised into six business units: Peat, Biomass, PowerGen, Fuels, Horticulture and Resource Recovery. All Biomass sales are internal sales only.

## 4. Employee Benefit expenses

The average number of persons employed by the Group during the year, analysed by category:

	30 March 2016	25 March 2015
Manufacturing and production	1,382	1,438
Administration	555	561
<b>Total</b>	<b>1,937</b>	<b>1,999</b>
Peak employment	2,240	2,336

The aggregated payroll costs of these persons were as follows:

	30 March 2016 €'000	25 March 2015 €'000
Wages and salaries	92,368	96,842
Social security costs	9,456	10,216
Pension costs (defined contribution)	919	1,277
Pension costs (defined benefit)	3,071	2,308
Redundancy costs	6,372	172
	112,186	110,815
Staff costs capitalised	(1,769)	(808)
Past pension service credit	(10,700)	-
<b>Net staff costs</b>	<b>99,717</b>	<b>110,007</b>

During the year, the Group implemented a restructuring of the General Employee Superannuation Scheme that triggered a past service credit of €10.7 million recognised in the income statement. The restructuring included:

- (i) a freeze on salaries for pensionable salaries to 1 April 2016;
- (ii) a capping of pensionable salaries from the 2 April 2016 to 1 November 2023 at the lower of price inflation, actual salary increase or 2% per annum;
- (iii) a reduction in pensions of existing pensions-in-payment; and
- (iv) a reduction in the benefits of deferred pensions of up to 10%.

## Notes forming part of the Consolidated Financial Statements (continued)

### 5. Directors' Remuneration

	30 March 2016 €'000	25 March 2015 €'000
Directors' fees	135	131
Salary	200	183
Amounts payable under long-term incentive schemes	31	12
Company contributions to pension schemes	77	76
Taxable benefits	22	16
Other remuneration	337	408
<b>Total</b>	<b>802</b>	<b>826</b>

The directors' remuneration disclosure is made up of remuneration paid by Bord na Móna plc to all the directors of the Company, namely the Worker Participation directors, non-executive directors and executive directors. The number of directors to whom retirement benefits accrued amounted to 4 (2015: 4). Some of the directors are currently in the defined benefit pension schemes. The aggregate amount paid or payable for past directors' retirement benefits (excluding amounts where the scheme was adequately funded) was €328,000 (2015: €340,000).

	Fees €'000	Other Remuneration €'000	Company Contribution to pension €'000	Total €'000
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#### Directors appointed in accordance with the Worker Participation (State Enterprise)

##### Acts 1977 and 1988 (No. of worker directors; 2016:4 / 2015:4)

30 March 2016	50	377	27	454
25 March 2015	39	420	29	488

#### Non Executive Directors

##### Other non-executive Directors (No. of non-executive directors; 2016:6 / 2015:6)

30 March 2016	85	-	-	85
25 March 2015	85	-	-	85

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension schemes €'000	Taxable benefits €'000	Total €'000
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#### Executive Directors (Mike Quinn)

30 March 2016	-	200	-	50	13	263
25 March 2015	7	183	-	47	16	253

The non-executive chairman receives a fee of €21,600 and each of the Directors, excluding the Managing Director and one non-executive director, 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.

The directors who held office at the end of the financial year had the following interest in the ordinary shares at the start of the year, or at their date of appointment if later, and at the end of the year to 30 March 2016:

	30 March 2016 shares	25 March 2015 shares	26 March 2014 shares
Philip Casey	1,771	1,771	1,771
Kevin Healy	1,771	1,771	1,771
Seamus Maguire	1,771	1,771	1,771
Colm Ó'Gógáin	1,771	1,771	1,771
<b>Total</b>	<b>7,084</b>	<b>7,084</b>	<b>7,084</b>

The above shares owned by the directors are held through the Employee Share Ownership Programme ("ESOP").

## 6. Statutory and other information

	30 March 2016 €'000	25 March 2015 €'000
<b>Auditors' remuneration</b>		
Statutory audit of the Group financial statements	605	312
Other assurances services	10	-
Tax services	154	136
<b>Total</b>	<b>769</b>	<b>448</b>

The audit fee for the parent company is €10,000 (2015: €10,000).

The above includes out-of-pocket expenses of €18,000 (2015: €15,000) that were reimbursed to the auditor.

The profit for the year is arrived at after charging/(crediting) :

	30 March 2016 €'000	25 March 2015 €'000
<b>Operating lease rentals</b>		
Plant and machinery	1,554	1,649
Land and buildings	982	465
	2,536	2,114
Depreciation (Note 10)	46,246	44,183
Profit on disposal of property, plant and equipment	357	175
Amortisation of intangible assets (Note 12)	4,346	3,414
Impairment tangible asset (Note 10)	23,643	239
Impairment intangible asset (Note 12)	847	6
Fair value movement on investment property ( Note 11)	(7,489)	(14,505)
Research and business development expenditure	7,497	5,493
Capital grants amortised (Note 17)	(1,747)	(1,608)
Foreign exchange gain	(427)	(1,018)

## 7. Other income & exceptional items

	30 March 2016 €'000	25 March 2015 €'000
<b>Other income</b>		
Other Income	555	500
Fair value movement on investment properties (Note 11)	7,489	14,505
<b>Total</b>	<b>8,044</b>	<b>15,005</b>

### Exceptional items

The group presents certain items which are unusual by virtue of their size and incidence in the context of its ongoing operations. This presentation is made in the income statement to aid understanding of the performance of the Group's underlying business. Judgement is used by the Group in assessing the particular items which should be disclosed as exceptional.

	30 March 2016 €'000	25 March 2015 €'000
Impairment of tangible assets (Note 10)	(23,643)	-
Impairment of intangible assets (Note 12)	(847)	-
Restructuring costs	(7,259)	-
Pension obligations past service curtailment gain (Note 26)	10,700	-
<b>Total</b>	<b>(21,049)</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 7. Other income & exceptional items (continued)

In accordance with the Group's accounting policies, the directors undertake an annual review of the carrying amount of all Property, plant and equipment and intangible assets to determine whether there is any indication of impairment. The market changes within the energy sector with reduced projected capacity payments and projected Irish Wholesale Electricity Price Curve triggered an impairment on property, plant and equipment of €22.7 million and an impairment of €0.7 million on intangible assets within the Powergen business.

In addition changes in the solid fuel market triggered an impairment of €0.9 million on property, plant and equipment and a restructuring charge of €4.3 million to enable the retirement of surplus production capacity. The Group has restructured its finance service delivery model and provided for a restructuring charge of €2.1 million and an impairment on software of €0.1 million.

Additional redundancy costs of €0.6m were incurred in other business units.

During the year, the Group implemented a restructuring of the General Employee Superannuation Scheme that triggered a past service credit of €10.7 million recognised in the income statement.

### 8. Net finance costs

	30 March 2016 €'000	25 March 2015 €'000
<b>Finance income:</b>		
Interest income on bank deposits	71	261
Cash flow hedges - reclassified to profit or loss (cash receipts)	4,690	2,824
	<b>4,761</b>	<b>3,085</b>
<b>Finance costs :</b>		
Interest on bank overdraft	(190)	(112)
Interest on unsecured private placement loan notes	(17,268)	(16,160)
Foreign exchange movement on unsecured loan notes	7,806	(51,340)
Cash flow hedges - reclassified to profit or loss (foreign exchange)	(7,806)	51,340
Unwind of discount on provisions	(1,089)	(1,203)
Net interest cost on defined benefit pensions	(805)	(1,236)
Amortisation of issue costs	(300)	(188)
	(19,652)	(18,899)
Less capitalised interest	-	3,062
<b>Finance costs</b>	<b>(19,652)</b>	<b>(15,837)</b>

The Group capitalises interest on capital projects that take a substantial period of time to complete. The interest is included as part of the initial measurement of the cost of property, plant and equipment (Note 10). No interest (2015: €3.1 million) was capitalised in 2016.

## 9. Income taxes

### (a) Amounts recognised in income statement

	30 March 2016 €'000	25 March 2015 €'000
<b>Current tax:</b>		
Irish corporation tax	1,676	5,362
Overseas tax	3	3
Adjustments in respect of prior years	(848)	156
<b>Total current tax</b>	<b>831</b>	<b>5,521</b>
<b>Deferred tax</b>		
<b>Origination and reversal of temporary differences:</b>		
Property, plant and equipment - allowances	(11)	1,918
Investment property-capital gains	2,414	705
Derivatives	(976)	6,417
Release of pension obligations	2,714	112
Provisions, unutilised losses & other	856	(791)
<b>Total deferred tax</b>	<b>4,997</b>	<b>8,361</b>
<b>Income tax expense on continuing operations</b>	<b>5,828</b>	<b>13,882</b>

The tax expense on continuing operations excludes the income tax on the discontinued operation of €0.09 million (2015: €0.3 million). This has been included in the loss from discontinued operations, net of tax (see note 22).

### (b) Reconciliation of effective tax rate

	30 March 2016 €'000	25 March 2015 €'000
Profit on ordinary activities before tax	22,217	56,433
Tax using standard corporation tax rate in Ireland of 12.5% (2014:12.5%)	2,777	7,054
<b>Tax effect of:</b>		
Depreciation and amortisation in excess of capital allowances	(3,077)	(2,118)
Impairments on tangible and intangible assets	3,196	30
Amortisation of intangible assets	51	427
Other non deductible expenses	150	1,172
Deferred tax not recognised	-	1,318
Deferred tax on derivatives	(976)	6,417
Deferred tax on reduction in pension liabilities	2,714	-
Deferred tax on investment property	2,414	705
Non-Taxable income on provision charges	(525)	(2,064)
Changes in estimates related to prior years	(848)	156
Utilisation of tax losses	63	-
Pension payments in excess of pension cost charge	(1,308)	-
Group relief	15	-
Ineligible depreciation	1,179	1,350
Impact of different tax rates	3	(565)
<b>Income tax expense</b>	<b>5,828</b>	<b>13,882</b>
Effective tax rate	26%	25%



## Notes forming part of the Consolidated Financial Statements (continued)

### 9. Income taxes (continued)

#### (c) Movements in deferred tax balances

	Balance at 26 March 2015 €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 30 March 2016 €'000
<b>Deferred Tax assets</b>					
Defined benefit pensions	7,828	(2,714)	(1,372)	-	3,742
Property, plant and equipment - capital allowances	35	91	-	-	126
Provisions	2,015	(648)	-	-	1,367
Unutilised Losses	634	(313)	-	-	321
<b>Total</b>	<b>10,512</b>	<b>(3,584)</b>	<b>(1,372)</b>	<b>-</b>	<b>5,556</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment - capital allowances	(8,720)	(80)	-	-	(8,800)
Intangible assets	(104)	104	-	-	-
Derivatives	(6,110)	-	1,392	-	(4,718)
Investment property	(705)	(2,414)	-	-	(3,119)
<b>Total</b>	<b>(15,639)</b>	<b>(2,390)</b>	<b>1,392</b>	<b>-</b>	<b>(16,637)</b>

The combined net deferred tax liability of €11.1 million is presented on the balance sheet.

	Balance at 27 March 2014 €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 25 March 2015 €'000
<b>Deferred tax Assets</b>					
Defined benefit pensions	5,238	(536)	3,126	-	7,828
Derivatives	862	-	(862)	-	-
Property, plant and equipment - capital allowances	378	(343)	-	-	35
Provisions	1,449	566	-	-	2,015
Unutilised Losses	121	513	-	-	634
<b>Total</b>	<b>8,048</b>	<b>200</b>	<b>2,264</b>	<b>-</b>	<b>10,512</b>
<b>Deferred tax liabilities</b>					
Defined benefit pensions	(424)	424	-	-	-
Property, plant and equipment - capital allowances	(7,145)	(1,575)	-	-	(8,720)
Intangible assets	(243)	139	-	-	(104)
Derivatives	-	-	(6,110)	-	(6,110)
Investment property	-	(705)	-	-	(705)
<b>Total</b>	<b>(7,812)</b>	<b>(1,717)</b>	<b>(6,110)</b>	<b>-</b>	<b>(15,639)</b>

The combined net deferred tax liability of €5.1 million is presented on the balance sheet.

#### (d) Unrecognised deferred tax assets

The following deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>Deferred Tax Assets</b>			
Unused tax losses	2,368	3,662	2,064
<b>Total</b>	<b>2,368</b>	<b>3,662</b>	<b>2,064</b>

The losses are not time bound but subject to the respective trades returning to profitability.

## 10. Property, plant and equipment

### 2016

	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets under construction €'000	Total €'000
<b>Cost</b>							
At 26 March 2015	135,646	38,879	235,179	328,008	20,852	7,416	765,980
Additions	3,426	3,955	7,960	5,187	683	10,918	32,129
Disposals/retirements	(70)	-	(4,542)	(26)	(1,951)	-	(6,589)
Reclassification	(104)	-	(380)	-	484	-	-
Transfers from assets under construction	549	2,808	2,589	5,688	1,556	(13,190)	-
Transfer of assets held for sale (Note 27)	-	-	-	-	(2,748)	-	(2,748)
Exchange adjustments	-	-	(49)	-	(2)	-	(51)
<b>At 30 March 2016</b>	<b>139,447</b>	<b>45,642</b>	<b>240,757</b>	<b>338,857</b>	<b>18,874</b>	<b>5,144</b>	<b>788,721</b>
<b>Depreciation and impairment</b>							
At 26 March 2015	108,736	29,439	194,222	80,247	11,571	-	424,215
Depreciation charge	6,864	6,415	12,882	19,398	687	-	46,246
Reclassification	630	-	(90)	-	(540)	-	-
Impairment	87	-	831	22,725	-	-	23,643
Disposals/retirements	-	-	(4,364)	(5)	(1,054)	-	(5,423)
Transfer of assets held for sale (Note 27)	-	-	-	-	(780)	-	(780)
Exchange adjustments	-	-	(46)	-	(2)	-	(48)
<b>At 30 March 2016</b>	<b>116,317</b>	<b>35,854</b>	<b>203,435</b>	<b>122,365</b>	<b>9,882</b>	<b>-</b>	<b>487,853</b>
<b>Carrying Amount</b>							
<b>At 30 March 2016</b>	<b>23,130</b>	<b>9,788</b>	<b>37,322</b>	<b>216,492</b>	<b>8,992</b>	<b>5,144</b>	<b>300,868</b>
<b>At 25 March 2015</b>	<b>26,910</b>	<b>9,440</b>	<b>40,957</b>	<b>247,761</b>	<b>9,281</b>	<b>7,416</b>	<b>341,765</b>

### 2015

	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets under construction €'000	Total €'000
<b>Cost</b>							
At 27 March 2014	133,459	35,222	232,494	159,946	17,651	115,030	693,802
Additions	2,100	1,696	7,094	3,224	2,910	56,228	73,252
Disposals/retirements	-	-	(1,394)	(117)	-	-	(1,511)
Reclassification	-	-	(4,465)	4,465	-	-	-
Transfers from assets under construction	87	1,961	1,303	160,490	-	(163,841)	-
Exchange adjustments	-	-	147	-	290	-	437
<b>At 26 March 2015</b>	<b>135,646</b>	<b>38,879</b>	<b>235,179</b>	<b>328,008</b>	<b>20,851</b>	<b>7,417</b>	<b>765,980</b>
<b>Depreciation and impairment</b>							
At 27 March 2014	100,249	23,858	181,976	64,077	10,935	-	381,095
Depreciation charge	8,487	5,581	13,521	16,099	495	-	44,183
Impairment	-	-	151	-	88	-	239
Disposals/retirements	-	-	(1,336)	(117)	-	-	(1,453)
Reclassification	-	-	(188)	188	-	-	-
Exchange adjustments	-	-	98	-	53	-	151
<b>At 26 March 2015</b>	<b>108,736</b>	<b>29,439</b>	<b>194,222</b>	<b>80,247</b>	<b>11,571</b>	<b>-</b>	<b>424,215</b>
<b>Carrying amount</b>							
<b>At 26 March 2015</b>	<b>26,910</b>	<b>9,440</b>	<b>40,957</b>	<b>247,761</b>	<b>9,280</b>	<b>7,417</b>	<b>341,765</b>
<b>At 27 March 2014</b>	<b>33,210</b>	<b>11,364</b>	<b>50,518</b>	<b>95,869</b>	<b>6,716</b>	<b>115,030</b>	<b>312,707</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 10. Property, plant and equipment (continued)

Reclassification – During the prior year the landfill gas generation engines that generate electricity from recovered gas within the landfill were reclassified from plant to generating assets.

Additions include:

- (i) A sum of €3,199,000 (2015: €5,349,000) in respect of decommissioning and restoration assets.
- (ii) There was no capitalisation of borrowing costs in the current year (2015: €3,062,000 at a rate of interest of 7.3%) in respect of assets in the course of construction during the year.
- (iii) Transfers from assets under construction includes plant constructed in-house and engineered landfill cells which became operational during the year. The balance at year-end represents engineered landfill cells and in-house machinery construction.

No property, plant and equipment is held as security for any loans or borrowings of the Group. The unsecured loan notes do however, restrict the Group from selling more than 16% of the Groups gross assets without prior consent.

In accordance with the Group's accounting policies, the Directors undertake an annual review of the carrying amount of all property, plant and equipment at the reporting date to determine whether there is any indication of impairment.

An impairment review has been carried out on assets displaying indications of impairment by comparing the net present value of future cash flows to their carrying value as at 30 March 2016. An impairment loss of €22.7 million (2015: nil) has been recognised in the income statement in respect of two Power plants. The impairment has arisen as a result of adverse changes to the projected Irish Wholesale Electricity Price curve, projected capacity payments and expected changes to the I-SEM market that will come into effect in 2018. The key assumptions used in the impairment calculation were:

- (i) Irish Wholesale Electricity price curve
- (ii) Expected capacity payments
- (iii) Carbon prices
- (iv) Biomass prices
- (v) Peat prices
- (vi) Planning permission will be granted to the co-fired power station

If the discount rate was to increase by 1% the impairments on both plants would increase by €2.5 million; if capacity payments were to reduce by 5% the impairment on both plants would increase by €2.4 million: and if SMP prices were to decrease by a further 5% the impairment would increase by €4.2 million.

An impairment loss of €0.9m has been recognised in the income statement in respect of Fuel's Production Plant. The impairment has arisen as a result of the impending nationwide ban on bituminous coal and the result of surplus production capacity.

In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the property, plant and equipment. The estimates and assumptions used are based on historical experience, industry knowledge and other factors that are believed to be reasonable based on information available.

### 11. Investment Property

	30 March 2016 €'000	25 March 2015 €'000
At beginning of year	25,400	9,000
Additions	1,111	1,895
Fair value movement	7,489	14,505
<b>At end of year</b>	<b>34,000</b>	<b>25,400</b>

Investment property comprises commercial property in the Republic of Ireland that is currently leased to third parties (2015: Vacant).

The fair value of investment property was determined by the directors having regard for an external, independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

## 11. Investment Property (continued)

### Valuation technique and significant unobservable inputs

The Group considers that its investment property falls within Level 3 fair value as defined by IFRS 13 and therefore that the income approach / yield methodology using market rental values capitalised with a market capitalisation rate or yield used by the valuer is the best method to determine the fair value of the investment properties. As further outlined in IFRS 13, a Level 3 fair value recognises that not all of the inputs and considerations made in determining the fair value of property investments can be derived from publicly available data, as the valuation methodology in respect of a property has also to rely on other factors including technical engineering reports, legal data and analysis, and proprietary data bases maintained by the valuer in respect of similar properties to the assets being valued.

For investment property, the income approach/yield methodology involves applying market-derived capitalisation yields to current and market-derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account include the tenure of the property, tenancy details, planning, building and environmental factors that might affect the property.

### Sensitivity of measurement to variance of significant unobservable inputs

A decrease in the estimated annual rent will decrease the fair value. Similarly, an increase in equivalent yield will increase the fair value. There are interrelationships between these rates as they are partially determined by market rate conditions. The following table shows the valuation technique used in measuring the fair value of the investment property, as well as the significant unobservable inputs used. The property was not rented during the year ended 25th March 2015 but is substantially rented at March 2016.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property taking into account the expected rental growth rate, lease incentive costs such as rent free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of the building and its location (prime v secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none"> <li>• Expected market rental growth (2016: 5%)</li> <li>• Annual rent per square foot (2016: €45; 2015: €42.5)</li> <li>• Equivalent yield (2016: 5.13%; 2015: 6.5%)</li> <li>• Void periods (One floor is void) (2015: Unoccupied)</li> <li>• Occupancy rate (2016: 85-90%)</li> <li>• Rent free periods (In current leases)</li> <li>• Risk adjusted discount rates (2016: 5-8%)</li> </ul>	<p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> <li>• Expected market rental growth were higher (lower)</li> <li>• Void periods were shorter</li> <li>• The occupancy rate were higher (lower)</li> <li>• Rent free periods were shorter (longer); or</li> <li>• The risk adjusted discount rate were lower (higher)</li> </ul>

## 12. Intangible Assets

### 2016

	Assets under construction €'000	Software €'000	Grid Connection €'000	Other €'000	Total €'000
<b>Cost</b>					
At beginning of the year	5,988	17,411	22,498	87,536	133,433
Additions	9,919	597	10	5,125	15,651
Disposals	-	(520)	-	(530)	(1,050)
Transfers from assets under construction	(9,802)	9,802	-	-	-
Settlement of emission allowances	-	-	-	(4,115)	(4,115)
<b>At end of the year</b>	<b>6,105</b>	<b>27,290</b>	<b>22,508</b>	<b>88,016</b>	<b>143,919</b>
<b>Amortisation and impairment</b>					
At beginning of the year	-	14,298	4,755	78,894	97,947
Charge for year	-	1,458	1,055	1,833	4,346
Disposals	-	(385)	-	(530)	(915)
Impairment	-	112	735	-	847
<b>At end of the year</b>	<b>-</b>	<b>15,483</b>	<b>6,545</b>	<b>80,197</b>	<b>102,225</b>
<b>Carrying amounts</b>					
<b>At 30 March 2016</b>	<b>6,105</b>	<b>11,807</b>	<b>15,963</b>	<b>7,819</b>	<b>41,694</b>
<b>At 25 March 2015</b>	<b>5,988</b>	<b>3,113</b>	<b>17,743</b>	<b>8,642</b>	<b>35,486</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 12. Intangible Assets (continued)

In accordance with the Group's accounting policies the directors undertake an annual review of the carrying amount of all intangible assets to determine whether there is any indication of impairment.

During the year the directors impaired Grid Connection and Software cost by €847,000 (2015: nil) due to market changes in the energy sector. (See note 10).

Transfers from assets under construction includes the transfer of IT applications which became operational during the year. The balance at year-end represents partly constructed IT applications.

Other includes investments in customer lists and carbon emission credits. Emission allowances purchased are recorded at cost as an intangible asset and are not amortised. Upon settlement of emission liabilities the credits are released from intangible assets.

#### 2015

	Assets under construction €'000	Software €'000	Grid Connection €'000	Other €'000	Total €'000
<b>Cost</b>					
At beginning of the year	9,318	16,338	9,837	82,598	118,091
Additions	10,176	213	-	7,840	18,229
Transfers from assets under construction	(13,506)	845	12,661	-	-
Settlement of emission allowances	-	-	-	(2,902)	(2,902)
Exchange adjustment	-	15	-	-	15
<b>At end of the year</b>	<b>5,988</b>	<b>17,411</b>	<b>22,498</b>	<b>87,536</b>	<b>133,433</b>
<b>Amortisation and impairment</b>					
At beginning of the year	-	13,397	3,960	77,157	94,514
Charge for year	-	882	795	1,737	3,414
Impairment	-	6	-	-	6
Exchange adjustment	-	13	-	-	13
<b>At end of the year</b>	<b>-</b>	<b>14,298</b>	<b>4,755</b>	<b>78,894</b>	<b>97,947</b>
<b>Carrying amounts</b>					
<b>At 26 March 2015</b>	<b>5,988</b>	<b>3,113</b>	<b>17,743</b>	<b>8,642</b>	<b>35,486</b>
<b>At 27 March 2014</b>	<b>9,318</b>	<b>2,941</b>	<b>5,877</b>	<b>5,441</b>	<b>23,577</b>

### 13. Inventory

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Raw materials	18,329	22,003	25,396
Work in progress	-	23	16
Finished goods	80,856	74,009	60,729
Maintenance spares - consumables	5,162	5,446	5,537
<b>Total</b>	<b>104,347</b>	<b>101,481</b>	<b>91,678</b>

The directors are of the opinion that the net realisable value of inventory is greater than the carrying amount. The inventory balances includes a provision of €8.63 million (2015: €9.9 million).

During the year there was a write down of peat stocks and maintenance spares of €0.9 million and €0.5m respectively.

In 2016, inventories of €190.5 million (2015: €187.1 million) were recognised as an expense and included in cost of sales.

Maintenance spares - consumables represent small items included in the operating cycle.

#### 14. Investments in joint ventures

	30 March 2016 €'000	25 March 2015 €'000
At the beginning of the year	3,559	2,166
Investments made	24,008	1,775
Distributions received	-	-
Share of losses - income statement	(442)	(382)
Share of joint venture other comprehensive income	(2,056)	-
<b>At the end of the year</b>	<b>25,069</b>	<b>3,559</b>

##### Oweninny

Oweninny Power Limited ("Oweninny") was incorporated in September 2011 as a joint venture between Bord na Móna Powergen Limited and ESB Wind Development Limited to develop a 172MW wind farm in Oweninny, Co. Mayo. The joint venture is developing the wind farm project and has commenced construction but commercial operations are not expected until 2019. The following table summarises the financial information of Oweninny as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the group's interest in Oweninny. The information presented in the table includes the results of Oweninny for the year ended 30 March 2016.

##### (i) Summarised Income Statement

	50%	50%
	30 March 2016 €'000	25 March 2015 €'000
Percentage ownership interest	50%	50%
Revenue	-	-
Depreciation and amortisation	-	-
Interest expense	(87)	-
Other expenses	(633)	(764)
Income tax expense	-	-
Cashflow hedge movement	-	-
	(720)	(764)
<b>Groups share of loss and total comprehensive income (50%)</b>	<b>(360)</b>	<b>(382)</b>

##### (ii) Summarised Balance Sheet

	50%	50%	50%
	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Percentage ownership interest	50%	50%	50%
Non-current assets	10,254	9,330	5,087
Current assets	402	354	175
Non-current liabilities	(458)	-	-
Current liabilities	(445)	(2,566)	(930)
<b>Net assets (100%)</b>	<b>9,753</b>	<b>7,118</b>	<b>4,332</b>
Group share of net assets (50%)	4,877	3,559	2,166
<b>Carrying amount</b>	<b>4,877</b>	<b>3,559</b>	<b>2,166</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 14. Investments in joint venture (continued)

#### Sliabh Bawn

Sliabh Bawn Power Dac (“Sliabh Bawn”) was incorporated in December 2015 as a joint venture between Bord na Móna Powergen Limited and Coillte Teoranta to develop a 58MW wind farm in Strokestown, Co. Roscommon. The wind farm is under construction and commercial operations are due to commence in April 2017. The following table summarises the financial information of Sliabh Bawn Power Dac. The table also reconciles the summarised financial information to the carrying amount of the group’s interest in Sliabh Bawn. The information presented in the table includes the results of Sliabh Bawn for the period from incorporation to 30 March 2016.

#### (i) Summarised Income Statement

Percentage ownership interest	50%
	<b>30 March 2016</b>
	<b>€'000</b>
Revenue	-
Depreciation and amortisation	-
Interest expense	(164)
Other expenses	-
Income tax expense	-
Cashflow hedge movement	(4,109)
	(4,273)
<b>Groups share of loss and total comprehensive income (50%)</b>	<b>(2,137)</b>

#### (ii) Summarised Balance Sheet

Percentage ownership interest	50%
	<b>30 March 2016</b>
	<b>€'000</b>
Non-current assets	67,531
Current assets	365
Non-current liabilities	(27,513)
Current liabilities	-
<b>Net assets (100%)</b>	<b>40,383</b>
Group share of net assets (50%)	20,192
<b>Carrying amount</b>	<b>20,192</b>

### 15. Trade and other receivables

	<b>30 March 2016</b>	<b>25 March 2015</b>	<b>27 March 2014</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Trade receivables	41,996	57,194	55,646
Prepayments	3,891	3,241	3,582
Amounts owed by joint venture undertaking	426	129	141
Other receivables	2,076	3,035	2,936
Accrued revenue	23,700	18,133	13,723
Value added tax	-	15	-
Income tax	5,060	1,295	299
<b>Total</b>	<b>77,149</b>	<b>83,042</b>	<b>76,327</b>

## 16. Trade and other payables

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Trade payables	65,760	59,231	84,017
Accruals	16,003	18,740	16,650
Deferred income	6,283	17,277	14,065
Capital grants	2,671	1,839	1,700
Other payables	5,921	7,455	6,050
Creditors in respect of tax and social welfare	7,852	6,233	10,700
<b>Total</b>	<b>104,490</b>	<b>110,775</b>	<b>133,182</b>
<b>Creditors in respect of tax and social welfare comprise:</b>			
Income tax deducted under PAYE	1,681	1,265	1,320
Pay-related social insurance	1,201	943	956
Income tax	764	752	5,002
Value-added tax	4,192	2,943	3,273
Other taxes	14	330	149
<b>Total</b>	<b>7,852</b>	<b>6,233</b>	<b>10,700</b>

## 17. Capital Grants

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
At beginning of the year	12,132	12,616	12,132
Received during the year	4,389	1,124	1,937
Amortised during the year	(1,747)	(1,608)	(1,453)
<b>At end of the year</b>	<b>14,774</b>	<b>12,132</b>	<b>12,616</b>
<b>Deferred as follows:</b>			
Within one year	2,671	1,839	1,700
After more than one year	12,103	10,293	10,916
<b>Total</b>	<b>14,774</b>	<b>12,132</b>	<b>12,616</b>

Edenderry Power Limited received a European Union grant for €26 million as part of the Economic Infrastructure Operational Programme (EIOP) in the period 1999 to 2002. All conditions under the grant agreement have been satisfied.

During the year Edenderry Power Limited received a grant of €4.1 million (2015: €1.1 million) towards the construction of biomass handling and storage facilities. All conditions under the agreement have been satisfied.

During the year the Company received a grant for €0.3 million towards the construction of the Lough Boora Parkland Facilities from an Bord Failte. A number of conditions remain in progress and further monies are available for drawdown.



## Notes forming part of the Consolidated Financial Statements (continued)

### 18. Provisions

#### 2016

	Environmental restatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	47,909	1,466	7,199	3,167	59,741
Provisions made during the year	2,262	7,259	1,750	2,534	13,805
Provisions used during the year	(3,752)	(1,296)	(2,008)	(731)	(7,787)
Provisions reversed during the year	(725)	-	(289)	(823)	(1,837)
Provisions released in respect of discontinued operation	-	(755)	-	-	(755)
Unwind of discount	1,089	-	-	-	1,089
Capitalised during the year	3,199	-	-	-	3,199
<b>At end of the year</b>	<b>49,982</b>	<b>6,674</b>	<b>6,652</b>	<b>4,147</b>	<b>67,455</b>
<b>Amounts due as follows:</b>					
Current	8,614	5,352	608	4,147	18,721
Non-current	41,368	1,322	6,044	-	48,734
<b>Total</b>	<b>49,982</b>	<b>6,674</b>	<b>6,652</b>	<b>4,147</b>	<b>67,455</b>

#### 2015

	Environmental restatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	43,054	459	6,747	2,497	52,757
Provisions made during the year	922	1,815	1,850	1,118	5,705
Provisions used during the year	(2,384)	(804)	(864)	(327)	(4,379)
Provisions reversed during the year	(235)	(4)	(534)	(121)	(894)
Unwind of discount	1,203	-	-	-	1,203
Capitalised during the year	5,349	-	-	-	5,349
<b>At end of the year</b>	<b>47,909</b>	<b>1,466</b>	<b>7,199</b>	<b>3,167</b>	<b>59,741</b>
<b>Amounts due as follows:</b>					
Current	6,535	1,466	800	3,167	11,968
Non-current	41,374	-	6,399	-	47,773
<b>Total</b>	<b>47,909</b>	<b>1,466</b>	<b>7,199</b>	<b>3,167</b>	<b>59,741</b>

#### (a) Environmental reinstatement

Environmental reinstatement costs include:

(i) Costs that will be incurred at the end of the economic lives of the peatlands. Under IAS 37, provision is made for these costs when the circumstances occur giving rise to the obligation under the Group's Integrated Pollution Prevention Control licence to decommission and reinstate the peatlands post peat production. The provision of €18.3 million as at 30 March 2016 (2015: €18.0 million) represents the present value of the expected future costs of decommissioning and reinstatement.

The majority of the obligation will unwind over a fifteen year timeframe but the exact timing of the liability is not certain. The group expects the majority of this provision will be utilised within fifteen years.

(ii) Environmental provisions of €7.3 million (2015: €9.2 million) recognised in accordance with IAS 37 in respect of the Group's assessment of environmental liabilities in relation to (a) the AES site which was in existence prior to the Group's acquisition of the business in May 2007; (b) a new facility taken under lease in a previous financial year and (c) environmental obligations under existing waste licences.

Item (a) & (b) will unwind in the medium term over the next three to five years. Item (c) will unwind over a twenty year timeframe.

## 18. Provisions (continued)

(iii) The cost of maintaining the landfill facility post closure (2028) and the cost of capping existing engineered cells in use. The Group's estimate of minimum unavoidable costs measured at present value amount to €16.9 million at 30 March 2016 (2015: €13.3 million). The Group continues 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 after the expiry of the operational license.

(iv) Certain other environmental restoration costs of €2.1 million (2015: €2.2 million) are recognised in accordance with IAS 37, being the Group's estimate of waste removal and waste management costs associated with certain of its 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.

The majority of the obligation will unwind over a three year timeframe but the exact timing of the provisions is not certain.

(v) A provision of €4.2 million (2015: €4.0 million) is made for power stations and wind-farm closure/decommissioning costs based on the present value of the current estimate of the costs of closure/decommissioning of generating stations at the end of their useful economic lives.

The majority of the obligation will unwind over a twenty year timeframe but the exact timing of the provisions is not certain.

(vi) A provision of €1.1 million (2015: €1.1 million) is made for plant closure costs based on the present value of the current estimate of the costs of closure of briquette and horticulture compost plants at the end of their useful economic lives.

The majority of the obligations will unwind over a twenty five year timeframe but the exact timing of the provisions is not certain.

### Reorganisation and redundancy

The Fuels business experienced a difficult trading year and the announcement of a nationwide ban on the sale of bituminous coal from 2018 onwards has resulted in the business formulating a restructuring plan and thereby creating a provision for the required restructure. In addition the implementation of a finance shared service centre and the rollout of the Oracle e-business suite changes the finance delivery model and also resulted in a re-organisation of the finance team. A provision for reorganisation and redundancy costs is recognised when a constructive obligation exists. The directors have recognised a provision which represents their best estimate of the cost of these measures and it is expected to be utilised within the next year.

### Insurance

The insurance provision relates to employer's, 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. The provision includes a sum for incidents incurred but not reported at the balance sheet date.

### Other

Other provisions include various anticipated warranty and other costs.

## 19. Loans and borrowings

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>Non current liabilities</b>			
Unsecured loan notes	166,019	248,536	197,146
<b>Total</b>	<b>166,019</b>	<b>248,536</b>	<b>197,146</b>
<b>Current liabilities</b>			
Overdrafts	29,006	24,739	667
Unsecured loan notes	75,862	990	41,593
<b>Total</b>	<b>104,868</b>	<b>25,729</b>	<b>42,260</b>

On 30 March 2016 the Group had US \$273.0 million (€241.1 million equivalent) rate debt arising from two US private placement transactions, which were completed on 22 June 2006 (US \$125.0 million) and 6 August 2009 (US \$148.0 million). The Group entered into swaps to hedge interest and foreign exchange risk.

Offset against bank loans are loan arrangement fees of €0.2 million (2015: €0.4 million; 2014: €0.51 million) which are expensed over the period of the loans (10-12 years) as part of the effective interest.

## Notes forming part of the Consolidated Financial Statements (continued)

### 20. Capital and reserves

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>(a) Called up share capital and share premium</b>			
Share capital	82,804	82,804	82,804
Share premium	1,959	1,959	1,959
<b>Total</b>	<b>84,763</b>	<b>84,763</b>	<b>84,763</b>
<b>Authorised share capital</b>			
<b>300,000,000 ordinary shares of €1.27 each</b>	<b>380,921</b>	<b>380,921</b>	<b>380,921</b>
<b>Issued and full paid</b>			
<b>65,200,000 ordinary shares of €1.27 each</b>	<b>82,804</b>	<b>82,804</b>	<b>82,804</b>

The company has one class of shares referred to as Ordinary shares. All shares rank equally. The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Nature and purpose of reserves

##### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss. It also includes related deferred tax.

##### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### 21. Guarantees and contingent liabilities

In the normal course of business the Company provides guarantees in respect of liabilities of certain of its subsidiaries.

From time to time Group companies are party to various negotiations over contractual commitments or obligations, various legal proceedings and in respect of industrial relations matters arising in the normal course of business. It is the opinion of the Directors that these negotiations and proceedings will have no material adverse impact on the financial position of the Group.

## 22. Discontinued operations

In the year ended 25 March 2015, the Group undertook a strategic review of the Anua-Environmental operations in Ireland, United Kingdom and United States. Arising from review, the directors made a decision to arrange for the orderly wind-up of the operations in the three business units. The termination was completed in March and April 2015.

	30 March 2016 €'000	25 March 2015 €'000
<b>A. Results of discontinued operation</b>		
Revenue	-	10,662
Cost of Sales	-	(9,725)
Gross Profit	-	937
Expenses	987	(4,094)
Income Tax	(94)	289
Results from operating activities, net of tax	893	(2,868)
Profit/(loss) on Termination	-	(4,637)
<b>Profit/(loss) from discontinued operation net of tax</b>	<b>893</b>	<b>(7,505)</b>
<b>B. Cash flows from (used in) discontinued operation</b>		
Net cash used in operating activities	893	(7,062)
Net cash from investing activities	-	20,122
<b>Net flow cash for the year</b>	<b>893</b>	<b>13,060</b>
<b>C. Effect of disposal on the financial position of the Group</b>		
Property, plant and equipment	-	169
Inventories	-	803
Trade and other receivables	-	1,347
Cash and cash equivalents	-	624
Trade and other payables	893	(17,991)
Provisions	-	1,988
<b>Net Liabilities</b>	<b>893</b>	<b>(13,060)</b>
Consideration received, satisfied in cash	-	-
<b>Net cash flow</b>	<b>893</b>	<b>13,060</b>

## 23. Cash and cash equivalents

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Cash	98,174	96,369	173,250
Overdrafts	(29,006)	(24,739)	(667)
<b>Cash and cash equivalents</b>	<b>69,168</b>	<b>71,630</b>	<b>172,583</b>

## 24. Commitments

### (a) Capital expenditure commitments

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Authorised and contracted for	5,629	21,233	55,363
Authorised and not contracted for	-	-	-
<b>Total</b>	<b>5,629</b>	<b>21,233</b>	<b>55,363</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 24. Commitments (continued)

#### (b) Operating lease commitments

The Group operating lease commitments primarily comprise obligations in relation to a fleet, motor vehicles & land and buildings. At the balance sheet date, the Group has taken outstanding commitments under non-cancellable operating leases which fall due as follows:

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
No later than one year	1,709	1,185	1,357
Later than one and not later than five years	2,325	1,756	2,913
Later than five years	1,433	1,778	2,385
<b>Total</b>	<b>5,467</b>	<b>4,719</b>	<b>6,655</b>

### 25. Subsidiaries and joint venture

The following is a list of principal subsidiaries of the Group at 30 March 2016:

Pursuant to the provisions of Section 357 of the Companies Act, 2014, the Company has guaranteed the liabilities of its Irish subsidiaries. As a result, these companies will be exempted from the filing provisions of Sections 347 and 348 of the Companies Act, 2014. It has not guaranteed the liability of its joint ventures.

The company has a shareholding in the following companies:

Subsidiary undertaking	Business	Registered office	Shareholding
Bord na Móna Energy Limited <sup>1</sup>	Production and sale of milled peat	Newbridge, Co Kildare	100%
Bord na Móna Allen Peat Limited	Production and sale of milled peat	Newbridge, Co Kildare	100%
Bord na Móna Powergen Limited <sup>1</sup>	Power Generation	Newbridge, Co Kildare	100%
Edenderry Power Limited	Power Generation	Newbridge, Co Kildare	100%
Edenderry Power Operations Limited	Maintenance of power plants	Newbridge, Co Kildare	100%
Cushaling Power Limited	Power Generation	Newbridge, Co Kildare	100%
Edenderry Power Supply Company Limited	Wholesale distribution of electricity	Newbridge, Co Kildare	100%
Renewable Energy Ireland Limited	Power Generation	Newbridge, Co Kildare	100%
Mountlucas Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100%
Mountlucas Supply Company Limited	Business, wholesale distribution of electricity	Newbridge, Co Kildare	100%
Bruckana Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100%
Bruckana Supply Company Limited	Wholesale distribution of electricity	Newbridge, Co Kildare	100%
Bord na Móna Fuels Limited <sup>1</sup>	Production, sale and distribution of solid fuels	Newbridge, Co Kildare	100%
BnM Fuels Limited	Production, sale and distribution of solid fuels	Newbridge, Co Kildare	100%
Suttons Limited	Dormant	Newbridge, Co Kildare	100%
Bord na Móna Horticulture Limited <sup>1</sup>	Production and sale of horticultural products	Newbridge, Co Kildare	100%
Bord na Móna Environmental Limited <sup>1</sup>	Environmental analytical services	Newbridge, Co Kildare	100%
Bord na Móna Environmental Products (UK) Limited	Dormant	Bridgewater, Somerset, England	100%
Bord na Móna Environmental Products US Inc.	Dormant	Delaware, U.S.A.	100%
Bord na Móna Resource Recovery Limited <sup>1</sup>	Resource recovery and recycling company	Newbridge, Co Kildare	100%
Advanced Environmental Solutions Limited	Resource recovery and recycling company	Newbridge, Co Kildare	100%
Midland Waste Limited	Property Rental	Newbridge, Co Kildare	100%
Bord na Móna Property Limited <sup>1</sup>	Property holding company	Newbridge, Co Kildare	100%
Bord na Móna Treasury Limited <sup>1</sup>	Treasury Holdings	Newbridge, Co Kildare	100%
Derryarkin Sand and Gravel Limited	Extraction and sale of sand and gravel	Newbridge, Co Kildare	55%
<b>Joint venture company</b>	<b>Business</b>	<b>Registered office</b>	<b>Shareholding</b>
Oweninny Power Limited	Power Generation	St.Stephen's Green, Dublin 2	50%
Sliabh Bawn Wind Holdings Dac	Dormant	Newtown Mountkennedy, Co Kildare	50%
Sliabh Bawn Power Dac	Power generation	Newtown Mountkennedy, Co Kildare	50%
Sliabh Bawn Supply Dac	Wholesale distribution of electricity	Newtown Mountkennedy, Co Kildare	50%

<sup>1</sup> Shareholding held directly by Bord na Móna plc.

## 26. Retirement benefit obligations

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Total market value of pension scheme assets	320,388	321,974	284,006
Total present value of defined benefit obligations	(350,066)	(389,341)	(323,623)
Excess of scheme obligations over assets	(29,678)	(67,367)	(39,617)
Members share of surplus on RWESS scheme	(4,540)	-	(3,390)
<b>Employee retirement benefit obligations before tax</b>	<b>(34,218)</b>	<b>(67,367)</b>	<b>(43,007)</b>

The defined benefit scheme of €34.2 million (2015: €67.3 million) comprises defined benefit pension schemes in an asset position of €4.5m (2015: Nil) and defined benefit schemes in a deficit of €38.7 million (2015: €67.3 million). The pension asset and liability are shown separately in the Group balance sheet.

### (a) Description of the Bord na Móna pension schemes

The Group operates three contributory defined benefit pension schemes covering the majority of employees, each of which is funded by contributions from the Group and the members. Contributions are based on the advice of a professional qualified actuary obtained at regular intervals at average rates of pensionable emoluments.

The two principal schemes in operation are the General Employees Superannuation Scheme (GESS) which covers management, professional and clerical employees and the Regular Works Employees Superannuation Scheme (RWESS) which covers remaining categories of employees. A third scheme BnM Fuels Pension scheme covers employees who became Group employees on the acquisition of the Coal Distributors Group, Stafford North East, Sutton Group and Sheehan and Sullivan.

On retirement from one of the defined benefit schemes a member is entitled to a pension for each year of pensionable service divided by eighty multiplied by net (adjusted for old aged pension) retiring salary and a gratuity equal to 3/80th of retiring salary for each year of pensionable service.

Bord na Móna plc had awarded unfunded pension benefits to certain retired employees including former managing directors and their dependants. The future cost of funding these pensions is recognised in the balance sheet at €4.3 million based on an actuarial valuation at 30 March 2016 (March 2015: €4.8 million).

### Actuarial valuations and funding position of schemes

The actuarial method used (aggregate method) determines a contributory rate which should, if continued until the last of the present members retires, provide a fund which is sufficient to provide their benefits. The assumptions which have the most significant effect on the results of the actuarial valuation are those relating to the return on investments and the rate of increase in remuneration.

The most recent funding valuation for the GESS and RWESS schemes are dated 31 March 2014 and the BnM Fuels scheme valuation dated 1 April 2015. In the actuarial valuations it was assumed that the schemes' investments will earn a real rate of investment return of 2.75% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €285.5 million.

The most recent actuarial valuations of these three schemes showed the following:

- (i) A deficit of €40.8 million on the GESS scheme
- (ii) A deficit of €4.8 million on the RWESS scheme
- (iii) A deficit of €1.4 million on the BnM Fuels scheme

At March 2014 after allowing for expected future increases in earnings and pensions in payment, the valuations indicated that the actuarial value of total scheme assets was sufficient to cover 71%, 97% and 88% of the benefits that had accrued to the members of the GESS, RWESS and BnM Fuels schemes respectively at the valuation dates.

Liabilities are computed using the projected unit credit method. In common with many other defined benefit pension schemes, two of the defined benefit plans are in net deficits but one of the schemes is currently in surplus, when the total value of the respective scheme assets is compared to the actuarial value of the accrued benefits of the members.

A funding proposal to address the RWESS scheme benefits is in place since 2010, with the Group and active members paying an additional annual sum of €0.5 million of their pensionable salary.

## Notes forming part of the Consolidated Financial Statements (continued)

### 26. Retirement benefit obligations (continued)

The increased benefits provided to those active members, effective from 1 January 2010, accrue over future service from 1 January 2010 until the sixtieth birthday of each member. The present value of the estimated cost at 30 March 2016 was €6.5 million and the Group will meet the capital cost by way of fixed annual capital payments of €1.0 million by 30 June over a period of no more than twelve years. No additional liability has been recognised over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

A GESS funding proposal to address the scheme deficit was approved by the Board, shareholders, active members and the Pension Board in May 2015. The revised funding arrangement requires a number of changes to the scheme, namely:

- (i) Three year pensionable salary freeze from April 2013 until April 2016.
- (ii) Pensionable salary cap until November 2023 restricted to CPI or a maximum rate increase of 2% whichever is the lower.
- (iii) A Section 50 cut to the order of 10% to deferred members' benefits.
- (iv) A Section 50 adjustment to pensions-in-payments in line with 2013 priority order legislation.
- (v) The scheme remains open to future accrual.

In addition to the scheme changes, the Group will make payments of €36.0 million over an eight year period, with a payment of €10.2 million made in May 2015 and a payment of €5.1 million made in May 2016. The impact of the above changes on scheme benefits was a past service credit of €10.7 million shown in the income statement during the year. No additional liability has been recognised for the funding commitments over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

The BnM Fuels pension scheme is closed to future accrual with effect from June 2013. An approved funding proposal for Group contributions of €2.3 million was agreed with all parties with annual payments until December 2023. Included in other accruals (Note 16) is an additional liability of €0.4 million which has been recognised over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

The Group expects to pay €9.5 million in contributions to its defined benefit plans in the year ended 31 March 2017.

#### Movement in net defined benefit liability

	Defined benefit liability		Fair Value of Plan assets		Net Defined benefit obligation	
	30 March 2016 €'000	25 March 2015 €'000	30 March 2016 €'000	25 March 2015 €'000	30 March 2016 €'000	25 March 2015 €'000
Balance at the beginning of the financial year	(389,341)	(327,013)	321,974	284,006	(67,367)	(43,007)
<b>Included in income statement</b>						
Current service costs	(3,071)	(2,308)	-	-	(3,071)	(2,308)
Interest cost	(4,865)	(9,680)	-	-	(4,865)	(9,680)
Interest Income	-	-	4,059	8,444	4,059	8,444
Past service credit	10,700	-	-	-	10,700	-
	<b>2,764</b>	<b>(11,988)</b>	<b>4,059</b>	<b>8,444</b>	<b>6,823</b>	<b>(3,544)</b>
<b>Included in OCI</b>						
<b>Remeasurements Actuarial Gain/(loss) arising from:</b>						
Financial assumptions	22,021	(67,661)	-	-	22,021	(67,661)
Experience adjustment	4,155	3,763	-	-	4,155	3,763
Return on plan assets excluding interest income	-	-	(10,198)	35,043	(10,198)	35,043
Impact of members' share of surplus	(4,540)	3,390	-	-	(4,540)	3,390
	<b>21,636</b>	<b>(60,508)</b>	<b>(10,198)</b>	<b>35,043</b>	<b>11,438</b>	<b>(25,465)</b>
<b>Other</b>						
Contributions paid by members	(2,861)	(3,027)	2,861	3,027	-	4,649
Contributions paid by the employer	-	-	14,888	4,649	14,888	-
Benefits paid by the schemes	13,195	13,195	(13,195)	(13,195)	-	-
	<b>10,334</b>	<b>10,168</b>	<b>4,554</b>	<b>(5,519)</b>	<b>14,888</b>	<b>4,649</b>
<b>Balance at end of financial year</b>	<b>(354,607)</b>	<b>(389,341)</b>	<b>320,389</b>	<b>321,974</b>	<b>(34,218)</b>	<b>(67,367)</b>

## 26. Retirement benefit obligations (continued)

### (b) Plan assets

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
Equity securities	105,607	100,778	115,024
Bonds	141,411	141,025	134,337
Property	20,935	17,387	14,485
Cash	49,267	59,565	18,177
Alternatives	3,169	3,219	1,988
	<b>320,389</b>	<b>321,974</b>	<b>284,011</b>

All equity securities and bonds have quoted prices in active markets. All government bonds are issued by European governments and are rated AAA or AA. Property assets are based in Ireland. The investments in the RWESS, GESS and BnM Fuels scheme include an increased allocation to bonds which match the profile of some benefit obligations. The investment strategy is to divest from equities and move the funds to bonds and absolute return funds.

### (c) Investment Strategy

**GESS** - The plan is to move to a 100% matched position over the term of the funding plan to 2023. The scheme uses passive management for both equities and bonds, with active managers being used for absolute return/diversified growth funds and alternative long term assets. Currently the holding is 25% matching assets and 75% growth assets.

**RWESS** - At present the asset allocation is 39% matching assets, 35% growth assets and 26% transition assets which will reallocate to matching based on market conditions.

**BnM Fuels Scheme** - At present the scheme holds 42% matching assets and 58% growth assets. The scheme uses passive management for both equities and bonds with active managers being used for absolute return/diversified growth funds.

### (d) Defined benefit obligation

#### (i) Actuarial assumptions

	2016	2015	2014
Discount rate	1.50%	1.25%	3.00%
Inflation rate (CPI)	1.00%	1.40%	1.75%
Rate of increase in salaries	1.50%	1.90%	2.25%
Rate of increase in pensions in payment - RWESS	0.75%	1.00%	1.25%
Rate of increase in pensions in payment - GESS	0.00%	0.00%	0.00%

#### **RWESS**

##### **Life expectancy at age 65 for pensioners currently aged 65 years**

Male	20.5	20.5	20.5
Female	23.4	23.4	23.4

#### **Other**

##### **Life expectancy at age 65 for pensioners currently aged 65 years**

Male	21.1	20.9	22.7
Female	23.6	23.5	24.0

#### **RWESS**

##### **Life expectancy at age 65 for pensioners currently aged 45 years**

Male	20.5	20.5	20.5
Female	23.4	23.4	23.4

#### **Other**

##### **Life expectancy at age 65 for pensioners currently aged 45 years**

Male	23.6	23.5	25.0
Female	25.7	25.6	26.0

At 30 March 2016, the weighted average duration of the defined benefit obligation was years 14 (2015: 15 years).



## Notes forming part of the Consolidated Financial Statements (continued)

### 26. Retirement benefit obligations (continued)

#### (ii) Sensitivity analysis

Impact in thousands of euro on liabilities

	2016	%
Discount rate (0.25% increase)	(16,408)	-5%
Salary inflation (0.25% increase)	1,529	0.4%
Pension escalation (0.25% increase)	4,211	1.0%
	2015	%
Discount rate (0.25% increase)	(14,127)	-4%
Salary inflation (0.25% increase)	3,838	1%
Pension escalation (0.25% increase)	10,179	3%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined benefit obligation by the amounts shown.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 27. Assets held for sale

Following the sale of the U.K. Anua business, the Directors have placed the U.K. building at Bridgewater, Somerset on the market. Accordingly it has been represented as an asset held for sale and a sale is expected within the financial year to March 2017.

### 28. Related party disclosure

#### (a) Transactions with key management personnel

##### (i) Key management personnel compensation

Key management personnel comprises the Worker Participation directors, non-executive directors, and the executive director. The compensation attributable to these personnel comprised the following:

	30 March 2016 €'000	25 March 2015 €'000
Short-term employee benefits	724	750
Post-employment benefits	78	76
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<b>802</b>	<b>826</b>

##### (ii) Key management personnel interests

See Note 5 for information on the interests of the directors in the ordinary shares of the Company.

##### (iii) Key management personnel transactions

There are no key management personnel transactions other than disclosed above.

#### (b) Parent and ultimate controlling party

Bord na Móna plc is a state owned company. 95% of the issued share capital is held by the Minister for Finance (whose shares stand transferred to the Minister for Public Expenditure and Reform under the Ministers and Secretaries Act 2011). The other 5% is held by Bord na Móna ESOP on behalf of the employees.

## 28. Related party disclosure (continued)

### (c) Other related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Bord na Móna provide services amounting to €0.06 million (2015: €0.8 million) such as planning application, project management, legal, finance and administration to its joint ventures. These services are charged in accordance with arrangements agreed between the joint venture shareholders. At 30 March 2016 the joint ventures owed the Group €7.3 million (2015: €5.4 million). During the period the joint venture shareholders advanced loans of €25.8 million to the shareholder.

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods and property and provided services to entities controlled by the Irish Government, the principal of these being ESB. The Group operates a long-term agreement with ESB in relation to the sale of peat and provision of ancillary services to the power stations. Supply of these services in the year to 30 March 2016 amounted to €133.5 million (2015: €154.5 million) and amounts due from these entities to the Group at 30 March 2016 for these services amounted to €8.0 million (2015: €12.1 million).

From time to time the Group placed monies on deposit with financial institutions controlled by the State. At year end the Group had placed monies on deposit of €15.6 million (2015: €18.1 million) with Allied Irish Banks plc at 0.01%.

### (d) Dividends

	30 March 2016 €'000	25 March 2015 €'000
To the Minister for Finance	9,634	10,612
To Bord na Móna ESOP Trustee Limited	507	559
	<b>10,141</b>	<b>11,171</b>

The Company paid a dividend of €0.1555 (2015: €0.1713) per share during the year. The total dividend payment for the year was €10.1 million (2015: €11.2 million).

## Notes forming part of the Consolidated Financial Statements (continued)

### 29. Financial Instruments and risk management

#### (a) Accounting classifications and fair value

	Carrying Amount				Fair Value			
	Loans and receivables	Liabilities at amortised cost	Fair value hedging instruments	Total carrying amount	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>30 March 2016</b>								
Trade receivables	41,996	-	-	41,996	-	-	-	-
Cash and cash equivalents	98,174	-	-	98,174	-	-	-	-
Accrued revenue	23,700	-	-	23,700	-	-	-	-
Other receivables	7,562	-	-	7,562	-	-	-	-
Trade payables	-	(65,760)	-	(65,760)	-	-	-	-
Other payables	-	(29,776)	-	(29,776)	-	-	-	-
Swap derivatives	-	-	37,749	37,749	-	37,749	-	37,749
Unsecured loan note	-	(241,881)	-	(241,881)	-	-	-	-
Overdrafts	-	(29,006)	-	(29,006)	-	-	-	-
	<b>171,432</b>	<b>(366,423)</b>	<b>37,749</b>	<b>(157,242)</b>	-	<b>37,749</b>	-	<b>37,749</b>
<b>25 March 2015</b>								
Trade receivables	57,194	-	-	57,194	-	-	-	-
Cash and cash equivalents	96,369	-	-	96,369	-	-	-	-
Accrued revenue	18,133	-	-	18,133	-	-	-	-
Other receivables	4,474	-	-	4,474	-	-	-	-
Trade payables	-	(59,231)	-	(59,231)	-	-	-	-
Other payables	-	(32,428)	-	(32,428)	-	-	-	-
Swap derivatives	-	-	48,882	48,882	-	48,882	-	48,882
Unsecured loan note	-	(249,526)	-	(249,526)	-	-	-	-
Overdrafts	-	(24,739)	-	(24,739)	-	-	-	-
	<b>176,170</b>	<b>(365,924)</b>	<b>48,882</b>	<b>(140,872)</b>	-	<b>48,882</b>	-	<b>48,882</b>
<b>27 March 2014</b>								
Trade receivables	55,646	-	-	55,646	-	-	-	-
Cash and cash equivalents	173,250	-	-	173,250	-	-	-	-
Accrued revenue	13,723	-	-	13,723	-	-	-	-
Other receivables	3,376	-	-	3,376	-	-	-	-
Trade payables	-	(84,017)	-	(84,017)	-	-	-	-
Other payables	-	(33,400)	-	(33,400)	-	-	-	-
Swap derivatives	-	-	(6,892)	(6,892)	-	(6,892)	-	(6,892)
Unsecured loan note	-	(238,739)	-	(238,739)	-	-	-	-
Overdrafts	-	(667)	-	(667)	-	-	-	-
	<b>245,995</b>	<b>(356,823)</b>	<b>(6,892)</b>	<b>(117,720)</b>	-	<b>(6,892)</b>	-	<b>(6,892)</b>

#### Estimation of fair values

The principal methods and assumptions used in estimating the fair values of financial assets and liabilities are explained below.

#### Cash and cash equivalents including the short-term bank deposits

For short term bank deposits and cash and cash equivalents, all of which have a maturity of less than three months, the carrying value is deemed to reflect a reasonable approximation of fair value.

#### Trade and other receivables/payables

For the receivables and payables with a remaining term of less than one year or demand balances, the carrying amount less impairment allowances, where appropriate, is a reasonable approximation of fair value.

## 29. Financial Instruments and risk management (continued)

### *Loans*

For private placement debt and borrowings the fair value is calculated based on discounted future principal and interest cash flows.

### *Interest rate swaps*

For interest rate swaps the fair value is calculated based on discounted cash flow techniques.

### **(b) Financial risk management**

The Group's operations expose each to various financial risks that include credit risk, liquidity risk and market risk. The Group has a risk management framework in place which seeks to limit the impact of these risks on the financial performance of the Group. It is the policy of the Group to manage these risks in a non-speculative manner.

This note presents information about the Group's exposure to each of the above risks and the objectives, policies and processes for measuring and managing the risks. Further quantitative and qualitative disclosures are included throughout this note.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Risk and Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Risk and Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk and Audit Committee.

### **(c) Credit risk**

#### *Exposure to credit risk*

Credit risk arises from granting credit to customers and from investing cash and cash equivalents with banks and financial institutions.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

#### *Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is vetted individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Credit limits in excess of €200,000 are reviewed on a semi annual basis between the businesses and senior management in group.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry and existence of previous financial difficulties.

Impairment of receivables is provided for on individual receivable accounts when the overdue debt exceeds certain time limits.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

## Notes forming part of the Consolidated Financial Statements (continued)

### 29. Financial Instruments and risk management (continued)

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>Group</b>			
Ireland	27,096	43,061	41,717
UK	12,638	12,219	12,163
Rest Of Europe	4,239	5,767	5,817
	<b>43,973</b>	<b>61,047</b>	<b>59,697</b>

The ageing of Trade Receivables was as follows:

	Gross €'000	Impairment €'000	Net Receivables €'000
<b>At 30 March 2016</b>			
<b>Group</b>			
Not past due	40,131	-	40,131
Past due < 90 days	2,702	898	1,804
Past due > 90 days	1,141	1,080	61
	<b>43,974</b>	<b>1,978</b>	<b>41,996</b>
<b>At 25 March 2015</b>			
<b>Group</b>			
Not past due	55,053	-	55,053
Past due < 90 days	3,629	1,761	1,868
Past due > 90 days	2,365	2,092	273
	<b>61,047</b>	<b>3,853</b>	<b>57,194</b>
<b>At 27 March 2014</b>			
<b>Group</b>			
Group	53,167	-	53,167
Not past due	3,354	1,193	2,161
Past due < 90 days	3,176	2,858	318
	<b>59,697</b>	<b>4,051</b>	<b>55,646</b>

Management believes that the carrying amounts are collectable in full.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	€'000
Balance at 27 March 2014	4,051
Impairment loss recognised	62
Utilisation of the provision	(260)
Balance at 25 March 2015	3,853
Impairment loss reversal	(909)
Utilisation of the provision	(966)
<b>Balance at 30 March 2016</b>	<b>1,978</b>

#### Cash and short term bank deposits

The Group is exposed to credit risk from the counterparties with whom it places its bank deposits. The Group is satisfied that the credit risk associated with its deposits is not significant. The carrying amount of financial assets, net of impairment provisions, represents the group's maximum credit exposure.

The cash and cash equivalents are held with Bank of Ireland, AIB, KBC Bank Ireland and RaboDirect who have a credit rating of B or higher.

#### (d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## 29. Financial Instruments and risk management (continued)

### Unsecured loan notes

Interest of €17.3 million was charged on €203.6 million of average unsecured loan notes in 2016. In 2015, interest of €16.2 million was charged on average unsecured loan notes of €224.5 million.

### Available liquidity

The group has the following undrawn overdraft and loan facilities:

	Facility	Drawn amount at 30 March 2016	Total of facility	Available Headroom
Revolving credit facility		-	50,000	50,000
Bank overdraft		29,006	40,000	10,994
<b>Total</b>		<b>29,006</b>	<b>90,000</b>	<b>60,994</b>

The Company and certain subsidiary companies have entered into a "Cashpool Agreement" with their principal bankers. The Cashpool Agreement includes guarantees and a master netting agreement in respect of specified accounts contained within that agreement.

### Contractual Maturities

The following are the contractual maturities of the Group financial liabilities, including estimated interest payments.

	Carrying Amount €'000	Contractual Cash Flows €'000	Less than 1 Year €'000	1-2 Years €'000	2-5 Years €'000	More than 5 Years €'000
<b>At 30 March 2016</b>						
<b>Borrowings:</b>						
Unsecured loan notes	241,881	(276,469)	(90,180)	(50,137)	(136,152)	-
Related derivatives	(37,481)	45,863	13,857	10,139	21,867	-
<b>Total</b>	<b>204,400</b>	<b>(230,606)</b>	<b>(76,323)</b>	<b>(39,998)</b>	<b>(114,285)</b>	<b>-</b>
<b>Other contractual maturities:</b>						
Trade and other payables	95,536	(95,536)	(95,536)	-	-	-
Bank overdraft	29,006	(29,006)	(29,006)	-	-	-
<b>Total</b>	<b>124,542</b>	<b>(124,542)</b>	<b>(124,542)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 25 March 2015</b>						
<b>Borrowings:</b>						
Unsecured loan notes	249,526	(302,042)	(17,865)	(92,138)	(192,039)	-
Related derivatives	(45,288)	59,165	4,794	16,615	37,756	-
<b>Total</b>	<b>204,238</b>	<b>(242,877)</b>	<b>(13,071)</b>	<b>(75,523)</b>	<b>(154,283)</b>	<b>-</b>
<b>Other contractual maturities:</b>						
Trade and other payables	91,659	(91,659)	(91,659)	-	-	-
Bank overdraft	24,739	(24,739)	(24,739)	-	-	-
<b>Total</b>	<b>116,398</b>	<b>(116,398)</b>	<b>(116,398)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 27 March 2014</b>						
<b>Borrowings:</b>						
Unsecured loan notes	238,739	(297,009)	(56,931)	(13,722)	(226,356)	-
Related derivatives	6,051	(141)	2,020	1,289	(3,450)	-
<b>Total</b>	<b>244,790</b>	<b>(297,150)</b>	<b>(54,911)</b>	<b>(12,433)</b>	<b>(229,806)</b>	<b>-</b>
<b>Other contractual maturities:</b>						
Trade and other payables	117,417	(117,417)	(117,417)	-	-	-
Bank overdraft	667	(667)	(667)	-	-	-
<b>Total</b>	<b>118,084</b>	<b>(118,084)</b>	<b>(118,084)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements (continued)

### 29. Financial Instruments and risk management (continued)

#### (e) Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group and Company's income or the value of its holdings of financial instruments.

#### Commodity price risk

The Group entered into a fuel hedging contract and fixed the price for road and tractor diesel. The contract expired on 30 March 2016.

#### Foreign exchange rate risk

The Group is exposed to translation foreign exchange rate risk on its UK operations, transaction exchange rate risk on purchases and sales and transaction exchange rate risk on its unsecured loan note. The effect of the translation of foreign operation risk and transaction exchange rate risk on purchase and sales are not considered material to the Group.

The effect of the foreign exchange transaction rate risk on the unsecured loan notes is, however, material. On 30 March 2016 the group had US\$273 million fixed rate debt arising from two US private placement transactions, which were completed on 22nd June 2006 (US\$125 million) and 6 August 2009 (US\$205 million). The Group has entered into swap agreements to mitigate this risk entirely. The private placement debt in place is at fixed interest rates and the group has entered into derivatives that swap the US\$ interest and principal repayments into fixed euros. Therefore, in relation to the debt the Group has in substance no exposure to movements in foreign exchange rate movements or interest rate movements.

	30 March 2016 €'000	25 March 2015 €'000	27 March 2014 €'000
<b>Foreign exchange impact</b>			
Unsecured loan notes	7,806	(51,340)	6,052
Effect of derivative financial instruments	(7,806)	51,340	(6,052)
<b>Total</b>	-	-	-

	30 March 2016		25 March 2015	
	€'000 USD	€'000 GBP	€'000 USD	€'000 GBP
Trade receivables	49	7,887	234	7,048
Trade payables	(126)	(3,146)	(123)	(3,432)
	<b>(77)</b>	<b>4,741</b>	<b>111</b>	<b>3,616</b>
<b>Net balance sheet exposure</b>				
Net six months forecast sales	-	18,245	-	17,755
Next six months forecast purchases	-	(10,549)	-	(9,926)
<b>Net forecast transaction exposure</b>	-	<b>7,696</b>	-	<b>7,829</b>
Forward exchange contracts	-	-	-	-
<b>Net exposure</b>	<b>(77)</b>	<b>12,437</b>	<b>111</b>	<b>11,445</b>

## 29. Financial Instruments and risk management (continued)

The following significant exchange rates have been applied during the year:

	Average rate		Year end spot	
	2016	2015	2016	2015
USD	1.1032	1.2725	1.1324	1.0985
GBP	0.7321	0.7866	0.7858	0.7365

### Sensitivity analysis

The Group have no material exposure to movements in US dollars. A reasonably possible strengthening (weakening) of the Sterling against Euros at 30 March 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>30 March 2016</b>				
GBP (+/-5% Movement)	317	(288)	-	-
<b>25 March 2015</b>				
GBP (+/-5% Movement)	151	(341)	-	-

## 30. Transition to IFRS

As stated in note 2, these are the Group's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 March 2016, the comparative information presented in these financial statements for the year ended 25 March 2015 and in the preparation of an opening IFRS balance sheet at 27 March 2014 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Irish GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

The key adjustments on transition to IFRS relate to:

- Derivatives and hedge accounting;
- Investment property fair value movement;
- Re-opening of business combinations;
- Presentation of discontinued operation; and
- Pension interest income adjustment.





## Statement of total comprehensive income for the year ended 25 March 2015

### Statement of total comprehensive income reconciliation from Irish GAAP to IFRS

	Irish GAAP 2015	Investment property	Goodwill	Defined benefit pension	Unsecured loan notes	IFRS 2015
	Note	A	B	C	E	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Profit for the year	30,452	13,360	(83)	(2,266)	(6,417)	35,046
Revaluation of investment property	14,068	(14,068)	-	-	-	-
<b>Items that will never be reclassified to profit or loss</b>						
Remeasurement of defined pension liability	(28,056)	-	-	2,590	-	(25,466)
Tax on remeasurement of defined pension liability	3,451	-	-	(324)	-	3,126
	(24,606)	-	-	2,266	-	(22,339)
<b>Items that are or may be reclassified to profit or loss</b>						
Foreign operations - foreign currency translation differences	596	-	-	-	-	596
Cashflow hedges - effective portion of changes in fair value	-	-	-	-	58,599	58,599
Related tax on changes in fair value of cash flow hedges	-	-	-	-	(7,325)	(7,325)
Cashflow hedges - reclassified to profit or loss (interest)	-	-	-	-	(2,824)	(2,824)
Tax on cashflow hedges - reclassified to profit or loss (interest)	-	-	-	-	353	353
Cashflow hedges - reclassified to profit or loss (foreign exchange)	-	-	-	-	(51,340)	(51,340)
Related tax on cashflow hedges reclassified to profit or loss (foreign exchange)	-	-	-	-	6,417	6,417
	596	-	-	-	3,880	4,476
Other comprehensive income, net of tax	(24,009)	-	-	2,266	3,880	(17,863)
<b>Total comprehensive income</b>	<b>20,511</b>	<b>(708)</b>	<b>(83)</b>	<b>-</b>	<b>(2,537)</b>	<b>17,183</b>

## Explanation of transition to IFRS (continued)

### Balance Sheet as at 27 March 2014

#### Opening FY15 Balance Sheet reconciliation from Irish GAAP to IFRS

	Irish GAAP	AES goodwill	PowerGen goodwill	Unsecured loan notes	IFRS presentation adjustments	IFRS
	Note	B	B	E		Total
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Assets</b>						
Joint ventures	2,166	-	-	-	-	2,166
Property, plant and equipment	315,654	-	-	-	(2,947)	312,707
Investment property	9,000	-	-	-	-	9,000
Goodwill	12,143	(6,361)	(5,782)	-	-	-
Other intangible assets	17,928	517	2,185	-	2,947	23,577
Derivative financial instrument	-	-	-	-	-	-
Retirement benefit asset	-	-	-	-	3,390	3,390
Deferred tax	-	-	-	859	(623)	236
<b>Total non-current assets</b>	<b>356,891</b>	<b>(5,844)</b>	<b>(3,597)</b>	<b>859</b>	<b>2,767</b>	<b>351,076</b>
Current assets	343,206	-	-	-	(1,951)	341,255
<b>Total assets</b>	<b>700,097</b>	<b>(5,844)</b>	<b>(3,597)</b>	<b>859</b>	<b>816</b>	<b>692,331</b>
<b>Equity</b>						
Share capital and share premium	(84,763)	-	-	-	-	(84,763)
Cash flow hedge reserve	-	-	-	736	-	736
Foreign currency translation reserve	-	-	-	-	-	-
Profit and loss account reserves	(128,140)	5,844	3,840	(754)	-	(119,210)
Non-controlling interests	456	-	-	-	-	456
<b>Total equity</b>	<b>(212,447)</b>	<b>5,844</b>	<b>3,840</b>	<b>(18)</b>	<b>-</b>	<b>(202,781)</b>
<b>Liabilities</b>						
Provisions	(52,757)	-	-	-	-	(52,757)
Retirement benefit obligations	(38,193)	-	-	-	(8,204)	(46,397)
Grant	(10,916)	-	-	-	-	(10,916)
Loans and borrowings	(244,790)	-	-	6,051	-	(238,739)
Derivative financial instrument	-	-	-	(6,892)	-	(6,892)
Deferred tax	(7,145)	-	(243)	-	7,388	-
Current liabilities	(133,849)	-	-	-	-	(133,849)
<b>Total liabilities</b>	<b>(487,650)</b>	<b>-</b>	<b>(243)</b>	<b>(841)</b>	<b>(816)</b>	<b>(489,550)</b>
<b>Total liabilities and equity</b>	<b>(700,097)</b>	<b>5,844</b>	<b>3,597</b>	<b>(859)</b>	<b>(816)</b>	<b>(692,331)</b>

## Balance Sheet as at 25 March 2015

### Closing FY15 Balance Sheet reconciliation from Irish GAAP to IFRS

	Irish GAAP	AES goodwill	PowerGen goodwill	Unsecured loan notes	Baggot Street	Foreign currency	IFRS presentation adjustments	IFRS
	Note	B	B	E	A	F		Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Assets</b>								
Joint ventures	3,559	-	-	-	-	-	-	3,559
Property, plant and equipment	350,866	-	-	-	-	-	(9,101)	341,765
Investment property	25,400	-	-	-	-	-	-	25,400
Goodwill	10,741	(5,394)	(5,347)	-	-	-	-	-
Other intangible assets	25,448	-	937	-	-	-	9,101	35,486
Derivative financial instrument	-	-	-	48,882	-	-	-	48,882
<b>Total non-current assets</b>	<b>416,014</b>	<b>(5,394)</b>	<b>(4,410)</b>	<b>48,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455,092</b>
Current assets	283,592	-	-	-	-	-	(2,700)	280,892
<b>Total assets</b>	<b>699,606</b>	<b>(5,394)</b>	<b>(4,410)</b>	<b>48,882</b>	<b>-</b>	<b>-</b>	<b>(2,700)</b>	<b>735,984</b>
<b>Equity</b>								
Share capital and share premium	(84,763)	-	-	-	-	-	-	(84,763)
Cash flow hedge reserve	-	-	-	(3,144)	-	-	-	(3,144)
Foreign currency translation reserve	-	-	-	-	-	(596)	-	(596)
Revaluation reserve	(14,068)	-	-	-	14,068	-	-	-
Profit and loss account reserves	(123,382)	5,394	4,517	5,660	(13,360)	596	-	(120,575)
Non-controlling interest	662	-	-	-	-	-	-	662
<b>Total equity</b>	<b>(221,551)</b>	<b>5,394</b>	<b>4,517</b>	<b>2,516</b>	<b>708</b>	<b>-</b>	<b>-</b>	<b>(208,416)</b>
<b>Liabilities</b>								
Provisions	(59,741)	-	-	-	-	-	-	(59,741)
Retirement benefit obligations	(59,539)	-	-	-	-	-	(7,828)	(67,367)
Grant	(10,293)	-	-	-	-	-	-	(10,293)
Loans and borrowings	(204,238)	-	-	(45,288)	-	-	-	(249,526)
Derivative financial instrument	-	-	-	-	-	-	-	-
Deferred tax	(8,720)	-	(104)	(6,110)	(708)	-	10,513	(5,129)
Current liabilities	(135,524)	-	(3)	-	-	-	15	(135,512)
<b>Total liabilities</b>	<b>(478,055)</b>	<b>-</b>	<b>(107)</b>	<b>(51,398)</b>	<b>(708)</b>	<b>-</b>	<b>2,700</b>	<b>(527,568)</b>
<b>Total liabilities and equity</b>	<b>(699,606)</b>	<b>5,394</b>	<b>4,410</b>	<b>(48,882)</b>	<b>-</b>	<b>-</b>	<b>2,700</b>	<b>(735,984)</b>

#### A. Investment property

In accordance with Irish GAAP all fair value movements on investment property are recognised in reserves. Under IFRS, these fair value movements are recognised in the income statement. In addition a deferred tax liability is recognised for potential capital gains tax. This liability was not permitted to be recognised under Irish GAAP.

#### B. Goodwill

The Group has restated business combinations post 2006.

- Under IFRS, the AES goodwill would have been allocated to customer list intangible assets that would have been fully amortised by the beginning of FY15 therefore requiring no amortisation in FY15.
- Under IFRS the PowerGen goodwill would have been allocated to the customer contracts with the ESB that would have been fully amortised by the end of FY16. This is shorter than the amortisation period was under Irish GAAP, thereby requiring higher amortisation in FY15.
- Deferred tax related to these acquisitions was also recognised on transition to IFRS.

## Explanation of transition to IFRS

(continued)

### 30. Transition to IFRS (continued)

#### C. Pension

The net defined benefit pension liability recognised on the balance sheet is the same under IFRS as it was under Irish GAAP. In accordance with Irish GAAP the interest income on plan assets was calculated using the expected return on plan assets. Under IFRS, the interest income on the plan assets is calculated using the liability discount rate. The lower discount rate means lower interest income recognised in the income statement. A corresponding gain is recognised in other comprehensive income to leave net liability unchanged.

#### D. Discontinued operations

In accordance with Irish GAAP detailed line by line information was provided on this discontinued operation on the face of the Income Statement. Under IFRS the results of Anua are presented in a single line item on the face of the income statement "loss on discontinued operations". The detailed line-by-line information that was provided on the face of the income statement under Irish GAAP is presented in the notes under IFRS. This is a presentation change only and there is no change to the net loss recognised in the income statement.

#### E. Unsecured loan notes

In accordance with Irish GAAP, the U.S. dollar debt held was measured at the contracted rate. Under IFRS, the US dollar debt is remeasured to Euro at each reporting date using the spot foreign exchange rate at that date.

In accordance with Irish GAAP the Group's cross currency interest rate SWAPs were not recognised on the balance sheet. On transition to IFRS these derivatives were recognised at their fair values.

The Group has decided to apply cash flow hedge accounting for the derivatives related to the unsecured loan notes.

#### F. Foreign currency

On transition to IFRS the Group has availed of the optional exemption to reset the foreign currency translation reserve to nil. As the Group was including these reserves in retained earnings under Irish GAAP, this resulted in no adjustment on transition to IFRS.

#### Cash flow statement

There are no material differences between the cash flow statement presented under IFRS and the cash flow statement presented under Irish GAAP.

### 31. Subsequent events

There have been no events between the balance sheet date and the date on which the financial statements were approved by the Board, which would require disclosure and/or adjustment to the financial statements. On the date of signing the financial statements a planning decision was still pending on the operations of the power station at Edenderry.

### 32. Approval of financial statements

The financial statements of the Company were approved by the directors on 30 June 2016.

# Financial Statements of the Company

For the year ended 30 March 2016

## Company Balance Sheet

as at 30 March 2016

	Note	30 March 2016 €'000	25 March 2015 €'000
<b>Non current assets</b>			
Property, plant and equipment	33 (C)	6,762	5,879
Intangible assets	33 (D)	14,942	6,613
Financial assets	33 (B)	88,257	88,257
Derivative financial instruments	29	37,749	48,882
Retirement benefit asset	33 (K)	4,540	-
Deferred tax asset	33 (H)	-	2,485
		<b>152,250</b>	<b>152,116</b>
<b>Current assets</b>			
Trade and other receivables - amounts falling due after more than one year	33 (E)	327,957	315,780
Trade and other receivables - amounts falling due within one year	33 (E)	38,466	32,819
Cash at bank and in hand		56,529	59,923
Current assets		422,952	408,522
Trade and other payables: amounts falling due within one year	33 (F)	(296,575)	(166,314)
Net current assets		126,377	242,208
<b>Total assets less current liabilities</b>		<b>278,627</b>	<b>394,324</b>
Trade and other payables: amounts falling due after more than one year	33 (G)	(166,019)	(248,536)
<b>Provisions</b>			
Retirement benefit obligations	33 (K)	(37,826)	(65,830)
Deferred tax	33 (H)	(401)	-
Other	33 (I)	(10,875)	(9,366)
<b>Net assets after retirement benefit obligations</b>		<b>63,506</b>	<b>70,592</b>
<b>Capital and reserves</b>			
Called-up share capital	20	82,804	82,804
Share premium	20	1,959	1,959
Cash flow hedge reserve		233	3,144
Profit and loss account		(21,490)	(17,315)
<b>Equity shareholders funds</b>		<b>63,506</b>	<b>70,592</b>

The accompanying notes are an integrated part of these financial statements.

Signed on behalf of the Board of Directors

**John Horgan**  
Chairman

**Mike Quinn**  
Managing Director

30 June 2016

## Company statement of Changes in Equity

for the year ended 30 March 2016

	Share Capital €'000	Share premium €'000	Cash flow hedge reserves €'000	Retained earnings €'000	Total €'000
<b>At 27 March 2014</b>	<b>82,804</b>	<b>1,959</b>	<b>(736)</b>	<b>25,235</b>	<b>109,262</b>
<b>Total Comprehensive income</b>					
Loss for the year	-	-	-	(9,682)	(9,682)
<b>Other comprehensive income</b>					
Remeasurements of defined benefit liability	-	-	-	(21,696)	(21,696)
Cash flow hedge - effective portion changes in fair value	-	-	51,274	-	51,274
Cash flow hedge - reclassified to profit or loss (cash payments)	-	-	(2,471)	-	(2,471)
Cash flow hedge - reclassified to profit or loss (foreign exchange)	-	-	(44,923)	-	(44,923)
<b>Transactions with owners of the company</b>					
Dividends	-	-	-	(11,172)	(11,172)
<b>At 25 March 2015</b>	<b>82,804</b>	<b>1,959</b>	<b>3,144</b>	<b>(17,315)</b>	<b>70,592</b>
<b>Total Comprehensive income</b>					
Loss for the year	-	-	-	(3,812)	(3,812)
<b>Other comprehensive income</b>					
Remeasurements of defined benefit liability	-	-	-	9,778	9,778
Cash flow hedge - effective portion changes in fair value	-	-	(5,637)	-	(5,637)
Cash flow hedge - reclassified to profit or loss (cash payments)	-	-	(4,104)	-	(4,104)
Cash flow hedge - reclassified to profit or loss (foreign exchange)	-	-	6,830	-	6,830
<b>Transactions with owners of the company</b>					
Dividends	-	-	-	(10,141)	(10,141)
<b>At 30 March 2016</b>	<b>82,804</b>	<b>1,959</b>	<b>233</b>	<b>(21,490)</b>	<b>63,506</b>

The accompanying notes are an integrated part of these financial statements.



## Notes forming part of the Company Financial Statements

### 33. (A) Statement of compliance

The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101"). The Company financial statements have adopted certain disclosure exemptions available under FRS 101. These include:

- a cashflow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information;
- the effects of new but not yet effective IFRSs; and
- an additional balance sheet for the beginning of the earliest comparative period following transition.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

### 33. (B) Financial fixed assets

	Subsidiary Takings			Total €'000
	Unlisted Shares €'000	Convertible loan stock €'000	Loans €'000	
At the beginning of the financial year	11	480	87,766	88,257
Acquired during year	-	-	-	-
<b>At the end of the financial year</b>	<b>11</b>	<b>480</b>	<b>87,766</b>	<b>88,257</b>

At 30 March 2016 the carrying amount of the investment in subsidiary undertakings was reviewed for impairment in accordance with our accounting policies. No impairment loss was recognised in 2016 (2015: €nil, 2014: €nil). A list of the entity's subsidiary undertakings is set out in note 25.

### 33. (C) Property plant & equipment

	Bogland, drainage and production buildings €'000	Railways, plant and Machinery €'000	Freehold Land, adminand research buildings €'000	Assets under construction €'000	Total €'000
<b>At Cost</b>					
At beginning of the financial year	559	1,347	6,912	2,343	11,161
Reclassification	-	(146)	146	-	-
Additions at cost	-	280	683	646	1,609
Disposals	-	(38)	-	-	(38)
Transfer out of assets under construction	-	1,443	1,556	(2,989)	-
<b>At end of the financial year</b>	<b>559</b>	<b>2,876</b>	<b>9,297</b>	<b>-</b>	<b>12,732</b>
<b>Accumulated depreciation</b>					
At beginning of the financial year	-	1,140	4,142	-	5,282
Reclassification	-	818	(818)	-	-
Charge for the year	-	428	463	-	891
Disposals	-	-	(203)	-	-
<b>At end of the financial year</b>	<b>-</b>	<b>2,386</b>	<b>3,584</b>	<b>-</b>	<b>5,970</b>
<b>Carrying amount</b>					
<b>At 30 March 2016</b>	<b>559</b>	<b>207</b>	<b>2,770</b>	<b>2,343</b>	<b>5,879</b>
<b>At 25 March 2015</b>	<b>559</b>	<b>490</b>	<b>5,713</b>	<b>-</b>	<b>6,762</b>

### 33. (D) Intangible Assets

	Assets under construction €'000	Software €'000	Total €'000
<b>Cost</b>			
At beginning of the year	5,988	10,589	16,577
Additions	9,563	6	9,569
Transfers out of assets under construction	(9,802)	9,802	-
Disposals	-	(131)	(131)
<b>At end of the year</b>	<b>5,749</b>	<b>20,266</b>	<b>26,015</b>
<b>Amortisation and impairment</b>			
At beginning of the year	-	9,964	9,964
Charge for year	-	1,109	1,109
<b>At end of the year</b>	<b>-</b>	<b>11,073</b>	<b>11,073</b>
<b>Carrying amount</b>			
<b>At 30 March 2016</b>	<b>5,988</b>	<b>625</b>	<b>6,613</b>
<b>At 25 March 2015</b>	<b>5,749</b>	<b>9,193</b>	<b>14,942</b>

Assets under construction relate to the design and build of IT applications. During the year the Oracle e-business suite was capitalised and part of the application for the Fuels and Horticulture businesses remains as an asset under construction at year end.

### 33. (E) Trade and other receivables

	30 March 2016 €'000	25 March 2015 €'000
Trade receivables	248	91
Accrued revenue	14	-
Amounts due from group companies	364,162	345,922
Amounts owed by joint ventures	307	-
Value added tax	-	541
Prepayments	1,177	1,394
Other debtors	515	651
<b>Total</b>	<b>366,423</b>	<b>348,599</b>
<b>Amount Due as follows:</b>		
Within one year	38,466	32,819
After more than one year	327,957	315,780
	<b>366,423</b>	<b>348,599</b>

## Notes forming part of the Company Financial Statements (continued)

### 33. (F) Trade and other payables: amounts falling due within one year

	30 March 2016 €'000	25 March 2015 €'000
Loan notes	74,872	-
Bank overdrafts (note 19)	26,316	22,542
Capital grants (Note 17)	545	247
Trade payables	8,328	3,628
Deferred revenue	131	131
Accruals	8,089	8,522
Other creditors	264	245
Amounts due to Group companies	172,172	128,559
Creditors in respect of taxation and social welfare	5,858	2,440
<b>Total</b>	<b>296,575</b>	<b>166,314</b>
<b>Creditors in respect of taxation and social welfare comprise</b>		
Income tax deducted under PAYE	1,681	1,233
Pay-related social insurance	1,201	914
Value added tax	2,976	293
<b>Total</b>	<b>5,858</b>	<b>2,440</b>

### 33. (G) Trade and other Payables : amounts falling due after one year

	30 March 2016 €'000	25 March 2015 €'000
Unsecured Loan Notes (Note 19)	166,019	248,536
Capital Grants (Note 17)	-	-
<b>Total</b>	<b>166,019</b>	<b>248,536</b>

### 33. (H) Deferred tax

	30 March 2016 €'000	25 March 2016 €'000
At beginning of financial year	(2,485)	(6,698)
Recognised in profit or loss	2,946	275
Recognised in OCI	1,331	(3,034)
Recognised in equity	(1,391)	6,972
<b>At end of financial year</b>	<b>401</b>	<b>(2,485)</b>

### 33. (I) Provisions

	Environment Reinstatement €000	Insurance €000	Redundancy & reorganisation €000	Total €000
<b>At cost</b>				
At beginning of financial year	2,167	7,199	-	9,366
Charge to the profit and loss account	-	1,750	2,267	4,017
Credit to the profit and loss account	-	(289)	-	(289)
Utilised during the year	(29)	(2,008)	(182)	(2,219)
<b>At end of the financial year</b>	<b>2,138</b>	<b>6,652</b>	<b>2,085</b>	<b>10,875</b>
<b>Amount due as follows:</b>				
Within one year	2,138	608	2,085	4,831
After more than one year	-	6,044	-	6,044
<b>At end of the financial year</b>	<b>2,138</b>	<b>6,652</b>	<b>2,085</b>	<b>10,875</b>

For further detail on the above provisions, see Note 18 in the group financial statements.

### 33. (J) Transition to FRS 101

The Company's date of transition to FRS 101 is 27 March 2014.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 March 2016, the comparative information presented in these financial statements for the year ended 25 March 2015 and in the preparation of an opening FRS 101 balance sheet at 27 March 2014 (the Company's date of transition). The Company have availed of the exemption not to present the Company transition date balance sheet in these financial statements.

In preparing its opening FRS 101 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Irish GAAP (previous GAAP). An explanation of how the transition from previous GAAP to FRS 101 has affected the Group's financial position and financial performance is set out below:

The key adjustments on transition to IFRS relate to:

- Recognition of the RWESS and GESS pension schemes on the Company balance sheet; and
- Derivatives and hedge accounting;

#### Recognition of the RWESS and GESS pension schemes on the Company balance sheet

In accordance with FRS 101, the sponsoring entity of a company pension plan must recognise the scheme on its financial statements.

Under Irish GAAP, the schemes were recognised in the preparation of the consolidated financial statements and were not on the balance sheet of any single entity in the Group. Under IFRS, these schemes were brought on to the balance of the parent Company. This resulted in a combined net deficit of the above two schemes totalling €32.8 million (including deferred tax impact) being recognised as a liability on the transition date.

#### Derivatives and hedge accounting

The adjustments in respect of unsecured loan notes made in the financial statements of the Company are identical to those made in the transition note contained in the consolidated financial statements (Note 29).

#### Reconciliation of equity from Irish GAAP to FRS 101

The below table reconciles total equity from Irish GAAP to FRS 101 at 27 March 2014 (the transition date) and 25 March 2015:

	25 March 2015 €'000	27 March 2014 €'000
Equity (Irish GAAP)	126,557	142,085
Recognition of pension schemes	(53,448)	(32,843)
Unsecured loan notes	(2,517)	20
<b>Equity (FRS 101)</b>	<b>70,592</b>	<b>109,262</b>

### 33. (K) Pension fund liabilities

There are two pension schemes held within the balance sheet of Bord na Móna plc (RWESS and GESS). In addition to this, the unfunded scheme is also recognised on the balance sheet. The third pension scheme (BnM Fuels pension scheme) has been recognised on the balance sheet of Bord na Móna Fuels Limited. Information has been provided on these pension schemes as per Note 26 of the consolidated financial statements. As there are no material differences between the information given in the consolidated notes and the company information it has been chosen not to reproduce this information.

### 34. Approval of financial statements

The financial statements were approved by the directors on 30th June 2016.

Notes





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