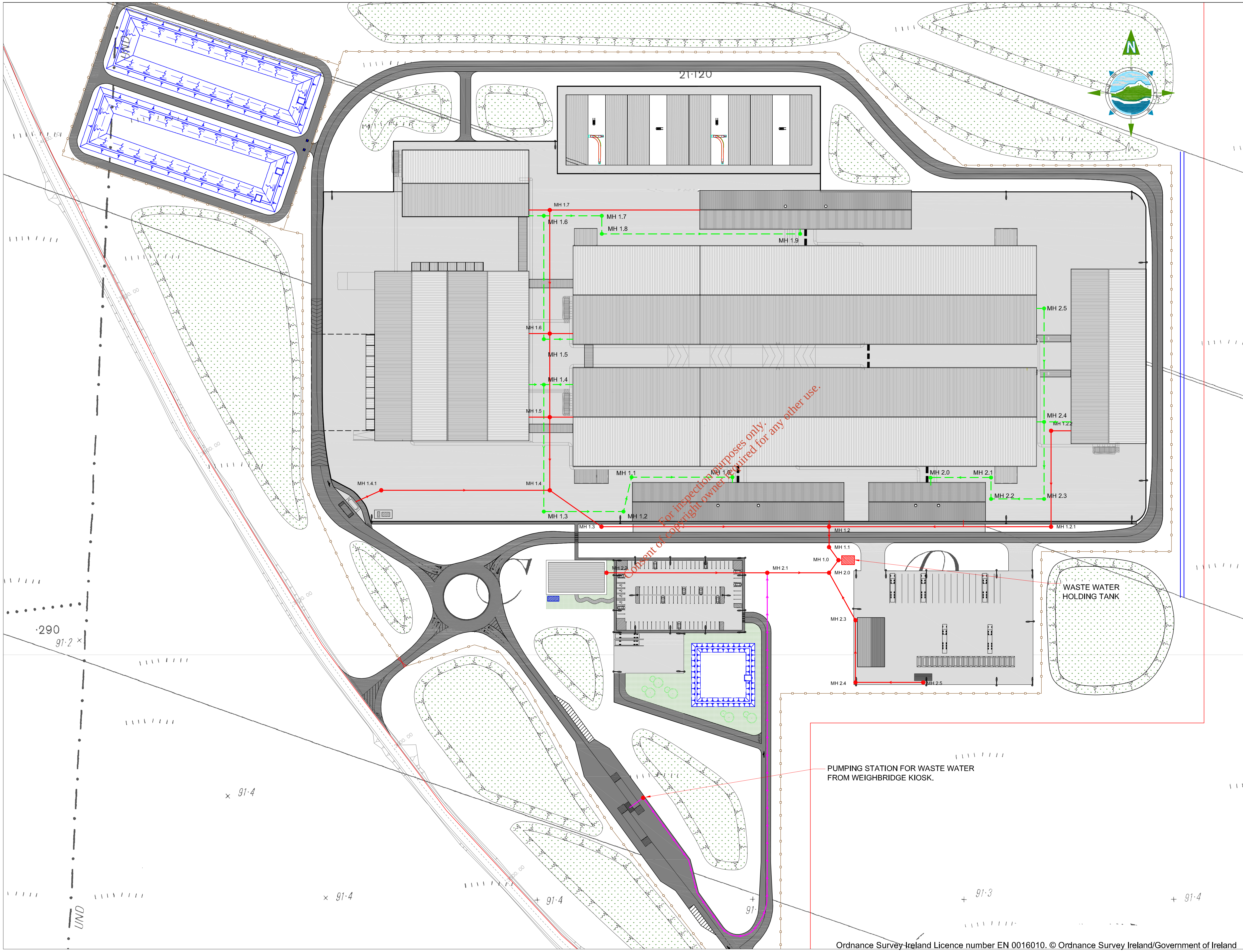

GENERAL LEGEND

- ACTIVITY BOUNDARY
- PROPOSED ROAD
- PROPOSED HARDSTAND
- PROPOSED ATTENUATION POND
- PROPOSED GREEN AREA
- PROPOSED BUILDINGS

DRAINAGE LEGEND

- PROPOSED FOUL DRAIN
- PROPOSED FOUL MH
- PROPOSED WASTE WATER COLLECTION
- PROPOSED RISING MAIN
- RETURNED PROCESS WATER

NOTES:

1. FIGURED DIMENSIONS ONLY TO BE TAKEN FROM THIS DRAWING.
2. ALL DRAWINGS TO BE CHECKED BY THE CONTRACTOR ON SITE
3. ENGINEER/EMPLOYERS REPRESENTATIVE, AS APPROPRIATE, TO BE INFORMED BY THE CONTRACTOR OF ANY DISCREPANCIES BEFORE ANY WORK COMMENCES
4. THE CONTRACTOR SHALL UNDERTAKE A THOROUGH CHECK FOR THE ACTUAL LOCATION OF ALL SERVICES/UTILITIES, ABOVE AND BELOW GROUND, BEFORE ANY WORK COMMENCES
5. ALL LEVELS SHOWN RELATE TO ORDNANCE SURVEY DATUM AT MALIN HEAD

A	27.06.12	ISSUED FOR WASTE LICENCE	M.N.	D.C.
Issue	Date	Description	By	Chkd.

Client:

BORD NA MÓNA

Project:

DREHID
MECHANICAL BIOLOGICAL
TREATMENT (MBT) FACILITY

Title:

FOUL & PROCESS WATER
DRAINAGE LAYOUT PLAN

Scale @ A3: 1:2,000

Prepared by: M. Nolan | Checked: D. Conneran | Date: February 2012

Project Director: D. Grehan

TOBIN
Patrick J. Tobin & Co. Ltd.
Consulting, Civil and Structural Engineers,
Block 10-4, Blanchardstown Corporate Park,
Dublin 15, Ireland.
tel: +353-(0)1-8030406
fax:+353-(0)1-8030409
e-mail: info@tobin.ie
www.tobin.ie

Drawing No.: 6301-2306

Issue: A

APPENDIX B

Details of Financial Provision

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BORD NA MONA PLC

We have audited the Group and parent Company financial statements (the "financial statements") on pages 32 to 65. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors
The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 28.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Companies: Group Accounts) Regulations, 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account;
- whether the Directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting of the Company; such a financial situation may exist if the net assets of the Company, as stated in the Company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Managing Director's Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies made in the Directors' Report on page 28 reflects the Group's compliance with paragraph 13.1 (iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the Board's statements on internal financial control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's and the Company's affairs as at 30 March 2011 and of the Group's profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company's balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report on pages 26 to 29 is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 42 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 30 March 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
23 June 2011

ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Basis of Accounting and Preparation of Financial Statements
The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Companies: Group Accounts Regulations, 1992). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The financial statements are prepared in Euro under the historical cost convention.

The Group's significant accounting policies, critical accounting estimates and judgements are set out below, together with an explanation of where changes have been made to previous policies. There were no new standards adopted during the year.

Basis of Consolidation
The consolidated financial statements include the financial statements of Bord na Móna plc and all of its subsidiaries. The Group financial statements consolidate the financial statements of the holding Company and its subsidiary undertakings.

The policies set out below have been consistently applied to all years presented in the consolidated financial statements and are consistently applied by all Group entities. Comparative figures have been restated where required in order to present on a consistent basis.

Intragroup transactions are eliminated on consolidation in the preparation of the Group financial statements.

The results of subsidiary undertakings acquired or sold are included in the consolidated profit and loss account and cashflow statement up to or from the date control passes.

The identifiable assets and liabilities of the acquired entity are included in the consolidated financial statements of the acquirer at their fair values at the date of acquisition. The difference between these and the cost of acquisition is recognised as goodwill or negative goodwill. The results of the acquired entity are included in the profit and loss account of the acquiring Group from the date of acquisition. The assets and liabilities recognised in the allocation of fair values are those of the acquired entity that existed at the date of acquisition. They are measured at fair values that reflect the conditions at the date of the acquisition. The cost of acquisition is the amount of cash or cash equivalents paid and the fair value of other purchase consideration given by the acquirer, together with the associated transaction expenses.

The fair value exercise includes the measurement of contingent assets and liabilities. These are determined based on the Group's reasonable estimates of the expected outcome. Certain contingent assets and liabilities that crystallise as a result of an acquisition are also recognised, where the underlying contingency was in existence before the acquisition (e.g. environmental reinstatement provisions).

Turnover
Turnover is comprised of revenue, excluding value added tax and trade discounts and including other levies on goods and services to external customers arising in the normal course of business.

The Group supplies electricity to ESB Customer Supply under a Power Purchase Agreement ('PPA') which expires in December 2015. Turnover is recognised for (i) capacity availability and (ii) energy supplied, on the basis of contractual performance in accordance with the terms of the PPA. Related pass through costs are recognised in accordance with the terms of the PPA. .

Turnover on long-term contracts is recognised using the percentage-of-completion method, calculated on an input cost basis.

On receipt of payment from customers, in advance of the performance of the Group's contractual obligations to its customers under the normal course of business, in respect of certain of its activities the Group recognises deferred revenue. The deferred revenue is included in Creditors on the balance sheet, representing the Group's obligations under the contract terms. When the Group performs its obligations and thereby obtains the right to consideration under the terms of business, it reduces the liability and recognises that reduction as revenue in the profit and loss account. The costs associated with the delivery of the services are charged to cost of sales as incurred, to the extent that they are less than the unamortised deferred revenue. A provision is recognised where future costs in respect of the delivery of the service are estimated to exceed unamortised deferred revenue.

Revenue earned on service delivery but unbilled is recognised in accordance with contractual terms and separately disclosed as accrued income within Debtors.

Operating lease rental income is recognised in accordance with the contractual terms.

All other revenue is recognised when the goods or services are delivered.

Turnover is stated as after eliminating sales within the Group.

Foreign Currencies
Transactions denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the transaction date or, if hedged, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or, if hedged forward, at the rate of exchange under the related forward currency contract. The resulting profit or loss is included in the profit and loss account. Gains and losses arising on forward foreign exchange contracts which are used to hedge foreign transaction cash flows are recognised as an operating expense in the profit and loss account. Interest rate swaps agreements and similar contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as an interest expense over the period of the contracts.

The financial statements of foreign subsidiaries are translated into Euro using the closing rate method. Profits and losses arising on the re-translation of foreign subsidiaries are taken to reserves and recognised in the statement of total recognised gains and losses. Differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against Group equity investment in foreign subsidiaries, are also taken to reserves and recognised in the statement of total recognised gains and losses.

Derivative Financial Instruments
The Group uses derivative financial instruments including a number of cross currency interest rate swaps to hedge its exposure to interest and foreign exchange risks arising from two US private placements. In order to fully hedge the associated US Dollar exchange rate exposures and convert the underlying interest rates to fixed, the Group entered into a number of cross currency swaps to match the maturity profile of the unsecured loan notes.

Derivative financial instruments are recognised at book value. Interest differentials arising on the derivatives are recognised in net interest expense over the period of the related contract. The fair value of the financial instruments is disclosed at each balance sheet date.

Emission Allowances
In accordance with the provisions of the European CO_2 emissions trading scheme, emissions allowances covering a percentage of the expected emissions during the year are granted to Bord na Móna at the beginning of each year by the relevant Government Authority.

As emissions arise, a charge is recorded in the profit and loss account to reflect the amount required to settle the liability to the Authority. This provision will include the current market value of any additional allowances required to settle the obligation. These allowances, together with any additional allowances purchased during the year, 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 of CO_2 during that year. Certain of the emissions costs are recoverable from ESB Customer Supply under the power purchase agreement as a pass through cost. The recoverable credit is recorded in the profit and loss account.

Tangible Fixed Assets
Cost
Freehold land and the estimated residual value of peatland after the peat production phase, are stated at cost. Cost includes direct costs (including direct labour), overheads and interest incurred in financing the construction of tangible fixed assets.

Peatland and other tangible fixed assets are stated at cost less accumulated depreciation.

The cost of landfill sites includes the cost of acquiring, developing and engineering sites and interest incurred during the construction phase.

Assets in the course of construction represent the cost of purchasing, constructing and installing tangible fixed assets ahead of their productive use.

The Group has adopted a policy of capitalising finance costs. Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Where funds are borrowed specifically for the purpose of financing the construction of a tangible fixed asset, the amount of finance costs capitalised is limited to the actual costs incurred on the borrowings during the period in respect of expenditures to date on the tangible fixed asset. The capitalisation of finance costs ceases when the asset is commissioned or where active development has been interrupted for an extended period of time.

Depletion and depreciation
A depletion charge is recorded in respect of peatland, drainage and railways. Other tangible fixed assets are depreciated on a straight line basis at the rates indicated;

Plant & Machinery	5% to 33.3% per annum
Buildings	5% to 10% per annum

The Group's power plant at Edenderry is depreciated on a unit of production basis in order to relate the depreciation to the estimated production capability of the plant. The Group operates a Power Purchase Agreement ('PPA') with the Electricity Supply Board ('ESB') to supply electricity on a priority despatch basis. This PPA expires in 2015 and the plants contractual entitlement to priority despatch ceases at that date. The unit of production method of depreciation seeks to relate the depreciation charge to the estimated production capability of the plant. This reflects a change in the estimate of depreciation during the year-ended 30 March 2011 and resulted in an additional depreciation charge of €0.1 million in that year.

The Group's peaking plant at Edenderry, which was commissioned during the year, is depreciated on a straight line basis with the charge calculated to write the cost of the asset 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 plant on a consistent basis over the useful life of the plant based on its availability to the grid.

The cost of the landfill asset is depreciated over either the licensed life of the engineered facility or on the basis of the usage of void space.

No depreciation is charged on assets in the course of construction.

Financial Assets
Interests in subsidiary undertakings are initially recorded at cost on the Holding Company balance sheet. The Group carries out an impairment review if events or changes in circumstances indicate that the carrying value of the financial asset may not be recoverable.

The recoverable amount is determined by comparing the carrying value of the financial asset against the higher of its fair value and its value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the financial asset, to net present value. To the extent that the carrying amount exceeds the recoverable amount, the financial asset is impaired and is written down.

Investment Properties
Investment properties are included in the balance sheet at their open market value.

Goodwill and Intangible Assets
Purchased goodwill, being the excess of the consideration paid on the acquisition of a business over the fair values of the entity's identifiable assets and liabilities, is capitalised and classified as an asset on the balance sheet. Goodwill is amortised to the Group profit and loss account over its estimated useful life (between three and twenty years).

Impairment of Assets and Goodwill
If events or changes in circumstances indicate that the carrying value of tangible fixed assets or goodwill may not be recoverable, the Group carries out an impairment review.

The recoverable amount in respect of income generating units ('IGUs') is determined by comparing the carrying value of the IGU to the higher of its net realisable value and the value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the income generating unit, to net present value. The discount rate used reflects an appropriate risk weighting for the type of investment being tested for impairment.

To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss arising is recognised in the profit and loss account unless it arises on a previously revalued asset.

Research and Development
Expenditure on pure or applied research and development is written off to the profit and loss account as incurred.

Grants
Capital grants received and receivable under EU-assisted schemes are recognised when received or when their receipt can be foreseen with virtual certainty. Grants received in respect of tangible fixed assets are treated as a deferred credit and amortised to the profit and loss account annually over the economic useful life of the related tangible fixed assets.

Stocks, Work in Progress and Long Term Contracts
Stocks and work in progress are valued at the lower of cost and net realisable value. Coal stocks are valued at weighted average cost.

Cost includes all direct expenditure incurred in bringing products to their current state 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 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 improved moisture content) are recognised on measurement of the peat when the stock pile is fully outloaded. 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 anticipated selling price less the cost of selling such goods and any sales incentives or penalty payments.

Profit on long-term contracts is recognised once the outcome can be assessed with reasonable certainty. Losses on long-term contracts are provided as soon as they are foreseen. Long-term work in progress is stated net of payments received on account.

Provision is made for damaged, deteriorated, obsolete and slow moving items where appropriate.

Trade Debtors
Trade debtors are initially recognised at fair value. Trade debtors are considered for impairment on an on-going basis. Provision for impairment of trade debtor balances are recorded against identified doubtful debtors.

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

Borrowings
Interest bearing loans and borrowings are initially recognised net of arrangement fees. These arrangement fees are amortised over the life of the related borrowing.

Leases
Assets held under finance leases are included in tangible fixed assets at cost and are depreciated over the shorter of the lease term or their useful economic life. Obligations relating to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within or after one year. Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligations.

Rentals under operating leases are charged to the profit and loss account as incurred.

Provisions
A provision is defined as a liability of uncertain timing or amount. Provisions are recognised in accordance with FRS 12 when the Group has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is possible that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material provisions are discounted.

Environmental Reinstatement Provision
Provision is made for environmental reinstatement costs relating to the after-use of cutaway peatland and decommissioning costs. The provision is made when the circumstances giving rise to the obligation to make the reinstatement occur. The amount of the provision represents the present value of the expected future costs. A depletion charge is recorded in the profit and loss account in order to charge the cost of capitalised reinstatement costs to the profit and loss account reflecting extraction.

Landfill Restoration Provision
A provision is recorded for the Net Present Value (NPV) of the Group's unavoidable costs in relation to restoration liabilities at its landfill site. This value is capitalised as a tangible fixed asset. The Group also provides for the NPV of intermediate restoration costs over the life of its landfill sites, based on the quantity of waste deposited in the year. Provision is made for the NPV of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operating life of the sites are written off directly to the profit and loss account and not charged to the provision.

All long term provisions for restoration and aftercare are calculated based on the NPV of estimated future costs. The effects of inflation and unwinding of the discount element on existing provisions are reflected within the financial statements as a finance charge.

No provision has been made for the decommissioning of the generating assets as it is assumed there will be no net outflow of economic benefits.

Self Insurance Provisions
Self insurance provisions relate to the estimated liability in respect of costs to be incurred under the Group's self insurance programmes for events occurring on or prior to the year end. The provision is estimated based on a case by case assessment by the independent claims handling agents of the likely outturn on each case.

Legal Provisions
Provisions for legal claims are included in the financial statements, for legal and other matters on the basis of the amounts that the Group consider will become payable, after evaluating the recommendations of legal advisors, their in-house legal teams, and other experts.

Warranty Provision
The Group issues warranties for goods and services. The warranty costs are provided for based on the duration of the warranty period.

Redundancy Provision
Redundancy costs are provided for by the Group, once a detailed formal plan has been prepared and approved and the Group is irrevocably committed to implementing the plan.

Pensions and Post Retirement Benefits
The Group has both defined benefit and contribution pension arrangements. Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax and pension scheme surpluses, to the extent that they are considered recoverable are presented on the balance sheet as an asset net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur. Where the scheme rules require a surplus arising in the scheme to be shared between the employer and the members, the amount passed to the members is treated as an increase in the scheme liabilities.

The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Taxation Including Deferred Tax
Current tax represents the amount expected to be paid in respect of taxable profit for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board.

Deferred tax is measured, on an undiscounted basis, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Share Based Payment
Equity settled share based payment to employees are measured at the fair value of the equity instruments at the grant date. The fair value is expensed on a straight line basis over the vesting period. In accordance with FRS 20 'Share Based Payments', the Group recognise an expense in the profit and loss and a corresponding increase in equity in respect of the fair value of the shares issued to employees. The fair value of the shares issued is determined on a minority non-controlling basis. Factors taken into consideration in determining the fair value include the market, discounted cash flow, net assets value and the characteristics of the shares being acquired.

Share Capital
Ordinary shares are classified as equity.

Dividends
Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholder and are no longer at the discretion of the Company.

Critical Accounting Estimates and Judgements
Preparation of the consolidated financial statements requires management to make certain assumptions that affect the reported amounts of assets and liabilities. These include the following areas:

Pension scheme assets and liabilities
The actuarial valuation of pensions is based on assumptions regarding inflation, discount rates, the expected return on plan assets, salary increases, pension in payment increases and mortality rates. The assumptions adopted by the Group at 30 March 2011 are outlined in Note 24 to the financial statements and have been determined with assistance from the Group's actuarial advisors.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 30 March 2011, 100% of the pension scheme deficit on the GESS scheme has been recognised in the financial statements. The RWESS pension scheme has a surplus at 30 March 2011 and the group has accounted for its share of the pension scheme surplus on a 50:50 basis between members and the Group.

Impairment of assets and goodwill
Intangible assets and property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of income generating units is determined based on the determination of a value in use for the income generating unit. This determination is based on forecasted future cashflows. The Group's Resource Recovery business is operating in challenging and highly competitive economic conditions, in a changing regulatory environment. In the event that the Group does not deliver anticipated volume and price increases or achieve anticipated cost reductions, or in the event that current weak economic conditions prevail in the domestic market, then the value in use assessment of the income generating unit may be adversely impacted. The determination of the value in use also requires application of an appropriate weighted average cost of capital and assessment of a long-term growth rate for the sector. The impact on the recoverable amount of changes in these key assumptions are set-out in Note 7 to the financial statements.

Carrying value of power plants
The Group's Power Plant at Edenderry operates a fifteen year Power Purchase Agreement ('PPA') with a third party to supply electricity on a priority despatch basis. This PPA expires in December 2015. The plants contractual entitlement to priority despatch will cease as at that date. The Group anticipate that the plant will continue to operate in the period post 2015 in the single electricity market ('SEM') co-fired by biomass and peat. The related goodwill is being amortised over the period to 2025 reflecting a useful economic life of 20 years. In considering the carrying value of the plant at Edenderry and the goodwill arising on acquisition of the business, a number of key assumptions are made in respect of the operation of the plant in the period post 2015. These assumptions are considered on an annual basis on assessment of the appropriateness of the carrying value of the plant and the related goodwill.

Environmental obligations
The Group has certain environmental obligations arising as a result of its land, and landfill operations. Determination of the provisions for the related environmental rehabilitation obligations in the period to and post extraction and operation reflects certain key assumptions in respect of the associated costs. These assumptions are reviewed on an on-going basis reflecting actual experience.

Accounting Year
The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period 1 April 2010 to 30 March 2011 (prior year: 53-week period 26 March 2009 to 31 March 2010).

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 MARCH 2011

	Note	**2010/2011 €'000**	2009/2010 €'000
Turnover	2	**382,069**	384,417
Operating costs	2	**(357,611)**	(361,379)
Operating profit	2	**24,458**	23,038
Other finance charges	5	**(7,731)**	(10,139)
Profit on ordinary activities before taxation		**16,727**	12,899
Taxation on profits on ordinary activities	6	**(3,807)**	(2,437)
Profit after taxation on ordinary activities		**12,920**	10,462
Equity minority interests	19	**207**	50
Profit for the financial year		**13,127**	10,512

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 MARCH 2011

		THE GROUP	
	Note	**2010/2011**	2009/2010
		€'000	€'000
Profit for the financial year		**13,127**	10,512
Actuarial (loss) / gain recognised on pension schemes	24	**(855)**	29,725
Deferred tax related to actuarial loss / (gain)	17(e)	**123**	(3,602)
Revaluation of investment property	9	**(1,700)**	(5,400)
Exchange loss on foreign subsidiaries		**(244)**	(128)
Total recognised gains and losses for the financial year		**10,451**	31,107

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 MARCH 2011

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss Account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
The GROUP						
Profit for the financial year ended 31 March 2010		0	0	10,512	0	10,512
Dividend paid	3	0	0	(5,257)	0	(5,257)
Profit retained for the financial year ended 31 March 2010		0	0	5,255	0	5,255
Actuarial gain recognised on pension schemes	24	0	0	29,725	0	29,725
Deferred tax related to actuarial gain	17(e)	0	0	(3,602)	0	(3,602)
Unrealised deficit on revaluation of investment property during the year	9	0	0	0	(5,400)	(5,400)
Exchange adjustments on foreign subsidiaries		0	0	(128)	0	(128)
Net increase/(decrease) in shareholders' funds		0	0	31,250	(5,400)	25,850
Shareholders' funds at 25 March 2009		82,804	1,959	104,232	9,563	198,558
Shareholders' funds at 31 March 2010		82,804	1,959	135,482	4,163	224,408
Profit for the financial year ended 30 March 2011		**0**	**0**	**13,127**	**0**	**13,127**
Dividend paid	**3**	**0**	**0**	**(3,469)**	**0**	**(3,469)**
Profit retained for the financial year ended 30 March 2011		**0**	**0**	**9,658**	**0**	**9,658**
Actuarial loss recognised on pension schemes	**24**	**0**	**0**	**(855)**	**0**	**(855)**
Deferred tax related to actuarial loss	**17(e)**	**0**	**0**	**123**	**0**	**123**
Unrealised deficit on revaluation of investment property during the year	**9**	**0**	**0**	**0**	**(1,700)**	**(1,700)**
Exchange adjustments on foreign subsidiaries		**0**	**0**	**(244)**	**0**	**(244)**
Net increase/(decrease) in shareholders' funds		**0**	**0**	**8,682**	**(1,700)**	**6,982**
Shareholders' funds at 31 March 2010		**82,804**	**1,959**	**135,482**	**4,163**	**224,408**
Shareholders' funds at 30 March 2011		**82,804**	**1,959**	**144,164**	**2,463**	**231,390**

RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 MARCH 2011
CONTINUED

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss Account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
The COMPANY						
Loss for the financial year ended 31 March 2010		0	0	(9,544)	0	(9,544)
Dividend paid	3	0	0	(5,257)	0	(5,257)
Net reduction in shareholders' funds		0	0	(14,801)	0	(14,801)
Shareholders' funds at 25 March 2009		82,804	1,959	53,961	0	138,724
Shareholders' funds at 31 March 2010		82,804	1,959	39,160	0	123,923
Loss for the financial year ended 30 March 2011		**0**	**0**	**(27,352)**	**0**	**(27,352)**
Dividend paid	**3**	**0**	**0**	**(3,469)**	**0**	**(3,469)**
Net decrease in shareholders' funds		**0**	**0**	**(30,821)**	**0**	**(30,821)**
Shareholders' funds at 31 March 2010		**82,804**	**1,959**	**39,160**	**0**	**123,923**
Shareholders' funds at 30 March 2011		**82,804**	**1,959**	**8,339**	**0**	**93,102**

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The Company's result for the financial year, determined in accordance with Irish GAAP, is a loss after tax of €27,352,000 (2010: loss of €9,544,000) and a retained loss of €30,821,000 (2010: retained loss of €14,801,000).

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

GROUP BALANCE SHEET
AS AT 30 MARCH 2011

	Note	30 March 2011 €'000	31 March 2010 €'000
Fixed Assets			
Intangible assets	7	**33,862**	44,496
Tangible assets	8	**261,231**	252,671
Investment properties	9	**11,900**	13,600
		306,993	310,767
Current Assets			
Stocks	11	**83,117**	63,754
Debtors	12	**76,061**	71,989
Cash at bank and in hand		**198,833**	206,761
		358,011	342,504
Creditors - amounts falling due within one year	13	**(92,098)**	(83,769)
Net current assets		**265,913**	258,735
Total assets less current liabilities		**572,906**	569,502
Creditors - amounts falling due after more than one year	14	**(276,311)**	(277,158)
Provisions for liabilities	17	**(46,552)**	(46,449)
Net assets before pension funds' assets and liabilities		**250,043**	245,895
Pension fund asset	24	**4,848**	2,921
Pension funds' liabilities	24	**(22,251)**	(22,951)
Net assets after pension funds' assets and liabilities		**232,640**	225,865
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Revaluation reserve		**2,463**	4,163
Profit and loss account		**144,164**	135,482
Equity shareholders' funds		**231,390**	224,408
Minority shareholders' interests			
Equity interests	19	**12**	219
Non-equity interests	19	**1,238**	1,238
		1,250	1,457
		232,640	225,865

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

COMPANY BALANCE SHEET
AS AT 30 MARCH 2011

	Note	30 March 2011 €'000	31 March 2010 €'000
Fixed Assets			
Intangible assets	7	**0**	251
Tangible assets	8	**4,767**	5,558
Financial assets	10	**114,678**	132,862
		119,445	138,671
Current Assets			
Debtors	12	**219,477**	190,566
Cash at bank and in hand		**172,526**	203,930
		392,003	394,496
Creditors - amounts falling due within one year	13	**(140,169)**	(130,315)
Net current assets		**251,834**	264,181
Total assets less current liabilities		**371,279**	402,852
Creditors - amounts falling due after more than one year	14	**(262,865)**	(262,689)
Provisions for liabilities	17	**(11,390)**	(12,187)
Net assets before pension fund liabilities		**97,024**	127,976
Pension fund liabilities	24	**(3,922)**	(4,053)
Net assets after pension fund liabilities		**93,102**	123,923
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Profit and loss account		**8,339**	39,160
Equity shareholders' funds		**93,102**	123,923

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 MARCH 2011

	Note	2010/2011 €'000	2009/2010 €'000
Net cash inflow from operating activities	20(a)	**56,839**	65,601
Returns on investments and servicing of finance	20(b)	**(8,377)**	(10,954)
Taxation		**(3,377)**	(690)
Capital expenditure and financial investment	20(b)	**(49,204)**	(49,801)
Equity dividends paid to shareholders		**(3,469)**	(5,257)
Net cash outflow before use of liquid resources and financing		**(7,588)**	(1,101)
Financing	20(b)	**0**	146,428
(Decrease)/increase in net cash		**(7,588)**	145,327

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2010/2011 €'000	2009/2010 €'000
(Decrease)/increase in cash during the year	20(c)	**(7,588)**	145,327
Increase in debt and lease financing	20(c)	**0**	(146,428)
Change in net debt resulting from cash flows		**(7,588)**	(1,101)
Net debt at beginning of the financial year		**(57,065)**	(55,964)
Net debt at end of the financial year		**(64,653)**	(57,065)

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

1. Consolidation

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

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

2. Profit before taxation

	Continuing operations	
	2010/2011	2009/2010
	€'000	€'000
Turnover [1]		
Feedstock	**126,271**	124,352
Powergen	**60,533**	59,335
Resource Recovery	**56,450**	50,837
Environmental and other	**13,559**	18,092
Horticulture	**52,443**	49,239
Fuels	**141,655**	146,402
	450,911	448,257
Less inter Group sales	**(68,842)**	(63,840)
Net third party turnover	**382,069**	384,417
Cost of sales	**(244,449)**	(251,945)
Gross profit	**137,620**	132,472
Distribution costs	**(32,918)**	(31,750)
Administration expenses [2]	**(80,244)**	(77,684)
Group operating profit	**24,458**	23,038

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

[2] Administration costs includes:
(a) the charge for reorganisation and redundancy costs of €745,000 (March 2010: release of €627,000). The Group operates a voluntary redundancy / early retirement scheme, and
(b) following the re-appraisal of certain of the Group's businesses, the Group have conducted impairment reviews of the Group's assets, in accordance with the Group's accounting policies. This process has resulted in an impairment charge of €6,837,000 against intangible assets (Note 7) (Goodwill €6,687,000 and Patents €150,000) which is included in administration expenses (March 2010: €5,206,000).

2. Profit before taxation (continued)

	2010/2011 €'000	2009/2010 €'000
Profit before taxation is arrived at after charging / (crediting)		
Auditors remuneration[1]		
Statutory audit of Group accounts	**340**	340
Other assurance services	**287**	255
Tax advisory services	**209**	284
Other non-audit services	**20**	95
Operating lease rentals		
Plant and machinery	**1,715**	2,056
Land and buildings	**1,119**	1,069
Staff costs:		
Wages and salaries	**101,654**	95,733
Social welfare costs	**10,490**	10,069
Pension costs	**3,753**	4,427
	115,897	110,229
Staff costs capitalised	**(857)**	(436)
Net staff costs	**115,040**	109,793
Depreciation (Note 8)	**39,106**	33,741
Profit on disposal of peatlands	**240**	120
Loss on disposal of other fixed assets	**(279)**	(218)
Amortisation of intangible assets (Note 7)	**3,723**	3,904
Impairment of intangible assets (Note 7)	**6,837**	5,206
Environmental reinstatement costs	**0**	(605)
Research and business development expenditure	**5,323**	5,203
Capital grants amortised (Note 16)	**(1,375)**	(1,278)
Other finance charges (Note 5)	**(7,731)**	(10,139)

Number of employees	**2010/2011**	2009/2010
Average numbers employed		
Manufacturing and production	**1,583**	1,615
Administration	**539**	521
	2,122	2,136
Peak employment	**2,332**	2,380

[1] During the year, the Company obtained audit services from the Group's auditors to the value of €10,000 (2010: €10,000). A sum of €NIL (2010: €80,000) in respect of non-audit related services provided by the Group's auditors were capitalised.

3. Dividends

	2010/2011 €'000	2009/2010 €'000
To the Minister for Communications, Energy and Natural Resources	**3,296**	4,994
To Bord na Móna ESOP Trustee Limited	**173**	263
	3,469	5,257

The Company paid a dividend of €0.05 per share during the year (2010: €0.08). The total dividend payment for the year was €3,469,000 (2010: €5,257,000) which represented 33% of the profits for the financial year ending 31 March 2010.

4. Directors' emoluments

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension €'000	Taxable Benefits €'000	Total €'000
Executive Directors						
Gabriel D'Arcy						
Year ended 30 March 2011	**13**	**231**	**0**	**58**	**20**	**322**
Year ended 31 March 2010	13	231	57	58	20	379

	Fees €'000	Other emoluments €'000	Company contributions to pension €'000	Total €'000
Non executive Directors				
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4)	50	275	21	346
Other non executive directors (7)	97	0	0	97
Year ended 30 March 2011	**147**	**275**	**21**	**443**
Year ended 31 March 2010	146	218	13	377

5. Other finance (charges) / income

	2010/2011 €'000	2009/2010 €'000
(a) Interest and similar charges		
Interest receivable	**6,232**	4,498
Interest payable on borrowings wholly repayable within five years		
Bank overdraft and loan	**(128)**	(40)
Unsecured loan notes	**(3,602)**	(2,824)
Interest payable on borrowings wholly repayable after more than five years		
Unsecured loan notes	**(12,273)**	(9,443)
Amortisation of issue costs	**(176)**	(131)
Net interest payable	**(9,947)**	(7,940)
Less capitalised interest [1]	**1,349**	760
	(8,598)	(7,180)

5. Other finance (charges) / income (continued)

(b) Other finance income / (charges)

	2010/2011 €'000	2009/2010 €'000
Other finance income / (charges) - pension schemes (Note 24)	**1,576**	(2,200)
Notional interest on provision for environmental reinstatement costs (Note 17)	**(709)**	(759)
	867	(2,959)
Net other finance charges	**(7,731)**	(10,139)

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

6. Taxation

	2010/2011 €'000	2009/2010 €'000
Taxation based on the profit for the year:		
Irish corporation tax		
Current tax for the year	**4,431**	2,821
Adjustments in respect of prior years	**(167)**	(276)
	4,264	2,545
Foreign taxation		
Current tax for the year	**33**	42
Adjustments in respect of prior years	**0**	(141)
	33	(99)
Total current tax (see note below)	**4,297**	2,446
Deferred tax - origination and reversal of timing differences (Note 17)	**(490)**	(9)
Tax on profits on ordinary activities	**3,807**	2,437

Factors affecting corporation tax charge for the year

	2010/2011	2009/2010
Profit before taxation	**16,727**	12,899
Standard rate of corporation tax for the year	**12.5%**	12.5%
Profit before taxation multiplied by standard rate	**2,091**	1,612
Effects of:		
Expenses not deductible for tax purposes	**168**	77
Depreciation and amortisation in excess of capital allowances	**1,294**	1,525
Amortisation of intangible assets	**466**	459
Impairment of intangible assets	**855**	651
Utilisation of tax losses	**(38)**	(1,161)
Manufacturing relief	**(119)**	(286)
Taxation rate differences	**29**	25
Pension contribution relief in excess of pension cost charge	**(282)**	(39)
Adjustments in respect of prior years	**(167)**	(417)
	4,297	2,446

7. Intangible assets

THE GROUP	Goodwill 2011 €'000	Patents 2011 €'000	Total 2011 €'000	Goodwill 2010 €'000	Patents 2010 €'000	Total 2010 €'000
AT COST						
At beginning of the financial year	**64,260**	**503**	**64,763**	63,592	503	64,095
Consideration and fair value adjustments	**(79)**	**0**	**(79)**	0	0	0
Arising on acquisition	**0**	**0**	**0**	645	0	645
Exchange adjustment	**7**	**0**	**7**	23	0	23
At end of the financial year	**64,188**	**503**	**64,691**	64,260	503	64,763
AMORTISATION						
At beginning of the financial year	**20,015**	**252**	**20,267**	10,998	151	11,149
Charge for year (Note 2)	**3,622**	**101**	**3,723**	3,803	101	3,904
Impairment	**6,687**	**150**	**6,837**	5,206	0	5,206
Exchange adjustment	**2**	**0**	**2**	8	0	8
At end of the financial year	**30,326**	**503**	**30,829**	20,015	252	20,267
NET BOOK AMOUNTS						
At beginning of the financial year	**44,245**	**251**	**44,496**	52,594	352	52,946
At end of the financial year	**33,862**	**0**	**33,862**	44,245	251	44,496

In accordance with the provisions of FRS 11 - 'Impairment of Fixed Assets', the Group has reviewed the carrying value of goodwill. The recoverable amount of the identified income generating units (IGU) was estimated based on a value in use calculation using cash flow projections based on the financial five year plans as approved by the Board. Cash flows beyond five years are extrapolated based on a perpetuity growth rate of 2.3% (2010: 2.3%) and a post tax weighted average cost of capital of 10.5% (2010: 9.8%) which are consistent with the Group's expectation for market development and growth in market share where applicable. Based on these reviews, the Group have provided for an impairment charge of €6,687,000 (2010: €5,206,000) on investments in the Resource Recovery sector.

The key assumptions which impact on the related value in use calculation are:

Volume and yield on domestic and commercial customers
Despite the reduced economic activity in Ireland, the business has maintained its collection volumes and increased its market share. Growth expectations for 2011 and 2012 are to remain weak but thereafter growth rates are expected to reflect an increase in economic activity. As waste collection volumes declined over the last 36 months, revenue yields on both domestic and commercial waste streams have also declined and gross margins have tightened. A gradual recovery in yields is anticipated in the projections.

Processing and end treatment costs
Processing costs have declined in the last 24 months as landfill gate fees have reduced as supply exceeds demand. Regulation changes increased the landfill levy from €25 per tonne to €30 per tonne in February 2010. Further increases in landfill levies up to €75 per tonne are expected which will impact on future processing costs.

Sensitivity
A movement in the growth rate of 1% would increase or decrease the recoverable amount of the IGU by €0.9 million. A movement in revenue yields of 1% would increase or decrease the recoverable amount by €1.3 million. A movement in processing costs of 1% would increase or decrease the recoverable amount by €1.7 million. A movement in the discount rate of 1% would increase or decrease the recoverable amount of the IGU by €1.8 million.

7. Intangible assets (continued)

THE COMPANY	Patents 2011 €'000
AT COST	
At beginning of the financial year	**503**
Additions	**0**
At end of the financial year	**503**
AMORTISATION	
At beginning of the financial year	**252**
Charge for year	**101**
Impairment	**150**
At end of the financial year	**503**
NET BOOK AMOUNTS	
At beginning of the financial year	**251**
At end of the financial year	**0**

8. Tangible assets

(i) THE GROUP	Peatland, Drainage & Production Buildings €'000	Landfill €'000	Railways, Plant & Machinery €'000	Generating Assets €'000	Freehold land, Administration & Research Buildings €'000	Assets in course of construction €'000	Total €'000
AT COST							
At 31 March 2010	116,031	19,280	237,895	103,103	15,623	41,468	533,400
Additions at cost [1]	3,316	1,350	18,610	19,453	2,036	3,223	47,988
Disposals	0	0	(1,729)	0	(53)	0	(1,782)
Transfers from projects in progress	0	3,683	810	38,513	0	(43,006)	0
Exchange adjustment	0	0	(12)	0	(2)	(8)	(22)
At 30 March 2011	**119,347**	**24,313**	**255,574**	**161,069**	**17,604**	**1,677**	**579,584**
ACCUMULATED DEPRECIATION							
At 31 March 2010	77,510	7,292	161,832	28,476	5,619	0	280,729
Charge for year (Note 2)	8,394	4,917	16,956	8,301	538	0	39,106
Disposals	0	0	(1,444)	0	(31)	0	(1,475)
Exchange adjustment	0	0	(5)	0	(2)	0	(7)
At 30 March 2011	**85,904**	**12,209**	**177,339**	**36,777**	**6,124**	**0**	**318,353**
NET BOOK VALUE							
At 31 March 2010	38,521	11,988	76,063	74,627	10,004	41,468	252,671
At 30 March 2011	**33,443**	**12,104**	**78,235**	**124,292**	**11,480**	**1,677**	**261,231**

[1] Included in additions is a sum of €1,206,000 (2010: €NIL) in respect of a restoration asset for the landfill site (Note 17) and a sum of €1,349,000 (2010: €760,000) in respect of interest capitalised on assets in the course of construction during the year (Note 5). The rate of interest applied was 7.3% (2010: 7.3%).

8. Tangible assets (continued)

(ii) THE COMPANY	Peatland, Drainage & Production Buildings €'000	Railways, Plant & Machinery €'000	Freehold land, Administration & Research Buildings €'000	Total €'000
AT COST				
At 31 March 2010	559	8,984	5,888	15,431
Additions at cost [1]	0	985	0	985
Disposals	0	(184)	(16)	(200)
At 30 March 2011	**559**	**9,785**	**5,872**	**16,216**
ACCUMULATED DEPRECIATION				
At 31 March 2010	0	6,108	3,765	9,873
Charge for year	0	1,534	242	1,776
Disposals	0	(184)	(16)	(200)
At 30 March 2011	**0**	**7,458**	**3,991**	**11,449**
NET BOOK VALUE				
At 31 March 2010	559	2,876	2,123	5,558
At 30 March 2011	**559**	**2,327**	**1,881**	**4,767**

1 Included in additions at cost is a sum of €NIL (2010: €760,000) in respect of interest capitalised on assets in the course of construction during the year. The rate of interest applied was 7.3%.

The tables above include valuations performed by the former Bord na Móna which transferred its assets to Bord na Móna plc on 30 December 1998 on its dissolution pursuant to the Turf Development Act, 1998.

9. Investment properties

	2011 €'000	2010 €'000
At beginning of the financial year	**13,600**	19,000
Revaluation during the year	**(1,700)**	(5,400)
At end of the financial year	**11,900**	13,600

The investment property was valued as at 30 March 2011 by DTZ Sherry Fitzgerald, acting as external valuers and the valuation has been carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuations Standards (6th Edition) on the basis of open market value. The historical cost of investment properties is €9,437,000.

10. Financial assets

THE COMPANY	Subsidiary undertakings Unlisted shares €'000	Convertible loan stock €'000	Loans €'000	Total €'000
At beginning of the financial year	43,584	1,512	87,766	132,862
Impairment during the year	(18,184)	0	0	(18,184)
At end of the financial year	**25,400**	**1,512**	**87,766**	**114,678**

The Company has reviewed the carrying value of investments in subsidiary companies as at 30 March 2011. The review resulted in an impairment of the value of unlisted shares of €18,184,000 (2010: €5,206,000)

10. Financial assets (continued)

The convertible loan stock was issued by the company's 55% owned subsidiary, Derryarkin Sand and Gravel Limited, with the balance of the stock held by the minority shareholders (Note 19). It is convertible at par value into ordinary shares of Derryarkin Sand and Gravel Limited by agreement between the stockholders and the company. All convertible stock not previously redeemed or converted will be redeemed at par upon the expiration of ten years from the date of issue.

The principal subsidiary companies in the Group at 30 March 2011 are as follows:

Company	Business	Registered office	Shareholding %
Bord na Móna Energy Limited	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
Renewable Energy Ireland Limited	Wind energy	Newbridge, Co. Kildare	89
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
Bord na Móna Fuels Limited	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 Oil Limited	Distribution of oil	Newbridge, Co. Kildare	100
Suttons Limited	Distribution of oil	Newbridge, Co. Kildare	100
Bord na Móna Horticulture Limited	Production and sale of horticultural products	Newbridge, Co. Kildare	100
Bord na Móna Environmental Limited	Production, sale and installation of environmental products.	Newbridge, Co. Kildare	100
Bord na Móna Environmental Products (UK) Limited	Sale and installation of environmental products	Bridgewater, Somerset, England	100
Acorn Environmental Systems Limited	Sale and installation of environmental products	Bridgewater, Somerset, England	100
Bord na Móna USA Inc	Sale and installation of environmental products	Delaware, U.S.A.	100
Advanced Environmental Solutions (Ireland) Limited	Resource recovery and recycling	Newbridge, Co. Kildare	100
Bord na Móna Property Limited	Property holding company	Newbridge, Co. Kildare	100
Derryarkin Sand and Gravel Limited	Extraction and sale of sand and gravel	Newbridge, Co. Kildare	55

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its subsidiaries. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

11. Stocks

	THE GROUP	
	2011	2010
	€'000	€'000
Raw materials	**15,415**	10,148
Work in progress	**34**	184
Finished goods	**61,467**	47,233
Maintenance spares	**6,201**	6,189
	83,117	63,754

The replacement cost of stocks is not significantly different from their balance sheet values.

12. Debtors

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Trade debtors	**56,030**	54,222	**0**	0
Amounts due from subsidiary companies	**0**	0	**215,561**	184,153
Value-added tax	**0**	0	**176**	134
Corporation tax	**1,685**	687	**106**	110
Deferred tax (Note 17(e))	**2,050**	1,502	**281**	33
Prepayments and accrued revenue	**14,196**	12,782	**2,981**	4,819
Other debtors	**2,100**	2,796	**372**	1,317
	76,061	71,989	**219,477**	190,566
Amounts fall due as follows:				
- within one year	**75,392**	71,343	**70,373**	63,481
- after more than one year	**669**	646	**149,104**	127,085
	76,061	71,989	**219,477**	190,566

13. Creditors - amounts falling due within one year

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Bank loans and overdraft (Note 15)	**621**	1,137	**111,920**	101,347
Capital grants (Note 16)	**1,438**	1,259	**0**	0
Trade creditors and accruals	**39,189**	33,623	**354**	505
Deferred revenue	**8,038**	4,100	**0**	0
Other accruals	**27,653**	27,780	**8,627**	8,823
Other creditors	**7,759**	10,101	**0**	0
Amounts due to subsidiaries companies	**0**	0	**16,687**	17,096
Creditors in respect of taxation and social welfare (see below)	**7,400**	5,769	**2,581**	2,544
	92,098	83,769	**140,169**	130,315

Creditors in respect of taxation and social welfare comprise:

Income tax deducted under PAYE	**1,456**	1,191	**1,436**	1,178
Pay-related social insurance	**994**	1,376	**972**	1,366
Corporation tax	**3,525**	1,607	**0**	0
Value-added tax	**1,212**	978	**0**	0
Other taxes	**213**	617	**173**	0
	7,400	5,769	**2,581**	2,544

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

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Unsecured loan notes (Note 15)	**262,865**	262,689	**262,865**	262,689
Capital grants (Note 16)	**13,446**	14,469	**0**	0
	276,311	277,158	**262,865**	262,689

15. Bank loans, overdrafts and unsecured notes

THE GROUP	Within One Year €'000	Between One and Two Years €'000	Between Two and Five Years €'000	After more than Five Years €'000	Total €'000
Overdrafts	621	0	0	0	621
Unsecured loan notes	0	0	60,092	202,773	262,865
At 30 March 2011	**621**	**0**	**60,092**	**202,773**	**263,486**
At 31 March 2010	1,137	0	60,291	202,398	263,826
THE COMPANY					
Overdrafts	111,920	0	0	0	111,920
Unsecured loan notes	0	0	60,092	202,773	262,865
At 30 March 2011	**111,920**	**0**	**60,092**	**202,773**	**374,785**
At 31 March 2010	101,347	0	60,291	202,398	364,036

On 30 March 2011 the Group had US$355,000,000 fixed rate debt (€263,891,375 equivalent) arising from two US private placement transactions, which were completed on 22 June 2006 (US$150,000,000 : €117,462,803) and 6 August 2009 (US$205,000,000 : €146,428,572). In order to fully hedge the associated US Dollar exchange rate exposures and convert the underlying interest rates to fixed, the Group entered into a number of cross currency swaps to match the maturity profile of the unsecured loan notes. The maturity profile of the unsecured loan notes is 7% repayable in June 2013, 16% repayable in 2014, 25% repayable in 2016, 12% repayable in 2017, 19% repayable in 2018 and 21% repayable in 2019.

Fair value of the financial instruments

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

THE GROUP	**2011 Book Value €'000**	**2011 Fair Value €'000**	2010 Book Value €'000	2010 Fair Value €'000
Fixed rate debt US private placement 22 June 2006	**117,463**	**98,885**	117,463	120,005
Fixed rate debt US private placement 6 August 2009	**146,429**	**145,222**	146,429	146,708
Total fixed rate debt US private placement	**263,892**	**244,107**	263,892	266,713

The mark to market losses at 30 March 2011 on open foreign exchange contracts that hedge the foreign currency risk of anticipated expenditure was €NIL (2010: €41,423). The nominal value of the open foreign exchange contracts was €NIL (2010: €19,453,532).

16. Deferred income - capital grants

	THE GROUP **2011 €'000**	2010 €'000
At beginning of the financial year	**15,728**	17,006
Additions	**531**	0
Amortised during the year (Note 2)	**(1,375)**	(1,278)
At end of the financial year	**14,884**	15,728
Amounts due as follows:		
- within one year (Note 13)	**1,438**	1,259
- after more than one year (Note 14)	**13,446**	14,469
	14,884	15,728

17. Provisions for liabilities and charges

THE GROUP

	Environmental Reinstatement €'000	Reorganisation & Redundancy €'000	Insurance €'000	Other €'000	Deferred Tax excluding deferred tax on pension deficit €'000	Total €'000
At 31 March 2010	27,016	521	9,860	224	8,828	46,449
Charge to the profit and loss account	0	941	1,743	15	0	2,699
Credit to the profit and loss account	0	(396)	(1,728)	(93)	(422)	(2,639)
Notional interest (Note 5)	709	0	0	0	0	709
Capitalised during the year	1,206	0	0	0	0	1,206
Utilised during the year	(172)	(316)	(1,315)	(69)	0	(1,872)
At 30 March 2011	**28,759**	**750**	**8,560**	**77**	**8,406**	**46,552**

THE COMPANY

	Environmental Reinstatement €'000	Reorganisation & Redundancy €'000	Insurance €'000	Other €'000	Deferred Tax excluding deferred tax on pension deficit €'000	Total €'000
At 31 March 2010	3,149	0	9,038	0	0	12,187
Charge to the profit and loss account	0	0	1,743	0	0	1,743
Credit to the profit and loss account	0	0	(1,206)	0	0	(1,206)
Utilised during the year	(19)	0	(1,315)	0	0	(1,334)
At 30 March 2011	**3,130**	**0**	**8,260**	**0**	**0**	**11,390**

(a) Environmental Reinstatement
Environmental reinstatement costs include:

(i) Costs that will be incurred at the end of the economic lives of the peatlands. Under FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for these costs when the circumstances giving rise to the obligation under the company's I.P.C. licence to make the reinstatement occur. The provision of €13,038,000 represents the present value of the expected future costs of reinstatement. These future costs will be charged to the provision as incurred. Notional interest on the provision is charged to the profit and loss account to reflect the discounted value over the expected life of the provision. A bog rehabilitation programme commenced in 2006 following the cessation of peat harvesting at the Oweninny works. The programme continued during the year ended 30 March 2011.

(ii) Environmental provisions of €8,231,000 recognised in accordance with FRS 12 and FRS 7 'Fair Value in Acquisition Accounting', in respect of the Group's assessment of environmental liabilities arising on acquisition of the AES business on 15 May 2007. These provisions represent liabilities in relation to a number of AES sites which were in existence prior to the Group's acquisition of the business. The provisions are based on the Group's estimate of future remediation costs, based on advice received from third party environmental experts.

(iii) The cost of final capping and covering of landfill sites post closure of the landfill facility. In accordance with FRS 12, the Group's minimum unavoidable costs have been measured at 30 March 2011 and the net present value fully provided for with total associated costs of €1,747,000 capitalised within fixed assets. The Group continue to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years.

(iv) Certain other environmental restoration costs are recognised in accordance with the provisions of FRS 12, being the Group's estimate of waste removal and waste management costs associated with certain of their lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts.

17. Provisions for liabilities and charges (continued)

(b) Reorganisation and Redundancy
A provision for reorganisation and redundancy costs is recognised when a constructive obligation exists. The provision represents the Directors' best estimate of the cost of these measures and it is expected to be used within the next year. Included in debtors at March 2011 is a sum of €217,000 (2010: €899,000) which is recoverable from the Department of Enterprise, Trade and Innovation.

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

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

(e) Deferred Tax
The deferred tax provision is comprised of:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Accelerated capital allowances	**7,474**	8,333	**(153)**	(119)
Provisions	**(299)**	(205)	**(128)**	86
Unutilised tax losses	**(819)**	(802)	**0**	0
Undiscounted provision for deferred tax	**6,356**	7,326	**(281)**	(33)
Pension asset - deferred tax liability (Note 24)	**693**	418		
Pension liability - deferred tax asset (Note 24)	**(2,618)**	(2,700)		
Deferred tax including that relating to pension deficit	**4,431**	5,044		
Deferred tax at the beginning of the financial year	**5,044**	1,451	**(33)**	(71)
Deferred tax (credit) / charge in the profit and loss account excluding charge related to pensions	**(970)**	(48)	**(248)**	38
Deferred tax charge in the profit and loss account related to pensions	**480**	39	**0**	0
Net deferred tax (credit) / charge in the profit and loss account (Note 6)	**(490)**	(9)	**(248)**	38
Deferred tax (credit) / charge on pension liability in statement of total recognised gains and losses	**(123)**	3,602	**0**	0
Provision at the end of the financial year	**4,431**	5,044	**(281)**	(33)
Deferred tax provision	**8,406**	8,828	**0**	0
Deferred tax asset (Note 12)	**(2,050)**	(1,502)	**(281)**	(33)
Deferred tax liability related to pension fund asset (Note 24)	**693**	418	**0**	0
Deferred tax asset related to pension fund liability (Note 24)	**(2,618)**	(2,700)	**0**	0
	4,431	5,044	**(281)**	(33)

At 30 March 2011 the Group had other potential deferred tax assets amounting to €797,000 (March 2010: €478,000). These assets have not been recognised due to uncertainty over recoverability.

18. Share capital

	2011 €'000	2010 €'000
Authorised		
300,000,000 ordinary shares of €1.27 each	**380,921**	380,921

Allotted and fully paid	2011 Share Capital €'000	2011 Share Premium €'000	2011 Total €'000	2010 Share Capital €'000	2010 Share Premium €'000	2010 Total €'000
At beginning of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763
At end of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763

At 30 March 2011 the total number of ordinary shares allotted and fully paid was 65,212,638 (March 2010: 65,212,638).

In December 2008, Bord na Móna plc put in place an Employee Share Ownership Plan (ESOP) to facilitate the issue of 5% of the issued share capital of Bord na Móna plc to eligible employees of the Company and its Irish subsidiaries. These shares were provided to employees in return for the agreed business transformation achieved over recent years.

The principal rights attaching to each share include the right to exercise a vote at annual general meetings of the shareholders, entitlement to dividends from profits when declared and the right to proportionate participation in a surplus on winding up. The shares were issued at a value of €1.87 per share which resulted in a share premium of €1,959,000. The shares are held by the Trust for a period of up to three years before being appropriated to the eligible participants through the Approved Profit Sharing Scheme (APSS). The participants were given the option on the allocation date, the first anniversary of the allocation date and again on the second anniversary of the allocation date to transfer to the APSS.

19. Minority shareholders' interests

	Equity interests €'000	Non-equity interests €'000	Total €'000
At 31 March 2010	219	1,238	1,457
Share of loss for the financial year	(207)	0	(207)
At 30 March 2011	**12**	**1,238**	**1,250**

20. Amounts included in cash flow statement

(a) Reconciliation of operating profit to net cash flow from operating activities

	2010/2011 €'000	2009/2010 €'000
Operating profit	**24,458**	23,038
Depreciation of tangible assets	**39,106**	33,741
Amortisation of intangible assets	**3,723**	3,904
Impairment of intangible assets	**6,837**	5,206
Loss on sale of fixed assets	**39**	98
Amortisation of capital grants	**(1,375)**	(1,278)
Difference between restructuring charge and payments	**229**	(2,284)
Difference between pension charge and cash contributions	**(2,263)**	(1,513)
(Increase) / decrease in stocks	**(19,363)**	15,971
(Increase) / decrease in debtors	**(3,749)**	6,106
Increase / (decrease) in creditors	**9,197**	(17,388)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**56,839**	65,601

(b) Analysis of cash flows for headings in the cash flow statement

	2010/2011 €'000	2009/2010 €'000
Returns on investments and servicing of finance		
Interest paid	**(16,363)**	(10,927)
Interest received	**7,986**	961
Unsecured loan note issue costs	**0**	(988)
NET CASH OUTFLOW	**(8,377)**	(10,954)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	**(49,472)**	(49,928)
Proceeds from disposal of fixed assets	**268**	127
NET CASH OUTFLOW	**(49,204)**	(49,801)
Financing		
Unsecured loan notes advanced	**0**	146,428
NET CASH INFLOW	**0**	146,428

(c) Analysis of net debt

	At beginning of year €'000	Cash flow €'000	At end of year €'000
Cash at bank and in hand	206,761	(7,928)	**198,833**
Debt due within one year - bank loans (Note 13)	(1,137)	516	**(621)**
Debt due after more than one year	(263,891)	0	**(263,891)**
Net debt before unsecured loan issue costs	**(58,267)**	**(7,412)**	**(65,679)**
Unsecured loan note issue costs (Note 5)	1,202		**1,026**
Net debt	(57,065)		**(64,653)**

21. Capital commitments

Expenditure contracted for but not provided for in these accounts is estimated to be as follows:

	2011 €'000	2010 €'000
THE GROUP		
Tangible asset commitment	**3,598**	29,408
	3,598	29,408
THE COMPANY		
Tangible asset commitment	**0**	0
	0	0

22. Financial commitments

At 30 March 2011 there were annual commitments under non-revocable operating leases expiring as follows

THE GROUP Operating leases which expire:	Land and Buildings 2011 €'000	Plant and Machinery 2011 €'000	Land and Buildings 2010 €'000	Plant and Machinery 2010 €'000
Within one year	**55**	**519**	98	739
Within one to five years	**372**	**812**	400	1,221
After five years	**674**	**0**	674	0
	1,101	**1,331**	1,172	1,960

THE COMPANY Operating leases which expire:	Land and Buildings 2011 €'000	Plant and Machinery 2011 €'000	Land and Buildings 2010 €'000	Plant and Machinery 2010 €'000
Within one year	**0**	**65**	0	59
Within one to five years	**0**	**96**	0	162
	0	**161**	0	221

23. Guarantees and contingent liabilities

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, Bord na Móna plc has irrevocably guaranteed the liabilities of its wholly owned subsidiaries: Bord na Móna Energy Limited; Bord na Móna Allen Peat Limited; Edenderry Power Limited; Edenderry Power Operations Limited; Cushaling Power Limited; Bord na Móna Horticulture Limited; Bord na Móna Environmental Limited; Bord na Móna Property Limited; Bord na Móna Fuels Limited; BnM Fuels Limited; Suttons Limited; Suttons Oil Limited; Advanced Environmental Solutions (Ireland) Limited and Midland Waste Disposal Company Limited. As a result, these companies are exempt from the provisions of Section 7, Companies (Amendment) Act, 1986.

In the normal course of business the Group enters into various guarantees. At 30 March 2011 the value of these guarantees was €7,144,000 (2010: €7,895,000).

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.

24. Pension schemes

(i) Defined benefit schemes

(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, Sutton Group and Sheehan and Sullivan.

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 €3,922,000 based on an actuarial valuation at 30 March 2011 (March 2010: €4,053,000).

(b) Actuarial valuations and funding position of schemes

The actuarial method used (aggregate method) determines a contribution 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 valuations for the GESS and RWESS schemes are dated 31 March 2008 and the BnM Fuels scheme valuation is dated 1 April 2009. In the actuarial valuations it was assumed that the schemes' investments will earn a real rate of investment return of 3% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €255.2 million.

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

(i) a deficit of €16.2 million on the GESS scheme
(ii) a deficit of €3.5 million on the BnM Fuels scheme and
(iii) a surplus of €25.1 million on the RWESS scheme.

At March 2008 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 82% of the benefits that had accrued to the members of the GESS scheme and in excess of 100% of the benefits that had accrued to the members of the RWESS scheme at the valuation dates. These actuarial valuations are available for inspection by members of the schemes but not for public inspection.

In common with many other defined benefit pension schemes, two of the three defined benefit plans are in net deficits, when the total value of the respective scheme assets is compared to the actuarial value of the accrued benefits of the members.

24. Pension schemes (continued)

A funding proposal to address the RWESS scheme benefits was approved by the Board and Shareholders and active members during the 2010 financial year. The revised funding arrangement required the active members to increase their contribution rate by 1.5% of their pensionable salary. The Group agreed to match the active members contributions. The approved terms of the revised funding proposals include the provision of increased benefits for members under the N200, which provided for improved benefits for members whose uplifted pensionable salary falls below a threshold multiple of the State pension. The past service cost associated with providing the increased benefits in the year to 31 March 2010 was €828,000. The other terms of the restructuring arrangements included a cap on pensionable salaries and the closure of the scheme to new entrants.

The increased benefits provided to those active members, effective from 1 January 2010, accrues over future service from 1 January 2010 until the sixtieth birthday of each member. The present value of the estimated cost at 30 March 2011 was €6,900,000 at 30 March 2011 and the Group will meet the capital cost by way of fixed annual capital payments on 30 June over a period of no more than twelve years.

Discussions in relation to the GESS deficit are ongoing with the various stakeholders with a view to formulating an agreed funding proposal. Current pensions regulations allow in situations such as this, for a funding solution over a period of up to 10 years. A funding solution over such a period would allow the scheme to benefit from both additional employer and employee contributions and also from a potential recovery in global equity markets, which would increase the value of the scheme assets.

(c) FRS 17 'Retirement Benefits'
For the purposes of FRS 17 the actuarial valuations of the defined benefit schemes were updated to 30 March 2011 by a qualified independent actuary. A full actuarial valuation of the unfunded pensions was completed by a qualified independent actuary at 30 March 2011.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 30 March 2011, 100% of the pension scheme deficits on the GESS and BnM Fuels defined benefit schemes have been recognised in the financial statements. The RWESS defined benefit scheme had a surplus and the Group has accounted for its share of the pension scheme surpluses on a 50:50 basis between members and the Group. As 100% of the current service cost and finance costs were charged to the profit and loss account in the past, this amount has been reflected in the statement of recognised gains and losses during the year ended 30 March 2011 as noted below.

Current service costs, determined using the projected unit method and any past service items stemming from benefits enhancements or curtailments are dealt with as components of operating costs or set against provisions as appropriate. The interest cost associated with the pension schemes' liabilities together with the expected return on pension schemes' assets are included within other finance income/charge in the profit and loss account.

24. Pension schemes (continued)

The amounts recognised in the Balance Sheet are as follows:

	March 2011 €'000	March 2010 €'000
Fair value of the schemes' assets	**240,225**	233,444
Present value of schemes' liabilities and unfunded pensions liability	**(254,012)**	(252,417)
Members' share of surplus	**(5,541)**	(3,339)
Revised present value of schemes' liabilities and unfunded pension liabilities	**(259,553)**	(255,756)
Pension deficit	**(19,328)**	(22,312)
Related net deferred tax asset (Note 17(e))	**1,925**	2,282
Net pension deficit	**(17,403)**	(20,030)

The net pension deficit is comprised as follows:

Pension asset	**5,541**	3,339
Related net deferred tax liability (Note 17(e))	**(693)**	(418)
Pension asset net of deferred tax as per Group balance sheet	**4,848**	2,921
Pension deficit	**(24,869)**	(25,651)
Related net deferred tax asset (Note 17(e))	**2,618**	2,700
Pension deficit net of deferred tax as per Group balance sheet	**(22,251)**	(22,951)
Net pension deficit	**(17,403)**	(20,030)

The amounts recognised in the Profit and Loss Account are as follows:

	2010/2011 €'000	2009/2010 €'000
Analysis of the amount charged to operating profit		
Current service cost	**(2,999)**	(1,788)
Past service cost	**0**	(828)
	(2,999)	(2,616)
Analysis of the amount credited to other finance income		
Expected return on schemes' assets	**14,854**	11,409
Interest on schemes' liabilities	**(13,278)**	(13,609)
Net return on finance income (Note 5)	**1,576**	(2,200)
Total profit and loss account charge	**(1,423)**	(4,816)
Actual return on schemes' assets	**10,287**	51,424

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:

Actual return less expected return on schemes' assets	**(4,567)**	40,015
Experience gains arising on schemes' liabilities	**5,914**	7,220
Changes in assumptions underlying the present value of schemes' liabilities	**0**	(14,171)
Actuarial gain recognised	**1,347**	33,064
Members' share of scheme surplus at 30 March 2011	**(2,202)**	(3,339)
Actuarial (loss) / gain recognised by the Group	**(855)**	29,725

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 30 March 2011 is €25,513,000 (2010: €24,658,000 actuarial loss).

24. Pension schemes (continued)

Balance Sheet as at 30 March 2011

Movement in schemes' assets and liabilities	Scheme Assets €'000	Scheme Liabilities €'000	Scheme Deficit €'000
At 25 March 2009	186,484	(237,834)	(51,350)
Service cost charged to the profit and loss account	0	(1,788)	(1,788)
Past service cost charged to the profit and loss account	0	(828)	(828)
Interest on liabilities	0	(13,609)	(13,609)
Expected return on assets	11,409	0	11,409
Members' share of pension surplus at start of year	0	(3,339)	(3,339)
Actual less expected return on scheme assets	40,015	0	40,015
Experience losses on liabilities	0	7,220	7,220
Change in actuarial assumptions	0	(14,172)	(14,172)
Contributions by members	3,385	(3,385)	0
Employers contributions paid	4,130	0	4,130
Benefits paid	(11,979)	11,979	0
At 31 March 2010	233,444	(255,756)	(22,312)
Service cost charged to the profit and loss account	0	(2,999)	(2,999)
Interest on scheme liabilities	0	(13,278)	(13,278)
Expected return on assets	14,854	0	14,854
Members' share of pension surplus	0	(2,202)	(2,202)
Actual less expected return on assets	(4,567)	0	(4,567)
Experience losses on liabilities	0	5,914	5,914
Change in actuarial assumptions	0	0	0
Contributions by members	3,753	(3,753)	0
Employers contributions paid	5,262	0	5,262
Benefits paid	(12,521)	12,521	0
At 30 March 2011	**240,225**	**(259,553)**	**(19,328)**

All of the schemes' liabilities with the exception of the liability in respect of the pensions paid to former managing directors are funded.

Expected contributions for the year to 31 March 2012 are €4,835,000.

24. Pension schemes (continued)

Risks and rewards arising from the assets

At 30 March 2011 the assets were invested in a diversified portfolio that consisted primarily of equity and debt securities, properties and cash. The fair value of the assets at year end was €240,225,000 (2010: €233,444,000). The fair value of the asset categories as a percentage of total schemes' assets were as follows:

	March 2011 %	March 2010 %
Equities	**60.3**	63.1
Bonds	**26.9**	26.9
Property	**5.5**	5.7
Cash	**7.3**	4.3
Total	**100**	100

The schemes' assets do not include any ordinary shares issued by the Company. In addition, schemes' assets do not include property occupied by, or other assets used by the Company.

Basis of expected return on schemes' assets

The expected return on the schemes' assets is determined based on the weighted average expected return of the underlying asset class. For equities the expected return is 7.5% and is expected to exceed that of bonds by on average 4.5%. The expected rate of return on cash is 3% and for property assets the expected rate of return is 5.5%. The overall expected rate of return on schemes' assets at 30 March 2011 was 6.26% (2010: 6.41%).

Financial assumptions

The main financial assumptions (long term actuarial assumptions) used in the valuations were:

	March 2011	March 2010
Rate of increase in salaries	**3.00%**	3.00%
Rate of increase in pensions in payment - RWESS scheme	**1.25%**	1.25%
Rate of increase in pensions in payment - GESS scheme	**0.00%**	0.00%
Discount rate	**5.25%**	5.25%
Inflation assumption	**1.75%**	1.75%

Mortality assumptions

The mortality assumptions are based on standard tables reflecting typical pensioner mortality. The tables used are based on mortality rates in the year 2030 for all employees without allowance for additional improvements.

Retiring today	**March 2011**	March 2010
Males	**20.5**	20.5
Females	**23.4**	23.4

A male is assumed to be three years older than his spouse.

24. Pension schemes (continued)

History of defined benefit obligations, assets and experience gains and losses

The movement on the schemes' assets and liabilities for the current and previous four years are as follows:

	2010/2011 €'000	2009/2010 €'000	2008/2009 €'000	2007/2008 €'000	2006/2007 €'000
Defined benefit present value of obligation	**(254,012)**	(252,417)	(237,834)	(266,464)	(290,670)
Fair value of plan assets	**240,225**	233,444	186,484	253,672	281,654
Pension deficit	**(13,787)**	(18,973)	(51,350)	(12,792)	(9,016)
Experience adjustments arising on:					
the schemes' liabilities	**5,914**	7,220	7,686	3,787	2,302
as a percentage of the schemes' liabilities at March	**2.3%**	2.9%	3.2%	1.4%	0.8%
the schemes' assets	**(4,567)**	40,015	(72,302)	(41,173)	4,260
as a percentage of the schemes' assets at March	**(1.9%)**	17.1%	(38.8%)	(16.2%)	1.9%

The 2010 and 2011 scheme assets are stated at bid market values. The 2007, 2008 and 2009 scheme assets have been restated to bid market values.

Company pension fund liability

	March 2011 €'000	March 2010 €'000
At beginning of the financial year	**4,053**	3,966
Utilised during year	**(346)**	(346)
Charge for year	**215**	433
At end of the financial year	**3,922**	4,053

Sensitivity analysis for principal assumptions used to measure scheme liabilities.

There are a number of inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The table below outlines the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	**Change in Assumption**	**Present value of plan liabilities**	**Impact on plan liabilities**	**% Impact on plan liabilities**
Discount rate	0.25%	246,865	(7,147)	-3
Salary inflation	0.25%	256,222	2,210	1
Pension escalation	0.25%	257,468	3,456	1

(ii) Defined contribution schemes and personal retirement savings accounts (PRSA)

The Group made employer contributions payable under a defined contribution scheme in respect of certain employees. Contributions payable by the employer to the defined contribution schemes in the year to 30 March 2011 amounted to €223,087 (2010: €393,000) which were charged to the profit and loss account and €53,000 (2010: €325,000) was payable at year end.

In addition and in compliance with the provisions of the Pensions Act 1990 (as amended), Bord na Móna plc has appointed personal retirement savings accounts (PRSAs) providers. During the year to 30 March 2011 the Group contributed €531,256 (2010: €567,000) on behalf of it's employees. This was charged to the profit and loss account and €2,765 (2010: €7,789) was payable at year end.

25. Related party transactions

Ownership of the Company: Bord na Móna is a majority state owned company. 95% of the issued share capital is held by the Minister for Communications, Energy and Natural Resources and by or on behalf of the Minister for Finance. The other 5% is held by the employees of the Group.

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods, 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 amounted to €121.5 million in 2010/2011 and amounts due from these entities to the Group at 30 March 2011 for these services amounted to €13.7 million.

From time to time the Group placed monies on deposit with financial institutions controlled by the State. The Group had placed monies on deposit of €70 million with Allied Irish Banks plc (A.I.B) at 30 March 2011. The Group earned rental income from Anglo Irish Bank of €1.4 million during the year.

26. Post balance sheet 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 adjustment to the accounts. There were a number of bog fires in May and June 2011 in which some peat stock piles were lost and unrecoverable. The production cost of the inventory which was lost or is unrecoverable is anticipated to be in the region of €1.7 million. This event was non-adjusting at 30 March 2011.

27. Board approval

The Board approved the financial statements on 23 June 2011.

Independent Auditors' Report to the Members of Bord na Móna plc

We have audited the Group and parent Company financial statements (the "financial statements") of Bord na Mona PLC for the period ended 28 March 2012 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 20.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the parent Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2012, and the European Communities (Companies: Group Accounts) Regulations, 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the parent Company balance sheet is in agreement with the books of account. We also report to you our opinion as to:

- whether the parent company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the parent company to convene an extraordinary general meeting of the parent company; such a financial situation may exist if the net assets of the parent company, as stated in the parent company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Managing Director's Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies made in the Directors' Report on page 21 reflects the Group's compliance with paragraph 13.1(iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the Board's statements on internal financial control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's and the parent Company's affairs as at 28 March 2012 and of the Group's loss and cash flows for the period then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the parent company. The parent company's balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report on pages 18 to 22 is consistent with the financial statements.

The net assets of the parent company, as stated in the parent company balance sheet on page 37 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 March 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Paul Tuite
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

10 July 2012

Accounting Policies, Critical Accounting Estimates and Judgements

Basis of accounting and preparation of Financial Statements

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012, and the European Communities (Companies: Group Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The financial statements are prepared in Euro under the historical cost convention.

The Group's significant accounting policies are set out below, together with an explanation of where changes have been made to previous policies. There were no new standards adopted during the year.

Basis of consolidation

The consolidated financial statements include the financial statements of Bord na Móna plc and all of its subsidiaries as listed on page 47.

The policies set out below have been consistently applied to all years presented in the consolidated financial statements and are consistently applied by all Group entities. Comparative figures have been restated where required in order to present on a consistent basis.

Intragroup transactions are eliminated on consolidation in the preparation of the Group financial statements.

The results of subsidiary undertakings acquired or sold are included in the consolidated profit and loss account and cash flow statement up to or from the date control passes.

The identifiable assets and liabilities of the acquired entity are included in the consolidated financial statements of the acquirer at their fair values at the date of acquisition. The difference between these and the cost of acquisition is recognised as goodwill or negative goodwill. The results of the acquired entity are included in the profit and loss account of the acquiring Group from the date of acquisition. The assets and liabilities recognised in the allocation of fair values are those of the acquired entity that existed at the date of acquisition. They are measured at fair values that reflect the conditions at the date of the acquisition. The cost of acquisition is the amount of cash or cash equivalents paid and the fair value of other purchase consideration given by the acquirer, together with the associated transaction expenses.

The fair value exercise includes the measurement of contingent assets and liabilities. These are determined based on the Group's reasonable estimates of the expected outcome. Certain contingent assets and liabilities that crystallise as a result of the acquisition are also recognised, where the underlying contingency was in existence before the acquisition (e.g. environmental re-instatement provisions).

Joint ventures are undertakings over which Bord na Móna exercises control jointly with one or more parties. The Group's share of profits/losses of joint ventures is included in the consolidated profit and loss account. The Group's interest in their net assets/liabilities is included as a financial asset in the consolidated balance sheet at an amount representing the fair value of the Group's share of the net assets plus the Group's share of retained profits or losses.

Turnover

Turnover is comprised of revenue, excluding value added tax, trade discounts and including other levies on goods and services to external customers arising in the normal course of business.

The Group supplies electricity to the ESB Customer Supply under a Power Purchase Agreement ('PPA') which expires in December 2015. Turnover is recognised for (i) capacity availability and (ii) energy supplied, on the basis of contractual performance in accordance with the terms of the PPA. Related pass through costs are recognised in accordance with the terms of the PPA.

Turnover on long-term contracts is recognised using the percentage-of-completion method, calculated on a services performed basis.

On receipt of payment from customers, in advance of the performance of the Group's contractual obligations to its customers under the normal course of business, in respect of certain of its activities, the Group recognises deferred revenue. The deferred revenue is included in creditors on the balance sheet, representing the Group's obligations under the contract terms. When the Group performs its obligations and thereby obtains the right to consideration under the terms of business, it reduces the liability and recognises that reduction in revenue in the profit and loss account. The costs associated with the delivery of the services are charged to cost of sales as incurred, to the extent that they are less than the unamortised deferred revenue. A provision is recognised where future costs in respect of the delivery of the service are estimated to exceed unamortised deferred revenue.

Revenue earned on service delivery but unbilled is recognised in accordance with contractual terms and separately disclosed as accrued income within debtors.

Operating lease rental income is recognised in accordance with the contractual terms.

All other revenue is recognised when the goods or services are delivered.

Turnover is stated after eliminating sales within the Group.

Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the transaction date or, if hedged, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or, if hedged forward, at the rate of exchange under the related forward currency contract. The resulting profit or loss is included in the profit and loss account. Gains and losses arising on forward foreign exchange contracts which are used to hedge foreign transaction cash flows are recognised as an operating expense in the profit and loss account. Interest rate swap agreements and similar contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as an interest expense over the period of the contracts.

The financial statements of foreign subsidiaries are translated into Euro using the closing rate method. Profits and losses arising on the re-translation of foreign subsidiaries are taken to reserves and recognised in the statement of total recognised gains and losses. Differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against Group equity investment in foreign subsidiaries, are also taken to reserves and recognised in the statement of total recognised gains and losses.

Derivative financial instruments

The Group uses derivative financial instruments including a number of cross currency interest rate swaps to hedge its exposure to interest and foreign exchange risks arising from two private placement facilities. In order to hedge the associated exchange rate exposures and fix the floating interest rates, the Group entered into a number of swap arrangements which match the maturity profile of the unsecured loan notes.

The fair value of the financial instruments is disclosed at each balance sheet date.

Emission allowances

In accordance with the provisions of the European CO_2 emissions trading scheme, emissions allowances covering a percentage of the expected emissions during the year are granted to Bord na Móna at the beginning of each year by the relevant Government Authority.

As emissions arise, a charge is recorded in the profit and loss account to reflect the amount required to settle the liability to the Authority. This provision will include the current market value of any additional allowances required to settle the obligation. These allowances, together with any additional allowances purchased during the year, 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 of CO_2 during that year. Certain of the emissions costs are recoverable from ESB Customer Supply under the PPA.

Tangible fixed assets

Cost

Freehold land, and the estimated residual value of peatland after the peat production phase, are stated at cost. Cost includes direct costs (including direct labour) and overheads.

Peatland and other tangible fixed assets are stated at cost less accumulated depreciation.

The cost of landfill sites includes acquisition costs and the cost of construction.

Assets in the course of construction represent the cost of purchasing, constructing and installing tangible fixed assets ahead of their productive use.

The Group has a policy of capitalising finance costs. Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Where funds are borrowed specifically for the purpose of financing the construction of a tangible fixed asset, 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 tangible fixed asset. The capitalisation of finance costs ceases when the asset is commissioned or where active development has been interrupted for an extended period of time.

Accounting Policies, Critical Accounting Estimates and Judgements continued

Depletion and depreciation
A depletion charge is recorded in respect of peatland, drainage and railways. Other tangible fixed assets are depreciated on a straight line basis at the rates indicated:

Plant & Machinery	5% to 33.3%	per annum
Buildings	5% to 10%	per annum

The Group's power plant at Edenderry is depreciated on a unit of production basis in order to relate the depreciation to the estimated production capability of the plant. The Group supplies electricity to ESB Customer Supply under the PPA on a priority despatch basis. This PPA expires in 2015 and the plants contractual entitlement to priority despatch ceases at that date. The unit of production method of depreciation seeks to relate the depreciation charge to the estimated production capability of the plant.

The Group's peaking plant at Edenderry is depreciated on a straight line basis with the charge calculated to write the cost of the asset 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 plant on a consistent basis over the useful life of the plant based on its availability to the grid.

The cost of the landfill asset is depreciated over the licensed life of the infrastructural assets associated with it and the landfill cells are depreciated on the basis of the usage of void space.

No depreciation is charged on assets in the course of construction.

Financial assets
Interests in subsidiary undertakings are initially recorded at cost on the Bord na Móna plc balance sheet.

The Group's interest in joint ventures is the determined under the equity method in accordance with the provisions of FRS 9 'Associates and Joint Ventures' and represents the Group's share of net assets (other than goodwill) of the joint ventures or investment in the joint venture at inception.

The Group carries out an impairment review if events or changes in circumstances indicate that the carrying value of the financial asset may not be recoverable.

The recoverable amount is determined by comparing the carrying value of the financial asset against the higher of its fair value and its value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the financial asset, to net present value. To the extent that the carrying amount exceeds the recoverable amount, the financial asset is impaired and is written down.

Investment properties
Investment properties are included in the balance sheet at their open market value. Reductions in valuations are recorded as a movement in the revaluation reserve through the statement of total recognised gains and losses. Revaluations below depreciated historical cost regarded as permanent are charged to the profit and loss account in the period.

Goodwill and intangible assets
Purchased goodwill, being the excess of the consideration paid on the acquisition of a business over the fair values of the entity's identifiable assets and liabilities, is capitalised and classified as an asset on the balance sheet. Goodwill is amortised to the Group profit and loss account over its estimated useful life (between three and twenty years).

Impairment of assets and goodwill
If events or changes in circumstances indicate that the carrying value of tangible fixed assets or goodwill may not be recoverable, the Group carries out an impairment review.

The recoverable amount in respect of income generating units ('IGUs') is determined by comparing the carrying value of the IGU to the higher of its net realisable value and the value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the income generating unit, to net present value. The discount rate used reflects an appropriate risk weighting for the type of investment being tested for impairment.

To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss arising is recognised in the profit and loss account unless it arises on a previously revalued asset.

Research costs
Expenditure on pure or applied research is written off to the profit and loss account as incurred.

Business development costs
Development costs are expensed to the profit and loss account as 'Business Development' costs if the criteria for capitalisation as an asset are not satisfied.

Development costs are capitalised as an intangible asset in line with accounting policy if there is (i) sufficient evidence that an asset has been created (ii) future inflow of benefit will occur and (iii) it can be measured with sufficient reliability.

Grants
Capital grants received and receivable under EU-assisted schemes are recognised when received or when their receipt can be foreseen with virtual certainty. Grants received in respect of tangible fixed assets are treated as a deferred credit and amortised to the profit and loss account annually over the economic useful life of the related tangible fixed assets.

Stocks, work in progress and long term contracts
Stocks and work in progress are valued at the lower of cost and net realisable value. Coal stocks are valued at weighted average cost.

Cost includes all direct expenditure incurred in bringing products to their current state 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 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 improved moisture content) are recognised on measurement of the peat when the stock pile is fully outloaded. 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 anticipated selling price less the cost of selling such goods and any sales incentives or penalty payments.

Profit on long-term contracts is recognised once the outcome can be assessed with reasonable certainty. Losses on long-term contracts are provided as soon as they are foreseen. Long-term work in progress is stated net of payments received on account.

Provision is made for damaged, deteriorated, obsolete and slow moving items where appropriate.

Trade debtors
Trade debtors are initially recognised at fair value. Trade debtors are considered for impairment on an on-going basis. Provisions for impairment of trade debtor balances are recorded against identified doubtful debtors.

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

Borrowings
Interest bearing loans and borrowings are initially recognised net of arrangement fees. These arrangement fees are amortised over the life of the related borrowing.

Leases
Assets held under finance leases are included in tangible fixed assets at cost and are depreciated over the shorter of the lease term or their useful economic life. Obligations relating to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within or after one year. Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligations.

Rentals under operating leases are charged to the profit and loss account as incurred.

Provisions
A provision is defined as a liability of uncertain timing or amount. Provisions are recognised in accordance with FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', when the Group has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is possible that an outflow of economic benefits will be required to settle the obligation.

Where the effect of the time value of money is material, provisions are discounted using a risk free rate. The provision is increased by a financing charge in each period, which is calculated based on the provision balance and discount rate applied at the last measurement date (updated annually) and is included in the profit and loss account as a financing charge.

Environmental reinstatement provision
Provision is made for environmental reinstatement costs relating to the after-use of cutaway peatland and decommissioning costs. The provision is recorded when the circumstances giving rise to the obligation to reinstate the assets occur. The amount of the provision represents the present value of the expected future costs. A depletion charge is recorded in the profit and loss account in order to charge the cost of capitalised reinstatement costs to the profit and loss account reflecting extraction.

Accounting Policies, Critical Accounting Estimates and Judgements continued

Landfill restoration provision

A provision is recorded for the present value of the Group's unavoidable costs in relation to the aftercare and the restoration cost of the landfill facility. This value is capitalised as a tangible fixed asset. Provision is made for the present value of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operating life of the sites are written off directly to the profit and loss account and not charged to the provision.

Provision for generating stations closure

The provision for closure of generating stations represents the present value of the current estimate of the costs of closure of the stations at the end of their useful lives.

The estimated costs of closing stations are recognised in full, but discounted to present values using a risk free rate. The costs are capitalised in the tangible fixed asset and depreciated in the same way as the generating asset itself. The costs are reviewed each year and amended as appropriate. Amendments to the discounted estimated costs are capitalised into the relevant assets and depreciated prospectively.

Self insurance provisions

Self insurance provisions relate to the estimated liability in respect of costs to be incurred under the Group's self insurance programmes for events occurring on or prior to the year end. The provision is estimated based on a case by case assessment by the independent claims handling agents of the likely outturn on each case.

Legal provisions

Provisions for legal claims are included in the financial statements, for legal and other matters on the basis of the amounts that the Group consider will become payable, after evaluating the recommendations of legal advisors, their in-house legal team, and other experts.

Warranty provision

The Group issues warranties for certain goods and services. The warranty costs are provided for based on the duration of the warranty period.

Redundancy provision

Redundancy costs are provided for by the Group, once a detailed formal plan has been prepared and approved and the Group is irrevocably committed to implementing the plan.

Pensions and post retirement benefits

The Group has both defined benefit and contribution pension arrangements. Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax and pension scheme surpluses, to the extent that they are considered recoverable are presented on the balance sheet as an asset net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Where the scheme rules require a surplus arising in the scheme to be shared between the employee and the members, the amount passed to the members is treated as an increase in the scheme liabilities.

Taxation including deferred tax

Current tax represents the amount expected to be paid in respect of taxable profit for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board.

Deferred tax is measured, on an undiscounted basis, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Share based payment

Equity settled share based payment to employees are measured at the fair value of the equity instruments at the grant date. The fair value is expensed on a straight line basis over the vesting period. In accordance with FRS 20 'Share Based Payments', the Group recognise an expense in the profit and loss account and a corresponding increase in equity in respect of the fair value of the shares issued to employees. The fair value of the shares issued is determined on a minority non-controlling basis. Factors taken into consideration in determining the fair value include the market, discounted cash flow, net assets value and the characteristics of the shares being acquired.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholder and are no longer at the discretion of the Company.

Critical accounting estimates and judgements

Preparation of the consolidated financial statements requires management to make certain assumptions that affect the reported amounts of assets and liabilities. These include the following areas:

(a) Pension scheme assets and liabilities

The actuarial valuation of pensions is based on assumptions regarding inflation, discount rates, the expected return on plan assets, salary increases, pension in payment increases and mortality rates. The assumptions adopted by the Group at 28 March 2012 are outlined in Note 25 to the financial statements and have been determined with assistance from the Group's actuarial advisors.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with FRS 17 'Retirement Benefits' at 28 March 2012, 100% of the pension scheme deficit on the GESS scheme has been recognised in the financial statements. The RWESS pension scheme has a surplus at both 28 March 2012 and 30 March 2011 and the Group has accounted for its share of the pension scheme surplus on a 50:50 basis between members and the Group.

(b) Impairment of assets and goodwill

Intangible assets and property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of income generating units is calculated based on the determination of a value in use for the income generating unit. This determination is based on forecasted future cash flows.

The Group's Resource Recovery business is continuing to operate in challenging and highly competitive economic conditions and in a changing regulatory environment. In the event that the Group does not deliver anticipated volume and price increases or achieve anticipated cost reductions, or in the event that current weak economic conditions prevail in the domestic market, then the value in use assessment of the income generating unit may be adversely impacted. The determination of the value in use also requires application of an appropriate weighted average cost of capital and assessment of a long-term growth rate for the sector. The potential impact on the recoverable amount of changes in these key assumptions is set out in Note 7 to the financial statements.

(c) Carrying value of power plants

The Group's power plant at Edenderry operates a fifteen year PPA with the ESB Customer Supply to provide electricity on a priority despatch basis. This PPA expires in December 2015. The plant's contractual entitlement to priority despatch will cease as at that date. The Group anticipate that the plant will continue to operate in the period post 2015 in the single electricity market ('SEM') co-fired by biomass and peat. The related goodwill is being amortised over the period to 2025 reflecting a useful economic life of 20 years. In considering the carrying value of the plant at Edenderry and the goodwill arising on acquisition of the business, a number of key assumptions are made in respect of the operation of the plant in the period post 2015. These assumptions are considered on an annual basis on assessment of the appropriateness of the carrying value of the plant and the related goodwill.

(d) Environmental obligations

The Group has certain environmental obligations arising as a result of its land, and landfill operations. Determination of the provisions for the related environmental rehabilitation obligations in the period to and post extraction and operation reflects certain key assumptions in respect of the associated costs. These assumptions are reviewed on an on-going basis reflecting actual experience.

Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period 31 March 2011 to 28 March 2012 (prior year: 52-week period 1 April 2010 to 30 March 2011).

Group Profit and Loss Account
for the year ended 28 March 2012

	Note		2011/2012 €'000		2010/2011 €'000
Turnover	2		**383,826**		382,069
Operating Costs	2		**(386,712)**		(357,611)
Operating (loss)/profit	2		**(2,886)**		24,458
Profit on disposal of fixed assets			**1,049**		0
Amounts written off investment property	9		**(777)**		0
Share of loss of joint venture	10		**(332)**		0
(Loss)/profit before finance charges and taxation			**(2,946)**		24,458
Interest receivable and similar income	5	**5,705**		6,232	
Interest payable and similar charges	5	**(16,086)**		(14,830)	
Other finance income and charges	5	**585**		867	
			(9,796)		(7,731)
(Loss)/profit on ordinary activities before taxation			**(12,742)**		16,727
Taxation on ordinary activities	6		**(3,519)**		(3,807)
(Loss)/profit after taxation on ordinary activities			**(16,261)**		12,920
Equity minority interests	19		**286**		207
(Loss)/profit for the financial year			**(15,975)**		13,127

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

Statement of Group Total Recognised Gains and Losses

for the year ended 28 March 2012

	Note	THE GROUP 2011/2012 €'000	2010/2011 €'000
(Loss)/profit for the financial year		**(15,975)**	13,127
Actuarial loss recognised on pension schemes	25	**(31,379)**	(855)
Deferred tax related to actuarial loss	17(e)	**3,864**	123
Revaluation of investment property	9	**(2,463)**	(1,700)
Exchange profit/(loss) on foreign subsidiaries		**216**	(244)
Total recognised (losses) and gains for the financial year		**(45,737)**	10,451

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

Reconciliation of Movement on Shareholders' Funds

for the year ended 28 March 2012

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss Account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
The GROUP						
Profit for the financial year ended 30 March 2011		0	0	13,127	0	13,127
Dividend paid	3	0	0	(3,469)	0	(3,469)
Profit retained for the financial year ended 30 March 2011		0	0	9,658	0	9,658
Actuarial loss recognised on pension schemes	25	0	0	(855)	0	(855)
Deferred tax related to actuarial loss	17(e)	0	0	123	0	123
Revaluation of investment property	9	0	0	0	(1,700)	(1,700)
Exchange adjustments on foreign subsidiaries		0	0	(244)	0	(244)
Net increase/(decrease) in shareholders' funds		0	0	8,682	(1,700)	6,982
Shareholders' funds at 31 March 2010		82,804	1,959	135,482	4,163	224,408
Shareholders' funds at 30 March 2011		82,804	1,959	144,164	2,463	231,390
Loss for the financial year ended 28 March 2012		**0**	**0**	**(15,975)**	**0**	**(15,975)**
Dividend paid	**3**	**0**	**0**	**(4,332)**	**0**	**(4,332)**
Loss retained for the financial year ended 28 March 2012		**0**	**0**	**(20,307)**	**0**	**(20,307)**
Actuarial loss recognised on pension schemes	**25**	**0**	**0**	**(31,379)**	**0**	**(31,379)**
Deferred tax related to actuarial loss	**17(e)**	**0**	**0**	**3,864**	**0**	**3,864**
Revaluation of investment property	**9**	**0**	**0**	**0**	**(2,463)**	**(2,463)**
Exchange adjustments on foreign subsidiaries		**0**	**0**	**216**	**0**	**216**
Net decrease in shareholders' funds		**0**	**0**	**(47,606)**	**(2,463)**	**(50,069)**
Shareholders' funds at 30 March 2011		**82,804**	**1,959**	**144,164**	**2,463**	**231,390**
Shareholders' funds at 28 March 2012		**82,804**	**1,959**	**96,558**	**0**	**181,321**

Reconciliation of Movement on Shareholders' Funds

for the year ended 28 March 2012 (continued)

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss Account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
The COMPANY						
Loss for the financial year ended 30 March 2011		0	0	(27,352)	0	(27,352)
Dividend paid	3	0	0	(3,469)	0	(3,469)
Net reduction in shareholders' funds		0	0	(30,821)	0	(30,821)
Shareholders' funds at 31 March 2010		82,804	1,959	39,160	0	123,923
Shareholders' funds at 30 March 2011		82,804	1,959	8,339	0	93,102
Loss for the financial year ended 28 March 2012		**0**	**0**	**(36,922)**	**0**	**(36,922)**
Dividend received				**85,000**		**85,000**
Dividend paid	**3**	**0**	**0**	**(4,332)**	**0**	**(4,332)**
Net increase in shareholders' funds		**0**	**0**	**43,746**	**0**	**43,746**
Shareholders' funds at 30 March 2011		**82,804**	**1,959**	**8,339**	**0**	**93,102**
Shareholders' funds at 28 March 2012		**82,804**	**1,959**	**52,085**	**0**	**136,848**

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The Company's result for the financial year, determined in accordance with Irish GAAP, is a trading loss of €36,922,000 (2011: loss of €27,352,000) and a retained profit of €43,746,000 (2011: retained loss of €30,821,000).

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

Group Balance Sheet
as at 28 March 2012

	Note	28 March 2012 €'000	30 March 2011 €'000
Fixed Assets			
Intangible assets	7	**16,402**	33,862
Tangible assets	8	**244,935**	261,231
Investment properties	9	**8,660**	11,900
Financial assets	10	**1,193**	0
		271,190	306,993
Current Assets			
Stocks	11	**95,599**	83,117
Debtors	12	**72,162**	76,061
Cash at bank and in hand		**196,326**	198,833
		364,087	358,011
Creditors - amounts falling due within one year	13	**(87,040)**	(92,098)
Net current assets		**277,047**	265,913
Total assets less current liabilities		**548,237**	572,906
Creditors - amounts falling due after more than one year	14	**(275,141)**	(276,311)
Provisions for liabilities	17	**(49,692)**	(46,552)
Net assets before pension funds' assets and liabilities		**223,404**	250,043
Pension fund asset	25	**976**	4,848
Pension funds' liabilities	25	**(42,218)**	(22,251)
Net assets after pension funds' assets and liabilities		**182,162**	232,640
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Revaluation reserve		**0**	2,463
Profit and loss account		**96,558**	144,164
Equity shareholders' funds		**181,321**	231,390
Minority shareholders' interests			
Equity interests	19	**(397)**	12
Non-equity interests	19	**1,238**	1,238
		841	1,250
		182,162	232,640

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

Company Balance Sheet
as at 28 March 2012

	Note	28 March 2012 €'000	30 March 2011 €'000
Fixed Assets			
Tangible assets	8	**4,595**	4,767
Financial assets	10	**95,401**	114,678
		99,996	119,445
Current Assets			
Debtors	12	**253,747**	219,477
Cash at bank and in hand		**182,477**	172,526
		436,224	392,003
Creditors - amounts falling due within one year	13	**(122,097)**	(140,169)
Net current assets		**314,127**	251,834
Total assets less current liabilities		**414,123**	371,279
Creditors - amounts falling due after more than one year	14	**(263,040)**	(262,865)
Provisions for liabilities	17	**(9,840)**	(11,390)
Net assets before pension fund liabilities		**141,243**	97,024
Pension fund liabilities	25	**(4,395)**	(3,922)
Net assets after pension fund liabilities		**136,848**	93,102
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Profit and loss account		**52,085**	8,339
Equity shareholders' funds		**136,848**	93,102

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

Cash Flow Statement
for the year ended 28 March 2012

	Note	2011/2012 €'000	2010/2011 €'000
Net cash inflow from operating activities	20(a)	**42,090**	56,839
Returns on investments and servicing of finance	20(b)	**(10,280)**	(8,377)
Taxation		**(4,293)**	(3,377)
Capital expenditure and financial investment	20(b)	**(23,538)**	(49,204)
Acquisition of business undertakings	20(b)	**(1,708)**	0
Equity dividends paid to shareholders	3	**(4,332)**	(3,469)
Net cash outflow before use of liquid resources and financing		**(2,061)**	(7,588)
Financing	20(b)	**0**	0
Decrease in net cash		**(2,061)**	(7,588)

Reconciliation of Net Cash Flow to Movement in Net Debt

	Note	2011/2012 €'000	2010/2011 €'000
Decrease in cash during the year		**(2,061)**	(7,588)
Change in net debt resulting from cash flows		**(2,061)**	(7,588)
Net debt at beginning of the financial year		**(64,653)**	(57,065)
Net debt at end of the financial year	20(c)	**(66,714)**	(64,653)

On behalf of the Board:

Fergus McArdle
Chairman

Gabriel D'Arcy
Managing Director

1. Consolidation

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

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

2. (Loss)/profit before taxation

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

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

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

Notes to the Financial Statements
continued

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

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

Number of employees	2011/2012	2010/2011
Average numbers employed		
Manufacturing and production	**1,596**	1,583
Administration	**545**	539
	2,141	2,122
Peak employment	**2,468**	2,332

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

3. Dividends

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

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

4. Directors' emoluments

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

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

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

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

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

5. Other finance (charges)/income

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

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

6. Taxation

	2011/2012 €'000	2010/2011 €'000
Taxation based on the (loss)/profit for the year:		
Irish corporation tax		
Current tax for the year	**2,733**	4,431
Adjustments in respect of prior years	**113**	(167)
	2,846	4,264
Foreign taxation		
Current tax for the year	**9**	33
Adjustments in respect of prior years	**0**	0
	9	33
Total current tax (see note below)	**2,855**	4,297
Deferred tax - origination and reversal of timing differences (Note 17)	**664**	(490)
Tax on profits on ordinary activities	**3,519**	3,807

Factors affecting corporation tax charge for the year		
(Loss)/profit before taxation	**(12,742)**	16,727
Standard rate of corporation tax for the year	**12.5%**	12.5%
(Loss)/profit before taxation multiplied by standard rate	**(1,593)**	2,091
Effects of:		
Expenses not deductible for tax purposes	**722**	168
Depreciation and amortisation in excess of capital allowances	**791**	1,294
Impairment of tangible assets	**860**	0
Amortisation of intangible assets	**411**	466
Impairment of intangible assets	**2,107**	855
Utilisation of tax losses	**(60)**	(38)
Manufacturing relief	**0**	(119)
Taxation rate differences	**29**	29
Pension contribution relief in excess of pension cost charge	**(525)**	(282)
Adjustments in respect of prior years	**113**	(167)
	2,855	4,297

7. Intangible assets

THE GROUP	Goodwill 2012 €'000	Patents 2012 €'000	Total 2012 €'000	Goodwill 2011 €'000	Patents 2011 €'000	Total 2011 €'000
AT COST						
At beginning of the financial year	**64,188**	**503**	**64,691**	64,260	503	64,763
Consideration and fair value adjustments	**0**	**0**	**0**	(79)	0	(79)
Arising on acquisition (Note 21)	**2,675**	**0**	**2,675**	0	0	0
Exchange adjustment	**15**	**0**	**15**	7	0	7
At end of the financial year	**66,878**	**503**	**67,381**	**64,188**	**503**	**64,691**
AMORTISATION						
At beginning of the financial year	**30,326**	**503**	**30,829**	20,015	252	20,267
Charge for year (Note 2)	**3,291**	**0**	**3,291**	3,622	101	3,723
Impairment	**16,857**	**0**	**16,857**	6,687	150	6,837
Exchange adjustment	**2**	**0**	**2**	2	0	2
At end of the financial year	**50,476**	**503**	**50,979**	**30,326**	**503**	**30,829**
NET BOOK AMOUNTS						
At beginning of the financial year	**33,862**	**0**	**33,862**	44,245	251	44,496
At end of the financial year	**16,402**	**0**	**16,402**	33,862	0	33,862

In accordance with the provisions of FRS 11 - 'Impairment of Fixed Assets', the Group has reviewed the carrying value of goodwill. The recoverable amounts of the identified income generating units (IGU) were estimated based on a value in use calculation using cash flow projections based on the financial five year plans as approved by the Board. Cash flows beyond five years are extrapolated based on a perpetuity growth rate of 2.3% (2011: 2.3%) and a pre tax weighted average cost of capital of 9.7% (2011: 9.2%) which are consistent with the Group's expectation for market development and growth in market share where applicable. Based on these reviews, the Group have provided for an impairment charge of €16,857,000 (2011: €6,687,000) on it's investment in goodwill in the Resource Recovery sector.

The key assumptions which impact on the related value in use calculation are:

Volume and yield on domestic and commercial customers
Despite the reduced economic activity in Ireland, the business has maintained its collection volumes and increased its market share. Growth expectations for 2013 and 2014 are to remain weak but thereafter growth rates are expected to reflect an increase in economic activity. As waste collection volumes declined over the last 4 years, revenue yields on both domestic and commercial waste streams have also declined and gross margins have tightened. A gradual recovery in yields is anticipated in the projections.

Processing and end treatment costs
Processing costs have increased significantly in the last 12 months as landfill gate fees remain stable and regulation changes increased the landfill levy from €30 per tonne to €50 per tonne in September 2011. Further increases in landfill levies up to €75 per tonne are expected and are included in the projections which will impact on future processing costs.

Sensitivity
A movement in the growth rate of 1% would increase or decrease the recoverable amount of the Group's waste collection IGU by €0.3 million. A movement in revenue yields of 1% would increase or decrease the recoverable amount by €4.5 million. A movement in processing costs of 1% would increase or decrease the recoverable amount by €0.9 million. A movement in the discount rate of 1% would increase or decrease the recoverable amount of the Group's waste collection IGU by €4.9 million.

8. Tangible assets

	Peatland, Drainage & Production Buildings €'000	Landfill €'000	Railways, Plant & Machinery €'000	Generating Assets €'000	Freehold land, Administration & Research Buildings €'000	Assets in course of construction €'000	Total €'000
(i) THE GROUP							
AT COST							
At 30 March 2011	119,347	24,313	255,574	161,069	17,604	1,677	579,584
Reclassification	7,778	0	(7,709)	121	(190)	0	0
Additions at cost [1]	1,199	3,094	11,491	1,333	1,021	10,208	28,346
Arising on acquisition (Note 21)	0	0	651	0	0	0	651
Disposals	(4,724)	0	(23,982)	0	(529)	0	(29,235)
Transfers from projects in progress	0	0	328	0	0	(328)	0
Exchange adjustment	0	0	62	0	99	4	165
At 28 March 2012	123,600	27,407	236,415	162,523	18,005	11,561	579,511
ACCUMULATED DEPRECIATION							
At 30 March 2011	85,904	12,209	177,339	36,777	6,124	0	318,353
Reclassification	(2,864)	0	4,298	(92)	(1,342)	0	0
Charge for year (Note 2)	6,416	3,462	17,382	10,515	624	0	38,399
Impairment [2]	300	0	1,576	0	5,000	0	6,876
Disposals	(3,328)	0	(25,224)	0	(528)	0	(29,080)
Exchange adjustment	0	0	25	0	3	0	28
At 28 March 2012	86,428	15,671	175,396	47,200	9,881	0	334,576
NET BOOK VALUE							
At 30 March 2011	33,443	12,104	78,235	124,292	11,480	1,677	261,231
At 28 March 2012	37,172	11,736	61,019	115,323	8,124	11,561	244,935

1 Included in additions is a sum of €2,673,000 (2011: €1,206,000) in respect of a restoration asset for the landfill sites, a sum of €1,039,000 in respect of Powergen decommissioning assets (2011: €Nil) (Note 17) and a sum of €132,000 (2011: €1,349,000) in respect of interest capitalised on assets in the course of construction during the year (Note 5). The rate of interest applied was 7.3% (2011: 7.3%).

2 In accordance with the provisions of FRS 15 - 'Tangible Fixed Assets' the Group conducted impairment reviews of the Group's tangible assets. This process has resulted in an impairment charge of €6,876,000 (2011: €Nil).

8. Tangible assets (continued)

	Peatland, Drainage & Production Buildings €'000	Railways, Plant & Machinery €'000	Freehold land, Administration & Research Buildings €'000	Total €'000
(ii) THE COMPANY				
AT COST				
At 30 March 2011	559	9,785	5,872	16,216
Reclassification	0	190	(190)	0
Additions at cost	0	534	1,021	1,555
Disposals	0	0	(528)	(528)
At 28 March 2012	559	10,509	6,175	17,243
ACCUMULATED DEPRECIATION				
At 30 March 2011	0	7,458	3,991	11,449
Reclassification	0	397	(397)	0
Charge for year	0	1,320	407	1,727
Disposals	0	0	(528)	(528)
At 28 March 2012	0	9,175	3,473	12,648
NET BOOK VALUE				
At 30 March 2011	559	2,327	1,881	4,767
At 28 March 2012	559	1,334	2,702	4,595

The tables above include valuations performed by the former Bord na Móna which transferred its assets to Bord na Móna plc on 30 December 1998 on its dissolution pursuant to the Turf Development Act, 1998.

9. Investment properties

	2012 €'000	2011 €'000
At beginning of the financial year	**11,900**	13,600
Revaluation during the year charged to the statement of total recognised gains and losses	**(2,463)**	(1,700)
Revaluation during the year charged to the profit and loss account	**(777)**	0
At end of the financial year	**8,660**	11,900

The investment property is stated at market value as at 28 March 2012. Market value means 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

The valuation of the Group's freehold interest in the property was carried out by DTZ Sherry Fitzgerald, qualified professional valuers acting in the capacity as external valuer. The valuation was carried out in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards Global, 7th Edition (the 'Red Book'). The valuation was carried out as at 28 March 2012.

The market value of the investment has been primarily derived using comparable market transactions on arms length terms and an assessment of market sentiment. The valuation reflects, where appropriate, the type of tenant actually in occupation or likely to be in occupation after letting of vacant accommodation and the market's perception of their creditworthiness and the remaining useful life of the property.

10. Financial assets

(i) THE GROUP

	2012 €'000	2011 €'000
JOINT VENTURE		
At beginning of the financial year	**0**	0
Investment during the year	**1,525**	0
Group share of loss	**(332)**	0
At end of financial year	**1,193**	0
Share of gross assets	**1,525**	0
Share of gross liabilities	**(332)**	0
Share of net assets	**1,193**	0

The following transactions were carried out with the joint venture:

	2012 €'000	2011 €'000
(a) Purchase of service	**253**	0
(b) Provision of finance	**1,500**	0
(c) Amounts receivable from joint venture	**253**	0
(d) Amounts payable to joint venture	**1,525**	0

Oweninny Power Limited was incorporated in September 2011 as a joint venture between Bord na Móna Energy Limited and ESB Wind Development Limited to develop a 172MW wind farm in Oweninny, Co. Mayo. The joint venture has not yet commenced trading.

(ii) THE COMPANY

	Subsidiary undertakings			
	Unlisted shares €'000	Convertible loan stock €'000	Loans €'000	Total €'000
At beginning of the financial year	25,400	1,512	87,766	114,678
Impairment during the year	(18,547)	(730)	0	(19,277)
At end of the financial year	6,853	782	87,766	95,401

The Company has reviewed the carrying value of investments in subsidiary companies as at 28 March 2012. The review resulted in an impairment of the value of unlisted shares of €18,547,000 (2011: €18,184,000).

The convertible loan stock was issued by the company's 55% owned subsidiary, Derryarkin Sand and Gravel Limited, with the balance of the stock held by the minority shareholders (Note 19). It is convertible at par value into ordinary shares of Derryarkin Sand and Gravel Limited by agreement between the stockholders and the company. All convertible stock not previously redeemed or converted will be redeemed at par upon the expiration of ten years from the date of issue. The Company has reviewed the carrying value of investments in convertible loan stock and impaired the investment by €730,000 (2011: €Nil).

10. Financial assets (Continued)

The principal subsidiary and joint venture companies in the Group at 28 March 2012 are as follows:

Subsidiary company	Business	Registered office	Shareholding %
Bord na Móna Energy Limited	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
Renewable Energy Ireland Limited	Wind energy	Newbridge, Co Kildare	89
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
Bord na Móna Fuels Limited	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 Oil Limited	Distribution of oil	Newbridge, Co Kildare	100
Suttons Limited	Distribution of oil	Newbridge, Co Kildare	100
Bord na Móna Horticulture Limited	Production and sale of horticultural products	Newbridge, Co Kildare	100
Bord na Móna UK Limited	Sale and distribution of solid fuels and horticultural products	Bridgewater, Somerset, England	100
Bord na Móna Environmental Limited	Production, sale and installation of environmental products.	Newbridge, Co Kildare	100
Bord na Móna Environmental UK Limited	Sale and installation of environmental products	Bridgewater, Somerset, England	100
Bord na Móna Environmental Products US Inc.	Sale and installation of environmental products	Delaware, U.S.A.	100
Advanced Environmental Solutions (Ireland) Limited	Resource recovery and recycling company	Newbridge, Co Kildare	100
Bord na Móna Property Limited	Property holding company	Newbridge, Co Kildare	100
Derryarkin Sand and Gravel Limited	Extraction and sale of sand and gravel	Newbridge, Co Kildare	55
Joint venture company			
Oweninny Power Limited	Power generation	St. Stephens Green, Dublin 2	50

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its subsidiaries. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

11. Stocks

	THE GROUP 2012 €'000	THE GROUP 2011 €'000
Raw materials	**22,020**	15,415
Work in progress	**318**	34
Finished goods	**67,568**	61,467
Maintenance spares	**5,693**	6,201
	95,599	83,117

The replacement cost of stocks is not significantly different from their balance sheet values.

12. Debtors

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

13. Creditors - amounts falling due within one year

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

Creditors in respect of taxation and social welfare comprise:

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

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

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

15. Bank loans, overdrafts and unsecured notes

	Within One Year €'000	Between One and Two Years €'000	Between Two and Five Years €'000	After more than Five Years €'000	Total €'000
THE GROUP					
Unsecured loan notes	0	19,542	105,216	138,282	263,040
At 28 March 2012	0	19,542	105,216	138,282	263,040
At 30 March 2011	621	0	60,092	202,773	263,486
THE COMPANY					
Overdrafts	102,408	0	0	0	102,408
Unsecured loan notes	0	19,542	105,216	138,282	263,040
At 28 March 2012	102,408	19,542	105,216	138,282	365,448
At 30 March 2011	111,920	0	60,092	202,773	374,785

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

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

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

16. Deferred income - capital grants

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

17. Provisions for liabilities and charges

THE GROUP

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

THE COMPANY

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

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

(a) Environmental Reinstatement
Environmental reinstatement costs include:

(i) Costs that will be incurred at the end of the economic lives of the peatlands. Under FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for these costs when the circumstances occur giving rise to the obligation under the company's I.P.P.C. licence to decommission and reinstate the peatlands post peat production. The provision of €14,975,000 represents the present value of the expected future costs of decommissioning and reinstatement. These future costs will be charged to the provision as incurred. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(ii) Environmental provisions of €6,770,000 recognised in accordance with FRS 12 and FRS 7 'Fair Value in Acquisition Accounting', in respect of the Group's assessment of environmental liabilities arising on acquisition of the AES business in May 2007. These provisions represent liabilities in relation to a number of AES sites which were in existence prior to the Group's acquisition of the business. The provisions are based on the Group's estimate of future remediation costs, based on advice received from third party environmental experts. Two of the sites have been reinstated in full.

(iii) The cost of final capping and covering of landfill sites post closure of the landfill facility. In accordance with FRS 12, the Group's minimum unavoidable costs measured at present value amounts to €7,116,000 at 28 March 2012. The Group continue to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years.

(iv) Certain other environmental restoration costs are recognised in accordance with the provisions of FRS 12, being the Group's estimate of waste removal and waste management costs associated with certain of their lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts.

17. Provisions for liabilities and charges (continued)

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

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

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

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

(e) Deferred Tax
The deferred tax provision is comprised of :

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

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

18. Share capital

	2012 €'000	2011 €'000
Authorised		
300,000,000 ordinary shares of €1.27 each	**380,921**	380,921

Allotted and fully paid	**2012 Share Capital €'000**	**2012 Share Premium €'000**	**2012 Total €'000**	2011 Share Capital €'000	2011 Share Premium €'000	2011 Total €'000
At beginning of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763
At end of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763

At 28 March 2012 the total number of ordinary shares allotted and fully paid was 65,212,638 (March 2011: 65,212,638).

In December 2008, Bord na Móna plc put in place an Employee Share Ownership Plan (ESOP) to facilitate the issue of 5% of the issued share capital of Bord na Móna plc to eligible employees of the Company and its Irish subsidiaries. These shares were provided to employees in return for the agreed business transformation achieved in a number of years prior to 2008.

In December 2008, Bord na Móna plc issued 3,260,631 shares to Bord na Móna ESOP Trustee Limited for €6,100,000. The principal rights attaching to each share include the right to exercise a vote at annual general meetings of the shareholders, entitlement to dividends from profits when declared and the right to proportionate participation in a surplus on winding up. The shares were issued at a value of €1.87 per share which resulted in a share premium of €1,959,000. The shares were initially held by the Trust before being appropriated on the third anniversary of the allocation date. In December 2011, all of the shares were appropriated to the eligible participants through the Approved Profit Sharing Scheme in accordance with the rules of the scheme.

19. Minority shareholders' interests

	Equity interests €'000	Non-equity interests €'000	Total €'000
At 30 March 2011	12	1,238	1,250
Share of loss for the financial year	(286)	0	(286)
Dividends paid	(123)	0	(123)
At 28 March 2012	(397)	1,238	841

20. Amounts included in cash flow statement

(a) Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2011/2012 €'000	2010/2011 €'000
Operating (loss)/profit	**(2,886)**	24,458
Depreciation of tangible assets	**38,399**	39,106
Impairment of tangible assets	**6,876**	0
Amortisation of intangible assets	**3,291**	3,723
Impairment of intangible assets	**16,857**	6,837
Non-cash consideration for acquisition undertaking	**(1,626)**	0
(Profit)/loss on sale of fixed assets	**(172)**	39
Amortisation of capital grants	**(1,391)**	(1,375)
Difference between restructuring charge and payments	**(362)**	229
Difference between pension charge and cash contributions	**(2,603)**	(2,263)
Increase in stocks	**(12,482)**	(19,363)
Decrease/(increase) in debtors	**2,690**	(3,749)
(Decrease)/increase in creditors	**(4,501)**	9,197
NET CASH INFLOW FROM OPERATING ACTIVITIES	**42,090**	56,839

(b) Analysis of cash flows for headings in the cash flow statement

	2011/2012 €'000	2010/2011 €'000
Returns on investments and servicing of finance		
Interest paid	**(16,068)**	(16,363)
Interest received	**5,911**	7,986
Dividends paid to minority shareholders in subsidiary undertaking	**(123)**	0
NET CASH OUTFLOW	**(10,280)**	(8,377)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	**(23,865)**	(49,472)
Proceeds from disposal of fixed assets	**327**	268
NET CASH OUTFLOW	**(23,538)**	(49,204)
Acquisitions and disposals		
Acquisition of undertakings	**(1,708)**	0
NET CASH OUTFLOW	**(1,708)**	0
Financing		
NET CASH INFLOW	**0**	0

(c) Analysis of net debt

	At beginning of year €'000	Cash flow €'000	At end of year €'000
Cash at bank and in hand	198,833	(2,507)	196,326
Debt due within one year - bank loans (Note 13)	(621)	621	0
Debt due after more than one year - unsecured loan notes (Note 15)	(263,891)	0	(263,891)
Net debt before unsecured loan issue costs	(65,679)	(1,886)	(67,565)
Unsecured loan note issue costs (Note 5)	1,026		851
Net debt	(64,653)		(66,714)

21. Acquisitions

Advanced Environmental Solutions (Ireland) Limited acquired the waste collection business of Kildare County Council with effect from 22 August 2011, and the waste collection business of Wexford County Council with effect from 6 February 2012 for a combined consideration of €3,334,000. Both acquisitions have been accounted for using the acquisition method of accounting. Details of the provisional fair values of the assets acquired are set out below.

	Provisional Fair Value 2012 €'000
Tangible assets (Note 8)	**651**
Net current assets	**8**
Net assets acquired	**659**
Intangible assets arising on acquisition (Note 7)	**2,675**
Total consideration (including transaction costs)	**3,334**
Satisfied by:	
Cash	**1,708**
Non-cash consideration	**1,626**
Total consideration	**3,334**

22. Capital commitments

Expenditure contracted for but not provided for in these accounts is estimated to be as follows:

	2012 €'000	2011 €'000
THE GROUP		
Tangible asset commitment	**5,236**	3,598
	5,236	3,598
THE COMPANY		
Tangible asset commitment	**0**	0
	0	0

23. Financial commitments

At 28 March 2012 there were annual commitments under non-revocable operating leases expiring as follows:

THE GROUP	**Land and Buildings 2012 €'000**	**Plant and Machinery 2012 €'000**	Land and Buildings 2011 €'000	Plant and Machinery 2011 €'000
Operating leases which expire:				
Within one year	**55**	**375**	55	519
Within one to five years	**372**	**960**	372	812
After five years	**673**	**0**	674	0
	1,100	**1,335**	1,101	1,331

THE COMPANY	**Other 2012 €'000**	**Plant and Machinery 2012 €'000**	Other 2011 €'000	Plant and Machinery 2011 €'000
Operating leases which expire:				
Within one year	**0**	**31**	0	65
Within one to five years	**0**	**116**	0	96
After five years	**0**	**0**	0	0
	0	**147**	0	161

24. Guarantees and contingent liabilities

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, Bord na Móna plc has irrevocably guaranteed the liabilities of its wholly owned subsidiaries: Bord na Móna Energy Limited; Bord na Móna Allen Peat Limited; Edenderry Power Limited; Edenderry Power Operations Limited; Cushaling Power Limited; Bord na Móna Horticulture Limited; Bord na Móna Environmental Limited; Bord na Móna Property Limited; Bord na Móna Fuels Limited; BnM Fuels Limited; Suttons Limited; Suttons Oil Limited; Advanced Environmental Solutions (Ireland) Limited and Midland Waste Disposal Company Limited. As a result, these companies are exempt from the provisions of Section 7, Companies (Amendment) Act, 1986.

In the normal course of business the Group enters into various guarantees. At 28 March 2012 the value of these guarantees was €6,980,000 (2011: €7,144,000).

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.

25. Pension schemes

(i) Defined benefit schemes
(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, Sutton Group and Sheehan and Sullivan.

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 €4,395,000 based on an actuarial valuation at 28 March 2012 (March 2011: €3,922,000).

(b) Actuarial valuations and funding position of schemes
The actuarial method used (aggregate method) determines a contribution 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 valuations for the GESS and RWESS schemes are dated 31 March 2011 and the BnM Fuels scheme valuation is dated 1 April 2009. In the actuarial valuations it was assumed that the schemes' investments will earn a real rate of investment return of 3% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €238.5 million.

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

(i) a deficit of €34.2 million on the GESS scheme

(ii) a deficit of €4.8 million on the RWESS scheme

(iii) a deficit of €3.5 million on the BnM Fuels scheme

At March 2011 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 72% and 97% of the benefits that had accrued to the members of the GESS and RWESS schemes respectively at the valuation dates. These actuarial valuations are available for inspection by members of the schemes but not for public inspection. In relation to the BnM Fuels scheme the actuarial value of total scheme assets was sufficient to cover 53% of the benefits that had accrued to members at the valuation date.

25. Pension schemes (continued)

In common with many other defined benefit pension schemes, all three defined benefit plans are in net deficits, 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 was approved by the Board and shareholders and active members during the 2010 financial year. The revised funding arrangement required the active members to increase their contribution rate by 1.5% of their pensionable salary. The Group agreed to match the active members contributions. The approved terms of the revised funding proposals include the provision of increased benefits for members under the N200, which provided for improved benefits for members whose uplifted pensionable salary falls below a threshold multiple of the State pension. The other terms of the restructuring arrangements included a cap on pensionable salaries and the closure of the scheme to new entrants. 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 28 March 2012 was €7,500,000 and the Group will meet the capital cost by way of fixed annual capital payments on 30 June over a period of no more than twelve years.

Discussions in relation to the GESS deficit are ongoing with the various stakeholders with a view to formulating an agreed funding proposal. Current pensions regulations allow in situations such as this, for a funding solution over a period of up to 10 years. A funding solution over such a period would allow the scheme to benefit from both additional employer and employee contributions and also from a potential recovery in global equity markets, which would increase the value of the scheme assets.

The Group had a three year funding proposal in place on the BnM Fuels scheme and on completion of the funding still have a remaining deficit. The Group will enter into further discussions with all relevant parties to determine an appropriate course of action.

(c) FRS 17 'Retirement Benefits'
For the purposes of FRS 17 the actuarial valuations of the defined benefit schemes were updated to 28 March 2012 by a qualified independent actuary. A full actuarial valuation of the unfunded pensions was completed by a qualified independent actuary at 28 March 2012.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the "balance of cost" defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 28 March 2012, 100% of the pension scheme deficits on the GESS and BnM Fuels defined benefit schemes have been recognised in the financial statements. The RWESS defined benefit scheme had a surplus and the Group has accounted for its share of the pension scheme surpluses on a 50:50 basis between members and the Group. As 100% of the current service cost and finance costs were charged to the profit and loss account in the past, this amount has been reflected in the statement of recognised gains and losses during the year ended 28 March 2012 as noted below.

Current service costs, determined using the projected unit method, and any past service items stemming from benefit enhancements or curtailments are dealt with as components of operating costs or set against provisions as appropriate. The interest cost associated with the pension schemes' liabilities together with the expected return on pension schemes' assets are included within other finance income and charges in the profit and loss account.

25. Pension schemes (continued)

The amounts recognised in the Balance Sheet are as follows:

	March 2012 €'000	March 2011 €'000
Fair value of the schemes' assets	**251,169**	240,225
Present value of schemes' liabilities and unfunded pensions liability	**(296,560)**	(254,012)
Members' share of surplus on RWESS scheme	**(1,115)**	(5,541)
Revised present value of schemes' liabilities and unfunded pension liabilities	**(297,675)**	(259,553)
Pension deficit	**(46,506)**	(19,328)
Related net deferred tax asset (Note 17(e))	**5,264**	1,925
Net pension deficit	**(41,242)**	(17,403)
The net pension deficit is comprised as follows:		
Pension asset	**1,115**	5,541
Related net deferred tax liability (Note 17(e))	**(139)**	(693)
Pension asset net of deferred tax as per Group balance sheet	**976**	4,848
Pension deficit	**(47,621)**	(24,869)
Related net deferred tax asset (Note 17(e))	**5,403**	2,618
Pension deficit net of deferred tax as per Group balance sheet	**(42,218)**	(22,251)
Net pension deficit	**(41,242)**	(17,403)

The amounts recognised in the Profit and Loss Account are as follows:

	2011/2012 €'000	2010/2011 €'000
Analysis of the amount charged to operating profit		
Current service cost	**(2,368)**	(2,999)
	(2,368)	(2,999)
Analysis of the amount credited to other finance income		
Expected return on schemes' assets	**14,919**	14,854
Interest on schemes' liabilities	**(13,321)**	(13,278)
Net return on finance income (Note 5)	**1,598**	1,576
Total profit and loss account charge	**(770)**	(1,423)
Actual return on schemes' assets	**14,597**	10,287

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:

	2011/2012 €'000	2010/2011 €'000
Actual return less expected return on schemes' assets	**(322)**	(4,567)
Experience gains arising on schemes' liabilities	**4,362**	5,914
Changes in assumptions underlying the present value of schemes' liabilities	**(39,845)**	0
Actuarial (loss)/gain recognised	**(35,805)**	1,347
Less members' share of movement on scheme surplus during the financial year	**4,426**	(2,202)
Actuarial loss recognised by the Group	**(31,379)**	(855)

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 28 March 2012 is €56,892,000 (2011: €25,513,000 actuarial loss).

25. Pension schemes (continued)

Balance Sheet as at 28 March 2012

Movement in schemes' assets and liabilities	Scheme Assets €'000	Scheme Liabilities €'000	Scheme Deficit €'000
At 31 March 2010	233,444	(255,756)	(22,312)
Service cost charged to the profit and loss account	0	(2,999)	(2,999)
Interest on liabilities	0	(13,278)	(13,278)
Expected return on assets	14,854	0	14,854
Members' share of increased pension surplus at start of year	0	(2,202)	(2,202)
Actual less expected return on scheme assets	(4,567)	0	(4,567)
Experience losses on liabilities	0	5,914	5,914
Contributions by members	3,753	(3,753)	0
Employer's contributions paid	5,262	0	5,262
Benefits paid	(12,521)	12,521	0
At 30 March 2011	240,225	(259,553)	(19,328)
Service cost charged to the profit and loss account	0	(2,368)	(2,368)
Interest on scheme liabilities	0	(13,321)	(13,321)
Expected return on assets	14,919	0	14,919
Members' share of reduced pension surplus at start of year	0	4,426	4,426
Actual less expected return on assets	(322)	0	(322)
Experience losses on liabilities	0	4,362	4,362
Change in actuarial assumptions	0	(39,845)	(39,845)
Contributions by members	3,564	(3,564)	0
Employer's contributions paid	4,971	0	4,971
Benefits paid	(12,188)	12,188	0
At 28 March 2012	**251,169**	**(297,675)**	**(46,506)**

All of the schemes' liabilities with the exception of the liability in respect of the pensions paid to former managing directors are funded.

Expected contributions for the year to 31 March 2013 are €4,998,000.

Risks and rewards arising from the assets
At 28 March 2012 the assets were invested in a diversified portfolio that consisted primarily of equity and debt securities, properties and cash. The fair value of the assets at year end was €251,169,000 (2011: €240,225,000). The fair value of the asset categories as a percentage of total schemes' assets were as follows:

	March 2012 %	March 2011 %
Equities	**50.8**	60.3
Bonds	**39.1**	26.9
Property	**5.0**	5.5
Cash	**5.1**	7.3
Total	**100**	100

The schemes' assets do not include any ordinary shares issued by the Company. In addition the schemes' assets do not include property occupied by, or other assets used by the Company.

Basis of expected return on schemes' assets
The expected return on the schemes' assets is determined based on the weighted average expected return of the underlying asset class. For equities the expected return is 7.25% and is expected to exceed that of bonds by on average 3.75%. The expected rate of return on cash is 1% and for property assets the expected rate of return is 5.5%. The pension levy deduction is 0.6%. The overall expected rate of return on schemes' assets at 28 March 2012 was 4.88% (2011: 6.26%).

25. Pension schemes (continued)

Financial assumptions

The main financial assumptions (long term actuarial assumptions) used in the valuations were:

	March 2012	March 2011
Rate of increase in salaries	**3.00%**	3.00%
Rate of increase in pensions in payment - RWESS scheme	**1.25%**	1.25%
Rate of increase in pensions in payment - GESS scheme	**0.00%**	0.00%
Discount rate	**4.00%**	5.25%
Inflation assumption	**1.75%**	1.75%

Mortality assumptions

The mortality assumptions are based on standard tables reflecting typical pensioner mortality. The tables used are based on mortality rates in the year 2030 for all employees without allowance for additional improvements.

Retiring today	March 2012	March 2011
Males (RWESS)	**20.5**	20.5
Females (RWESS)	**23.4**	23.4
Males (Other)	**22.3**	20.5
Females (Other)	**23.7**	23.4

A male is assumed to be three years older than his spouse.

History of defined benefit obligations, assets and experience gains and losses

The movement on the schemes' assets and liabilities for the current and previous four years are as follows:

	2011/2012 €'000	2010/2011 €'000	2009/2010 €'000	2008/2009 €'000	2007/2008 €'000
Defined benefit present value of obligation	**(296,560)**	(254,012)	(252,417)	(237,834)	(266,464)
Fair value of plan assets	**251,169**	240,225	233,444	186,484	253,672
Pension deficit	**(45,391)**	(13,787)	(18,973)	(51,350)	(12,792)
Experience adjustments arising on:					
the schemes' liabilities	**4,362**	5,914	7,220	7,686	3,787
as a percentage of the schemes' liabilities at March	**1.5%**	2.3%	2.9%	3.2%	1.4%
the schemes' assets	**(322)**	(4,567)	40,015	(72,302)	(41,173)
as a percentage of the schemes' assets at March	**(.1%)**	(1.9%)	17.1%	(38.8%)	(16.2%)

All scheme assets are stated to bid market values.

Company pension fund liability

	2011/2012 €'000	2010/2011 €'000
At beginning of the financial year	**3,922**	4,053
Utilised during year	**(346)**	(346)
Charge for year	**819**	215
At end of the financial year	**4,395**	3,922

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are a number of inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The table below outlines the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

25. Pension schemes (continued)

Assumption	Change in Assumption	Present value of plan liabilities	Impact on plan liabilities	% Impact on plan liabilities
An increase in the discount rate	0.25%	287,449	(9,111)	-3%
An increase in salary inflation	0.25%	299,449	2,889	1%
An increase in pension escalation	0.25%	303,007	6,447	2%

(ii) Defined contribution schemes and personal retirement savings accounts (PRSA)
The Group made employer contributions payable under a defined contribution scheme in respect of certain employees. Contributions payable by the employer to the defined contribution schemes in the year to 28 March 2012 amounted to €669,000 (2011: €223,000) which were charged to the profit and loss account and €70,000 (2011: €53,000) was payable at year end.

In addition and in compliance with the provisions of the Pensions Act 1990 (as amended), Bord na Móna plc has appointed personal retirement savings accounts (PRSAs) providers. During the year to 28 March 2012 the Group contributed €395,000 (2011: €531,000) on behalf of it's employees. This was charged to the profit and loss account and €1,802 (2011: €2,765) was payable at year end.

26. Related party transactions

Ownership of the Company: Bord na Móna plc is a majority state owned company. 95% of the issued share capital is held by the Minister for Communications, Energy and Natural Resources and by or on behalf of the Minister for Finance. The other 5% is held by the employees of the Group.

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods, 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 28 March 2012 amounted to €120.9 million (2011: €121.5 million) and amounts due from these entities to the Group at 28 March 2012 for these services amounted to €12.3 million (2011: €13.7 million).

From time to time the Group placed monies on deposit with financial institutions controlled by the State. The Group had placed monies on deposit of €20.0 million with Allied Irish Banks plc (A.I.B) at 28 March 2012 (2011: €70 million). The Group earned rental income from Anglo Irish Bank of €1.0 million during the year (2011: €1.4 million).

27. Post balance sheet 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 adjustment to the accounts.

28. Board approval

The Board approved the financial statements on 6 July 2012.

Independent Auditor's Report to the Members of Bord na Móna plc

We have audited the Group and Parent Company financial statements ("the financial statements") of Bord na Móna plc for the year ended 27 March 2013, which comprise the Group profit and loss account, the Group and Parent Company balance sheets, the Group cash flow statement, the Group statement of total recognised gains and losses, the Group and Parent Company reconciliation of movements in shareholders' funds, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are responsible for the preparation of the financial statements giving a true and fair view. 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 Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the Group financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's affairs as at 27 March 2013 and of its profit for the year then ended;
- the Parent Company balance sheet gives a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, as applied in accordance with the provisions of the Companies Acts, 1963 to 2012, of the state of the Company's affairs as at 27 March 2013, and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

Matters on which we are required to report by the Companies Acts, 1963 to 2012

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

The Parent Company balance sheet is in agreement with the books of account and, in our opinion, proper books of account have been kept by the Company.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the Company, as stated in the Parent Company balance sheet on page 51, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 27 March 2013 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

- Under the Companies Acts, 1963 to 2012 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law 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 28, 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.

Laura Gallagher
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland

27 June 2013

Accounting Policies, Critical Accounting Estimates and Judgements

Reporting entity

Bord na Móna plc (the 'Company') is a company domiciled in Ireland. The consolidated financial statements of the Company as at and for the year ended 27 March 2013 comprise 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 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. There were no new standards adopted during the year.

Basis of preparation and statement of compliance

The consolidated and Company financial statements have been prepared in accordance with financial reporting standards of the Financial Reporting Council as promulgated by the Institute of Chartered Accountants in Ireland (generally accepted accounting principles in Ireland) and applicable Company Law.

The Company has taken advantage of the exemption available to it under Section 148(8) of the Companies Act, 1963 which permits a company that publishes its Company and Group financial statements together not to present to its members its own profit and loss account and related notes that form part of the approved Company financial statements.

The 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; and
- the defined benefit plan liability is recognised as plan assets less the present value of the defined benefit plan obligations.

Certain comparative figures have been reclassified in order to present information on a basis consistent with the current year.

Functional and presentation currency

The financial statements are prepared 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.

Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, i.e. when control is transferred to the Group. Control is the ability of an undertaking to direct the financial and operating policies of another undertaking with a view to gaining economic benefits from its activities.

Upon the acquisition of a business, the identifiable assets and liabilities acquired are included in the consolidated financial statements of the acquirer at their fair values at the date of acquisition. The difference between these and the cost of acquisition is recognised as goodwill or negative goodwill. The cost of acquisition is the amount of cash or cash equivalents paid and the fair value of other purchase consideration given by the acquirer, together with the associated transaction expenses. Goodwill acquired in a business combination is allocated to the income generating units that are expected to benefit from the synergies of the combination.

Joint ventures

Joint ventures are undertakings over which the Group exercises control jointly with one or more parties. Joint ventures are accounted for using the gross equity method in the consolidated financial statements. Under the gross equity method the investment in a joint venture is recognised initially at cost and adjusted thereafter for the post-acquisition change in the Group's share of the net assets of the joint venture. The cost of the investment includes transaction costs. Any goodwill arising on the acquisition of joint ventures is included in the carrying amount of the investments.

The amounts included in the consolidated financial statements in respect of the post-acquisition profits/losses of joint ventures are taken from their latest audited financial statements made up to the balance sheet date.

Investments in joint ventures are shown in the Company balance sheet as a financial asset and are measured at cost less provisions for impairment in value.

Turnover

Sale of goods and services

Turnover from the sale of goods and services in the course of ordinary activities is measured at the fair value of consideration received or receivable, excluding value added tax and net of returns, trade discounts and including other levies on goods and services to external customers. Turnover from services is recognised when those services are delivered.

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 can be measured reliably, there is no continuing managerial involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

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

The Group supplies electricity to ESB Customer Supply under a Power Purchase Agreement (PPA) which expires in December 2015. Turnover is recognised for (i) capacity availability and (ii) energy supplied, on the basis of contractual performance in accordance with the terms of the PPA. Related pass through costs are recognised in accordance with the terms of the PPA.

Long-term contracts

Turnover on long-term contracts is recognised using the percentage-of-completion method. The amount of turnover and profit recognised in each accounting period reflects the work performed in that period based on costs incurred.

Rental income

Operating lease rental income is recognised on a straight-line basis, with any lease incentives granted recognised as an integral part of the total rental income over the term to the next market rent review.

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 profit and loss account. The costs associated with the delivery of the services are charged to cost of sales as incurred.

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

Exceptional items

With respect to exceptional items, the Group has applied a profit and loss account format which seeks to highlight significant items within Group results for the year. The Group exercises judgement in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the profit and loss account and related notes as exceptional items. The Group believes that such a presentation provides a more helpful analysis as it highlights material items of a non-recurring nature.

Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the transaction date or, if hedged, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or, if hedged forward, at the rate of exchange under the related forward currency contract. The resulting exchange differences are included in the profit and loss account.

The financial statements of foreign subsidiaries are translated into Euro using the closing rate method. Profits and losses arising on the re-translation of foreign subsidiaries are taken to reserves and recognised in the statement of total recognised gains and losses. Exchange differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against Group equity investment in foreign subsidiaries, are also taken to reserves and recognised in the statement of total recognised gains and losses.

Derivative financial instruments

The Group uses derivative financial instruments including a number of cross currency interest rate swaps and forward foreign exchange contracts. In order to hedge the exchange rate exposures and fix the floating interest rates on the Group's two private placement facilities, the Group entered into a number of swap arrangements which match the maturity profile of the unsecured loan notes. The Group's forward foreign exchange contracts are used to hedge expected foreign transaction cash flows.

These derivatives are not recognised on the balance sheet. The fair value of the financial instruments is disclosed at each balance sheet date.

Emission allowances

In accordance with the provisions of the European CO_2 emissions trading scheme, emissions allowances covering a percentage of the expected emissions during the year are granted to Bord na Móna at the beginning of each year by the relevant Government Authority.

As emissions arise, a charge is recorded in the profit and loss account to reflect the amount required to settle the liability to the Government Authority. This provision will include the current market value of any additional allowances required to settle the obligation. These allowances, together with any additional allowances purchased during the year, 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 of CO_2 during that year. Certain of the emissions costs are recoverable from ESB Customer Supply under the PPA.

The purchase of carbon credits are recorded as Intangibles assets at cost.

Tangible fixed assets

Recognition and measurement

Freehold land, other than peatland, is measured at cost less any accumulated impairment losses. Peatland and all other tangible fixed assets are measured at cost less accumulated depreciation 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 parts of an item of tangible fixed asset have different useful lives, then they are accounted for as separate items (major components) and depreciated separately.

Any gain or loss on disposal of a tangible fixed asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The Group has a policy of capitalising finance costs. Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Where funds are borrowed specifically for the purpose of financing the construction of a tangible fixed asset, 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 tangible fixed asset. The capitalisation of finance costs ceases when the asset is commissioned or where active development has been interrupted for an extended period of time.

Depletion and depreciation

Tangible fixed assets are 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.

Depreciation is calculated to write off the cost of tangible fixed assets less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss.

A depletion charge is recorded in respect of peatland, drainage and railways. Other tangible fixed assets are depreciated on a straight line basis at the rates indicated:

Plant & Machinery	5% to 12.5%	per annum
Motor Vehicles	20%	per annum
Buildings	5% to 10%	per annum
IT Equipment	20% to 33.3%	per annum

The Group's power plant at Edenderry is depreciated on a electrical output basis in order to relate the depreciation to the estimated production capability of the plant. The Group supplies electricity to ESB Customer Supply under the PPA on a priority despatch basis. This PPA expires in 2015 and the plant's contractual entitlement to priority despatch ceases at that date. The electrical output method of depreciation seeks to relate the depreciation charge to the estimated production capability of the plant.

The Group's peaking plants at Edenderry is depreciated on a straight line basis with the charge calculated to write the cost of the asset 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 plant on a consistent basis over the useful life of the plant based on its availability to the grid.

The cost of the landfill asset is depreciated over the licensed life of twenty years the infrastructural assets associated with it and the landfill cells are depreciated on the basis of the usage of void space.

No depreciation is charged on assets in the course of construction.

Financial assets
Interests in subsidiary undertakings and joint ventures are measured at cost less provisions for impairment in value on the Company balance sheet.

In the consolidated balance sheet, the Group's interest in joint ventures is accounted for using the gross equity method.

The Group carries out an impairment test if events or changes in circumstances indicate that the carrying value of the financial asset may not be recoverable.

The recoverable amount is determined by comparing the carrying value of the financial asset against the higher of its net realisable value and its value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the financial asset, to net present value. To the extent that the carrying amount exceeds the recoverable amount, the financial asset is impaired and is written down.

Investment properties
Investment property is an interest in land and/or buildings that is held for investment potential. Investment properties are included in the balance sheet at their open market value and are not depreciated. Movements in value are recorded as a movement in the revaluation reserve through the statement of total recognised gains and losses, unless a valuation indicates a permanent diminution. Revaluations below original cost are regarded as permanent and are charged to the profit and loss account in the period.

Goodwill and intangible assets
Purchased goodwill is capitalised on the balance sheet and amortised over its estimated useful economic life (between three and twenty years).

Impairment of assets and goodwill
The carrying amounts of the Group's tangible fixed assets and goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. If events or changes in circumstances indicate that the carrying value of tangible fixed assets, Intangible assets or goodwill may not be recoverable, the Group carries out an impairment test.

For impairment testing assets are grouped together into the smallest group of assets that generate income that is largely independent of the Group's other income streams. The recoverable amount in respect of income generating units ('IGUs') is the higher of its net realisable value and the value in use. The value in use is determined by discounting to present value the estimated future cash flows expected to be derived from the income generating unit. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset or the IGU.

To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss arising is recognised in the profit and loss account.

Classification of financial instruments issued by the Group
Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Research and development costs
Expenditure on pure or applied research is expensed in the profit and loss account as incurred.

Development costs are expensed in the profit and loss account unless the criteria for capitalisation as an intangible asset are satisfied, in which case they are capitalised from that date. The criteria for capitalisation include: (i) sufficient evidence that an asset has been created (ii) future inflow of benefit will occur and (iii) it can be measured with sufficient reliability.

Grants
Capital grants received and receivable under EU-assisted schemes are recognised when received or when their receipt can be foreseen with virtual certainty. Grants received in respect of tangible fixed assets are treated as a deferred credit and amortised to the profit and loss account annually over the economic useful life of the related tangible fixed assets.

Revenue 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.

Stocks, work in progress and long term contracts
Stocks 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 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 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 improved moisture content) are recognised on measurement of the peat when the stock pile is fully outloaded. 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, costs necessary to make the sale and any penalty payments.

Profit on long-term contracts is recognised once the outcome can be assessed with reasonable certainty. Losses on long-term contracts are provided as soon as they are foreseen. Long-term work in progress is stated net of payments received on account.

Provision is made for damaged, deteriorated, obsolete and slow moving items where appropriate.

Trade debtors
Trade debtors are initially recognised at fair value and subsequently at amortised cost less any impairment losses. Trade debtors are considered for impairment on an on-going basis. Provisions for impairment of trade debtor balances are recorded against identified doubtful debtors.

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

Borrowings
Interest bearing loans and borrowings are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Leases
Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, assets held under finance leases are included in tangible fixed assets at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is depreciated over the shorter of the lease term or their useful economic life and otherwise accounted for in accordance with the accounting policy applicable to that asset.

Obligations relating to finance leases, net of finance charges in respect of future periods, are recognised as creditors and presented as due within or after one year, as appropriate. Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligations.

Rentals under operating leases are charged to the profit and loss account on a straight-line basis, with any lease incentives granted recognised as an integral part of the total rental expense over the term to the next rent review.

Provisions

A provision is defined as a liability of uncertain timing or amount. Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The unwinding of the discount is recognised in the profit and loss account as finance cost.

The amount of a provision is reviewed each year and amended as appropriate. Any changes to the amount of the provision arising from changes in either the amount or timing of cash flows, the discount rate and the rate of inflation are capitalised into the relevant assets and depreciated prospectively.

Environmental reinstatement provision

Provision is made for environmental reinstatement costs relating to the after-use of cutaway peatland and decommissioning costs at the end of the useful lives of the assets. The provision is recorded when the circumstances giving rise to the obligation to reinstate the assets occur. The amount of the provision represents the present value of the expected future costs. A depletion charge is recorded in the profit and loss account in order to charge the cost of capitalised reinstatement costs to the profit and loss account reflecting extraction.

Landfill restoration provision

A provision is recorded for the present value of the Group's unavoidable costs in relation to the aftercare and the restoration cost of the landfill facility. This value is capitalised as a tangible fixed asset. Provision is made for the present value of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operating life of the sites are also provided for and expensed directly to the profit and loss account.

Provision for generating assets and manufacturing plants closure

The provision for closure of generating stations represents the present value of the current estimate of the costs of closure of the stations at the end of their useful lives.

The present value of the estimated costs of closing stations are recognised as a provision and capitalised in the tangible fixed asset where they are depreciated in the same way as the generating asset itself.

Self insurance provisions

Self insurance provisions relate to the estimated liability in respect of costs to be incurred under the Group's self insurance programmes for events occurring on or prior to the year end. The provision is estimated based on a case by case assessment by the independent loss adjustors of the likely outturn on each case. In addition there is an estimated liability for claims incurred but not yet reports at the balance sheet date.

Legal provisions

Provisions for legal claims are included in the financial statements, for legal and other matters on the basis of the amounts that the Group consider will become payable, after evaluating the recommendations of legal advisors, their in-house legal teams, and other experts.

Warranty provision

The Group issues warranties for certain goods and services. The warranty costs are provided for based on the duration of the warranty period.

Redundancy provision

Redundancy costs are provided for by the Group, once a detailed formal plan has been prepared and approved and the Group is irrevocably committed to implementing the plan.

Pensions and post retirement benefits

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

Defined contribution schemes

A defined contribution scheme is a post-employment benefit scheme under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are received.

Defined benefit schemes: Group
A defined benefit scheme is a post-employment benefit scheme other than a defined contribution plan. Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax. Pension scheme surpluses, to the extent that they are considered recoverable are presented on the balance sheet as an asset net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs. The difference between the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income/expense.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

Where the scheme rules require a surplus arising in the scheme to be shared between the 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 recognised gains and losses.

Defined benefit schemes: Company
The Company is a member of the Group defined benefit scheme but is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, the Company accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Company's profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation including deferred tax
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax represents the amount expected to be paid in respect of taxable profit for the year and is calculated using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board.

Deferred tax is measured, on an undiscounted basis, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Share based payment
Equity settled share based payment to employees are measured at the fair value of the equity instruments at the grant date. The fair value is expensed on a straight line basis over the vesting period. In accordance with FRS 20 'Share Based Payments', the Group recognise an expense in the profit and loss and a corresponding increase in equity in respect of the fair value of the shares issued to employees. The fair value of the shares issued is determined on a minority non-controlling basis. Factors taken into consideration in determining the fair value include the market, discounted cash flow, net assets value and the characteristics of the shares being acquired.

Share capital
Ordinary shares are classified as equity.

Dividends

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholder and are no longer at the discretion of the Company.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect 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 in the period in which the estimates are revised and in any future periods affected.

Critical judgements that have the most significant effect on the amounts recognised in the financial statements include the following areas:

(a) Pension scheme assets and liabilities

The actuarial valuation of pensions is based on assumptions regarding inflation, discount rates, the expected return on plan assets, salary increases, increases in pension payments and mortality rates. The assumptions adopted by the Group at 27 March 2013 are outlined in Note 25 to the financial statements and have been determined with assistance from the Group's actuarial advisors.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 27 March 2013, 100% of the pension scheme deficit on the RWESS and GESS schemes has been recognised in the financial statements. The RWESS pension scheme has a surplus at 28 March 2012 and the Group has accounted for its share of the pension scheme surplus on a 50:50 basis between members and the Group.

(b) Impairment of assets and goodwill

Intangible assets and property, plant and equipment and goodwill are tested for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. The recoverable amount of income generating units is determined based on the determination of a value in use for the income generating unit. This determination is based on forecasted future cashflows.

The Group's resource recovery business is continuing to operate in challenging and highly competitive economic conditions and in a changing regulatory environment. In the event that the Group does not deliver anticipated volume and price increases or achieve anticipated cost reductions, or in the event that current weak economic conditions prevail in the domestic market, then the value in use assessment of the income generating unit may be adversely impacted. The determination of the value in use also requires application of an appropriate weighted average cost of capital and assessment of a long-term growth rate for the sector. The potential impact on the recoverable amount of changes in these key assumptions are set-out in Note 7 to the financial statements.

(c) Carrying value of power plants

The Group's power plant at Edenderry operates a fifteen year PPA with the ESB Customer Supply to provide electricity on a priority despatch basis. This PPA expires in December 2015. The plants contractual entitlement to priority despatch will cease as at that date. The Group anticipate that the plant will continue to operate in the period post 2015 in the single electricity market ('SEM') co-fired by biomass and peat. The related goodwill is being amortised over the period to 2025 reflecting a useful economic life of 20 years. In considering the carrying value of the plant at Edenderry and the goodwill arising on acquisition of the business, a number of key assumptions are made in respect of the operation of the plant in the period post 2015. These assumptions are considered on an annual basis on assessment of the appropriateness of the carrying value of the plant and the related goodwill.

(d) Environmental obligations

The Group has certain environmental obligations arising as a result of its land, and landfill operations. Determination of the provisions for the related environmental rehabilitation obligations in the period to and post extraction and operation reflects certain key assumptions in respect of the associated costs. These assumptions are reviewed on an on-going basis reflecting actual experience.

Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period 29 March 2012 to 27 March 2013 (prior year: 52-week period 30 March 2011 to 28 March 2012).

Group Profit and Loss Account
For the year ended 27 March 2013

	Note	2013 Before exceptional items €'000	2013 Exceptional items (Note 2) €'000	2013 Total €'000	2012 Total €'000
Continuing operations					
Turnover	2	**428,663**	**(2,543)**	**426,120**	383,826
Cost of sales	2	**(303,723)**	**(20,787)**	**(324,510)**	(276,974)
Gross profit		**124,940**	**(23,330)**	**101,610**	106,852
Distribution costs	2	**(33,167)**	**0**	**(33,167)**	(31,724)
Administration expenses	2	**(44,935)**	**0**	**(44,935)**	(78,791)
Operating profit/(loss)		**46,838**	**(23,330)**	**23,508**	(3,663)
Profit on disposal of fixed assets		**0**	**0**	**0**	1,049
Share of loss of joint venture	10	**(717)**	**0**	**(717)**	(332)
Profit/(loss) before finance charges and taxation		**46,121**	**(23,330)**	**22,791**	(2,946)
Interest receivable and similar income	5	**6,133**	**0**	**6,133**	5,705
Interest payable and similar charges	5	**(15,581)**	**0**	**(15,581)**	(16,086)
Other finance income and charges	5	**(811)**	**0**	**(811)**	585
Profit/(loss) on ordinary activities before taxation		**35,862**	**(23,330)**	**12,532**	(12,742)
Taxation on ordinary activities	6	**(6,105)**	**2,796**	**(3,309)**	(3,519)
Profit/(loss) after taxation on ordinary activities		**29,757**	**(20,534)**	**9,223**	(16,261)
Equity minority interests	19	**9**	**0**	**9**	286
Profit/(loss) for the financial year		**29,766**	**(20,534)**	**9,232**	(15,975)

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Group Statement of Total Recognised Gains and Losses

For the year ended 27 March 2013

	Note	**2013 €'000**	2012 €'000
Profit/(loss) for the financial year		**9,232**	(15,975)
Actuarial loss recognised on pension schemes	25	**(16,247)**	(31,379)
Deferred tax related to actuarial loss	17(e)	**1,870**	3,864
Revaluation of investment property	9	**0**	(2,463)
Exchange (loss)/profit on translation of foreign subsidiaries		**(4)**	216
Total recognised losses for the financial year		**(5,149)**	(45,737)

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Reconciliation of Movement on Shareholders' Funds

For the year ended 27 March 2013

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
THE GROUP						
Loss for the financial year ended 28 March 2012		0	0	(15,975)	0	(15,975)
Dividend paid	3	0	0	(4,332)	0	(4,332)
Loss retained for the financial year ended 28 March 2012		0	0	(20,307)	0	(20,307)
Actuarial loss recognised on pension schemes	25	0	0	(31,379)	0	(31,379)
Deferred tax related to actuarial loss	17(e)	0	0	3,864	0	3,864
Revaluation of investment property	9	0	0	0	(2,463)	(2,463)
Exchange profit on translation of foreign subsidiaries		0	0	216	0	216
Net decrease in shareholders' funds		0	0	(47,606)	(2,463)	(50,069)
Shareholders' funds at 30 March 2011		82,804	1,959	144,164	2,463	231,390
Shareholders' funds at 28 March 2012		82,804	1,959	96,558	0	181,321

Profit for the financial year ended 27 March 2013		**0**	**0**	**9,232**	**0**	**9,232**
Dividend paid	**3**	**0**	**0**	**(2,500)**	**0**	**(2,500)**
Profit retained for the financial year ended 27 March 2013		**0**	**0**	**6,732**	**0**	**6,732**
Actuarial loss recognised on pension schemes	**25**	**0**	**0**	**(16,247)**	**0**	**(16,247)**
Deferred tax related to actuarial loss	**17(e)**	**0**	**0**	**1,870**	**0**	**1,870**
Exchange loss on translation of foreign subsidiaries		**0**	**0**	**(4)**	**0**	**(4)**
Net decrease in shareholders' funds		**0**	**0**	**(7,649)**	**0**	**(7,649)**
Shareholders' funds at 28 March 2012		**82,804**	**1,959**	**96,558**	**0**	**181,321**
Shareholders' funds at 27 March 2013		**82,804**	**1,959**	**88,909**	**0**	**173,672**

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Reconciliation of Movement on Shareholders' Funds

For the year ended 27 March 2013 (continued)

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss account €'000	Shareholders' Funds €'000
THE COMPANY					
Loss for the financial year ended 28 March 2012		0	0	(36,922)	(36,922)
Dividend received		0	0	85,000	85,000
Dividend paid	3	0	0	(4,332)	(4,332)
Net increase in shareholders' funds		0	0	43,746	43,746
Shareholders' funds at 30 March 2011		82,804	1,959	8,339	93,102
Shareholders' funds at 28 March 2012		82,804	1,959	52,085	136,848
Loss for the financial year ended 27 March 2013		**0**	**0**	**(34,443)**	**(34,443)**
Dividend paid	**3**	**0**	**0**	**(2,500)**	**(2,500)**
Net decrease in shareholders' funds		**0**	**0**	**(36,943)**	**(36,943)**
Shareholders' funds at 28 March 2012		**82,804**	**1,959**	**52,085**	**136,848**
Shareholders' funds at 27 March 2013		**82,804**	**1,959**	**15,142**	**99,905**

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to shareholders at the annual general meeting and from filing it with the Registrar of Companies. The Company's result for the financial year, determined in accordance with Irish GAAP, is a trading loss of €34,443,000 (2012: loss of €36,922,000) and a retained loss of €36,943,000 (2012: retained profit of €43,746,000).

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Group Balance Sheet
as at 27 March 2013

	Note	27 March 2013 €'000	28 March 2012 €'000
Fixed assets			
Intangible assets	7	**19,338**	16,402
Tangible assets	8	**244,333**	244,935
Investment properties	9	**7,750**	8,660
Financial assets	10	**976**	1,193
		272,397	271,190
Current assets			
Stocks	11	**55,228**	95,599
Debtors	12	**76,047**	72,162
Cash at bank and in hand		**247,171**	196,326
		378,446	364,087
Creditors - amounts falling due within one year	13	**(117,530)**	(87,040)
Net current assets		**260,916**	277,047
Total assets less current liabilities		**533,313**	548,237
Creditors - amounts falling due after more than one year	14	**(254,440)**	(275,141)
Provisions for liabilities	17	**(53,664)**	(49,692)
Net assets before pension funds' assets and liabilities		**225,209**	223,404
Pension fund in a net asset position	25	**0**	976
Pension funds in a net liability position	25	**(51,943)**	(42,218)
Net assets after pension funds' assets and liabilities		**173,266**	182,162
Capital and reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Profit and loss account		**88,909**	96,558
Equity shareholders' funds		**173,672**	181,321
Minority shareholders' interests:			
Equity interests	19	**(406)**	(397)
Non-equity interests	19	**0**	1,238
		(406)	841
		173,266	182,162

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Company Balance Sheet
as at 27 March 2013

	Note	27 March 2013 €'000	28 March 2012 €'000
Fixed assets			
Tangible assets	8	**3,812**	4,595
Financial assets	10	**88,246**	95,401
		92,058	99,996
Current assets			
Debtors - amounts falling due after more than one year	12	**223,612**	193,808
Debtors - amounts falling due within one year	12	**43,567**	59,939
Cash at bank and in hand		**231,889**	182,477
		499,068	436,224
Creditors - amounts falling due within one year	13	**(233,827)**	(122,097)
Net current assets		**265,241**	314,127
Total assets less current liabilities		**357,299**	414,123
Creditors - amounts falling due after more than one year	14	**(243,666)**	(263,040)
Provisions for liabilities	17	**(9,040)**	(9,840)
Net assets before pension fund liabilities		**104,593**	141,243
Pension fund liabilities	25	**(4,688)**	(4,395)
Net assets after pension fund liabilities		**99,905**	136,848
Capital and reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Profit and loss account		**15,142**	52,085
Equity shareholders' funds		**99,905**	136,848

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Cash Flow Statement
for the year ended 27 March 2013

	Note	2013 €'000	2012 €'000
Net cash inflow from operating activities	20(a)	**108,468**	42,266
Returns on investments and servicing of finance	20(b)	**(11,105)**	(10,280)
Tax paid		**(2,185)**	(4,293)
Capital expenditure and financial investment	20(b)	**(41,833)**	(23,538)
Acquisition of subsidiary undertakings	20(b)	**0**	(1,708)
Equity dividends paid to shareholders		**(2,500)**	(4,332)
Net cash inflow/(outflow) before use of liquid resources and financing		**50,845**	(1,885)
Financing	20(b)	**0**	0
Increase/(decrease) in cash		**50,845**	(1,885)

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash during the year	20(c)	**50,845**	(1,885)
Change in net debt resulting from cash flows		**50,845**	(1,885)
Change from non-cash movements	20(c)	**(1,166)**	(176)
Net debt at beginning of the financial year		**(66,714)**	(64,653)
Net debt at end of the financial year		**(17,035)**	(66,714)

On behalf of the Board:

John Horgan
Chairman

Gabriel D'Arcy
Managing Director

Notes to the Financial Statements

1. Consolidation

Bord na Móna plc is a majority State-owned company. 95% of its shares are held by the Minister for Finance. The remaining 5% is held by the employees of the Group through an Employee Share Ownership Plan (ESOP).

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

2. Profit/(loss) before taxation

	2013 Gross	2013 Less Inter Group	2013 Before exceptional items	2013 Exceptional items	2013 Total	2012 Gross	2012 Less Inter Group	2012 Total
Continuing operations	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	€'000	€'000	€'000
Turnover [1]								
Powergen	**76,046**	**0**	**76,046**	**0**	**76,046**	71,340	0	71,340
Feedstock	**137,150**	**(59,285)**	**77,865**	**(2,543)**	**75,322**	121,339	(58,464)	62,875
Retail	**199,308**	**(9,967)**	**189,341**	**0**	**189,341**	183,344	(11,760)	171,584
Resource Recovery	**71,806**	**(180)**	**71,626**	**0**	**71,626**	65,496	0	65,496
Anua-Environmental and other	**14,170**	**(385)**	**13,785**	**0**	**13,785**	13,026	(495)	12,531
	498,480	**(69,817)**				454,545	(70,719)	
Net third party turnover			**428,663**	**(2,543)**	**426,120**			383,826
Cost of sales			**(303,723)**	**(20,787)**	**(324,510)**			(276,974)
Gross profit			**124,940**	**(23,330)**	**101,610**			106,852
Distribution costs			**(33,167)**	**0**	**(33,167)**			(31,724)
Administration expenses [2]			**(44,935)**	**0**	**(44,935)**			(78,791)
Operating profit			**46,838**	**(23,330)**	**23,508**			(3,663)

Exceptional items

The Group presents certain material items separately which are unusual by virtue of their size and incidence in the context of its ongoing core operations. This presentation is made to aid understanding of the performance of the Group's underlying business more accurately and reflects the manner in which management analyses its results. Judgement is used by the Group in assessing the particular items which should be disclosed as exceptional. Any amounts deemed "exceptional" have been classified in the profit and loss account in the same way as non-exceptional amounts of the same nature.

The harvesting of peat which is weather dependent is a significant operation within the Group's activities. During the year the Group experienced an increase in the amount of rainfall during the summer months of June to August inclusive. Based on weather records dating back to the 1950's the level of rainfall during this three month period was unprecedented with an increase of 100% to 150% above the norm. The Group achieved only 4% of its annual harvest during this period compared to a normal harvest of 60% to 70% of its annual target. The final outturn for the year was 1.4 million tonnes, 37% of the target and a shortfall of 2.4 million tonnes against the target. In accordance with the Group's exceptional cost accounting policy, the Group has treated the impact as an exceptional cost that impacted the operating performance by €23,330,000 and profit for the year by €20,534,000.

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

[2] Administration expenses include:
(i) following the appraisal of certain of the Group's businesses, the Group conducted impairment reviews of its assets, in accordance with the Group's accounting policies. This process resulted in an impairment charge of €910,000 in the current year against investment properties (Note 9) (2012: €777,000). Total impairment charges in the prior year amounted to €24,510,000.
(ii) a charge for reorganisation and redundancy costs of €488,000 (2012: €147,000).

2. Profit/(loss) before taxation (continued)

	2013 €'000	2012 €'000
Profit/(loss) before taxation is arrived at after charging/(crediting)		
Auditors' remuneration[1]		
Statutory audit of Group financial statements	**265**	340
Other assurance services	**10**	230
Tax advisory services	**44**	392
Other non-audit services	**93**	171
Operating lease rentals		
Plant and machinery	**1,502**	1,432
Land and buildings	**1,182**	1,420
Staff costs[2]**:**		
Wages and salaries	**87,698**	95,607
Social welfare costs	**9,320**	10,140
Pension costs	**4,729**	3,356
	101,747	109,103
Staff costs capitalised	**(1,555)**	(704)
Net staff costs	**100,192**	108,399
Depreciation (Note 8)	**35,686**	38,399
Impairment of tangible assets (Note 8)	**0**	6,876
Profit on disposal of other fixed assets	**63**	138
Amortisation of intangible assets (Note 7)	**2,501**	3,291
Impairment of intangible assets (Note 7)	**0**	16,857
Impairment of investment property (Note 9)	**910**	777
Research and business development expenditure	**4,011**	5,664
Capital grants amortised (Note 16)	**(1,361)**	(1,391)

Number of employees	2013	2012
Average numbers employed:		
Manufacturing and production	**1,527**	1,596
Administration	**517**	545
	2,044	2,141
Peak employment	**2,386**	2,468

[1] The Group changed auditors during the year from PricewaterhouseCoopers (PwC) to KPMG. The 2013 fees relate to KPMG only and the 2012 fees to PwC only.

During the year, the Company obtained audit services from KPMG at a cost of €10,000 (2012 PwC: €10,000).

[2] Staff costs include a charge of €488,000 (2012: €147,000) in respect of redundancy costs.

The Group incurred an actuarial loss on its pension schemes of €16,247,000 (2012: €31,379,000) (Note 25) which was charged to the Group statement of total recognised gains and losses.

3. Dividends

	2013 €'000	2012 €'000
To the Minister for Finance	**2,375**	4,115
To Bord na Móna ESOP Trustee Limited	**125**	217
	2,500	4,332

The Company paid a dividend of €0.0383 per share during the year (2012: €0.0664). The total dividend payment for the year was €2,500,000 (2012: €4,332,000).

4. Directors' remuneration

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension €'000	Taxable benefits €'000	Total €'000
Executive directors						
Gabriel D'Arcy						
Year ended 27 March 2013	**13**	**226**	**0**	**58**	**20**	**317**
Year ended 28 March 2012	13	231	0	58	20	322

	Fees €'000	Other remuneration[1] €'000	Company contributions to pension €'000	Total €'000
Directors - Worker Participation				
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 27 March 2013	**50**	**319**	**35**	**404**
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 28 March 2012	50	441	35	526
Non executive Directors				
Other non executive directors (9) - 27 March 2013	90	0	0	90
Other non executive directors (7) - 28 March 2012	79	0	0	79

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

The total remuneration paid to Directors during the year was €811,000 (2012: €927,000).

[1] Other remuneration represents payments made for roles other than directors' roles.

5. Finance (charges)/income

	2013 €'000	2012 €'000
(a) Interest receivable and similar income		
Interest receivable	**6,133**	5,705
(b) Interest payable and similar charges		
Bank overdraft	**(34)**	(148)
Unsecured loan notes	**(15,829)**	(15,894)
Amortisation of issue costs	**(176)**	(176)
Net interest payable	**(16,039)**	(16,218)
Less capitalised interest[1]	**458**	132
	(15,581)	(16,086)
(c) Other finance income and charges		
Other finance income - pension schemes (Note 25)	**299**	1,598
Financing charges on provisions (Note 17)	**(1,110)**	(1,013)
	(811)	585
Finance charges, net	**(10,259)**	(9,796)

[1] 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 the tangible fixed asset (Note 8).

6. Taxation

	2013 €'000	2012 €'000
Taxation based on the profit/(loss) for the year:		
Irish corporation tax		
Current tax for the year	**2,818**	2,733
Adjustments in respect of prior years	**14**	113
	2,832	2,846
Foreign taxation		
Current tax for the year	**12**	9
Adjustments in respect of prior years	**0**	0
	12	9
Total current tax (see note below)	**2,844**	2,855
Deferred tax - origination and reversal of timing differences (Note 17)	**465**	664
Tax on profits on ordinary activities	**3,309**	3,519

	2013 €'000	2012 €'000
Factors affecting corporation tax charge for the year		
Profit/(loss) before taxation	**12,532**	(12,742)
Standard rate of corporation tax for the year	**12.50%**	12.50%
Profit/(loss) before taxation multiplied by standard rate	**1,567**	(1,593)
Effects of:		
Expenses not deductible for tax purposes	**254**	722
Depreciation and amortisation in excess of capital allowances	**16**	168
Ineligible depreciation	**984**	623
Impairment of tangible assets and investment property	**114**	860
Amortisation of intangible assets	**312**	411
Impairment of intangible assets	**0**	2,107
Utilisation of tax losses	**0**	(60)
Taxation rate differences	**5**	29
Pension contribution relief in excess of pension cost charge	**(422)**	(525)
Adjustments in respect of prior years	**14**	113
	2,844	2,855

7. Intangible assets

THE GROUP	Goodwill 2013 €'000	Other intangibles 2013 €'000	Total 2013 €'000	Goodwill 2012 €'000	Patents 2012 €'000	Total 2012 €'000
Cost						
At beginning of the financial year	**66,878**	**503**	**67,381**	64,188	503	64,691
Reclassification (Note 8)	**0**	**7,355**	**7,355**	0	0	0
Additions	**0**	**1,269**	**1,269**	0	0	0
Arising on acquisition (Note 21)	**0**	**0**	**0**	2,675	0	2,675
Exchange adjustment	**11**	**0**	**11**	15	0	15
At end of the financial year	**66,889**	**9,127**	**76,016**	66,878	503	67,381
Amortisation and Impairments						
At beginning of the financial year	**50,476**	**503**	**50,979**	30,326	503	30,829
Reclassification (Note 8)	**0**	**3,187**	**3,187**	0	0	0
Charge for year	**2,098**	**403**	**2,501**	3,291	0	3,291
Impairment	**0**	**0**	**0**	16,857	0	16,857
Exchange adjustment	**11**	**0**	**11**	2	0	2
At end of the financial year	**52,585**	**4,093**	**56,678**	50,476	503	50,979
Net Book Amounts						
At beginning of the financial year	**16,402**	**0**	**16,402**	33,862	0	33,862
At end of the financial year	**14,304**	**5,034**	**19,338**	16,402	0	16,402

At the beginning of the year the Group reclassified its capitalised grid connection costs from tangible assets to intangible assets. The gross value of capitalised grid connection costs was €7,355,000 and the accumulated amortisation at the date of transfer was €3,187,000 (Note 8).

Other intangibles include €1,269,000 in respect of grid connection costs that are in the course of construction.

The carrying value of goodwill of €14,304,000 (2012: €16,402,000) is represented by goodwill in the Powergen business of €6,357,000 (2012: €6,962,000), goodwill in the Resource Recovery business of €7,705,000 (2012: €9,154,000) and goodwill in the Anua-Environmental business of €242,000 (2012: €286,000).

In accordance with the provisions of FRS 11 - 'Impairment of Fixed Assets', the Group has reviewed the carrying value of goodwill. The recoverable amounts of each of the identified income generating units (IGU) were estimated based on a value in use calculation using cash flow projections based on the financial five year plans as approved by the Board. Cash flows beyond five years are extrapolated based on a perpetuity growth rate of 2.3% (2012: 2.3%) and a pre tax weighted average cost of capital of 9.0% (2012: 9.7%) which are consistent with the Group's expectation for market development and growth in market share where applicable. Based on these reviews there was no impairment of the carrying value of goodwill (2012: impairment charge of €16,857,000 on goodwill in the Resource Recovery sector).

The estimated value in use of the Resource Recovery generation unit is dependent on two key assumptions, the discount rate and the growth rate assumed in future EBITDA for which there could be a reasonably possible change that could result in the carrying amount exceeding the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually in order for the estimated value in use of the Resource Recovery generation unit to be equal to the carrying amount.

Movement required in key assumptions for carrying amount to equal value in use:

	2013
Discount rate	2%
EBITDA growth	(7%)

8. Tangible assets

THE GROUP	Bogland, drainage & production buildings €'000	Landfill €'000	Railways, plant & machinery €'000	Generating assets €'000	Freehold land, administration & research buildings €'000	Assets in course of construction €'000	Total €'000
Cost							
At 28 March 2012	123,600	27,407	236,415	162,523	18,005	11,561	579,511
Reclassification (Note 7)[1]	0	0	0	(6,925)	(430)	0	(7,355)
Additions at cost[2]	2,094	937	6,516	367	46	29,415	39,375
Disposals/retirements[3]	(223)	0	(7,998)	0	0	0	(8,221)
Transfers out of assets under construction	2,800	2,019	4,659	0	0	(9,478)	0
Exchange adjustment	0	0	24	0	(13)	0	11
At 27 March 2013	**128,271**	**30,363**	**239,616**	**155,965**	**17,608**	**31,498**	**603,321**
Accumulated Depreciation							
At 28 March 2012	86,428	15,671	175,396	47,200	9,881	0	334,576
Reclassification (Note 7)[1]	0	0	0	(3,187)	0	0	(3,187)
Charge for year	4,276	3,388	17,333	10,080	609	0	35,686
Disposals/retirements[3]	(207)	0	(7,898)	0	0	0	(8,105)
Exchange adjustment	0	0	20	0	(2)	0	18
At 27 March 2013	**90,497**	**19,059**	**184,851**	**54,093**	**10,488**	**0**	**358,988**
Net Book Value							
At 28 March 2012	37,172	11,736	61,019	115,323	8,124	11,561	244,935
At 27 March 2013	**37,774**	**11,304**	**54,765**	**101,872**	**7,120**	**31,498**	**244,333**

[1] At the beginning of the year the year the Group reclassified its capitalised grid connection costs from tangible assets to intangible assets. The gross value of capitalised grid connection costs was €7,355,000 and the accumulated amortisation at the date of transfer was €3,187,000 (Note 7).

[2] Additions includes:
(i) a sum of €1,016,000 in respect of decommissioning and restoration assets (2012: €3,712,000) (Note 17).
(ii) the Group capitalised borrowing costs of €458,000 (2012: €132,000) in respect of assets in the course of construction during the year (Note 5). The rate of interest applied was 7.3% (2012: 7.3%).

[3] Retirements/disposals during the year primarily relate to fully depreciated assets.

In accordance with the provisions of FRS 15 - 'Tangible Fixed Assets' the Group conducted impairment reviews of the Group's tangible assets. This process has resulted in an impairment charge of €Nil (2012: €6,876,000 in the Resource Recovery and Anua-Environmental businesses).

8. Tangible assets (continued)

THE COMPANY	Bogland, drainage & production buildings €'000	Railways, plant & machinery €'000	Freehold land, administration & research buildings €'000	Total €'000
Cost				
At 28 March 2012	559	10,509	6,175	17,243
Additions at cost	0	513	12	525
At 27 March 2013	**559**	**11,022**	**6,187**	**17,768**
Accumulated Depreciation				
At 28 March 2012	0	9,175	3,473	12,648
Charge for year	0	1,048	260	1,308
At 27 March 2013	**0**	**10,223**	**3,733**	**13,956**
Net Book Value				
At 28 March 2012	559	1,334	2,702	4,595
At 27 March 2013	**559**	**799**	**2,454**	**3,812**

9. Investment properties

	2013 €'000	2012 €'000
At beginning of the financial year	**8,660**	11,900
Impairment during the year charged to the statement of total recognised gains and losses	**0**	(2,463)
Impairment during the year charged to the profit and loss account	**(910)**	(777)
At end of the financial year	**7,750**	8,660

The investment property is stated at market value as at 27 March 2013. Market value means 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherin the parties had each acted knowledgeably, prudently and without compulsion'.

The valuation of the Group's freehold interest in the property was carried out by DTZ Sherry Fitzgerald, qualified professional valuers acting in the capacity as external valuer. The valuation was carried out in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards Global, 8th Edition (the 'Red Book'). The valuation was carried out as at 27 March 2013 and resulted in an impairment charge of €910,000 (2012: €3,240,000).

The market value of the investment property has been primarily derived using comparable market transactions on arm's length terms and an assessment of market sentiment. The valuation reflects, where appropriate, the type of tenant actually in occupation or likely to be in occupation after letting of vacant accommodation and the market's perception of their creditworthiness and the remaining useful life of the property.

10. Financial assets

THE GROUP	2013 €'000	2012 €'000
Joint Venture		
At beginning of the financial year	**1,193**	0
Investment during the year	**500**	1,525
Group share of loss	**(717)**	(332)
At end of the financial year	**976**	1,193
Share of gross assets	**2,025**	1,525
Share of gross liabilities	**(1,049)**	(332)
Share of net assets	**976**	1,193

10. Financial assets (continued)

The following transactions were carried out with the joint venture:	2013 €'000	2012 €'000
(a) Purchase of services	**185**	253
(b) Provision of finance	**535**	1,525
(c) Amounts receivable from joint venture	**111**	246
(d) Amounts payable to joint venture	**0**	1,525

Oweninny Power Limited was incorporated in September 2011 as a joint venture between Bord na Móna Energy 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 not yet commenced trading.

At the balance sheet date the Group had a commitment to provide additional funding of €1,700,000 to fund the development of the Oweninny wind farm.

	Subsidiary undertakings			
THE COMPANY	Unlisted shares €'000	Convertible loan stock €'000	Loans €'000	Total €'000
At beginning of the financial year	6,853	782	87,766	95,401
Repayment during the year	0	(302)	0	(302)
Impairment during the year	(6,853)	0	0	(6,853)
At end of the financial year	**0**	**480**	**87,766**	**88,246**

The Company has reviewed the carrying value of investments in subsidiary companies as at 27 March 2013 which resulted in an impairment of the value of unlisted shares of €6,853,000 (2012: €18,547,000). The Company also reviewed the carrying value of the loans of €87,766,000 and there was no impairment on the loans.

The convertible loan stock was issued by the Company's 55% owned subsidiary, Derryarkin Sand and Gravel Limited, with the balance of the stock held by the minority shareholders (Note 19). It is convertible at par value into ordinary shares by agreement between the stockholders and Derryarkin Sand and Gravel Limited. All convertible stock not previously redeemed or converted will be redeemable at par upon the expiration of ten years from the date of issue which is March 2013. Derryarkin Sand and Gravel Limited repaid €302,000 of loan stock to the Company during the year (2012: Nil). The Company has reviewed the carrying value of investments in convertible loan stock at the balance sheet date and impaired the investment by €Nil (2012: €730,000).

10. Financial assets (continued)

The principal subsidiary and joint venture companies in the Group at 27 March 2013 are as follows:

Subsidiary company	Business	Registered office	Shareholding
Bord na Móna Energy Limited[1]	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
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
Renewable Energy Ireland Limited	Power Generation	Newbridge, Co Kildare	89
Mount Lucas Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100
Bruckana Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100
Bord na Móna Fuels Limited[1]	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 Oil Limited	Distribution of oil	Newbridge, Co Kildare	100
Suttons Limited	Distribution of oil	Newbridge, Co Kildare	100
Bord na Móna Horticulture Limited[1]	Production and sale of horticultural products	Newbridge, Co Kildare	100
Bord na Móna Environmental Limited[1]	Production, sale and installation of environmental products.	Newbridge, Co Kildare	100
Bord na Móna Environmental Products (UK) Limited	Sale and installation of environmental products	Bridgewater, Somerset, England	100
Bord na Móna Environmental Products US Inc.	Sale and installation of environmental products	Delaware, U.S.A.	100
Advanced Environmental Solutions (Ireland) Limited[1]	Resource recovery and recycling company	Newbridge, Co Kildare	100
Bord na Móna Property Limited[1]	Property holding company	Newbridge, Co Kildare	100
Derryarkin Sand and Gravel Limited[1]	Extraction and sale of sand and gravel	Newbridge, Co Kildare	55
Joint venture company			
Oweninny Power Limited	Power generation	St. Stephen's Green, Dublin 2	50

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its Irish subsidiaries with the exception of Suttons Oil Limited. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

[1]Shareholding held directly by Bord na Móna plc.

11. Stocks

	THE GROUP	
	2013 €'000	2012 €'000
Raw materials	**15,896**	22,020
Work in progress	**41**	318
Finished goods	**33,474**	67,568
Maintenance spares	**5,817**	5,693
	55,228	95,599

The replacement cost of stocks is not significantly different from their balance sheet values.

12. Debtors

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Trade debtors	**60,168**	56,801	**0**	0
Accrued revenue	**6,103**	5,256	**0**	0
Amounts due from Group companies	**0**	0	**261,899**	249,909
Amount owed by joint venture undertaking	**111**	246	**9**	0
Value-added tax	**29**	0	**139**	122
Corporation tax	**753**	385	**69**	96
Deferred tax (Note 17(e))	**1,162**	1,290	**309**	335
Prepayments	**3,156**	3,711	**1,224**	1,259
Other debtors	**4,565**	4,473	**3,530**	2,026
	76,047	72,162	**267,179**	253,747
Amounts fall due as follows:				
- within one year	**74,426**	71,709	**43,567**	59,939
- after more than one year	**1,621**	453	**223,612**	193,808
	76,047	72,162	**267,179**	253,747

Debtors after more than one year in the Company represent loans advanced to subsidiary companies which will be repaid from cash generated by the businesses. The Company reviewed the recoverability of the loans advanced to subsidiaries and impaired the loans by €19,348,000 (2012: €Nil).

13. Creditors - amounts falling due within one year

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Loans (Note 15)	**20,540**	0	**19,550**	0
Bank overdraft (Note 15)	**0**	0	**145,050**	102,408
Capital grants (Note 16)	**1,358**	1,392	**0**	0
Trade creditors	**56,465**	51,118	**735**	1,009
Deferred revenue	**8,465**	8,059	**194**	0
Accruals	**18,108**	14,990	**8,998**	8,425
Other creditors	**5,472**	5,392	**0**	0
Amounts due to Group companies	**0**	0	**56,950**	7,834
Amount owed to joint venture undertaking	**0**	1,525	**0**	0
Creditors in respect of taxation and social welfare (see below)	**7,122**	4,564	**2,350**	2,421
	117,530	87,040	**233,827**	122,097
Creditors in respect of taxation and social welfare comprise:				
Income tax deducted under PAYE	**1,311**	1,382	**1,296**	1,361
Pay-related social insurance	**969**	991	**952**	967
Corporation tax	**1,814**	787	**0**	0
Value-added tax	**2,926**	1,277	**0**	0
Other taxes	**102**	127	**102**	93
	7,122	4,564	**2,350**	2,421

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

	THE GROUP 2013 €'000	THE GROUP 2012 €'000	THE COMPANY 2013 €'000	THE COMPANY 2012 €'000
Unsecured loan notes (Note 15)	**243,666**	263,040	**243,666**	263,040
Capital grants (Note 16)	**10,774**	12,101	**0**	0
	254,440	275,141	**243,666**	263,040

15. Bank loans, overdrafts and unsecured loan notes

THE GROUP	Within one year €'000	Between one and two years €'000	Between two and five years €'000	After more than five years €'000	Total €'000
Convertible loan notes (Note 20(c))	990	0	0	0	990
Unsecured loan notes[1]	19,550	40,569	96,746	106,351	263,216
At 27 March 2013	**20,540**	**40,569**	**96,746**	**106,351**	**264,206**
At 28 March 2012	0	19,542	105,216	138,282	263,040

THE COMPANY	Within one year €'000	Between one and two years €'000	Between two and five years €'000	After more than five years €'000	Total €'000
Overdrafts[2]	145,050	0	0	0	145,050
Unsecured loan notes[1]	19,550	40,569	96,746	106,351	263,216
At 27 March 2013	**164,600**	**40,569**	**96,746**	**106,351**	**408,266**
At 28 March 2012	102,408	19,542	105,216	138,282	365,448

[1] Net of unsecured loan note capitalised issue costs. At the balance sheet date the value of capitalised issue costs was €675,000 (2012: €851,000).

On 27 March 2013 the Group had US$355,000,000 fixed rate debt (€263,891,375 equivalent) arising from two US private placement transactions, which were completed on 22 June 2006 (US$150,000,000 : €117,462,803) and 6 August 2009 (US$205,000,000 : €146,428,572). In order to fully hedge the associated US Dollar exchange rate exposures and convert the underlying interest rates to fixed, the Group entered into a number of cross currency swaps to match the maturity profile of the unsecured loan notes.

Fair value of the financial instruments:
Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties other than in a forced liquidation or sale. The fair value of the cross currency swap asset at 27 March 2013 was €19,850,000 (2012: €9,924,000). In line with the Group's accounting policies, the fair value of derivative financial instruments is not recognised in the balance sheet.

[2] The Company and certain of its subsidiary companies have entered into a 'Cashpool Agreement' with their principal bankers. The Cashpool Agreement includes cross guarantees and a Master Netting Agreement in respect of specified accounts contained within that agreement.

16. Deferred income - capital grants

	THE GROUP 2013 €'000	THE GROUP 2012 €'000
At beginning of the financial year	**13,493**	14,884
Amortised during the year (Note 2)	**(1,361)**	(1,391)
At end of the financial year	**12,132**	13,493
Amounts due as follows:		
- within one year (Note 13)	**1,358**	1,392
- after more than one year (Note 14)	**10,774**	12,101
	12,132	13,493

17. Provisions for liabilities

THE GROUP

	Environmental reinstatement €'000	Reorganisation & redundancy €'000	Insurance €'000	Other €'000	Deferred tax excluding deferred tax on pension deficit €'000	Total €'000
At 28 March 2012	32,772	407	7,024	1,670	7,819	49,692
Reclassification[1]	1,470	0	0	0	0	1,470
Charge to the profit and loss account	2,477	540	1,750	642	(46)	5,363
Credit to the profit and loss account	(616)	(52)	(717)	(165)	0	(1,550)
Financing charge (Note 5)	1,110	0	0	0	0	1,110
Capitalised during the year	1,016	0	0	0	0	1,016
Utilised during the year	(1,317)	(733)	(1,206)	(181)	0	(3,437)
At 27 March 2013	**36,912**	**162**	**6,851**	**1,966**	**7,773**	**53,664**
Amounts due as follows:						
- within one year	5,944	162	6,851	1,966	840	15,763
- after more than one year	30,968	0	0	0	6,933	37,901
	36,912	**162**	**6,851**	**1,966**	**7,773**	**53,664**

THE COMPANY

	Environmental reinstatement €'000	Reorganisation & redundancy €'000	Insurance €'000	Other €'000	Deferred tax excluding deferred tax on pension deficit €'000	Total €'000
At 28 March 2012	2,795	19	6,901	125	0	9,840
Reclassification[1]	0	0	0	0	0	0
Charge to the profit and loss account	0	296	1,750	0	0	2,046
Credit to the profit and loss account	(503)	0	(657)	0	0	(1,160)
Utilised during the year	(100)	(275)	(1,186)	(125)	0	(1,686)
At 27 March 2013	**2,192**	**40**	**6,808**	**0**	**0**	**9,040**
Amounts due as follows:						
- within one year	2,192	40	6,808	0	0	9,040
- after more than one year	0	0	0	0	0	0
	2,192	**40**	**6,808**	**0**	**0**	**9,040**

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

(a) Environmental reinstatement

Environmental reinstatement costs include:

(i) Costs that will be incurred at the end of the economic lives of the peatlands. Under FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for these costs when the circumstances occur giving rise to the obligation under the Group's Integrated Pollution Prevention Control licence to decommission and reinstate the peatlands post peat production. The provision of €15,772,000 as at 27 March 2013 represents the present value of the expected future costs of decommissioning and reinstatement. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(ii) Environmental provisions of €6,742,000 recognised in accordance with FRS 12 in respect of the Group's assessment of environmental liabilities in relation to an AES site which was in existence prior to the Group's acquisition of the business in May 2007. The provisions are based on the Group's estimate of the present value of future remediation costs, based on advice received from third party environmental experts.

17. Provisions for liabilities and charges (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 minimum unavoidable costs measured at present value amount to €10,091,000 at 27 March 2013. The Group continue to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years.

(iv) Certain other environmental restoration costs of €2,192,000 are recognised in accordance with the provisions of FRS 12, being the Group's estimate of waste removal and waste management costs associated with certain of 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.

(v) A provision of €1,102,000 is made for power station closure costs based on the present value of the current estimate of the costs of closure of generating stations at the end of their useful economic lives. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(vi) A provision of €1,013,000 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 costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(b) Reorganisation and redundancy

A provision for reorganisation and redundancy costs is recognised when a constructive obligation exists. The provision represents the Directors' best estimate of the cost of these measures and it is expected to be used within the next year. Included in debtors at 27 March 2013 is a sum of €194,000 (2012: €254,000) which is recoverable from the Department of Enterprise, Trade and Innovation.

(c) 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.

(d) Other

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

17. Provisions for liabilities and charges (continued)

(e) Deferred tax

The deferred tax provision is comprised of:

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	€'000	€'000	**€'000**	€'000
Accelerated capital allowances	**7,095**	7,030	**(173)**	(175)
General provisions	**(353)**	(348)	**(136)**	(160)
Unutilised tax losses	**(131)**	(153)	**0**	0
Undiscounted provision for deferred tax	**6,611**	6,529	**(309)**	(335)
Pension asset - deferred tax liability (Note 25)	**0**	139		
Pension liability - deferred tax asset (Note 25)	**(6,751)**	(5,403)		
Deferred tax including that relating to pension deficit	**(140)**	1,265		
The movement on deferred tax during the year was as follows:				
Deferred tax at the beginning of the financial year	**1,265**	4,431	**(335)**	(281)
Deferred tax charge/(credit) in the profit and loss account excluding charge related to pensions	**82**	139	**26**	(54)
Deferred tax charge in the profit and loss account related to pensions	**383**	525	**0**	0
Net deferred tax charge/(credit) in the profit and loss account (Note 6)	**465**	664	**26**	(54)
Deferred tax on pension liability in statement of total recognised gains and losses	**(1,870)**	(3,864)	**0**	0
Loss relief surrendered to minority shareholder	**0**	34	**0**	0
Deferred tax at the end of the financial year	**(140)**	1,265	**(309)**	(335)
Deferred tax provision	**7,773**	7,819	**0**	0
Deferred tax asset (Note 12)	**(1,162)**	(1,290)	**(309)**	(335)
Deferred tax liability related to pension fund asset (Note 25)	**0**	139	**0**	0
Deferred tax asset related to pension fund liability (Note 25)	**(6,751)**	(5,403)	**0**	0
	(140)	1,265	**(309)**	(335)

At 27 March 2013 the Group had other potential deferred tax assets amounting to €1,380,000 (2012: €1,810,000). These assets have not been recognised due to uncertainty over recoverability.

18. Share capital

	2013 €'000	2012 €'000
Authorised		
300,000,000 ordinary shares of €1.27 each	**380,921**	380,921

Allotted and fully paid	2013 Share Capital €'000	2013 Share Premium €'000	2013 Total €'000	2012 Share Capital €'000	2012 Share Premium €'000	2012 Total €'000
At beginning of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763
At end of the financial year	**82,804**	**1,959**	**84,763**	82,804	1,959	84,763

At 27 March 2013 the total number of ordinary shares allotted and fully paid was 65,212,638 (2012: 65,212,638).

In December 2008, Bord na Móna plc put in place an Employee Share Ownership Plan (ESOP) to facilitate the issue of 5% of the issued share capital of Bord na Móna plc to eligible employees of the Company and its Irish subsidiaries. These shares were provided to employees in return for the agreed business transformation achieved in a number of years prior to 2008.

In December 2008, Bord na Móna plc issued 3,260,631 shares to Bord na Móna ESOP Trustee Limited for €6,100,000. The principal rights attaching to each share include the right to exercise a vote at annual general meetings of the shareholders, entitlement to dividends from profits when declared and the right to proportionate participation in a surplus on winding up. The shares were issued at a value of €1.87 per share which resulted in a share premium of €1,959,000. The shares were initially held by the Trust before being appropriated on the third anniversary of the allocation date. In December 2011, all of the shares were appropriated to the eligible participants through the Approved Profit Sharing Scheme in accordance with the rules of the scheme.

19. Minority shareholders' interest

	Equity interests €'000	Non-equity interests €'000	Total €'000
At 28 March 2012	(397)	1,238	841
Share of loss for the financial year	(9)	0	(9)
Repayment during the year	0	(248)	(248)
Transfer to financial liability	0	(990)	(990)
At 27 March 2013	**(406)**	**0**	**(406)**

During the year the minority shareholders' share of the non-equity loan was transferred to current liabilities as a result of a change in terms.

20. Amounts included in cash flow statement

(a) Reconciliation of operating profit to net cash flow from operating activities

	2013 €'000	2012 €'000
Operating profit	**23,508**	(3,663)
Depreciation of tangible assets	**35,686**	38,399
Impairment of tangible assets	**0**	6,876
Amortisation of intangible assets	**2,501**	3,291
Impairment of intangible assets	**0**	16,857
Impairment of investment property	**910**	777
Non-cash consideration for acquisition undertaking (Note 21)	**0**	(1,626)
Profit on sale of fixed assets	**(63)**	(172)
Amortisation of capital grants	**(1,361)**	(1,391)
Difference between provisioning charges and payments	**1,486**	(362)
Difference between pension charge and cash contributions	**(3,762)**	(2,603)
Decrease/(increase) in stocks	**40,371**	(12,482)
(Increase)/decrease in debtors	**(2,141)**	2,690
Increase/(decrease) in creditors	**11,333**	(4,325)
Net cash flow from operating activities	**108,468**	42,266

(b) Analysis of cash flows for headings netted in the cash flow statement

	2013 €'000	2012 €'000
Returns on investments and servicing of finance		
Interest paid	**(15,990)**	(16,068)
Interest received	**4,885**	5,911
Dividends paid to minority shareholders in subsidiary undertaking	**0**	(123)
Net cash outflow	**(11,105)**	(10,280)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	**(38,718)**	(23,865)
Proceeds from disposal of fixed assets	**179**	327
Payments to acquire intangible fixed assets	**(1,269)**	0
Investment in joint venture	**(2,025)**	0
Net cash outflow	**(41,833)**	(23,538)
Acquisitions and disposals		
Acquisition of undertakings (Note 21)	**0**	(1,708)
Net cash outflow	**0**	(1,708)
Financing		
Net cash inflow	**0**	0

20. Amounts included in cash flow statement (continued)

(c) Analysis of net debt

	At beginning of year €'000	Cash Flow €'000	Non-cash €'000	At end of year €'000
Unsecured loan notes (Note 15)	(263,040)	0	(176)	**(263,216)**
Convertible loan notes (Note 15)[1]	0	0	(990)	**(990)**
Cash	196,326	50,845	0	**247,171**
Net debt	(66,714)	50,845	(1,166)	**(17,035)**

[1] During the year convertible loan notes of €990,000 were reclassified to financial liabilities (Note 19).

21. Acquisitions

Advanced Environmental Solutions (Ireland) Limited acquired the waste collection business of Kildare County Council with effect from 22 August 2011 and the waste collection business of Wexford County Council with effect from 6 February 2012 for a combined consideration of €3,334,000. Both acquisitions have been accounted for using the acquisition method of accounting. Details of the provisional fair values, fair value adjustments and final fair values of the assets acquired are set out below.

	Provisional fair values 2012 €'000	Fair value Adjustment 2013 €'000	Final fair values 2013 €'000
Tangible assets	651	**0**	**651**
Net current assets	8	**0**	**8**
Net assets acquired	659	**0**	**659**
Goodwill arising on acquisition (Note 7)	2,675	**0**	**2,675**
Total consideration (including transaction costs)	3,334	**0**	**3,334**
Satisfied by:			
Cash	1,708	**0**	**1,708**
Non-cash consideration	1,626	**0**	**1,626**
Total consideration	3,334	**0**	**3,334**

22. Capital commitments

Expenditure contracted for but not provided is estimated to be as follows:

THE GROUP	2013 €'000	2012 €'000
Tangible asset commitment	**141,690**	5,236
	141,690	5,236

THE COMPANY		
Tangible asset commitment	**462**	0
	462	0

The Group is developing two wind farms at Mount Lucas, Co. Offaly and Bruckana on the borders of counties Kilkenny, Laois and Tipperary and has entered into a number of contracts.

23. Operating lease commitments

At 27 March 2013 the Group had annual commitments under non-revocable operating leases expiring as follows:

THE GROUP	Land and buildings 2013 €'000	Plant and machinery 2013 €'000	Land and buildings 2012 €'000	Plant and machinery 2012 €'000
Operating leases which expire:				
Within one year	**49**	**384**	55	375
Within one to five years	**322**	**1,271**	372	960
After five years	**681**	**0**	673	0
	1,052	**1,655**	1,100	1,335

THE COMPANY	Other 2013 €'000	Plant and machinery 2013 €'000	Other 2012 €'000	Plant and machinery 2012 €'000
Operating leases which expire:				
Within one year	**0**	**5**	0	31
Within one to five years	**0**	**180**	0	116
After five years	**0**	**0**	0	0
	0	**185**	0	147

24. 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.

25. Pension schemes

(i) Defined benefit schemes

(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, Sutton Group and Sheehan and Sullivan.

Bord na Móna plc has also 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 €4,688,000 based on an actuarial valuation at the balance sheet date (2012: €4,395,000).

(b) Actuarial valuations and funding position of schemes

The actuarial method used (aggregate method) determines a contribution 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 full valuations for the GESS and RWESS schemes were prepared as of 31 March 2011 and the BnM Fuels scheme valuation was prepared as of 1 April 2012. In the actuarial valuations it was assumed that the schemes' investments will earn a real rate of investment return of 3% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €241.5 million.

25. Pension schemes (continued)

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

(i) a deficit of €34.2 million on the GESS scheme

(ii) a deficit of €4.8 million on the RWESS scheme

(iii) a deficit of €2.5 million on the BnM Fuels scheme

At March 2011 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 72% and 97% of the benefits that had accrued to the members of the GESS and RWESS schemes respectively at the valuation dates. These actuarial valuations are available for inspection by members of the schemes but not for public inspection. In relation to the BnM Fuels scheme the actuarial value of total scheme assets was sufficient to cover 74% of the benefits that had accrued to members at the valuation date.

In common with many other defined benefit pension schemes, all three defined benefit plans are in net deficits, 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 was approved by the Board and shareholders and active members during the 2010 financial year. The revised funding arrangement required the active members to increase their contribution rate by 1.5% of their pensionable salary. The Group agreed to match the active members' contributions. The approved terms of the revised funding proposals include the provision of increased benefits for members under the N200, which provided for improved benefits for members whose uplifted pensionable salary falls below a threshold multiple of the State pension. The other terms of the restructuring arrangements included a cap on pensionable salaries and the closure of the scheme to new entrants. 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 27 March 2013 was €7,800,000 and the Group will meet the capital cost by way of fixed annual capital payments by 30 June over a period of no more than twelve years.

Discussions in relation to the GESS deficit are ongoing with the various stakeholders with a view to formulating an agreed funding proposal. Given the recent regulation changes and the risk reserve funding requirement it is expected that a funding proposal subject to approval by the required parties will be in place within the next number of months. Current pensions regulations allow in situations such as this, for a funding solution over a period of up to 10 years. A funding solution over such a period would allow the scheme to benefit from both additional employer and employee contributions and also from a potential recovery in global equity markets, which would increase the value of the scheme assets.

Discussions in relation to the BnM Fuels pension deficit are also ongoing with the various stakeholders to reach an agreement on funding proposal. A number of measures are under consideration and a funding solution that will result in additional contributions by the Group over a period of ten years and benefits changes for the members.

(c) FRS 17 'Retirement Benefits'

For the purposes of FRS 17 the actuarial valuations of the defined benefit schemes were updated to the balance sheet date by a qualified independent actuary. A full actuarial valuation of the unfunded pensions was completed by a qualified independent actuary at the balance sheet date.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with FRS 17 at 27 March 2013, 100% of the pension scheme deficits on the RWESS, GESS and BnM Fuels defined benefit schemes have been recognised in the financial statements. The RWESS defined benefit scheme had a surplus at March 2012 and the Group has accounted for its share of the opening pension scheme surplus on a 50:50 basis between members and the Group. As 100% of the current service cost and finance costs were charged to the profit and loss account in the past, this amount has been reflected in the statement of recognised gains and losses during the year ended 27 March 2013 as noted below.

Current service costs, determined using the projected unit method, and any past service items stemming from benefits enhancements or curtailments are dealt with as components of operating costs or set against provisions as appropriate. The interest cost associated with the pension schemes' liabilities together with the expected return on pension schemes' assets are included within other finance income and charges in the profit and loss account.

25. Pension schemes (continued)

The amounts recognised in the Balance Sheet are as follows:

	March 2013 €'000	March 2012 €'000
Fair value of the schemes' assets	**271,717**	251,169
Present value of schemes' liabilities and unfunded pensions liabilities	**(330,411)**	(296,560)
Members' share of surplus on RWESS scheme	**0**	(1,115)
Revised present value of schemes' liabilities and unfunded pension liabilities	**(330,411)**	(297,675)
Pension deficit	**(58,694)**	(46,506)
Related net deferred tax asset (Note 17(e))	**6,751**	5,264
Net pension deficit	**(51,943)**	(41,242)
The net pension deficit is comprised as follows:		
Pension asset	**0**	1,115
Related net deferred tax liability (Note 17(e))	**0**	(139)
Pension asset net of deferred tax as per Group balance sheet	**0**	976
Pension deficit	**(58,694)**	(47,621)
Related net deferred tax asset (Note 17(e))	**6,751**	5,403
Pension deficit net of deferred tax as per Group balance sheet	**(51,943)**	(42,218)
Net pension deficit	**(51,943)**	(41,242)

The amounts recognised in the Profit and Loss Account are as follows:

	March 2013 €'000	March 2012 €'000
Analysis of the amount charged to operating profit		
Current service cost	**(2,710)**	(2,368)
	(2,710)	(2,368)
Analysis of the amount credited to other finance income		
Expected return on schemes' assets	**12,169**	14,919
Interest on schemes' liabilities	**(11,870)**	(13,321)
Net return on finance income (Note 5)	**299**	1,598
Total profit and loss account charge	**(2,411)**	(770)
Actual return on schemes' assets	**23,067**	14,597

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:

	March 2013 €'000	March 2012 €'000
Actual return less expected return on schemes' assets	**10,898**	(322)
Experience gains arising on schemes' liabilities	**7,050**	4,362
Changes in assumptions underlying the present value of schemes' liabilities	**(35,310)**	(39,845)
Actuarial (loss) recognised	**(17,362)**	(35,805)
Less members' share of movement on scheme surplus during the financial year	**1,115**	4,426
Actuarial loss recognised by the Group	**(16,247)**	(31,379)

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 27 March 2013 is €73,139,000 (2012: €56,892,000).

25. Pension schemes (continued)

Balance Sheet as at 27 March 2013

Movement in schemes' assets and liabilities	Scheme Assets €'000	Scheme Liabilities €'000	Scheme Deficit €'000
At 30 March 2011	240,225	(259,553)	(19,328)
Service cost charged to the profit and loss account	0	(2,368)	(2,368)
Interest on liabilities	0	(13,321)	(13,321)
Expected return on assets	14,919	0	14,919
Members' share of increased pension surplus at start of year	0	4,426	4,426
Actual less expected return on scheme assets	(322)	0	(322)
Experience gains on liabilities	0	4,362	4,362
Change in actuarial assumptions	0	(39,845)	(39,845)
Contributions by members	3,564	(3,564)	0
Employer's contributions paid	4,971	0	4,971
Benefits paid	(12,188)	12,188	0
At 28 March 2012	251,169	(297,675)	(46,506)
Service cost charged to the profit and loss account	0	(2,710)	(2,710)
Interest on scheme liabilities	0	(11,870)	(11,870)
Expected return on assets	12,169	0	12,169
Members' share of reduced pension surplus at start of year	0	1,115	1,115
Actual less expected return on assets	10,898	0	10,898
Experience gains on liabilities	0	7,050	7,050
Change in actuarial assumptions	0	(35,310)	(35,310)
Contributions by members	3,411	(3,411)	0
Employer's contributions paid	6,470	0	6,470
Benefits paid	(12,400)	12,400	0
At 27 March 2013	**271,717**	**(330,411)**	**(58,694)**

All of the schemes' liabilities with the exception of the liability in respect of the pensions paid to former managing directors are funded.

Expected contributions for the year to 26 March 2014 are €5,275,000.

Scheme assets

At 27 March 2013 the assets were invested in a diversified portfolio that consisted primarily of equity and debt securities, properties and cash. The fair value of the assets at year end was €271,717,000 (2012: €251,169,000). The fair value of the asset categories as a percentage of total schemes' assets were as follows:

	March 2013 %	March 2012 %
Equities	**42.3**	50.8
Bonds	**36.1**	39.1
Property	**4.7**	5.0
Cash	**16.9**	5.1
Total	**100**	100

The schemes' assets do not include any ordinary shares issued by the Company. In addition the schemes' assets do not include property occupied by, or other assets used by the Company.

Basis of expected return on schemes' assets

The expected return on the schemes' assets is determined based on the weighted average expected return of the underlying asset class. For equities the expected return is 7.0% and is expected to exceed that of bonds by on average 3.5%. The expected rate of return on cash is 1% and for property assets the expected rate of return is rate of return is 6.0%. The pension levy deduction is 0.6%. The overall expected rate of return on scheme assets at 27 March 2013 was 4.08% (2012: 4.88%).

25. Pension schemes (continued)

Financial assumptions

The main financial assumptions (long term actuarial assumptions) used in the valuations were:

	March 2013	March 2012
Rate of increase in salaries	**2.50%**	3.00%
Rate of increase in pensions in payment - RWESS scheme	**1.25%**	1.25%
Rate of increase in pensions in payment - GESS scheme	**0.00%**	0.00%
Discount rate	**3.00%**	4.00%
Inflation rate	**1.75%**	1.75%

Mortality assumptions

The mortality assumptions are based on standard tables reflecting typical pensioner mortality. The tables used are based on mortality rates in the year 2030 for all employees without allowance for additional improvements in respect of members of the RWESS.

Retiring today	March 2013	March 2012
Males (RWESS)	**20.5**	20.5
Females (RWESS)	**23.4**	23.4
Males (Other)	**22.5**	22.3
Females (Other)	**23.9**	23.7

A male is assumed to be three years older than his spouse.

History of defined benefit obligations, assets and experience gains and losses

The movement on the schemes' assets and liabilities for the current and previous four years are as follows:

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Defined benefit present value of obligation	**(330,411)**	(296,560)	(254,012)	(252,417)	(237,834)
Fair value of plan assets	**271,717**	251,169	240,225	233,444	186,484
Pension deficit	**(58,694)**	(45,391)	(13,787)	(18,973)	(51,350)
Experience adjustments arising on:					
the schemes' liabilities	**7,050**	4,362	5,914	7,220	7,686
as a percentage of the schemes' liabilities at March	**2.1%**	1.5%	2.3%	2.9%	3.2%
the schemes' assets	**10,898**	(322)	(4,567)	40,015	(72,302)
as a percentage of the schemes' assets at March	**4.0%**	(0.1%)	(1.9%)	17.1%	(38.8%)

All scheme assets are stated to bid market values.

Company pension fund liability

	2013 €'000	2012 €'000
At the beginning of the financial year	**4,395**	3,922
Utilised during year	**(346)**	(346)
Charge for year	**639**	819
At the end of the financial year	**4,688**	4,395

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are a number of inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The table below outlines the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

25. Pension schemes (continued)

Assumption	Change in Assumption	Present value of plan liabilities	Impact on plan liabilities	% Impact on plan liabilities
An increase in the discount rate	0.25%	319,451	(10,960)	(3%)
An increase in salary inflation	0.25%	333,592	3,181	1%
An increase in pension escalation	0.25%	338,191	7,780	2%

(ii) Defined contribution schemes and personal retirement savings accounts (PRSA)
The Group made employer contributions payable under a defined contribution scheme in respect of certain employees during the year. Contributions payable by the employer to the defined contribution schemes in the year to 27 March 2013 amounted to €797,000 (2012: €669,000) which were charged to the profit and loss account and €81,000 (2012: €70,000) was payable at year end.

In addition and in compliance with the provisions of the Pensions Act 1990 (as amended), Bord na Móna plc has appointed personal retirement savings accounts (PRSAs) providers. During the year to 27 March 2013 the Group contributed €249,000 (2012: €395,000) to PRSA's on behalf of its employees. This was charged to the profit and loss account and €1,280 (2012: €1,802) was payable at year end.

26. Related party transactions

Ownership of the Company: Bord na Móna plc is a majority state owned company. 95% of the issued share capital is held by the Minister for Finance. The other 5% is held by the employees of the Group.

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods, 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 27 March 2013 amounted to €137.6 million (2012: €120.9 million) and amounts due from these entities to the Group at 27 March 2013 for these services amounted to €12.2 million (2012: €12.3 million).

From time to time the Group placed monies on deposit with financial institutions controlled by the State. The Group had placed monies on deposit of €87.0 million with Allied Irish Banks plc at 27 March 2013 (2012: €20.0 million). The Group earned rental income from Irish Bank Resolution Corporation (in special liquidation) of €0.8 million during the year (2012: €1.0 million) and from Allied Irish Banks plc of €0.1 million (2012: €Nil).

27. Post balance sheet 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.

28. Board approval

The Board approved the financial statements on 27 June 2013.

APPENDIX C

Insurance

AON

CLIENT INFORMATION LETTER

31 July 2013

We act as Insurance Brokers to Bord Na Móna Plc and Associated / Subsidiary Companies and are pleased to confirm that the following insurances are in place:

Premises Pollution Liability (Environmental Liability)

Premises	Drehid Waste Management Facility, Killina Upper, Carbury, Co Kildare
Limit	€ 5,000,000 any one accident and in the aggregate any one period
Insurer:	ACE Europe
Expiry Date:	31st March 2014
Policy No.	IEENVA04339

Subject otherwise to the full Terms & Conditions of the Insurers' policy wording. The above is a summary only and reference should be made to the policy documents and/or endorsements thereto for the exact wording.

The issuance of this document does not modify in any manner the contract of Insurance between the Insured and the Underwriters. The terms, clauses, conditions, limits and exclusions of the insurance may alter after the date of this document, or the insurance may terminate or be cancelled. Aon have no obligation to advise you of its cancellation or termination.

Yours faithfully

Graham Porter
Account Manager

Direct Line: 00353 (0)1 266 6422
Email: graham.porter@aon.ie