BORD NA MÓNA

FROM BROWN TO GREEN

OUR FUTURE IS CLEAR

ANNUAL REPORT 2019

BORD NA MÓNA

WE ARE

4 business units

80,000ha

3,400 direct and indirect jobs

58% power generation from renewable energy sources

10% of the renewable electricity generated in the Irish energy market

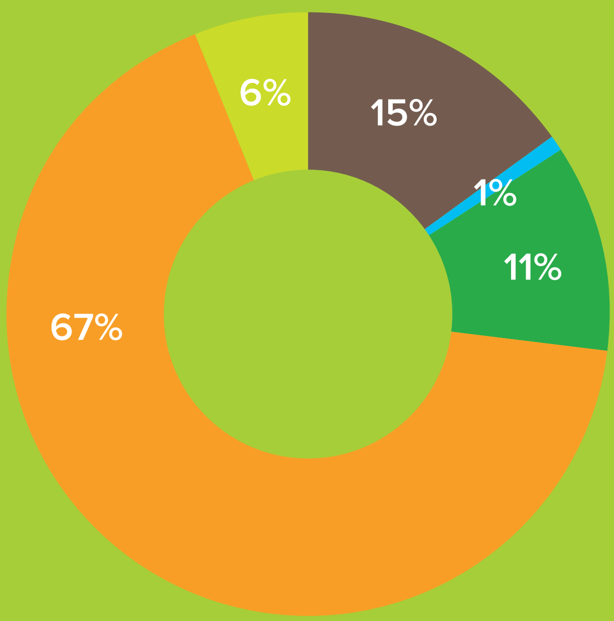
113,000+ domestic and business resource recovery customers

1st and only company in Ireland recycling tyres into new products

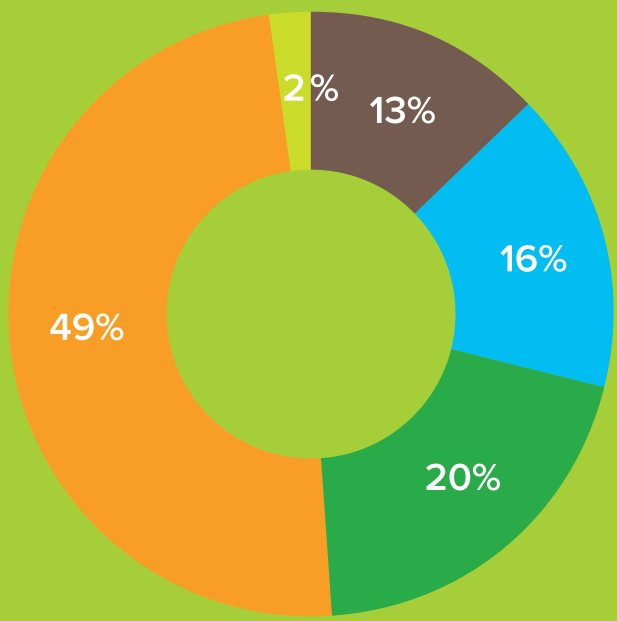
1st fish farm to be co-located with a wind farm

CHIEF EXECUTIVE TOM DONNELLAN

OUR BUSINESS HAS GONE THROUGH RADICAL CHANGE. WE NOW HAVE A BRIGHTER, SUSTAINABLE FUTURE IN CURRENT AND NEW MARKETS.



REVENUE FY09



REVENUE FY19

- **Peat and oil based power generation**
- **Renewable including wind and biomass generation**
- **Resource recovery**
- **Peat, fuel and horticultural products**
- **Other**

INVESTING TO DELIVER LOW CARBON SOLUTIONS IN IRELAND.

Reinvesting For The Future

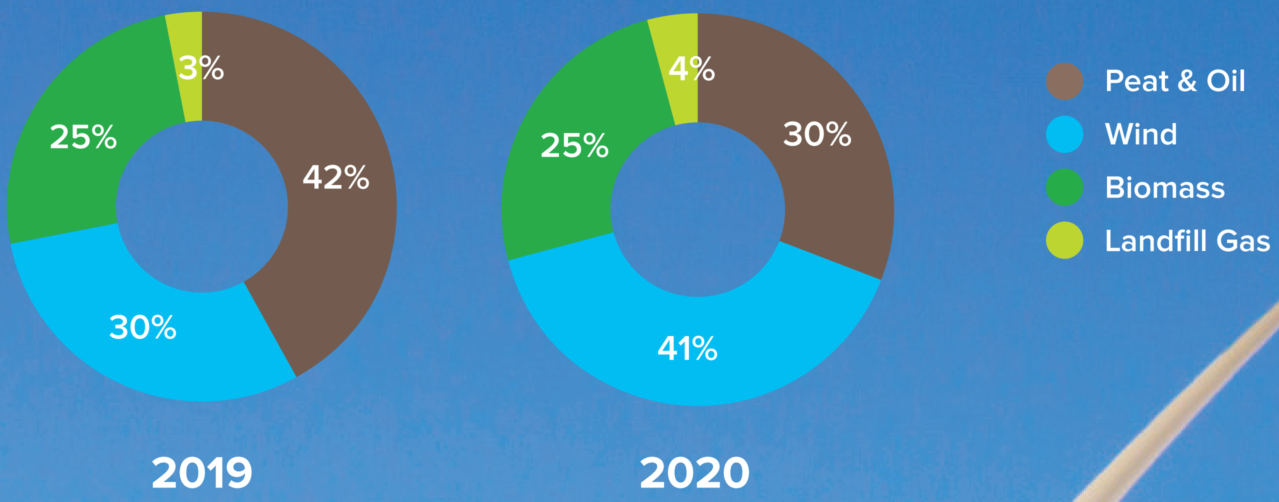
There was a significant reduction in net debt.
We are prioritising capital expenditure on sustainable projects.

DEVELOPING RENEWABLE ENERGY RESOURCES

BY 2020, 70% OF THE ELECTRICITY WE GENERATE WILL BE FROM RENEWABLE SOURCES.

SUPPORTING THE GOVERNMENT'S TARGET OF 70% RENEWABLE ELECTRICITY GENERATION BY 2030

ENERGY SOURCES



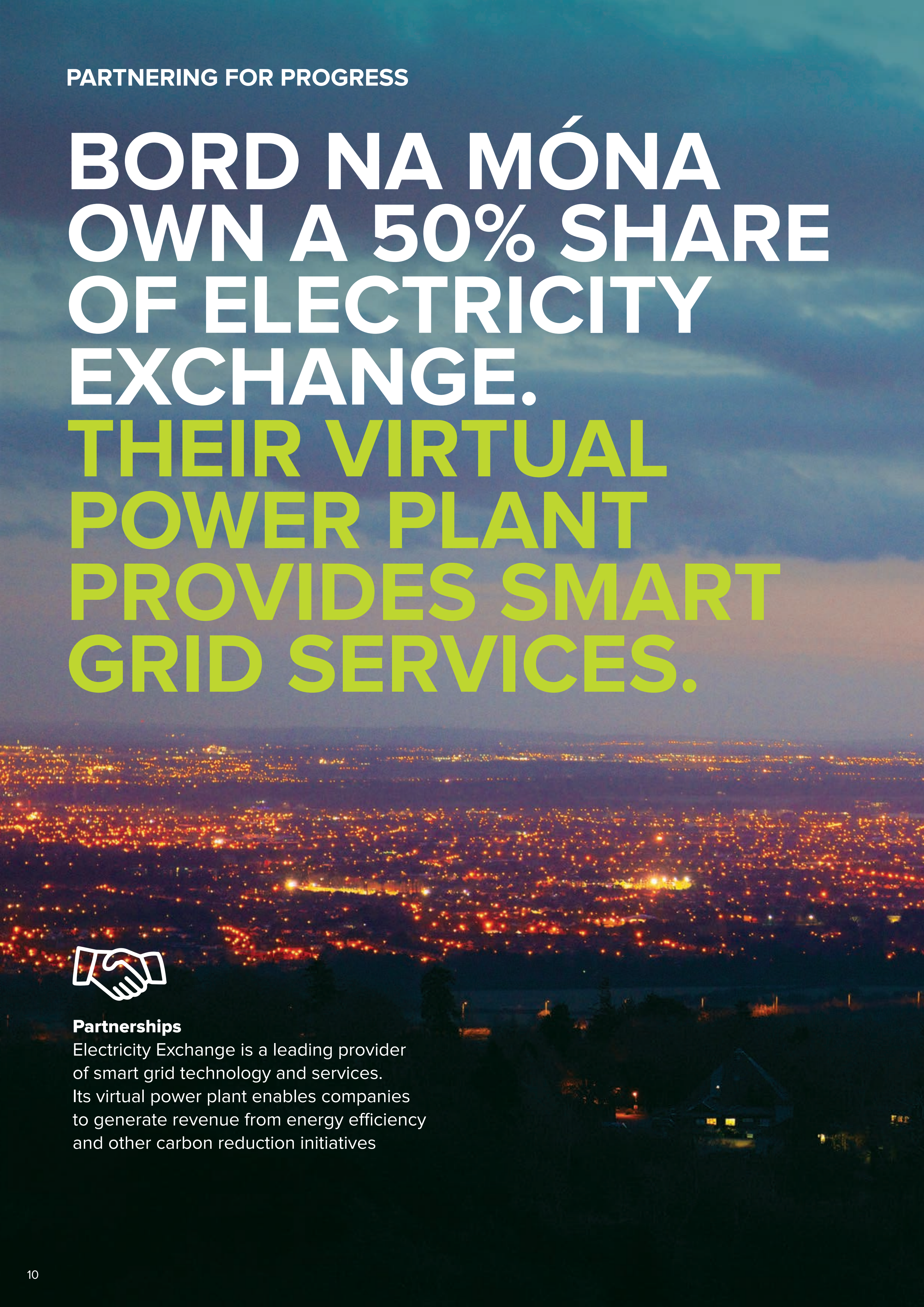
GREEN IS AT THE CORE OF OUR FUTURE. WE ARE INVESTING IN RESOURCES AND EXPERTISE TO GROW NEW LOW CARBON BUSINESSES.

Fish
Our fish farm is co-located on a peatland with a wind farm that powers it with renewable energy

Herbs
17 herb varieties are being cultivated on our peatlands to produce eco foods and herbal medicines for national and international markets

Peatlands
15,000ha formerly used in peat production have been rehabilitated

BORD NA MÓNA OWN A 50% SHARE OF ELECTRICITY EXCHANGE. THEIR VIRTUAL POWER PLANT PROVIDES SMART GRID SERVICES.



Partnerships
Electricity Exchange is a leading provider of smart grid technology and services. Its virtual power plant enables companies to generate revenue from energy efficiency and other carbon reduction initiatives

Solar
Planning applications submitted for utility scale solar photo voltaic could generate 70GWh per annum when operational

EcoTourism
Multi award-winning Lough Boora Parklands welcomed over 100,000 visitors in the last 12 months

Biomass
We are one of the largest users of sustainable biomass in Ireland, 78% of which is from indigenous sources

BUILDING SUCCESSFUL BUSINESSES FOR TODAY'S NEW MARKETS.

Recyclables

The Donore Road recycling facility is the only plant in Ireland transforming end-of-life tyres into high value products such as crumb rubber for football pitches

Resource Recovery
Our seven EPA waste licensed facilities can process 485,730 tonnes of waste per annum

Wind Farms
By 2030 we plan to have 13 wind farms in operation, generating 2.2TWh of electricity annually

Biogas
The planned Cúil na Móna anaerobic digestion facility will generate renewable biogas from organic waste

BORD NA MÓNA

IN FY19

€380m
Turnover

€53m
Reduction in Net Debt

€41m
Operating Profit

€475m
Total Assets

€71m
Net cash flow from operations

€29m
Capital Expenditure

€10m
Research and development spend

OUR FUTURE

4
Business units with reduced carbon intensity

27%
Reduction in product carbon emissions by 2020

50%
Reduction in peat production in 2019 harvest

5,000ha
Used for sustainably produced products and EcoTourism by 2025

70%
Of customer waste to be recycled and reused by 2025

3TWh
Renewable electricity generation in 2030

35,000ha
Rehabilitated by 2025

STATEMENT FROM THE CHAIRMAN

On behalf of the Board I am pleased to present the Annual Report for the Bord na Móna Group for the fiscal year ended 27 March 2019.

In October of last year we announced a new strategy for Bord na Móna which involved the Company decarbonising, accelerating the move away from our traditional peat business into renewables, resource recovery and new sustainable businesses. This new intensified "Brown to Green" strategy reacts and responds to national and EU decarbonisation policies.

We are delivering this strategy by:
> Consolidating and simplifying our peat based businesses;
> Developing and expanding our resource recovery and renewable energy businesses supporting Government policy; and
> Investing in the development of new business opportunities leveraging off our key assets including our people and our land bank to create and support sustainable employment in the Midlands.

This process has meant making some extremely difficult decisions. As a Board we have been very mindful of the over 400 Bord na Móna employees, many with long years of service to the Company, who are being directly impacted by these decisions. Together with management, the Board worked with the relevant stakeholders to ensure that we were able to make this change through a voluntary redundancy process, that the package on offer was fair and reflective of that loyalty and service and also that the exit of those employees would be dealt with in as respectful and supportive a manner as possible.

The decisions taken by the Board were not arrived at lightly. However, I am satisfied that they were the correct decisions. The Board has a responsibility to act in the best interests of the Company and to ensure that Bord na Móna has a sustainable future.

As the Company prepares to accelerate its exit from the Peat business, the challenge for the Board is to ensure the continued viability of the traditional businesses for a reasonable period in order to provide sufficient time, resources and capital to develop new sustainable businesses. This will ensure that Bord na Móna can continue to fulfil its mandate of creating and maintaining sustainable employment in the Midlands.

In recent months, Bord na Móna has received significant publicity in respect of its impact on the environment, much of it negative. However, I think that it is important to remember that Bord na Móna has been on a journey to a new, more sustainable business model since as far back as 2008 when the co-firing of peat with biomass in the Edenderry Power station began. We have already achieved several significant transition landmarks that support that new sustainable business model.

CHAIRMAN
GEOFF MEAGHER

As a result of the steps already taken by Bord na Móna, the carbon intensity of the electricity we generate has declined by 54% since 2007. This already steep decline is set to continue as the Company expands its renewable generation capacity with solar coming on line and increasing wind and biomass. This will see the carbon intensity of Bord na Móna's electricity fall by 65% in 2020 and by 85% in 2025.

The results for the year ended 27 March 2019 show a strong underlying performance of the core businesses, before exceptional items. However, as a result of the cost of the difficult decisions taken by the Board during the financial year, we are reporting an after tax loss of €49.9 million for FY19. This is after accounting for pre tax exceptional charges of €91.4 million, made up of €45.1 million cash costs and €46.3 million of asset write downs. The cash element largely reflects the cost of redundancies and the non-cash element is a recognition that the value of the peat assets must be realigned to reflect the reality of decarbonisation. On the positive side, the Company's balance sheet remains strong with a significantly reduced level of debt and comfortable compliance with our debt covenants. This demonstrates that the decisions taken were the correct ones in order to secure the future sustainability of Bord na Móna.

One of the key pillars for the Board at present, is ensuring that the Company comes to a commercial agreement with ESB in respect of the continued supply of peat and the supply of sustainable biomass to their Lough Ree and West Offaly power stations. The two companies have been working very closely together to ensure that the stations have a sustainable future until 2027. The Board are optimistic that a commercial arrangement that meets both companies' needs will be reached. In the meantime, ESB have been progressing their planning applications for the two stations.

I am delighted to report that the Company has also had significant successes during the year:

> Together with our joint venture partner ESB, the construction of the Oweninny wind farm project in Mayo, on a site formerly used for peat harvesting, is progressing very well and due to be operational by October 2019;

> Our Resource Recovery business has successfully launched Ireland's first tyre recycling business in Drogheda and created 40 new jobs in the process and Ireland's first plastics recycling facility at the former Littleton briquette factory in Tipperary creating a further 40 jobs. These projects demonstrate Bord na Móna's commitment to creating sustainable employment and accelerating investment in higher-value recycling and resource recovery businesses;

> In addition, significant progress has been made in our New Business and Land Development business unit with pilot projects already underway in the areas of energy, food and health in full alignment with national policy objectives.

The challenge for the Company will be to bring to completion projects that will be capable of generating significant sustainable employment in the Midlands for decades to come. In addition, these projects will need to support the longer term sustainability of the overall Bord na Móna business.

The Board continues to prioritise an approach to corporate governance which is based on best practice and emerging regulation and trends. An independently facilitated Board Evaluation was carried out in 2018 and all of the recommendations for improvement were implemented during the period. In addition, an internal Board Evaluation was carried out this year and the recommendations will be reviewed and implemented. These processes confirmed that the Group has an effective system of corporate governance in place.

My sincere thanks to my Board colleagues for their support and commitment during the year. I know that it has been a difficult year for the Board with very difficult decisions to be made and implemented. We have had a number of changes on the Board during the year. I would like to thank Michael Barry, Kevin Healy, Seamus Maguire, Dennis Leonard and John Farrelly for their valuable contributions to the Board and for their support for myself and the Company on its journey. I would also like to welcome Colman Hynes and Paddy Rowland to the Board. I look forward to working with them as Bord na Móna implements its new strategy.

I would like to thank the Minister for Communications, Climate Action and Environment, Mr Richard Bruton T.D. and Minister of State at the Department of Rural and Community Development and the Department of Communications, Climate Action and Environment, Mr. Sean Canney T.D. for their continued support of Bord na Móna which, given the transition process which Bord na Móna is facing, is essential. I also express my appreciation to Mr Mark Griffin, Secretary General of the Department, Ms Patricia Cronin, Assistant Secretary General and Ms Barbara Leeson, Principal Officer and the other officers of the Department for their support and advice.

Over the year, the Company interacted on a regular basis on governance matters with the NewERA division of the National Treasury Management Agency and the Department of Public Expenditure and Reform. I wish to thank the officials in NewERA and the officials in the Department for their support during the year.

Bord na Móna continues to operate in a challenging business environment, but I am confident that the Board, together with management led by our Chief Executive Tom Donnellan, will ensure that the Company both delivers on national decarbonisation requirements and reinvents itself with new relevant employment projects so that it can continue to fulfil its mandate in respect of the Midlands.

Geoff Meagher
Chairman

STATEMENT FROM THE CHIEF EXECUTIVE

We've restructured and reinvested to build a sustainable future for Bord na Móna.

The future is clear.

In the eighty five year history of Bord na Móna, 2018 saw the greatest challenge to the business, operations and even the very existence of the company. Bord na Móna could continue on its traditional course of action, with managing the land and peat resources as the main commercial activity. The company could ignore the challenges posed by the greatest threat facing the planet in the twenty-first century, climate change. In doing so, Bord na Móna would also fail to contribute towards Ireland achieving a decarbonised economy by 2050.

The other course of action required Bord na Móna to step up to its responsibilities on climate action and make some difficult decisions. It would mean moving away from traditional operations and building a new future, based on providing low carbon fuels, goods and services.

On 24 October, 2018 Bord na Móna made its choice. On that day I announced a new strategy that involved a fundamental repositioning of the company, moving from our traditional 'brown' operations to a sustainable 'green' future. This ambitious restructuring enables Bord na Móna and the region to benefit from the significant opportunities decarbonisation creates.

From brown to green — our decarbonisation journey is underway

The Strategy Has Three Pillars

1. Consolidate and simplify
A simpler and stronger Bord na Móna by:

- Restructuring the traditional operations to reduce complexity and become fit for purpose;
- Consolidating existing peat-based businesses into a new Energy business unit to drive profit;
- Significantly reducing payroll and non-payroll expenditures;
- Exiting unprofitable businesses;
- Reducing management overhead with central functions transferred to the business units;
- Developing a leaner group centre to focus on strategy, governance, capital allocation and talent development.

The plan involved a redeployment and voluntary redundancy process. Achieving a just transition was extremely important to Bord na Móna. This was reflected in the terms of the voluntary redundancy scheme and the provision of an extensive range of skills supports to employees leaving the company. The financial cost of these difficult but essential parts of the decarbonisation and restructuring process are reflected in the exceptional items reported in the FY19 annual accounts.

Restructuring on this scale requires a significant investment in the future. This investment in Bord na Móna's future as a low carbon business is shown in the FY19 figures.

CHIEF EXECUTIVE
TOM DONNELLAN

2. Extend and expand existing core low carbon businesses

An extended core driving long term sustainable growth by:

> Increasing production capacity to become Ireland's leading renewable energy generator by 2030 by:
  – Generating energy from wind, solar, biogas, anaerobic digestion and biomass
  – Partnering and driving innovative energy management services

> Leading Ireland's drive towards sustainable waste management by:
  – Being the leading collector and processor of waste in the Midlands
  – Converting low value waste into high value products
  – Transforming waste into fuel

The Powergen Development business unit's activities will provide a sound financial base for the company and make a significant contribution to Ireland's national emission reduction targets. Our goal is to supply up to 3.0 terawatt hours (TWh) of renewable electricity by 2030. This would represent a threefold increase on the 1.0TWh of renewable electricity that we will generate in 2019. We are already underway. Oweninny wind farm will be operational in 2019. Planning applications have been lodged for Derryadd wind farm in Co. Longford and a solar photo voltaic farm in Co. Kildare. Public consultation on the proposed anaerobic digestion plant in Portlaoise has commenced.

Commitment to service excellence aligned to the development of innovative technologies that embed recovery and recycling in waste management are key drivers in the Resource Recovery business unit. This year over 113,000 households and businesses in the Midlands chose Bord na Móna's award-winning waste management service. The Drehid waste management facility converts landfill gas into electricity. The tyre recycling service in Co. Louth is the only one of its kind in the county turning end-of-life tyres into high value saleable products.

3. Develop and scale the new

Invest in new sustainable businesses with scale and employment opportunities by:

> Leveraging existing land, renewable energy supply, water and experienced workforce;
> Developing low carbon goods and services for local, national and international markets.

The commercial focus is to compete in the expanding green economy. The ideation process for these new business projects was greatly assisted by the strong project management culture that exists in Bord na Móna. We are investing in Aquaculture, Herb and Plant cultivation and Birchwater harvesting. In FY19, the Aquaculture fish farm project successfully passed key milestones with the establishment of a closed loop fish farm in Mount Lucas, Co. Offaly stocked with 300,000 freshwater fish. In addition, we have successfully completed the harvesting of Birchwater on a trial site in Derrahaun, Co. Longford. Planting of herbs has been completed on two trial sites, one located in Mount Lucas and the other in Derryfadda, Co. Galway. 30 people are now working on the Herb and Plant cultivation project, developing products for the herbal medicine and eco foods sectors.

It is important to note that despite the challenges of the year, the underlying health of the company remains strong. Operating profit for the year actually increased from €33.2 million to €41.3 million while debt decreased significantly from €76.1 million to €22.9 million. These positive numbers are signs of significant encouragement as the company transitions to its new non-peat existence. The exceptional items amounting to €91.4 million illustrate the significant scale of the Company's investment in decarbonisation.

In the past year, Bord na Móna has confronted what many businesses in Ireland will be tackling in the very near future.

We have faced the imperatives of decarbonisation and have made the difficult but ultimately positive decisions to build a new, low carbon future for the people and communities that depend on us.

We have chosen opportunity over oblivion. I am pleased to report that in countless engagements, forums and town hall meetings with hundreds of employees of Bord na Móna the fundamental choice was never once questioned. Bord na Móna has chosen to embrace the opportunity of decarbonisation.

Tom Donnellan
Chief Executive

CHIEF FINANCIAL OFFICER'S REVIEW

MARK MCGLOIN
Interim Chief Financial Officer

The results for FY19 adjusted for exceptional items demonstrate a strong operational performance driven by the successful implementation of the decarbonisation restructuring program.

	FY19	**FY18**
	€ Million	**€ Million**
Revenue	380.4	395.3
Operating loss	(50.1)	(6.1)
Exceptional costs/impairments	91.4	39.3
Adjusted operating profit	**41.3**	**33.2**
Depreciation/amortisation	36.3	41.1
EBITDA adjusted for exceptional items	**77.6**	**74.3**
Total assets	474.7	552.0
Capital expenditure	29.3	27.4
Net debt	22.9	76.1
Shareholders' funds	161.3	218.1

> Turnover decreased by 3.8% from €395.3 million to €380.4 million, a decrease of €14.9 million driven by a change in licenced landfill tonnage and the exit from the coal business

> Investments in the decarbonisation restructuring program and change in energy market conditions drive the exceptional costs and impairments

> Operating profit adjusted for exceptional costs increased €8.1 million on FY18 with adjusted EBITDA increasing by €3.3 million

> Net debt reduced by €53.2 million due to capital control, restructuring savings, the sale of a 12.5% share of Sliabh Bawn wind farm and working capital gains

During the year, Bord na Móna restructured the entire Group and created an Energy division which combined the existing Peat, Biomass, Fuels, Horticulture and Powergen Operations businesses. We have accelerated the Powergen Development programme focusing on the development of our long term energy assets and created the New Business and Land Development division focusing on maximising the value of our 80,000 hectare land bank and the creation of new commercial and employment opportunities in the Midlands. The restructuring decision was taken in order to prepare Bord na Móna for the financial impact of the decarbonisation of the energy industry and our national role in reducing the carbon intensity of energy.

The €91.4 million of exceptional charges incurred arise out of decarbonisation and represent a significant investment both in the Group's low carbon business model and the future profitability of Bord na Móna. The cost is treated as an investment and the savings will be reinvested into our Resource Recovery, Powergen Development and New Business and Land Development business units which are tasked with maximising the value of the Group's land assets and delivering commercially successful projects which in turn will deliver job creation. The Group will continue to exercise strict capital and cost control to ensure cash is available for the projects that meet our investment criteria.

The Group has a renewable energy development pipeline that will see the Group deliver 3TWh (terawatt hours) of renewable electricity by 2030 and is accelerating our investment in these areas.

There was a significant reduction in net debt in FY19 from €76.1 million to €22.9 million, as a result of which, the Group remains on a sound financial footing. This was achieved through prioritisation of capital expenditure on sustainable projects, a major cost reduction program and the sale of a 12.5% share of the Sliabh Bawn wind farm along with improved working capital performance. The Group has reduced net debt by €147.6 million since FY17 as it prepared for the transition to a reduced dependence on the Peat business.

Key financial highlights of the year include:

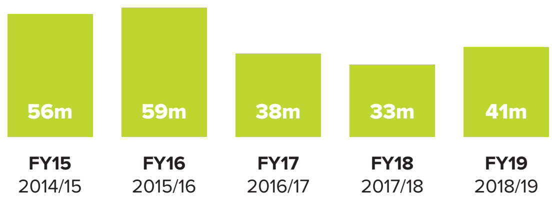
- The successful financial close of the €180 million Oweninny joint venture with ESB. The team raised €160 million of project finance against the 93MW wind farm and the project is delivering to planned schedules;
- The sale of a 12.5% share of the Sliabh Bawn wind farm contributed positive cash flow and generated a €3.9 million operating profit;
- The decarbonisation restructuring program delivered substantial savings in FY19 and will continue to drive group performance in FY20 and beyond. This will offset the expected financial impact of lower peat sales in the future as the Group significantly reduces the annual harvest and prepares for the complete end of peat for energy production;
- The Fuels business implemented a key part of the Group's decarbonisation plans through the exit from the coal business and delivered the targeted savings from the closure of the Littleton briquette factory;
- The Powergen business adapted to the change to the ISEM electricity market and delivered a strong year supported by higher than average prices;
- Our New Business and Land Development division invested in Aquaculture, Birchwater and Herb production trials as we diversify the business away from a reliance on peat;
- The investment of €3.8 million into our tyre recycling facility in Drogheda which recycles tyres into products used in astroturf, playgrounds and as a substitute for horticultural bark. This supports 40 jobs locally;
- Net debt reduced by €53.2 million.

The operating loss was €50.1 million in FY19 (FY18: Operating loss €6.1 million). Operating profit adjusted for exceptional and once-off items was €41.3 million in FY19 (FY18: €33.2 million). Exceptional items arose from the need to prepare Bord na Móna for the financial impact of the decarbonisation of the energy industry and our national role in reducing the carbon intensity of energy.

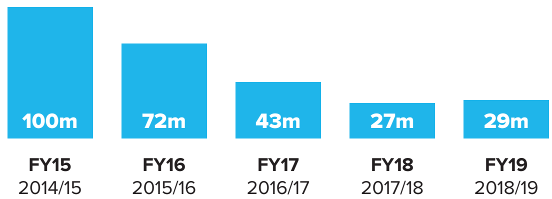
Exceptional items included:

- €41.9 million of restructuring costs in relation to the rationalisation of the Group and Energy business units;
- €25.0 million of impairment costs related to the rationalisation of the Group and Energy business units;
- €10.6 million of costs in relation to the closure of certain bog areas and the exit of other businesses;
- €3.1 million related to other Group restructuring costs;
- €10.7 million of impairment costs related to changes in the energy market.

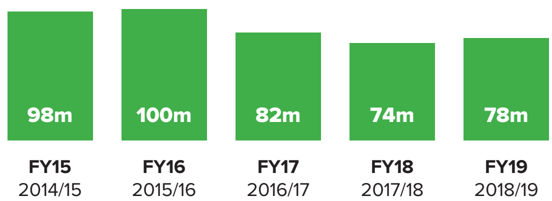
Operating Profit pre Exceptional €Million



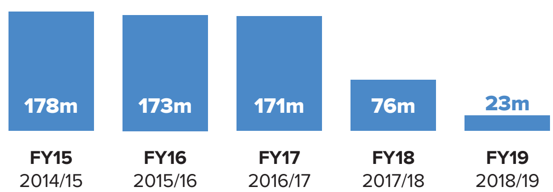
Capital Expenditure €Million



EBITDA Pre Exceptional €Million



Net Debt €Million



EBITDA adjusted for exceptional items was €77.6 million in FY19 (FY18: €74.3 million). Loss before tax was €54.7 million in FY19 (FY18 Loss: €14.4 million) reflecting items previously outlined and a decrease in net finance costs of €3.1 million following the repayment of €50.9 ($65.0) million private placement debt during the year.

Loss for the year was €49.9 million (FY18 Loss: €8.3 million) with a tax credit of €4.8 million (FY18: tax credit of €6.1 million).

	FY19	FY18
	€ Million	**€ Million**
Cash flow from operating activities	20.6	51.6
Working capital & provisions	61.3	18.9
Financing costs paid	(7.9)	(10.9)
Income tax received (paid)	(3.1)	1.6
Net cash flow from operations	**70.9**	**61.2**
Capital expenditure payments	(26.8)	(26.3)
Movement on investments	12.2	(4.9)
Proceeds on disposal of assets held for sale	0.0	38.3
Funds advanced on RCF facility	0.0	(11.6)
Debt repayment	(55.8)	(38.1)
Cash received on derivatives	6.4	7.9
Dividend paid	0.0	(2.5)
Net increase in cash and cash equivalents	**6.9**	**24.0**
Decrease in debt financing	51.1	43.9
Change from non-cash movements	(4.8)	27.4
(Decrease) in net debt	**53.2**	**95.3**

The Group had a net cash inflow of €6.9 million in FY19 compared to €24.0 million inflow in the prior year – main movements relate to increased cash from operations of €9.7 million and reduced cash from investments and sale of assets of €21.2 million.

At year end, the Group had net debt of €22.9 million, a decrease of €53.2 million in the year.

The detailed cash flow statement is given on page 62 supported by notes 18 and 21 to the Financial Statements.

Investment for the future

Capital expenditure payments for FY19 amounted to €26.8 million (FY18: €26.3 million). The capital investment programme largely related to normal maintenance capital expenditure particularly in the Resource Recovery and Peat businesses, both of which are capital intensive. We invested €3.8 million in our tyre recycling facility. At Edenderry Power plant we invested in equipment preparing the site for increased emissions standards.

Financial Investments for FY19 amounted to €12.2 million net inflow (FY18: €4.9 million net investment). Financial investments in equity-accounted investees were net cash positive for the year with the sale of 12.5% of Sliabh Bawn and the repayment of equity funding from the Oweninny wind farm.

Research and Development: During FY19 Bord na Móna spent €9.8 million on research and development including business development, exclusive of grants (FY18: €9.3 million). The Group are developing new opportunities focused on low carbon goods and services in areas such as: waste to energy, wind and solar farms, new products and markets, Aquaculture, Herb and Plant development and process improvements in all areas.

Capital Structure and Treasury Policy

The Treasury Policy for the Group is reviewed by the Board and is implemented and monitored by the Group Treasury function. The Policy aims to minimise overall Group funding costs and to maintain flexibility in volatile markets, subject to acceptable levels of treasury and counterparty risk.

The overall objective of the Treasury function in managing foreign exchange risk is to contribute to the achievement of the Group financial objective of stable euro operating profit growth in a risk averse and cost effective manner and to use natural hedges across the Group wherever possible.

The Treasury policy permits derivative instruments to be used to mitigate financial risks and derivatives are executed in compliance with the specification of the Minister for Finance issued pursuant to the 'Financial Transactions of Certain Companies and Other Bodies Act 1992'.

The Group's overall debt position is primarily fixed through interest rate and foreign exchange swaps. Net borrowings in FY19 reached a peak of €87 million in May 2018, compared with a peak in FY18 of €189 million.

The peak borrowing generally occurs when stocks are at their highest level. Net finance costs at €6.9 million were €3.1 million lower than in the previous year due to lower average debt levels.

At year end, the Group had $78.0 million (€55.7 million) fixed rate debt which was raised on the US private placement market. In order to hedge the associated U.S. 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 this debt. This debt is repayable in August 2019.

The maturity profile of fixed debt at the financial year end was as follows: 100% repayable in FY20. Gearing was at a level of 15% compared to 35% at March 2018 reflecting the significant reduction in borrowings and cash generated.

Mark McGloin
Interim Chief Financial Officer

MANAGEMENT TEAM

Bord na Móna is a company going through significant change. Our management team steer this change whilst delivering on performance across each of our businesses.

Tom Donnellan
Chief Executive

Vincent Redmond
Head of Transition and Communications

John Reilly
Head of Powergen Development

Mark McGloin
Interim CFO

John Hannan
Interim Head of HR

Mark Higgins
Head of New Business and Land Development

Anna-Marie Curry
Company Secretary and General Counsel

Joe Lane
Head of Energy

Ciaran Brady
Head of Resource Recovery

ENERGY

The Energy Business Unit is key to the Group's decarbonisation plans. The business incorporates all of Bord na Móna's traditional, peat based businesses, as well as a number of key future facing activities including sustainable horticulture, biomass and the powergen operations.

JOE LANE
Head of Energy

In October 2018 Bord na Móna announced its Brown to Green Strategy to simplify the Group's traditional operations and substantially reduce carbon emissions. This involved the implementation of an immediate 50% reduction in the Group's peat harvest with a full cessation of production on twenty bog areas.

The former Horticulture, Fuels, Peat, Biomass and Powergen Operations businesses are all now consolidated into the new Energy Business Unit. This involved a reduction in numbers employed, through redeployment and voluntary redundancy of approximately 400 people. As it implemented these changes, the business generated an annual revenue of €290 million and now employs approximately 900 people across Bord na Móna's traditional counties including Offaly, Kildare, Galway, Longford, Roscommon, Meath, Westmeath, Mayo and Laois.

Energy's new purpose is to deliver and fund Bord na Móna's decarbonisation journey while maintaining its role as a significant employer and economic contributor in the Midlands. The decarbonisation plans involve completely exiting peat for energy harvesting by the middle of the next decade. This rapidly approaching deadline, and many other aspects of the new strategy, are being managed by the people in the Energy business.

HIGHLIGHTS

1. The ongoing transition away from peat

> Peat harvesting operations down to 10,000ha from 18,000ha in 2018
> The ongoing reductions mean Bord na Móna's peat operations now account for one per cent of the nation's peatlands

2. One of the largest users of sustainable biomass in Ireland

> In FY19 over 78% of the biomass we used was from indigenous sources
> As co-fuelling ramps up, indigenous material will be supplemented by independently validated, sustainable, ethical, low-carbon at point-of-use biomass
> The supply of biomass will be managed by the same workforce that has supplied peat to ESB and Edenderry Power

3. Energy operates the wind, thermal and waste-to-energy generation assets;

> Bellacorrick wind farm
> Mountlucas wind farm
> Bruckanna wind farm
> Sliabh Bawn wind farm (joint venture)
> Oweninny wind farm (joint venture, Oct '19)
> Edenderry power station
> Drehid landfill gas facility

4. Formerly the nation's largest domestic solid fuel supplier, Energy has:

> Lead the change by completely ceasing its supply of bituminous coal in Ireland
> Reduced manufacturing capacity for Peat Briquettes by 50%
> Committed to ensuring that our customers, who depend on briquettes to heat their homes, will be supplied with high quality products

5. Through its joint venture, Electricity Exchange, the business is enabling world-leading smart innovation that is reducing the demand for Power Generation capacity.

6. The business is actively transitioning its retail growing media portfolio to include recipes incorporating composted green-waste and other sustainable materials.

> In the past year the business has incorporated 66,000 tonnes of green waste in its horticulture products, representing an increase of 1.5% on the previous year

Energy lands

The unwinding of peat based activities is key to Bord na Móna's land change plans. The business now provides the workforce, expertise and equipment that carry out the decommissioning and rehabilitation of former peat production areas, reducing peat operations by 8,000ha in the last year alone. The successfully rehabilitated land now exceeds the remaining production areas by over 50%.

KEY FACTS

62% Improvement in Safety performance

20% Reduction in vehicles in the last year

10% Year-on-year reduction in process carbon emissions

RESOURCE RECOVERY

Our aim is become a leading waste collector, processor, and end-treatment-solution provider to support Ireland's drive towards sustainable waste management.

CIARAN BRADY
Head of Resource Recovery

We are investing in services, technologies, sites and processes that turn low value waste into high value products.

As of March 2019, 113,000 domestic customers had chosen our award-winning waste collection service. We are maximising the commercial value of this waste while minimising its impact on the environment. We operate seven waste transfer centres, three waste recovery facilities, a mixed dry recyclables recovery facility, a bio-waste facility and a landfill site. A range of advanced waste processing, segregation, treatment and recycling technologies are deployed at these waste facilities to efficiently and economically extract the maximum benefits from waste, and minimise waste for disposal.

Waste to high value products

We operate Ireland's only tyre recycling facility, transforming end-of-life tyres into saleable recycled products. The Donore Road site can handle 30,000 tonnes of tyres every year. Once remanufactured, crumb rubber can be used to produce a number of eco products including sports pitches to FIFA standard, equestrian rubber, as a substitute for horticultural bark and more. Our market share grew from 30% to 35% in the last 12 months. This facility provides 40 direct jobs.

WASTE TO ENERGY

5MW

The 5MW landfill gas utilisation plant at Drehid, Co. Kildare uses methane gas generated during the decomposition of waste within the fully lined landfill as fuel to generate electricity.

8,500

Homes powered by renewable electricity generated from landfill gas.

HIGHLIGHTS

Commercial innovation

During FY19, the 13 acre, 7,000 square meter tyre recycling site in Drogheda, Co. Louth produced 6,000 tonnes of crumb rubber.

Lowering fleet emissions

In FY19 we introduced a new fleet, with a reduced truck size that consumes less fuel, has more economical engines and produces lower emissions. We look forward to introducing the Group's first all electric bin Refuse Collection Vehicle (RCV) later in 2019.

Delivering quality service

Winner of the 2018 Packman Collector of the year awards.

Corporate Social Responsibility

€230,000 granted to the Drehid Community Gain Scheme, which now totals €3.3 million.

BORD NA MÓNA BUSINESSES

POWERGEN DEVELOPMENT

Renewable energy is the key driver of growth in Bord na Móna, providing very significant market opportunities to leverage our land assets, project development skills and technical experience in operating renewable energy assets.

JOHN REILLY
Powergen Development

The Group currently produces approximately 10% of the renewable electricity generated in the Irish energy market. Our portfolio of energy sources is expanding and includes wind, biomass, biogas and other renewable energy technologies such as solar photo voltaic.

The Group is substantially increasing its investment and accelerating its development programme in renewable power generation. This accelerated programme will see it treble its supply of renewable electricity from 1.0TWh in 2019 to 3.0TWh in 2030.

The Group's ambitious programme is supported by its landbank which allows it to accommodate projects of significant scale. The development programme is designed to ensure that Bord na Móna makes a major contribution to the achievement of national renewable electricity production and carbon emissions reduction targets by 2030.

HIGHLIGHTS

Wind

The 93MW, 29 turbine Oweninny wind farm, Co. Mayo, a joint venture with ESB, will begin commercial operation in Q4, 2019.

The 21 turbine wind farm development in Cloncreen, Co. Offaly is in the procurement phase, with construction commencing in 2020.

A planning application has also been lodged, and public consultation process commenced, in respect of the proposed 90MW, 24 turbine Derryadd wind farm in Co. Longford.

Solar

Planning application has been made to develop a 70MW solar photo voltaic project in Timahoe North, Co. Kildare in joint venture with ESB.

Anaerobic Digestion

A large scale anaerobic digestion facility, currently in development in Cúil na Móna, Co. Laois will generate renewable gas for direct injection into the natural gas network. This project will assist Ireland in meeting its renewable heating targets. A planning application is expected to be submitted later this year.

INVESTING IN IRELAND

€80 million

The €180 million Oweninny wind farm project is part-funded by a €80 million facility from the European Investment Bank (EIB). This is the single biggest investment the EIB has made in an onshore wind infrastructure project in Ireland.

RENEWABLE ELECTRICITY MARKET

20% By 2020, 20% of energy used across the EU must be renewable

70% By 2030, 70% of Irish electricity must come from renewable sources. This provides the market opportunity for an accelerated development programme

WE HAVE THE RESOURCES & KNOWLEDGE TO BE LEADERS IN RENEWABLE ENERGY

58%

Of electricity generated by Bord na Móna in 2019 was from renewable sources

70%

Of electricity generated by Bord na Móna in 2020 will be from renewable sources as new projects enter operation

NEW BUSINESS AND LAND DEVELOPMENT

Our focus is to seek commercial opportunities in non-peat sectors that realise the full potential of our land, people and energy assets.

MARK HIGGINS
New Business and Land Development

We are following through on the Group's commitment to developing commercially viable, low carbon, environmentally sustainable enterprises.

With 80,000ha of peatlands, land is one of Bord na Móna's most significant assets which provides a multitude of opportunities from commercial to non-commercial including biodiversity and ecosystem services. 15,000ha have been rehabilitated and are now available for non-peat commercial use.

Ireland has an established reputation worldwide as an island of quality food producers. This, aligned to growing demand for natural, responsibly produced foods, creates a number of business opportunities for the Group.

One of these opportunities which is at feasibility stage is Aquaculture. This pilot project examines the inland farming of freshwater fish on cutaway peatlands in Co. Offaly.

Two further opportunities are at feasibility stage. The first, Birchwater, examines the feasibility of harvesting, processing and marketing sap from trees that naturally colonise our peatlands

The second opportunity is Herb and Plant cultivation for the herbal medicine and health food markets. The global herbal medicine industry is currently valued at €108 billion per annum, with estimated year-on-year growth of 8%. 17 indigenous herb varieties are being cultivated on our peatlands in Co. Offaly. A secondary part of this project is the harvesting of plants growing naturally in the area.

As well as providing sustainable employment in growth markets, these projects support biodiversity in the region.

GREEN INNOVATION
Creating world class low carbon sustainable businesses.

The fish farm, being located at Mount Lucas wind farm, is powered by renewable energy and uses an innovative, natural filtration system.

The Herb and Plant cultivation and Birchwater projects both seek to leverage our natural resources and the wide range of plants and herbs that grow on our peatland.

2,500,000

Litres of Birchwater targeted for next season's harvest

SUPPORTING IRELAND'S NATIONAL CLIMATE POLICY

We are committed to using the land bank responsibly to positively contribute towards the country's decarbonisation goals. Evaluating and monitoring the environmental impact of proposed changes in our land use are embedded in the new business development process.

THE BOARD AND COMPANY SECRETARY

Geoff Meagher
Chairman
Chairman of Remuneration and Finance Committees

Geoff Meagher was appointed the Chairman of Bord na Móna in October 2017. An accountant by profession, Geoff has over thirty five years' experience operating at senior management level in commercial organisations. He has worked in various roles within Glanbia, including twenty years as Group Finance Director and four years as Deputy Group Managing Director until he retired in 2009.

Geoff now has his own consultancy business and holds Board positions with Enterprise Ireland (including chairing its Audit Committee), IPL Plastics Inc, Bon Secours Health System, (including chairing its Finance and Audit Committee), SME Finance and Leasing Ltd, and Kilkenny Coop Livestock Mart Ltd. (including Chair of its Finance and Development Committee).

In addition, Geoff is heavily involved with the Society of St Vincent de Paul, having served as National Treasurer for a five year period up to 2012 and as National President for five years up to May 2017.

Tom Donnellan
Chief Executive
Member of Finance and Health and Safety Committees

Tom Donnellan became Chief Executive of Bord na Móna in April 2018. Tom joined the company from Alcatel Lucent, a top 100 Global Telecoms infrastructure company owned by Nokia, where he had worked since 2009, most recently as the Senior Vice President of Global Operations in France. Tom hails from Co. Clare and has also held senior management positions both in Ireland and internationally in Packard Bell, Apple and Samsung.

Anna-Marie Curry
Company Secretary and General Counsel

Anna-Marie joined Bord na Móna in 2007 as Head of Legal and was appointed to the role of Company Secretary and General Counsel. Prior to joining Bord na Móna Anna-Marie trained and practiced as a corporate solicitor with Arthur Cox in Dublin. Anna-Marie holds a B.A. and LL.B. from National University of Ireland, Galway, a Masters of Law (LL.M.) from the University of Edinburgh, a Certificate in Company Secretarial Law and Practice from the Law Society of Ireland and a Diploma in Company Direction from the Institute of Directors.

Philip Casey
Board Member
Health and Safety Committee

Philip Casey was appointed to the Board in January 2015 under the Worker Director (State Enterprise) Acts 1977 and 1988 and reappointed in 2019. He joined Bord na Móna in 1980 as a production seasonal operative and became permanent in December 1981. He was appointed as a Team Leader in 1991. He transferred to Rail Transport operations in 1997 where he is currently employed as a Rail Transport Shift Operative. He holds HETAC certification in Health and Safety, Employment Law, Equality/ Social and Economic Issues and a BSc in Environmental, Health and Safety management.

Denise Cronin
Board Member
Chairman of Risk and Audit Committee

Denise Cronin was appointed to the Board in September 2011 and reappointed in May 2016. She currently works as a Director of Finance in the not for profit sector. She has held various finance roles in a number of Irish and US companies across a range of industries. Denise is a Fellow of Chartered Accountants Ireland, holds a BComm (Hons) from University College Cork, a MSC in Public Policy from Dublin City University, and a Diploma in Risk, Internal Audit and Compliance from Chartered Accountants Ireland.

Elaine Treacy
Board Member
Remuneration and Board Evaluation Committees

Elaine Treacy was appointed to the Board in July 2012 and reappointed in 2017. With 20 years experience in the technology industry, Elaine has a wealth of expertise in international sales, marketing and business strategy coupled with capital and fundraising and M&A. Her career spans PLC, public sector and start-up organisations. Elaine is the Global Product Director for AMCS Group, a global leader in waste and recycling software and technology. Elaine holds a Master of Business Studies (MBS) and a Bachelor of Commerce from National University of Ireland, Galway.

John V Farrelly
Board Member
Member of Risk and Audit Committee

John V Farrelly was appointed to the Board in June 2014. He is a Director of DNG Royal County Auctioneers and Estate Agents. He served as a Senator from 1993 to 1997 and was a member of Dáil Éireann from 1982 to 1992 and 1997 to 2002. He was member of Meath County Council from 1975 to 2014 and served as Chairperson twice. John was Chairman and is currently a Director of Meath Tourism. He also served as Chairperson of the East Border Region. He is currently a Director of the Kells Literary Hay Festival and has served on a number of other bodies during his career. He is a graduate of Warrenstown Agricultural College.

Denis Leonard
Board Member
Member of Finance Committee

Denis Leonard was appointed to the Board in June 2014. He is the Principal of a further education college in Dunboyne as well as having served as a member of Westmeath County Council and the Longford Westmeath Education and Training Board. He has a degree in Arts and Master's degree in Equality Studies from UCD, as well as a post-graduate degree in Guidance from NUI Maynooth. He has served on the boards of Greenpeace, VOICE and a North South Children's Charity. He has extensive experience in the area of the environment, producing and presenting a radio programme in this area for five years. He has worked for many local and national community development, transport, environment and charity organisations and has served as Chairperson of the Westmeath Heritage Forum.

Paschal Maher
Board Member
Member of Finance and Board Evaluation Committees

Paschal Maher was appointed to the Board in May 2016 under the Worker Participation (State Enterprises) Acts 1977 and 1988, and reappointed in January 2019. He previously served as a Director in 2014. He joined Bord na Móna in 1980 as a seasonal worker in peat production and was appointed as a full time machine driver in 1983. In 1986 he moved to Transport Operations and was appointed as a Team Leader in 1990, a position he currently holds. He has been assigned to the Blackwater Works throughout his career.

Gerard O'Donoghue
Board Member
Chairman of Health and Safety Committee
Member of Remuneration Committee

Gerard O'Donoghue was appointed to the Board in October 2012. He is a practising Solicitor and was appointed as a Notary Public in July 2005 by the Supreme Court. He is principal in the practice of White O'Donoghue and Company Solicitors, Abbeyleix, Co. Laois.

Paddy Rowland
Board Member

Paddy Rowland was appointed to the Board under the Worker Participation (State Enterprises) Acts 1977 and 1988, from January 2003 to December 2011. He was reappointed in January 2019. He joined Bord na Móna in 1984 as an apprentice fitter and has worked in many areas of Bord na Móna since.

Barry Walsh
Board Member
Chairman of Board Evaluation Committee
Member of Risk and Audit Committee

Barry Walsh was appointed to the Board in October 2012. He is an accountant by profession and worked for most of his career in senior financial positions in the Irish Life Group. From 2012 up to his retirement in 2014 he was Company Secretary of the Irish Life Group and is currently Chairman of the Irish Life Staff Pension Schemes. In 2017 Barry joined the board of Energy Action, a charity addressing energy efficiency and fuel poverty in Ireland.

Colman Hynes
Board Member
Member of Health and Safety Committee

Colman Hynes was appointed to the Board in January 2019 under the Worker Participation (State Enterprises) Acts 1977 and 1988. He joined Bord na Móna in 1983 as a laboratory assistant in Newbridge and has worked as a horticulture laboratory technician since 1993.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

Sustainability is a comprehensive approach to management of our organisation which is focused on creating and maximising long-term economic, social and environmental value.

On 25 September 2015, 193 countries agreed and adopted a set of goals as part of a new global sustainable development agenda. The 17 Sustainable Development Goals (SDGs) define global priorities for 2030 and represent an opportunity to put the world on a sustainable path. The Goals cover key dimensions of sustainable development: economic growth, social inclusion and environmental protection.

In Ireland, a whole of Government approach is being taken in delivering these goals, with the Minister for Communications, Climate Action and Environment having lead responsibility for the promotion and oversight of national implementation of the SDGs across Government.

Successful implementation of the global goals across all sectors, will support Ireland's objective to deliver a high-skilled, competitive economy that benefits people throughout Ireland. **It will also support delivery of Ireland's ambition to be recognised as a Centre of Excellence for responsible and sustainable business practice**.

In this report we have mapped our sustainability plans against the principles and direction of the relevant UN Sustainability Development Goals. We recognise that our business has a key role to play in Ireland's sustainable development targets and we have identified that we are supporting 10 of these goals.

Bord na Móna is committed to 10 of the 17 United Nations' Sustainable Development Goals

GOAL 2:
ZERO HUNGER

> Committed to investigating opportunities to leverage our land assets to produce a low carbon sustainable food supply

> Our Aquaculture feasibility project, in partnership with BIM, UCC and Goatsbridge offers significant potential support towards the achievement of this goal

GOAL 3:
GOOD HEALTH AND WELL-BEING

> The aim of our Health and Wellness programme is to promote wellbeing of body, mind and spirit through simple everyday activities

> We focus on four key themes throughout the year:

- General health
- Physical health
- Nutrition
- Health and Safety

> We host weekly 5km Parkrun events at our Mount Lucas wind farm facility

GOAL 4:
QUALITY EDUCATION

> We are providing a robust employee support programme during our transition in line with our policy objective to support sustainable jobs in the Midlands

> We delivered 66 employee supports training and upskilling events and workshops across 7 locations, supporting 646 employees during their transition

BORD NA MÓNA
SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT CONTINUED

GOAL 7:
AFFORDABLE AND CLEAN ENERGY

- Our Powergen Development renewable energy pipeline will ensure that by 2020 - 70% of the electricity generated by the company's portfolio of assets will be from renewable sources
- A 1% reduction in fuel consumption was achieved in our Resource Recovery business unit by introducing wheel and tyre re-balancing every three weeks
- Planning consent achieved for the Cloncreen wind farm, a 21 turbine development in Co. Offaly
- Oweninny wind farm in Co. Mayo is a 29 turbine development with an installed capacity of 93 MW
- FY19 saw the launch of projects focused on delivering capacity to support the decarbonisation of both the heating and transport sectors of the economy. The development of a large scale anaerobic digestion (AD) facility at Cúil na Móna converting 80,000 tonnes of organic waste into biogas
- Through our joint venture with Electricity Exchange, we are enabling world-leading smart innovation to reduce the demand for power generation capacity through virtual generation technology

GOAL 8:
DECENT WORK AND ECONOMIC GROWTH

- Electricity Exchange doubled employment numbers to 26 since its foundation in 2014
- Our Resource Recovery business has successfully launched Ireland's first tyre recycling business in Drogheda, creating 40 new jobs in the process and Ireland's first plastics recycling facility at the Littleton briquette factory site in Tipperary, creating a further 40 jobs

GOAL 9:
INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Electricity Exchange is enabling world-leading smart innovation that is reducing the demand for power generation capacity
- We have partnered with Bord Iascaigh Mhara and others to explore closed loop Aquaculture on cutaway peatlands as a sustainable food resource

GOAL 11:
SUSTAINABLE CITIES AND COMMUNITIES

- Our AES domestic waste business services 113,000 homes across Ireland
- AES donate 1% of all online bill payments of €20 or more to charity. This enabled charitable donations of €75,000 in the past year
- AES operate the only waste tyre recycling facility in Ireland, removing nuisance waste tyres from the community and supporting the circular economy and local employment of 40 jobs

GOAL 13:
CLIMATE ACTION

- Commitment to accelerate decarbonisation
- 50% reduction in peat production in the 2019 harvest
- In FY19, 78% of our biomass was from indigenous sustainable sources
- Contributing to the achievement of national renewable electricity production targets of 70% by 2030. We currently produce 10% of the renewable electricity generated in the market
- Development of a large scale anaerobic digestion facility to produce renewable biogas from the treatment of 80,000 tonnes of organic waste
- In 2018 we ceased supply of coal to the market in support of the Clean Air Policy, leading the change from bituminous coal in Ireland
- Reduced our manufacturing capacity for peat briquettes by 50%
- Commitment to significantly reduce fugitive emissions from land by 50% in 2033 through land rehabilitation and cessation of energy peat harvesting

GOAL 15:
LIFE ON LAND

- Complete the rehabilitation of a further 20,000ha of our cutaway and cutover peatland by 2025; transforming this landscape to a mosaic of wetland and woodland supporting a diversity of habitats. This means that by 2025 Bord na Móna will have rehabilitated at least 35,000ha of peatland in Ireland
- Complete the restoration of a minimum of 3,000ha of raised bog habitat by 2025

GOAL 17:
PARTNERSHIPS TO ACHIEVE THE GOAL

- The Oweninny wind farm project as well as the Timahoe North solar photo voltaic project are being developed on a joint venture basis with our partners, ESB
- Siemens are major project partners on the Oweninny wind farm development
- Partnering with Coillte and Greencoat Renewables in Sliabh Bawn wind farm
- Partnership with Bord Iascaigh Mhara on our Aquaculture project
- Partnering with Offaly County Council at our Lough Boora Discovery Park, Lough Boora Sculpture Park and to support the development of regional Greenways
- Partnering with the Midlands Transition Team in support of a managed and just transition towards a low carbon economy
- Electricity Exchange

ENERGY EFFICIENCY REPORT

Energy efficiency continues to be a national imperative with a crucial role to play in Ireland meeting its national and international energy and climate goals and objectives. A target of 33% energy efficiency improvement is to be achieved by all Irish public bodies including Bord na Móna (as defined in SI 426 of 2014) by 2020.

Bord na Móna has already achieved the 33% efficiency improvement target for 2020, and we are continuing our efforts in this area to ensure we maximise our performance against this target.

Of the energy consumption reported to Sustainable Energy Authority of Ireland (SEAI) for 2018, road diesel, gas oil and electricity together represented the most significant categories of primary energy consumed in Bord na Móna.

The Company's energy consumption profile reflects the significance of Bord na Móna's road fleet (involved in moving peat and collecting waste), gas oil (used in peat harvesting), and electricity that is consumed across more than 160 locations.

In 2018, Bord na Móna reported the following energy usage data:

14,738 MWh

of electricity;

30,478 MWh

of road diesel;

20,921 MWh

of marked diesel (non-thermal).

Actions Undertaken in 2017/2018	Actions Planned for 2019/2020
Peat > An audit by NSAI was completed in September 2018, to ensure ISO 50001 had been applied to all areas within the standard scope. Recertification was achieved, with a recommendation for certification for a further three years > The supply chain function saved 114,000 litres of gas oil on rail transported peat through increased tonnes and improved fuel management > The bog operations function demonstrated a reduction of 451,334 litres of gas oil on peat production, through awareness, regular communication of performance and quality management	> Continue with the management of our significant energy users through ISO 50001 > Continue with the installation of energy efficient light fittings and increase the use of natural light at workshops > Continue to highlight energy awareness and audit results on communication screens in all sites > Review the results of the fuel efficiency trial and implement any positive changes which influence driver behaviour and ensure subsequent fuel efficiencies
Powergen Operations > Completed an ISO 50001 reaccreditation audit by NSAI and an upgrade to 2018 version as a systems management improvement > Upgrade of the boiler combustion air controls was implemented to counteract boiler performance issues arising from variable biomass supplies. A combustion efficiency indicator "Fuzzy Logic", has reduced CO (carbon monoxide) and NOx (nitrogen oxide) emissions	> Implementation of selective and precise control of biomass/ peat co-fuelling ratio to more effectively control boiler combustion conditions
Horticulture > Horticulture established an energy management system covering all aspects of energy management on three sites Kilberry, Ballivor and Cúil na Móna > An audit was completed in September 2018 by NSAI to assess compliance and ensure ISO 50001 standard was being applied to all areas inside the scope > Installation of sub-metering aided the reduction of electricity consumption. A reduction of 103,542 KWh equating to approximately 5% was achieved > SEAI accelerator programme training has assisted the transition from 2011 standard, to new ISO 50001, 2018 standard	> Continue implementation of ISO 50001 regarding Energy Performance Indicator (EnPI) data > Upgrade heating controls in Kilberry to reduce energy consumption > Electrical installation upgrade of Ballivor workshop to reduce energy usage > Review fuel efficiency across all horticulture sites > Amalgamate the ISO 50001 certifications for Horticulture, Peat and Fuels businesses to single ISO 50001, 2018 certification for Bord na Móna Energy
Resource Recovery > Twenty new trucks with higher efficiency were added into the fleet. These new trucks meet the Euro 6 standards and are fitted with selective catalytic reduction (SCR) technology for reducing polluting emissions and an Opti-Fuel engine management system for greater efficiency > Electrical review completed in Donore road with subsequent investment in high efficiency lighting and additional power factor correction delivering a reduction in energy consumption of over 50,000 kWh annually > The introduction of a wheel and tyre rebalancing programme (on a three-week cycle) yielded a 1% reduction of fuel consumption	> Introduction of 4 new electric or compressed natural gas (CNG) powered units as part of Resource Recovery's intent to improve efficiency and reduce carbon emissions

GOVERNANCE REPORT

BORD NA MÓNA RISK MANAGEMENT

The Board has overall responsibility for risk management including determining the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives. To address this, the Board has established a risk management system that provides for the continuous identification, assessment, implementation of mitigating actions and controls, and the monitoring and reporting of significant risks within Bord na Móna.

The Risk and Audit Committee ("RAC") is responsible, under delegated authority, for assisting the Board in fulfilling its obligations with regard to assessing, reviewing and monitoring the risks inherent in the business and the control processes for managing such risks. The RAC is supported by an appointed Chief Risk Officer ("CRO").

The CRO is responsible for overseeing the day to day risk management activities and has responsibility for ensuring that an effective risk management system, proportionate to the nature, scale and complexity of the Group is developed and maintained. Bord na Móna has in the past year, revised its enterprise wide risk management system to place more emphasis on strategic risks at a Group level (strategic risk register) and on strategic risks at the business level business risk registers). In this new risk management system, a much stronger focus is now placed on managing risks that management can influence through the risk process. An emphasis on future action items and the responsibility for these is of key importance. Risk management is now embedded in the business at an operating level.

The risk management system provides appropriate governance structures to support risk management practices, formal assignment of risk responsibilities throughout the Group and the procedures to be used, including relevant mitigation actions and controls.

The risk management system includes the following key elements:

> A risk strategy that includes objectives and principles;

> Two risk registers, a strategic risk register and business risk register;

> Assignment of clear mitigating action items and responsibilities for both the strategic risk register and the business risk register;

> A framework and reporting cycle to identify, assess, manage, monitor and report on the risks that Bord na Móna is or may be exposed to;

> A risk monitoring plan that outlines the review, challenge and oversight responsibilities of the CRO;

> A risk monitoring plan that outlines the review, challenge and oversight responsibilities of the management team;

> Reporting procedures which ensure that risk information is actively monitored, managed and appropriately communicated at all levels within Bord na Móna. The procedures outline the reporting responsibilities of management, the CRO, the RAC and the Board;

> Embed a strong risk management culture across all levels of the Group; and,

> Develop a risk appetite statements in conjunction with the strategic planning process, then monitoring and reporting on these statements.

BORD NA MÓNA
RISK MANAGEMENT CONTINUED
STRATEGIC RISKS

∧ Increased Risk Climate

∨ Decreased Risk Climate

⟨ ⟩ Unchanged Risk Climate

	Risk & Impact	Risk Climate	Mitigating Actions
Financial	**Banking Facilities** The risk of the failure to provide adequate banking facilities to meet refinancing and business needs and the failure to manage interest rate and foreign exchange exposure. It is vital that sufficient funding is provided at an appropriate cost to finance the strategic plan, maintain liquidity to meet future commitments and to provide contingency against.	⟨ ⟩	Group treasury is responsible for the day to day treasury activities across the Group including the placing of specific derivatives. The Board has approved a treasury policy which defines how treasury activities are managed across the Group. The Group takes a risk averse position when deciding foreign exchange and interest rate policy. Certain natural economic hedges exist within the Group and the policy is to match and hedge the currencies across the businesses. In order to ensure stability of cash outflows and hence manage interest rate risk, the Group has a policy of maintaining at least 50 per cent of its long-term debt at fixed rates. At 27 March 2019 the Group had €150 million of revolving credit facilities in place, none of which was drawn. In the past year, the Group has put non-recourse project finance in place for wind farms which will become an important source of funding for the Group in the future. Financial instruments are used to manage interest rate and financial risk. The Group does not engage in speculative activity and the treasury operating policy is risk averse.
Operational	**Climate** The overall risk of the inherent uncertainty of various weather patterns on the operating and financial performance of the Group. These include the impact of mild weather on sales volumes during the winter on the Fuels business, the impact of wet springs on sales volumes in the Horticulture business, the financial impact of low wind yields on the wind farms in the Powergen business and the impact of wet summers affecting the level of peat harvested all impact Group profitability. The uncertainty of weather conditions presents a risk to profits generated by the Group.	⟨ ⟩	Developing a balanced portfolio of businesses has given the Group a "hedge" against any one adverse weather condition in a particular business. The Group has also developed contingency plans to protect profitability across the Group if a particularly adverse weather event occurs. It has worked with its employees and trade unions to develop a more flexible workforce.
	Planning Permission The risk of the Group not obtaining planning permission for a number of key infrastructural projects which are included in the strategic plan. Also, the risk of ESB not obtaining an extension of the existing planning permission for Lough Ree Power (LRP) and West Offaly Power (WOP) stations, which expire in 2020.	∧	The Group has an experienced management team that have a proven capability in planning, executing and delivering large infrastructure projects and has demonstrated the capability of doing so. A proven process is in place to ensure that all the necessary documentation and information is submitted to the relevant authorities with each planning application. In addition, the Group engages in extensive community consultation processes. Management have provided detailed information and support to ESB with its planning applications for Lough Ree Power and West Offaly Power stations. Both these applications have been lodged and are currently being processed by the relevant authorities.

BORD NA MÓNA
RISK MANAGEMENT CONTINUED
STRATEGIC RISKS

Operational Continued

Risk & Impact	Risk Climate	Mitigating Actions
Health and Safety The risk of the failure to comply with health and safety legislation and policies due to a lack of enforcement across the Group, or management and employees not following the correct procedures or lack of training all leading to potential injury or death of an employee or damage to property resulting in financial sanction, financial loss and reputational damage.		Detailed health and safety procedures are in place across the Group and these systems are operated based on the nature and the scale of the risks in each business. The Health and Safety department also carries out training of all staff and this is also augmented with external audits carried out by third parties. Insurance cover is maintained at Group level for all significant insurable risks and our insurer's conduct extensive audits. The Group's operations are subject to an increasingly stringent range of regulations and inspections and robust monitoring procedures have been designed to prevent a material breach of statutory or other regulatory obligations.
Cyber Security The risk that the Bord na Móna information technology and, or banking systems are compromised due to being penetrated, hacked or attacked by external or internal parties which results in financial loss and reputational damage. An increase in cyber security risk is now recognised as one of the fastest growing risks for organisations internationally.		The Group has recognised the importance of managing this risk and continually reviews cyber security across the Group with internal and external expertise engaged. Investments in technology and people are made to maintain security around information technology systems to an appropriate standard.
Power Stations-Biomass, Electricity Pricing & Carbon The risk of the non-operation of the three midland power stations past 2019 due to the inability of Bord na Móna to source sufficient volumes of indigenous and imported biomass at commercially viable prices. The risk of the impact of high carbon pricing on the ability of the stations to operate profitably. The risk of low power prices in the single electricity market and the adverse impact that these prices can have on the Group's operating results. Each of these risks could result in significant financial loss to the Group.		The Group has been very successful over the past number of years in sourcing biomass for Edenderry Power station (EPL). A dedicated team has been established to source further indigenous biomass and develop a supply chain for imported biomass to supply the three stations. This imported biomass will fill a demand while the market develops further indigenous biomass from the private forestry sector to mature and become available. Also, for EPL, future carbon pricing is hedged forward on an annual basis and this along with the forward sale of power generated by the station gives certainty of margin. The Group operates a number of different electricity generating assets which utilise different fuels including biomass, wind, gas and peat. The Group has entered 15-year power purchase agreements for a number of these plants which guarantee the price of power generated for those assets. The Group has consistently developed a diversified portfolio of generating assets to mitigate the risk associated with any one individual fuel. The Group recognises that high carbon pricing in conjunction with low electricity prices could have a serious impact on the profitability and future viability of the three stations.

BORD NA MÓNA
RISK MANAGEMENT CONTINUED
STRATEGIC RISKS

	Risk & Impact	Risk Climate	Mitigating Actions
Operational Continued	**Business Transformation** The Group currently has a number of significant business transformation projects underway and a number planned in its businesses. These projects are critical to driving down the cost base in the Group to position the Group to meet future business challenges and to assist in the strategic development of the Group. It is vitally important to achieve these objectives as failure to do so will result in too high a cost base.		Strong governance structures around the various projects across the Group have been put in place with clear timelines and deliverables. A strong project management team is overseeing and monitoring, in a structured and transparent way, the various projects, with monthly updates to the Board of Bord na Móna Plc. Engagement with trade unions and employees takes place on a continuing basis and agreement has been achieved on critical cost reduction and change management initiatives. A clear communication plan has been rolled out across the Group explaining the need to change.
	Retaining and Attracting Staff The risk of the Group failing to retain, attract and develop the skills, talent and resources required to deliver its business plans, leading to a significant loss of knowledge and potentially gaps in the skill sets required for delivering the Group strategy, all impacting on the attainment of strategic goals.		The Group maintains a strong focus on this area and has structured succession planning programs in place along with management development programs. A graduate recruitment programme has been in place over the past few years. We are committed to providing quality employment opportunities and are investing in management development programs aimed at achieving greater diversity in senior positions throughout the Group.
	New Business Growth The risk of the Group failing to develop new businesses, markets and infrastructure projects which it requires to replace its traditional businesses which are in decline. This could be due to a lack of management focus, human and financial capital, missed opportunities all leading to a decline in the Group scale, significantly reduced employment levels and financial loss.		A detailed strategy has been approved by the Board for expanding further the new business areas across the Bord na Móna Group. The Group has put in place dedicated teams for business development across its three growth businesses which are Resource Recovery, Powergen Development and the New Business and Land Development businesses. These cross functional teams incorporate engineering, finance, legal and project management. Significant financial capital has been committed to the further development of these existing businesses and the new business division. The Group looks at joint ventures also, as a means to bring in external expertise and share risk.
Regulatory	**Regulatory/Political** The risk of adverse regulatory changes and the impact that these may have on the financial and business model of the Group. Failure to comply could result in enforcement actions, legal liabilities, damage to the Group's reputation and loss of shareholder support. Some of the important regulatory risks facing the Group are: the possible imposition of increased carbon taxes on peat briquettes; the trend towards the increased dilution of peat with non-peat based materials in retail Horticulture products in the UK market; a new Integrated Single Electricity Market (I-SEM) and the new auction process introduced for capacity payments for power plants; the changing regulatory landscape which is driving increased biomass usage in the peat fired generating stations with resulting supply chain and cost implications; new regulations covering the licensing of the extraction of peat and the expiration of the public service obligation on the two ESB peat fired stations. The impact of BREXIT and the consequences of this on Bord na Móna's businesses, particularly the retail horticulture business, which exports large volumes of products to the UK market, is still unknown. particularly the retail horticulture business, which exports large volumes of products to the UK market, is still unknown.		When developing its strategic plan the Group ensures that plans to deal with the regulatory risks facing the businesses are developed and implemented where possible. Through innovation and supply chain developments, the Group continues to tackle regulatory change that is impacting on the operating performance of the businesses. Capital investment has been approved to address certain regulatory risks. The Group has an active BREXIT plan focusing on the UK supply chain risk in the horticultural business.

The Directors present their annual report and the audited financial statements of Bord na Móna plc for the financial year ended 27 March 2019.

Principle Activities, Business Review and Future Developments

The Group supplies electricity generated from peat, wind and biomass at its generating stations and supplies peat as a fuel to other electricity generating stations. The Group develops and operates wind farms and renewable energy projects. It also supplies waste management and high value recycling and resource recovery services, manufactures peat briquettes and horticultural products.

The Chairman's statement on pages 16–19 and the Managing Director's review on pages 20–22 contain the business review and a review of the development of the Group's business during the year, the state of affairs of the businesses at 27 March 2019, recent events and likely future developments.

Results for the Year and Dividends

Details of the financial results of Bord na Móna plc for the financial year ended 27 March 2019 are given on pages 58–120. No dividend was paid during the financial year ending 27 March 2019.

Corporate Governance

The Board of Bord na Móna plc was established under the provisions of the Turf Development Acts 1998. The functions of the Board are set out in sections 18-32 of this Act. The Board is accountable to the Minister for Communications, Climate Action and Environment and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day to day management, control and direction of Bord na Móna plc are the responsibility of the Managing Director and the senior management team. The Managing Director and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Managing Director acts as a direct liaison between the Board and management of Bord na Móna plc.

Board Responsibilities

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

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

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

> select suitable accounting policies and then apply them consistently;

> make judgements and estimates that are reasonable and prudent;

> state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

> assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

> use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014.

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

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

The Board considers that the consolidated financial statements for the Bord na Móna Group give a true and fair view of the financial performance and the financial position of the Group as at 27 March 2019.

Directors

Policy in Bord na Móna is determined by a twelve member Board appointed by the Minister for Communications, Climate Action and Environment. Seven of the Directors are normally appointed for a term of five years. Four of the Directors are appointed for a term of four years, in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988. The Managing Director is appointed to the Board on appointment to that position.

The Directors during FY19 were:

Geoff Meagher	Chairman
Tom Donnellan	Managing Director
Denise Cronin	
John Farrelly	
Colman Hynes	Appointed 1 January 2019
Denis Leonard	
Seamus Maguire	Retired 10 April 2019
Paschal Maher	
Gerard O'Donoghue	
Paddy Rowland	Appointed 1 January 2019
Elaine Treacy	
Barry Walsh	
Michael Barry	Managing Director from October 2017 to April 2018
Kevin Healy	Term of office expired 31 December 2018
Philip Casey	Term of office expired 31 December 2018 – Reappointed 10 April 2019

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016), (the "Code") and has put procedures in place to ensure compliance with the Code. Bord na Móna plc was in full compliance with the Code for the financial period.

Non-Financial Reporting Statement

Bord na Móna aims to comply with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017. Information on the Group's approach to non-financial information is provided on page 49.

Reporting requirement	Policies and standards which govern our approach	Additional information and risk management
Environmental matters	> Environmental compliance[1] > Biomass sustainability and responsible sourcing[1]	> Energy: Fully compliant with our Integrated Pollution Control (IPC) Licences P0499-01 to P0507-01. Currently operate under nine IPC licences Licences which govern all of our peat extraction activities under the Environmental Protection Agency Act 1992 > Resource Recovery: Eight fully compliant Waste Licenced sites and one compliant Waste Permitted site. All sites compliant with NSAI ISO 9001 (Quality management), ISO 14001 (Environmental management), OHSAS 18001 (Health and Safety management) standards > Biomass: Bord na Móna use world leading NGO Nepcon's Legal Source™ certification procedure covering all countries including Ireland to ensure operations comply with all applicable laws and regulations of the country which operations occur in and with all relevant international laws and agreements
Employees	> Health and Safety Policy [1] > Protected Disclosures Policy[2] > Code of Conduct[2]	> All Bord na Móna policies and procedures are regularly reviewed, updated as required and communicated to all employees > Policies are aligned to the Risk Management system in place to support the appropriate organisational governance > Health and safety procedures are in place across the Group and these systems are operated based on the nature and the scale of the risks in each business as outlined in the risk report on page 43 > We are committed to providing quality employment opportunities and are investing in management development programs aimed at achieving greater diversity in senior positions throughout the Group
Social matters	> Employee Benefits & Graduate Programme[2] > Wind farm Community Gain Scheme Charter[2] > Drehid community gain fund	> Our employee compensation and benefits help to attract and retain the talent necessary to achieve our goal of leading the markets we serve > Supporting local charitable events and fund raising; Have a heart for Crumlin (€2,800), Daffodil Day with the Irish Cancer Society, Relay for Life 5k run (€1,000), St Vincent de Paul (€20,000), Peter McVerry Trust Gold Supporter (€5,000) > Since 2014, Bord na Móna has committed to investing over €600,000 to160 local, community based projects through the wind farm community gain schemes and additional support for flagship projects > The Drehid waste management facility community gain fund has contributed €3.3 million to local community projects
Human rights	> Modern Slavery Policy[2] > Children First Act, Child safeguarding statement[1]	> Bord na Móna holds LegalSource™ certification covering all countries to demonstrate that all our biomass products are covered by a due diligence system that meets all LegalSource™ requirements > Since 2015, over 15,000 people have taken part in tours at the Mountlucas visitor centre to learn more about wind energy, many of which are school tours
Anti-bribery and corruption	> Code of Conduct[2] > Anti-Bribery and Corruption Policy[1]	> Detailed in the internal controls in the Directors report on page 52
Description of principle risks and impact of business activity	> Risk Management Policy[1]	> Detailed in our risk management report on page 43
Description of our business model		> Our business model and management team structure is outlined in the statement from our Chief Executive on page 20 > The business transformation risk and mitigating actions are outlined in the risk management report on page 46
Non-financial key performance indicators		> Sustainability and Corporate Social Responsibility Report on page 36

[1] Certain policies and Standards are not published externally [2] Available to view on our website www.bordnamona.ie

The Board

Operations of the Board

The Board is responsible for overseeing and directing the Bord na Móna Group and ensuring its long-term success. Decisions are made after appropriate information has been made available to Board members and with due consideration of the risks identified through the risk management process. The Board has reserved a schedule of matters for its decision, including:

> Approval of Group Strategy, Five Year Plan, Annual Budgets and interim and annual financial statements;

> Review of operational and financial performance;

> Approval of major capital expenditure;

> Review of the Group's system of financial control and risk management;

> Appointment of the Managing Director; and

> Appointment of the Company Secretary.

The Board is provided with regular information on a timely basis which includes Key Performance Indicators for all areas of the business. Reports and papers are circulated to the Directors in preparation for Board and Committee meetings.

All members of the Board have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring compliance with Board procedures. The Group's professional advisers are available for consultation by Directors, as required. Individual Directors may take independent professional advice in line with specified procedures. Each Director received an appropriate briefing on being appointed to the Board and access to training is provided by the Group during a Director's term of office.

Board Meetings

The Board met 10 times during the financial year.

Board Evaluation

The Board carried out an internal evaluation of its performance during the period including the performance of each of the five standing Committees of the Board.

Stakeholder Dialogue

The Board and management maintain an ongoing dialogue with stakeholders on strategic issues.

Directors' Independence

The Board considers that all Directors are independent in character and judgment. However, the Board notes that the Managing Director and four Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 have contracts of employment with Bord na Móna.

Board Committees

There are five standing Committees of the Board which operate under formal terms of reference

1. Risk and Audit Committee

In accordance with the provisions of Section 167 of the Companies Act 2014 (the "Act"), the Directors confirm that they have in place a Risk and Audit Committee which meets the requirements of section 167 of the Act.

The Risk and Audit Committee as at 27 March 2019 were Denise Cronin (Chairman), John Farrelly and Barry Walsh. The Committee met 6 times during the financial year. During the financial year the Risk and Audit Committee commissioned an independent review of IT Security in the Bord na Móna Group. In addition, the Committee were involved in an in-depth review of the risk management process in the Bord na Móna Group. The Committee meets periodically with the internal auditor and the external auditor to discuss the Group's internal accounting controls, the internal audit function, the choice of accounting policies and estimation techniques, the external audit plan, the statutory audit report, financial reporting, procurement compliance, protected disclosures and other related matters. The internal auditor and external auditor have unrestricted access to the Risk and Audit Committee. The Chairman of the Committee reports to the Board on all significant issues considered by the Committee and reports on its meetings are circulated to all Directors.

2. Remuneration Committee

The Remuneration Committee deals with the remuneration and expenses of the Managing Director and senior management within Government guidelines, Human Capital Planning, Succession management, Pensions and other HR matters. The members as at 27 March 2019 were Geoffrey Meagher (Chairman), Elaine Treacy and Gerard O'Donoghue. The Managing Director, Tom Donnellan, attends the Committee except when his own position is being discussed. The Committee met 3 times during the financial year.

3. Finance Committee

The Finance Committee considers the financial aspects of matters submitted to the Board, including the Annual Budget and Five Year Plan, and the procurement, disposal and leasing of land, buildings and facilities. The members as at 27 March 2019 were Geoff Meagher (Chairman), Tom Donnellan, Denis Leonard and Paschal Maher. The Committee met 2 times during the financial year.

4. Health and Safety Committee

The Health and Safety Committee advises the Board on Health and Safety matters within the Bord na Móna Group. The members as at 27 March 2019 were Gerard O'Donoghue (Chairman), Colman Hynes, Seamus Maguire and Tom Donnellan. The Committee met 3 times during the financial year.

5. Board Evaluation Committee

The Board Evaluation Committee facilitates a Board performance evaluation process each year, including an independent third party process every three years and advises the Board on the outcome of the evaluation process and any corrective actions required. The members as at 27 March 2019 were Barry Walsh (Chairman), Paschal Maher and Elaine Treacy. The Committee met 5 times during the financial year.

Attendance at Board and Committee Meetings

The table below summarises the attendance of the Directors at Board and Committee meetings which they were eligible to attend during the financial year ended 27 March 2019.

	Board Meetings Attended/ Eligible	Committee Meetings Attended/ Eligible
G Meagher (Chairman)	10/10	5/5
T Donnellan (Managing Director)	10/10	7/7
D Cronin	9/10	6/6
P Casey (until 31 December 2018)	6/7	2/2
J Farrelly	9/10	6/6
K Healy (until 31 December 2018)	7/7	1/1
D Leonard	7/10	2/2
S Maguire	10/10	3/3
P Maher	9/10	6/7
G O'Donoghue	8/10	6/6
E Treacy	8/10	6/8
B Walsh	10/10	11/11
C Hynes (from 1 January 2019)	2/3	1/2
P Rowland (from 1 January 2019)	3/3	-/-

Board Fees/Remuneration of Directors

Fees for Directors are determined by the Government and set out in writing by the Minister for Communications, Climate Action and Environment. Directors' remuneration is outlined in note 5 to the financial statements on page 79.

The total expenses paid to the Directors in the financial year was €22,727 (FY19: €20,960).

Accounting Records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the obligation to keep adequate accounting records, by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records are kept at the Group's registered office, Main Street, Newbridge, Co. Kildare, W12 XR59.

Companies Acts 2014 ('the Act')

Director's Compliance Statement

It is the policy of Bord na Móna plc to comply with the Company's relevant obligations, as defined in section 225 of the Act. Each of the Directors acknowledge that they are responsible for the Company's compliance with its "relevant obligations" and confirm as follows:

> A compliance policy statement has been drawn up setting out the Company's policies regarding compliance by the Company with its "relevant obligations";

> Appropriate arrangement and structures designed to secure material compliance with the Company's "relevant obligations" have been put in place; and

> A review of the aforementioned arrangements and structures has been conducted during the financial year.

Relevant Audit Information

In accordance with the provisions of section 330 of the Act, each of the Directors confirms that:

> So far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware; and

> The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Internal Controls

On behalf of the Company the Directors acknowledge the Board's responsibility for ensuring that an effective system of internal controls is maintained and operated. This responsibility takes account of the requirements of the Code. The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable but not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way. The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Bord na Móna for the financial year and up to the date of approval of the financial statements.

The principal procedures which have been put in place by the Board include:

> An organisation structure with clear operating and reporting procedures, authorisation limits, segregation of duties and delegated authorities;

> A code of conduct that requires all Directors and employees to maintain the highest ethical standards in conducting business;

> Clearly defined management responsibilities have been established throughout the Group and the services of qualified personnel have been secured and duties properly allocated among them;

> A statement of decisions reserved to the Board;

> A risk management process which enables the identification and assessment of risks that could impact business performance and objectives and ensures that appropriate mitigation plans are formulated to minimise the residual risk;

> A comprehensive budgeting process for each business, Lean Centre and business services culminating in an annual Group budget approved by the Board;

> A comprehensive planning process for each business, Lean Centre and the business services culminating in an annual Group long-term plan, approved by the Board;

> A comprehensive financial reporting system with actual performance against budget, prior year, forecasts, performance indicators and significant variances reported monthly to the Senior Leadership Team and Board;

> A set of policies and procedures relating to operational and financial controls including capital expenditure;

> A Protected Disclosures Policy to provide employees and others with a confidential means to report any fraud or ethical concerns;

> Procedures for addressing the financial implications of major business risks, including financial instructions, delegation practices, and segregation of duties and these are supported by monitoring procedures;

> Management at all levels are responsible for internal control over its respective business functions and provide annual management assurance statements; and

> Procedures for monitoring the effectiveness of the internal control systems include the work of the Risk and Audit Committee, management reviews, the use of external consultants and Internal Audit.

Internal audit considers the Group's control systems by examining financial reports, by testing the accuracy of transactions and by otherwise obtaining assurances that the systems are operating in accordance with the Group's policies and control requirements. Internal audit report directly to the Risk and Audit Committee on the operation of internal controls and make recommendations on improvements to the control environment if appropriate. Where weaknesses in internal control systems have been identified plans for strengthening them are put in place and action plans are regularly monitored until completed.

The Group has a framework in place to review the adequacy and monitor the effectiveness of internal controls covering financial, operational, risk management and compliance controls. Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way.

The Directors confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

The Directors confirm that Bord na Móna has procedures to monitor the effectiveness of its risk management and control procedures. Bord na Móna's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Risk and Audit Committee which oversees their work, and the Senior Leadership Team within Bord na Móna responsible for the development and maintenance of the internal control framework.

The Directors confirm that the Board conducted an annual review of the effectiveness of the internal controls for the financial year and up to the date of approval of the financial statements. The process used to review the effectiveness of the system of internal controls included:

- Review and consideration of the internal audit work programme and consideration of its reports and findings;
- Review of the regular reporting from internal audit on the status of the internal control environment and the status of recommendations raised previously from their own reports and reports from the external auditor;
- Review of reports from the external auditor which contain details of any material internal control issues identified by them in their work as auditors; and,
- Review of the risk register reports, the counter measures in place to mitigate the risk, the remaining residual risk and actions required or being taken to further mitigate the risks.

No material weaknesses in internal control were identified in relation to the reporting period that require disclosure in the financial statements.

Going Concern

The Directors, having made enquiries, believe that the Group has adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Disclosures required under the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that Bord na Móna has complied with the requirements of the Code.
The following disclosures are required by the Code:

Travel and Subsistence
The total costs incurred in relation to travel and subsistence in the Bord na Móna Group in the financial year ended 27 March 2019 was €1,986,166 (FY18 €2,302,259).

Hospitality
The aggregate total expenditure incurred in the Bord na Móna Group in relation to hospitality (including expenditure on staff well-being, contribution to sports and social clubs, Christmas parties etc.) in the financial year ended 27 March 2019 was as follows:

- Staff hospitality €257,807 (FY18 €255,689);
- Client hospitality €64,983 (FY18 €93,669).

Consultancy Costs
Expenditure on external consultants' fees including the cost of external advice to management and excluding outsourced business as usual functions in the Bord na Móna Group in the financial year ended 27 March 2019 was €1,424,301 (FY18 was €2,519,078).

Risks and Uncertainties

The Board has overall responsibility for risk management including determining the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives. To address this, the Board has established a Risk management System that provides for continuous identification, assessment, implementation of mitigating actions and controls, and the monitoring and reporting of significant risks within Bord na Móna. Details of the principal risks facing the Group and the operation of the Risk management System of the Group in the financial year are given on pages 43–46.

Directors' and Secretary's Shareholdings

The Bord na Móna Employee Share Ownership Plan (ESOP) continues to hold 5% of the total ordinary shares in Bord na Móna plc on behalf of 2,018 eligible participants (serving and retired employees) in the Bord na Móna Employee Share Ownership Trust or the Bord na Móna Approved Profit Sharing Scheme (APSS).

Philip Casey, Kevin Healy, Seamus Maguire, Paschal Maher, Paddy Rowland, Colman Hynes and the Secretary are participants in the Bord na Móna Employee Share Ownership Plan. At the start and end of the financial year, except for Colman Hynes, each had a notional allocation of 1,771 ordinary shares in Bord na Móna plc, Colman Hynes had a notional allocation of 2,771 ordinary shares. These shares are held in the Bord na Móna APSS. The other Directors and their families had no interests in the shares of Bord na Móna plc or any other Group company during the financial year ended 27 March 2019 or in the prior year.

Subsequent Events

There have been no events requiring disclosure between the balance sheet date and the date on which the financial statements were approved.

Prompt Payments of Accounts

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payments of Accounts Act 1997, the European Communities (Late Payment in Commercial Transactions) Regulations 2002 and the European Communities (Late Payment in Commercial Transactions) Regulations 2012 - 2016 (the "Regulations"). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable but not absolute assurance against material non–compliance with the Regulations. The Directors are satisfied that the Group has complied in all material respects with the relevant requirements of the Regulations in relation to external supplier payments within the EU. In 2015, the Government launched the Prompt Payment Code of Conduct and Bord na Móna is a signatory to this code and undertakes to pay suppliers within agreed terms.

Principal Subsidiaries and Partnerships

Details of the Group's principal operating subsidiaries (including overseas branches) and partnerships are set out in note 23 of the financial statements.

Research and Development

The Group's strategy on research and development and the costs incurred during the year are set out in the Chief Financial Officer's review of this annual report.

Political Donations

The Board made no political donations during the year (FY18 €nil).

Auditors

In accordance with Section 383(2) of 'the Act', the auditor KPMG, Chartered Accountants, who were re-appointed in January 2018, will continue in office.

On behalf of the Board:

Geoff Meagher
Chairman and Director

Tom Donnellan
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BORD NA MÓNA PLC FOR THE YEAR ENDED 27 MARCH 2019

1. Report on the audit of the financial statements

Opinion

We have audited the Group and Company financial statements ("financial statements") of Bord na Móna plc for the period ended 27 March 2019 which comprise the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated and Company balance sheets, the consolidated and Company statements of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish law and FRS 101 Reduced Disclosure Framework.

In our opinion:

- The Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 27 March 2019 and of its loss for the year then ended;
- The Company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the Company as at 27 March 2019;
- The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council; and
- The Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information provided, highlights Bord na Móna's journey and strategy in response to decarbonisation including a statement from their Chairman, a statement from their Chief Executive, introduction to their new management team, the Chief Financial Officer's review, introduction to the four business units, the Board and Company Secretary report, the sustainability and corporate social responsibility report, energy efficiency overview, risk management report and the Directors report. Other than the financial statements and our auditor's report thereon, our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- We have not identified material misstatements in the Directors' report;
- In our opinion, the information given in the Directors' report is consistent with the financial statements;
- In our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

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

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

1. Report on the audit of the financial statements continued

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Under the 2016 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 controls required under the Code, as included in the directors' report on pages 52 and 53 does not reflect the Group's compliance with paragraph 1.9 iv. 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.

2. Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 47, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

26 June 2019

CONSOLIDATED FINANCIAL STATEMENTS

BORD NA MÓNA PLC
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 27 MARCH 2019

	Note	27 March 2019 €'000 Before exceptional items	27 March 2019 €'000 Exceptional items	27 March 2019 €'000 Total	28 March 2018 €'000
Continuing operations					
Revenue	3	380,442	-	380,442	395,304
Cost of sales		(246,025)	(10,639)	(256,664)	(270,463)
Gross profit/(loss)		**134,417**	**(10,639)**	**123,778**	**124,841**
Other income	7(a)	6,118	-	6,118	2,769
Distribution expenses		(35,019)	-	(35,019)	(37,721)
Administrative expenses	7(b)	(64,171)	(3,136)	(67,307)	(66,650)
Impairment of property, plant and equipment	7(b) & 10	-	(25,742)	(25,742)	(13,769)
Impairment of goodwill and intangible assets	7(b) & 11	-	(9,967)	(9,967)	(62)
Restructuring costs	7(b) & 17	-	(41,930)	(41,930)	(15,506)
Operating profit/(loss)		**41,345**	**(91,414)**	**(50,069)**	**(6,098)**
Finance income	8	1,756	-	1,756	2,183
Finance costs	8	(8,658)	-	(8,658)	(12,150)
Net finance costs		**(6,902)**	**-**	**(6,902)**	**(9,967)**
Share of profit of equity-accounted investees	13	2,279	-	2,279	1,635
Profit/(loss) before tax		**36,722**	**(91,414)**	**(54,692)**	**(14,430)**
Income tax credit/(expense)	9	(2,180)	6,967	4,787	6,147
Profit/(loss) for the year		**34,542**	**(84,447)**	**(49,905)**	**(8,283)**
Profit/(loss) attributable to:					
Owners of the Company		34,331	(84,447)	(50,116)	(8,435)
Non-controlling interests		211	-	211	152
		34,542	(84,447)	(49,905)	(8,283)

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

On behalf of the board

Geoff Meagher Chairman

Tom Donnellan Managing Director

26 June 2019

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 27 MARCH 2019

	Note	27 March 2019 €'000	28 March 2018 €'000
Loss for the year		(49,905)	(8,283)
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit pension liability	24	(3,268)	(2,287)
Related tax on remeasurements of defined benefit pension liability	9	469	271
		(2,799)	(2,016)
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation		49	(263)
Cash flow hedges – effective portion of changes in fair value		12,072	(20,331)
Related tax on changes in fair value of hedges		(1,509)	2,541
Cash flow hedges – reclassified to profit or loss (cash payments)		(1,484)	(1,947)
Related tax on cash flow hedges reclassified to profit or loss (cash payments)		186	243
Cash flow hedges – reclassified to profit or loss (foreign exchange)		(9,728)	21,430
Related tax on cash flow hedges reclassified to profit or loss (foreign exchange)		1,216	(2,679)
Share of other comprehensive (expense)/income of equity-accounted investees	13	(4,646)	377
Reclassification of other comprehensive income following the disposal of joint venture interest	13	352	-
		(3,492)	(629)
Other comprehensive expense net of tax		**(6,291)**	**(2,645)**
Total comprehensive expense for the year		**(56,196)**	**(10,928)**
Total comprehensive expense attributable to:			
Owners of the Company		(56,407)	(11,080)
Non-controlling interests		211	152
		(56,196)	(10,928)

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

BORD NA MÓNA PLC
CONSOLIDATED BALANCE SHEET
AS AT 27 MARCH 2019

	Note	27 March 2019 €'000	28 March 2018 €'000
Assets			
Non-current assets			
Property, plant and equipment	10	235,063	267,762
Goodwill and intangible assets	11	24,388	36,600
Derivative financial instruments	26	13,337	7,652
Equity-accounted investees	13	23,257	33,630
Retirement benefit asset	24	1,594	4,163
Total non-current assets		**297,639**	**349,807**
Current assets			
Inventories	12	59,825	84,011
Trade and other receivables	14	63,554	73,705
Cash and cash equivalents	21	53,666	44,486
Total current assets		**177,045**	**202,202**
Total assets		**474,684**	**552,009**
Equity			
Equity attributable to owners of the Company			
Share capital	19	82,804	82,804
Share premium	19	1,959	1,959
Cash flow hedge reserve		(214)	(967)
Other reserves		(5,502)	(1,208)
Foreign currency translation reserve		555	506
Retained earnings		81,736	135,003
Equity attributable to owners of the Company		**161,338**	**218,097**
Non-controlling interests		(102)	(313)
Total equity		**161,236**	**217,784**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	24	15,337	17,126
Loans and borrowings	18	-	62,913
Capital grant	16	6,595	7,989
Provisions	17	56,143	54,239
Deferred tax liabilities	9	1,883	7,279
Total non-current liabilities		**79,958**	**149,546**
Current liabilities			
Loans and borrowings	18	69,760	53,103
Bank overdraft	18	6,771	4,537
Provisions	17	62,777	34,795
Trade and other payables	15	94,182	92,244
Total current liabilities		**233,490**	**184,679**
Total liabilities		**313,448**	**334,225**
Total equity and liabilities		**474,684**	**552,009**

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

On behalf of the board

Geoff Meagher
Chairman

Tom Donnellan
Managing Director

26 June 2019

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 MARCH 2019

	Share capital €'000	Share premium €'000	Cash flow hedge reserve €'000	Other reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total €'000
At 29 March 2017	82,804	1,959	(224)	(1,585)	769	147,908	231,631	(465)	231,166
Total comprehensive income									
Loss for the year	-	-	-	-	-	(8,435)	(8,435)	152	(8,283)
Other comprehensive income									
Remeasurements of defined benefit liability	-	-	-	-	-	(2,016)	(2,016)	-	(2,016)
Foreign operations – foreign currency translation difference	-	-	-	-	(263)	-	(263)	-	(263)
Cash flow hedge – effective portion of changes in fair value	-	-	(17,790)	-	-	-	(17,790)	-	(17,790)
Cash flow hedge – reclassified to profit or loss (cash payments)	-	-	(1,704)	-	-	-	(1,704)	-	(1,704)
Cash flow hedge – reclassified to profit or loss (foreign exchange)	-	-	18,751	-	-	-	18,751	-	18,751
Share of other comprehensive income of equity-accounted investees	-	-	-	377	-	-	377	-	377
Transactions with owners of the Company									
Dividends	-	-	-	-	-	(2,454)	(2,454)	-	(2,454)
At 28 March 2018	82,804	1,959	(967)	(1,208)	506	135,003	218,097	(313)	217,784
Total comprehensive income									
Loss for the year	-	-	-	-	-	(50,116)	(50,116)	211	(49,905)
Other comprehensive income									
Remeasurements of defined benefit liability	-	-	-	-	-	(2,799)	(2,799)	-	(2,799)
Foreign operations – foreign currency translation difference	-	-	-	-	49	-	49	-	49
Cash flow hedge – effective portion of changes in fair value	-	-	10,563	-	-	-	10,563	-	10,563
Cash flow hedge – reclassified to profit or loss (cash payments)	-	-	(1,298)	-	-	-	(1,298)	-	(1,298)
Cash flow hedge – reclassified to profit or loss (foreign exchange)	-	-	(8,512)	-	-	-	(8,512)	-	(8,512)
Share of other comprehensive income of equity-accounted investees	-	-	-	(4,646)	-	-	(4,646)	-	(4,646)
Reclassification of other comprehensive income following the disposal of joint venture interest	-	-	-	352	-	(352)	-	-	-
At 27 March 2019	82,804	1,959	(214)	(5,502)	555	81,736	161,338	(102)	161,236

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

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 27 MARCH 2019

	Note	27 March 2019 €'000	28 March 2018 €'000
Cash flows from operating activities			
Loss for the year		(49,905)	(8,283)
Adjustment for:			
Depreciation of property, plant and equipment	10	33,643	37,940
Amortisation of intangible assets	11	4,520	5,326
Profit on sale of property, plant and equipment	10	(1,076)	(1,173)
Profit on sale of assets held for sale		-	(347)
Capital grants amortisation	16	(1,909)	(2,151)
Impairment of property, plant and equipment	10	25,742	13,769
Impairment of intangible assets	11	9,966	62
Emission allowances surrendered	11	3,704	4,283
Profit of equity-accounted investees	13	(2,279)	(1,635)
Profit on disposal of share in equity-accounted investees	13	(3,920)	-
Net finance costs	8	6,902	9,967
Tax credit	9	(4,787)	(6,147)
Operating cash flows before changes in working capital and provisions		**20,601**	**51,611**
Changes in:			
Trade and other payables		10,070	16,335
Trade and other receivables		10,608	(7,028)
Inventories		24,186	15,600
Provisions		24,031	946
Increase in cash contributions over pension charge	24	(7,548)	(6,953)
		61,347	18,900
Interest paid		(7,875)	(10,894)
Tax (paid)/recovered		(3,140)	1,577
Cash generated from operating activities		**70,933**	**61,194**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	10	1,313	1,507
Proceeds on sale of assets held for sale		-	38,314
Intangible asset purchase	11	(6,237)	(5,432)
Capital grant received	16	89	-
Purchase of property, plant and equipment	10	(21,933)	(22,393)
Proceeds on disposal of interest in equity-accounted investees	13	8,773	-
Investments in equity-accounted investees	13	3,153	(5,167)
Interest received	8	272	236
Net cash from investing activities		**(14,570)**	**7,065**
Cash flows from financing activities			
Repayment of unsecured loan notes		(55,804)	(38,145)
Funds repaid on revolving credit facility		-	(11,576)
Cash receipts on derivatives	8	6,387	7,949
Dividends paid		-	(2,454)
Net cash used in financing activities		**(49,417)**	**(44,226)**
Net increase in cash and cash equivalents		6,946	24,033
Cash and cash equivalents at the beginning of year		39,949	15,916
Cash and cash equivalents at the end of year	21	46,895	39,949

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

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

1. Reporting entity

Bord na Móna plc (the "Company") is a company domiciled in Ireland. The financial statements as at and for the year ended 27 March 2019 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees. The Company's registered office is Main Street, Newbridge, Co. Kildare. The registered number of the Company is 297717.

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

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

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

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

Basis of measurement

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

> The defined benefit plan liability is recognised as the net of the fair value of plan assets and the present value of the defined benefit obligation; and

> Derivatives are measured at fair value.

Functional currency

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

Use of estimates and judgements

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

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

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

> Valuation of pension scheme assets and liabilities – See note 24;

> Carrying amount of property, plant and equipment – See note 10;

> Measurement of provisions – See note 17;

> Measurement of goodwill – See note 11;

> Peat supply agreement – The Group has agreements in place to supply peat to the ESB until December 2019. The price charged is based primarily on the price of other carbon-based fuels. The Group has considered the terms of the contracts and is satisfied that the contracts qualify for the 'own-use' exemption under IFRS from financial instrument accounting and that there are no embedded derivatives in the contracts requiring separation;

> Peat – The Group has determined that peat does not meet the definition of a biological asset under IFRS. The rationale is that there is no manual intervention involved in the creation of peat. In addition, peat in its current form is not considered a living animal or plant;

> The Group has assumed that the ESB power plants which are supplied by the Peat division will successfully obtain planning permission and continue in operation post December 2019;

> Brexit – Economic and geopolitical uncertainty is one of the risks monitored by the Group, consequently the implications of Brexit is subject to regular analysis. If there is a managed Brexit transition on a negotiated basis we do not anticipate any material impact on the Group's activities and exchange rate exposures are adequately hedged.

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

Measurement of fair values

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in the note on Financial Instruments and Risk Management (see note 26).

Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period from 29 March 2018 to 27 March 2019 (prior year: 52-week period from 29 March 2017 to 28 March 2018).

Going concern

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

Changes in accounting policies

(i) Standards effective during the year

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments became effective in the financial year. Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

IFRS 15

From 1 January 2018, IFRS 15, Revenue from Contracts with Customers, replaced IAS 18 Revenue and IAS 11 Construction Contracts, setting out new revenue recognition criteria particularly with regard to performance obligations and assessment of when control of goods or services passes to the customer. The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard at the date of initial application 29 March 2018. Based on the Group's assessment of IFRS 15, adoption of this standard had not had a material impact on the financial statements.

IFRS 9

IFRS 9 Financial Instruments came into effect on 1 January 2018 replacing IAS 39 Financial Instruments: Recognition and Measurement and requires changes to the classification and measurement of certain financial instruments from that under IAS 39. The Group has adopted IFRS 9 using the cumulative effect method with the effect of initially applying this standard at the date of initial application 29 March 2018.

Based on an assessment performed of the key areas in the scope of IFRS 9 which includes but is not limited to, additional disclosures required by IFRS 7 'Financial Instruments – Disclosures', the adoption of this standard had not had a material impact on the financial statements. The Group adopted the new standard on the required effective date of 29 March 2018 and has not restated comparative information.

(ii) Standards not yet effective

Estimated impact of the adoption of IFRS 16

IFRS 16 Leases addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on the balance sheet for lessees. The standard replaces IAS 17 Leases, and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to EU endorsement.

The Group will not early adopt the standard and will therefore apply IFRS 16 for the first time for the financial year ending 25 March 2020.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("RoU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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

Changes in accounting policies continued

Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of Land & Buildings, Plant & Machinery and Motor Vehicles (see note 26). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and an interest expense on lease liabilities.

Previously, the Group recognised operating lease expenses on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous as described in note 20. Instead, the Group will include the payments due under the lease in its lease liability.

No significant impact is expected for the Group's finance leases.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities of €9.1 million – €10.1 million and a corresponding right-of-use asset as at 28 March 2019.

Transition

The Group plans to apply IFRS 16 initially on 28 March 2019, using the modified retrospective approach and for certain leases, the Group will measure the right of use asset at the transition date using transition discount rates. The Group expects to use practical expedients on transition to IFRS 16 such as applying a single discount rate to leases with similar characteristics and excluding leases with a short remaining term of less than 12 months. The cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 28 March 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 28 March 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Annual improvements to IFRS Standards 2015–2017 (issued on 12 December 2017)

The changes under the Annual Improvements to IFRS Standards 2015–2017 Cycle are in relation to the following:

> IFRS 3 Business Combinations: This amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business;

> IFRS 11 Joint Arrangements: This amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business;

> IAS 12 Income Taxes: This amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way;

> IAS 23 Borrowing Costs: This amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

These standards and amendments are not expected to have a material effect on the financial statements.

Basis of consolidation

Business combinations

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

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

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

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

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

Basis of consolidation continued

Subsidiaries

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

Joint ventures

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

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

Associate

An associate is an entity in which the Group has significant influence but not control or joint control. Interests in associates are accounted for using the equity method.

Loss of control

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

Non-controlling interests

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

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

Transactions eliminated on consolidation

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

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

Foreign currency

i. Foreign currency transactions

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

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

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

> Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

> A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

> Qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

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

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

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

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

Exceptional items

The Group has adopted an income statement format which highlights significant items within the Group's results for the year. Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance. Judgement is used by the Group in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the consolidated income statement and related notes as exceptional items. The tax element of exceptional items is included as exceptional tax.

Leases

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

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

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

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

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

Finance income and finance costs

The Group's finance income and finance costs include:

> Interest income;
> Interest expense;
> The unwind of discounts or provisions;
> The net interest cost on defined benefit pensions;
> The net gain or loss on financial assets at fair value through Profit and Loss;
> The foreign currency gain or loss on financial assets and financial liabilities;
> The net gain or loss on hedging instruments that are recognised in profit or loss; and
> The reclassification of amounts related to cash-flow hedges previously recognised in OCI.

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

The Group's finance cost excludes interest capitalised on assets in the course of construction.

Taxation

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

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

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

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

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

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

Taxation continued

Deferred tax continued

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

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

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

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

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

Revenue – policy applicable after 28 March 2018

Generation and trading – Revenue from power generation (Republic of Ireland)

Single Electricity Market (SEM)

The Group operates power stations and wind farms and revenue earned derives mainly from the generation of electricity. Until 30 September 2018 the Single Electricity Market (SEM) was the single wholesale market (pool) for electricity in the Republic of Ireland (ROI) and Northern Ireland (NI). It was a mandatory gross pool where all generators were required to sell and suppliers were required to buy power through the pool. The pool set the spot price for electricity, known as the System Marginal Price (SMP) every half hour. Generators also received separate payments for the provision of stable generation capacity through the Capacity Remuneration Mechanism (CRM). Price volatility in the pool was managed by generators and suppliers who entered into fixed financial contracts (contracts for differences). Revenue in respect of the SEM pool was recognised on consumption of electricity.

Integrated-Single Electricity Market (I-SEM)

The I-SEM is a new wholesale electricity market arrangement for the Republic of Ireland and Northern Ireland and went live on 1 October 2018. The SEM market is now replaced by multiple markets or auctions, each spanning different trading time frames, with separate (although related) clearing and settlement mechanisms. There are two ex-ante markets for energy; the Day-Ahead Market and the Intraday Market. In addition, energy balancing services are offered into the Balancing Market by generators (energy producers) and suppliers (energy consumers). Capacity is a commitment by a generator or interconnector owner to be available to deliver energy into the grid, if called on to do so. Capacity providers who are successful in the Capacity Market Auctions receive a regular capacity payment, which assists with funding generation capacity. Revenue from the sale of electricity in the I-SEM markets are recognised over time on consumption of electricity and an I-SEM receivable is recognised on the balance sheet and settled daily for the ex-ante market and weekly for the ex-post market. Capacity income is received through the 'Capacity Remuneration Mechanism' (CRM) where a capacity payment is made to a participant in respect of a Generator Unit in each Capacity Period on the basis of the Unit's Eligible Availability, which is based on the Unit's Availability Profile. Revenue is recognised over time, recognised as an I-SEM receivable on the balance sheet and settled within one month. Ancillary income is received through 'Delivering a Secure Sustainable Electricity System' (DS3) programme for provision of services to the grid. Ancillary income is recognised over time in line with services provided. Ancillary income is recognised as a receivable on the balance sheet and settled within one month.

Sale of peat and biomass

Customers obtain control of peat and biomass when the goods are delivered to and have been accepted at the customer's premises. Invoices are usually payable on typical industry terms. Adjustments to the price of peat and biomass may be provided where quality specifications are not met. There is no right of return for the goods.

Revenue is recognised when the goods are delivered and have been accepted by the customer at their premises. The amount of revenue recognised is adjusted for expected sales price adjustments.

Sale of fuels and growing media products

Customers obtain control of fuels and growing media product when the goods are delivered to and have been accepted at the customer's premises. Invoices are usually payable on typical industry terms. Rebates are provided in certain circumstances. There is no right of return for the goods.

Revenue is recognised net of rebates when the goods are delivered and have been accepted by the customer at their premises.

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

Resource recovery

Domestic and commercial waste collection
Customers obtain the benefit of domestic and commercial waste collection services when waste is collected from their premises. Invoices are usually payable on typical industry terms. Discounts are provided in certain circumstances.

Revenue is recognised (net of discounts) over time as the services are rendered. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. Revenue related to the payment for services received in advance of the service being rendered are recognised as a contract liability until the benefit has passed to the customer.

Landfill revenue
Customers obtain the benefit of landfill services when the waste is delivered and at the landfill. Invoices are usually payable on typical industry terms. Discounts are provided in certain circumstances.

Revenue is recognised (net of discounts) over time as the services are rendered. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. Revenue related to the payment for services received in advance of the service being rendered are recognised as a contract liability until the benefit has passed to the customer.

Deferred revenue and accrued revenue

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

Revenue earned on goods and services delivered but unbilled is recognised in accordance with contractual terms as accrued revenue on the statement of financial position.

Revenue – policy applicable before 29 March 2018

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

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

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

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

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

Revenue earned on goods/service delivery but unbilled is recognised in accordance with contractual terms as accrued revenue on the statement of financial position.

Investment property rental income

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

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

Property, plant and equipment

Recognition and measurement

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

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

> The cost of materials and labour;

> Any other costs directly attributable to bringing the assets to a working condition for their intended use;

> When the Group has an obligation to remove the asset or restore the site, an estimate of the costs associated with this; and

> Capitalised borrowing costs.

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

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

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

Subsequent expenditure

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

Depletion and depreciation

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

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

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

Assets on a straight-line basis

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

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

Other asset categories

Peatlands

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

Generating assets

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

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

Landfill

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

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

Other asset categories continued

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets and goodwill

i. Recognition and measurement
Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development
Expenditure on research activities is recognised in profit or loss as incurred.

Other intangible assets (excluding emission allowances)
Other intangible assets, including contracts, grid connections, customer lists and software are measured at cost less accumulated amortisation and any accumulated impairment losses.

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

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

The estimated useful lives are as follows:
> Grid connection – 20 years;
> Software – 3–8 years;
> Customer relationships – 3 years.

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

Emission allowances

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

Granted:
In accordance with the provisions of the European Union emissions trading scheme, emission allowances covering a percentage of the expected emissions during the year are granted to one of the Group or one of the Group entities at the beginning of each year by the relevant Government Authority. Emission allowances granted are recognised at nil. The corresponding liability that will be settled using granted allowances is also recognised at nil.

Impairment

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

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

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

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

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

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

Impairment continued

ii. Non-financial assets continued

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value.

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

Briquette inventories are valued on the lower of actual costs or the standard normalised cost.

Growing media horticulture inventories are valued at weighted average actual costs.

Bioenergy inventories are valued at weighted average actual cost.

Coal inventories are valued at weighted average actual cost.

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

Employee benefits

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

i. Short term employee benefits

Short term employee benefits are expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution schemes

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

iii. Defined benefit schemes

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Where the scheme rules require a surplus arising in the scheme to be shared between employer and the members, the amount attributable to the members is treated as an increase in the scheme liabilities. The movement in the share attributable to members is recognised in the statement of total comprehensive income (OCI).

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

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

Impairment continued

iii. Defined benefit schemes continued

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

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of these benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial instruments – Classification and subsequent measurement: Policy applicable from 29 March 2018

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

> It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

> Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 26). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 29 March 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio levels because this best reflects the way the business is managed and information is provided to management. The information considered includes:

> The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

> How the performance of the portfolio is evaluated and reported to the Group's management;

> The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

> How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

> The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

Financial instruments continued

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 29 March 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

> Contingent events that would change the amount or timing of cash flows;

> Terms that may adjust the contractual coupon rate, including variable-rate features;

> Prepayment and extension features; and

> Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 29 March 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 26 for derivatives designated as hedging instruments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets – Policy applicable before 29 March 2018

The Group classified its financial assets into one of the following categories:

> Loans and receivables;

> Other investments; and

> Derivative hedging instruments.

Financial assets – Subsequent measurement and gains and losses: Policy applicable before 29 March 2018

Financial assets at FVTPL

Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss. However, see note 26 for derivatives designated as hedging instruments.

Loans and receivables

Measured at amortised cost using the effective interest method, less impairment losses on an impaired loss model.

Financial liabilities – Classification, subsequent measurement and gains and losses: Policy application before and after 29 March 2018

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

See note 26 for financial liabilities designated as hedging instruments.

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

Financial instruments continued

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets at amortised cost – Policy applicable from 29 March 2018

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 120 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

Financial instruments continued

Policy applicable before 29 March 2018

Financial assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of financial assets is reduced through the use of a provision for impairment when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the financial assets. Significant financial difficulties of the borrower or issuer, probability that the borrower or issuer will enter bankruptcy or financial reorganisation and default in payments, are considered indicators that the financial asset is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the Income Statement.

Financial instruments – Policy applicable before 29 March 2018

Financial instruments

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

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

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

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

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

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

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition.

Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

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

Loans and receivables

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

Cash and cash equivalents

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

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

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

Derivative financial instruments and hedge accounting

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

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

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

Financial instruments – Policy applicable before 29 March 2018 continued

Financial instruments continued

Derivative financial instruments and hedge accounting continued

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

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

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

The Group uses derivative financial instruments to hedge its exposure to commodity price, foreign exchange and interest rate risk arising from operational, financing and investing activities. The principal derivatives used include interest rate swaps, inflation-linked interest rate swaps, currency swaps and forward foreign currency contracts. Commodity contracts are also used to hedge the Group's exposures to the purchase of fuel and sale of electricity.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 Financial Instruments.

Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value. The changes in fair value when a hedge accounting relationship exists will be recognised in accordance with IFRS 9 as cash flow hedges or fair value hedges.

Financial derivative instruments are used by the Group to hedge interest rate and currency exposures. All such derivatives are recognised at fair value and are re-measured to fair value at the balance sheet date. The majority of other derivative financial instruments are designated as being held for hedging purposes.

The designation of the hedge relationship is established at the inception of the contract. The treatment of gains and losses on subsequent re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a fair value or cash flow hedge. All fair value movements on derivatives that are not part of hedging relationships are recorded through the income statement.

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

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

Provisions and contingent liabilities

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

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

Grants

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

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

3. Revenue

	27 March 2019 €'000	28 March 2018 €'000
Energy:		
Peat and Biomass	71,461	67,952
Powergen Operations	104,858	94,595
Fuels	49,096	70,298
Growing Media	66,290	64,807
Total Energy	291,705	297,652
Resource Recovery	85,732	94,549
Other	3,005	3,103
Total	**380,442**	**395,304**

Revenue disaggregated by geographical location, as follows:

	27 March 2019 €'000	28 March 2018 €'000
Ireland	316,176	330,668
United Kingdom	45,927	45,991
Rest of Europe	17,844	17,559
Rest of World	495	1,086
Total	**380,442**	**395,304**

4. Employee benefit expenses

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

	27 March 2019 Number	28 March 2018 Number
Manufacturing and production	1,369	1,418
Administration	494	562
Total	1,863	1,980
Peak employment	2,188	2,263

The aggregated payroll costs of these persons were as follows:	27 March 2019 €'000	28 March 2018 €'000
Wages and salaries	87,669	89,000
Social security costs	9,427	9,802
Pension costs (defined contribution)	1,521	1,047
Pension costs (defined benefit)	1,958	1,999
Redundancy costs	41,456	14,023
	142,031	115,871
Staff costs capitalised	(1,387)	(1,267)
Net staff costs	**140,644**	**114,604**

5. Directors' remuneration

	27 March 2019 €'000	28 March 2018 €'000
Directors' fees	135	136
Salary	228	239
Company contributions to pension schemes	69	60
Taxable benefits	39	22
Other remuneration	201	184
Total	672	641

The Directors' remuneration disclosure is made up of remuneration paid by Bord na Móna plc to all the Directors of the Company, namely the worker participation Directors, non-executive Directors and executive Directors. The number of Directors to whom retirement benefits accrued amounted to 5 (2018: 4). Some of the Directors are currently in the defined benefit pension schemes. The aggregate amount paid or payable for past Directors' retirement benefits (excluding amounts where the scheme was adequately funded) was €240,000 (2018: €295,000).

	Fees €'000	Other remuneration €'000	Company contribution to pension €'000	Total €'000
Non-executive Directors:				
i. Directors appointed in accordance with the Worker Participation (State Enterprise) Acts 1977 and 1988 (4)				
(Number of worker Directors; 2019:4/2018:4)				
27 March 2019	**50**	**201**	**13**	**264**
28 March 2018	50	184	13	247
ii. Other non-executive Directors				
(Number of other non-executive Directors; 2019:6/2018:6)				
27 March 2019	**85**	**-**	**-**	**85**
28 March 2018	86	-	-	86

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension schemes €'000	Taxable €'000	Total €'000
Executive Directors						
Tom Donnellan	-	216	-	54	38	308
Michael Barry	-	9	3	2	1	15
Year ended 27 March 2019	**-**	**225**	**3**	**56**	**39**	**323**
Mike Quinn	-	125	-	29	15	169
Michael Barry	-	88	26	18	7	139
Year ended 28 March 2018	-	213	26	47	22	308

5. Directors' remuneration continued

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

Michael Barry was appointed as Interim Managing Director from 16 October 2017 and was replaced on 15 April 2018 by Tom Donnellan who was appointed in his place as Managing Director on 16 April 2018.

The Directors who held office at the end of the financial year had the following interest in the ordinary shares at the start of the year, or at their date of appointment if later, and at the end of the year to 27 March 2019:

	27 March 2019 Shares	28 March 2018 Shares
Colman Hynes	2,771	-
Paddy Rowland	1,771	-
Philip Casey[1]	-	1,771
Kevin Healy[1]	-	1,771
Seamus Maguire	1,771	1,771
Paschal Maher	1,771	1,771
Michael Barry[1]	-	1,771
Total	**8,084**	**8,855**

[1]Retired as Director during the year

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

6. Statutory and other information

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

	27 March 2019 €'000	28 March 2018 €'000
Operating lease rentals		
Plant and machinery	1,853	1,260
Land and buildings	652	690
	2,505	1,950
Depreciation (Note 10)	33,643	37,940
Profit on disposal of property, plant and equipment (Note 7)	(1,076)	(1,174)
Amortisation of intangible assets (Note 11)	4,520	5,326
Impairment of property, plant and equipment (Note 10)	25,742	13,769
Impairment of intangible assets (Note 11)	9,967	62
Profit on disposal of share in equity-accounted investee (Note 13)	(3,920)	-
Profit on disposal of assets held for sale	-	(347)
Research and business development expenditure	9,838	9,338
Capital grants amortised (Note 16)	(1,909)	(2,151)
Impairment losses on trade receivables arising on contracts with customers	133	156
Foreign exchange gain	(25)	(481)

6. Statutory and other information continued

	27 March 2019 €'000	28 March 2018 €'000
Auditors' remuneration		
Audit services	245	275
Other assurance services	12	12
Other	10	45
Tax services	135	76
Total	**402**	**408**

The audit fee for the Company is €13,000.

The above includes out-of-pocket expenses of €20,000 (2018: €20,000) that were reimbursed to the auditor.

7. Other income and exceptional items

(a) Other income	27 March 2019 €'000	28 March 2018 €'000
Other income	1,122	1,248
Profit on disposal of property, plant and equipment	1,076	1,174
Profit on disposal of interest in equity-accounted investee (Note 13)	3,920	-
Profit on disposal of assets held for sale	-	347
	6,118	**2,769**

(b) Exceptional items	27 March 2019 €'000	28 March 2018 €'000
Cost of sales (a)	10,639	10,165
Administrative expenses (a)	3,136	(197)
Impairment of property, plant and equipment (b)	25,742	13,769
Impairment of intangible assets (b)	9,967	62
Restructuring costs (c)	41,930	15,506
Exceptional costs before tax	91,414	39,305
Tax on exceptional items	(6,967)	(2,645)
Exceptional costs after tax	**84,447**	**36,660**

7. Other income and exceptional items continued

Exceptional items

The Group has adopted an income statement format which highlights significant items within the Group's results for the year. This presentation is made in the income statement to aid understanding of the performance of the Group's underlying business. Judgement is used by the Group in assessing the particular items which should be disclosed as exceptional.

The exceptional items arise primarily due to the Board decision announced in October 2018 to restructure the Group as part of a long term "decarbonisation restructuring" plan. This reflects a decision to prepare the business for ongoing changes in peat harvesting and to exit loss making businesses. It includes a further charge taken for thermal energy assets related to changes in the electricity market.

The exceptional items in the prior year arose primarily due to the Board decision to cease the production of briquettes at the Littleton Briquette factory and to cease the harvesting of peat for briquette production in the related peat lands ("Littleton") announced in May 2017, the decision to exit the sale of coal products ("Coal") announced in March 2018 and the finalisation of the compliance work associated with the White Moss Horticulture Limited acquisition ("White Moss").

(a) Exceptional items in cost of sales and administrative expenses comprise:

2019:

i. €6.4 million of inventory adjustments related to decarbonisation restructuring

ii. €3.8 million of costs related to onerous contracts and the exit from loss making businesses;

iii. €3.0 million of transition costs related to the decarbonisation restructuring; and

iv. €0.6 million of costs in the Fuels business relating to the Coal exit.

2018:

i. €3.8 million of inventory adjustments related to Littleton and Coal;

ii. €6.4 million of costs related to inventory and manufacturing issues associated with White Moss; and

iii. €0.2 million of administration gains reflecting the closure of a legal dispute and the recognition of onerous contractual and legal commitments associated with White Moss and Coal.

(b) Impairments of property, plant and equipment and intangible assets comprise:

2019:

i. €16.0 million of impairments related to decarbonisation;

ii. €10.7 million of impairments in the Powergen business related to changes in the energy market; and

iii. €9.0 million of intangible asset software impairments related to decarbonisation restructuring and the exit of loss making businesses.

2018:

i. €7.8 million of impairments related to Littleton and the Coal;

ii. €5.4 million of impairments in the Horticulture business related to the carrying amount of Land & Buildings and Plant & Machinery following a review of the long term outlook in the Horticulture market in the UK and Ireland; and

iii. €0.6 million of other impairments of assets.

(c) Restructuring costs comprise:

2019:

i. €41.9 million of redundancy costs related to the decarbonisation restructuring. This figure includes a curtailment loss on the pension scheme, see note 24.

2018:

i. €13.3 million of redundancy costs related to Littleton and Coal;

ii. €0.7 million of other restructuring costs arising from Littleton and Coal; and

iii. €1.5 million related to redundancy and other restructuring costs across the Group.

8. Net finance costs

	27 March 2019 €'000	28 March 2018 €'000
Finance income:		
Interest income	272	236
Cash flow hedges – reclassified to profit or loss (cash receipts)	1,484	1,947
	1,756	2,183
Finance costs:		
Interest on overdraft facilities	(897)	(1,111)
Interest on unsecured loan notes	(6,350)	(9,449)
Foreign exchange movement on unsecured loan notes	(9,728)	21,430
Cash flow hedges – reclassified to profit or loss (foreign exchange)	9,728	(21,430)
Unwind of discount on provisions (Note 17)	(1,054)	(1,217)
Net interest cost on defined benefit pensions (Note 24)	(121)	(121)
Amortisation of issue costs	(236)	(252)
	(8,658)	(12,150)
Net finance cost	**(6,902)**	**(9,967)**

(a) The total cash receipts on derivatives was €5.5 million, of which €4.3 million relates to cash receipts on principal repayments and €1.1 million relates to cash receipts on interest payments.

9. Income taxes

(a) Amounts recognised in income statement

	27 March 2019 €'000	28 March 2018 €'000
Current tax:		
Irish corporation tax	325	3,663
Adjustments in respect of prior years	(690)	(2,183)
Total current tax	**(365)**	**1,480**
Deferred tax		
Origination and reversal of temporary differences:		
Property, plant and equipment – allowances	(2,054)	402
Investment property – capital gains	-	(3,810)
Derivatives	1,217	(3,430)
Release of pension obligations	289	660
Provisions, unutilised losses & other	(3,874)	(1,449)
Total deferred tax	**(4,422)**	**(7,627)**
Income tax expense on continuing operations	**(4,787)**	**(6,147)**

9. Income taxes continued

(b) Reconciliation of effective tax rate

	27 March 2019 €'000	28 March 2018 €'000
(Loss)/profit on ordinary activities before tax	(54,692)	(14,430)
Tax using standard corporation tax rate in Ireland of 12.5% (2018: 12.5%)	(6,837)	(1,804)
Tax effect of:		
Impairments of property, plant & equipment, intangible assets and goodwill	171	572
Amortisation of intangible assets	123	(260)
Other non deductible expenses	55	1,057
Deferred tax on derivatives	1,216	(3,430)
Corporation tax on derivatives	186	-
Deferred tax on reduction in pension liability	288	660
Disposal of assets held for sale	-	(444)
Changes in estimates related to prior years	155	(2,520)
Utilisation of tax losses	(27)	(517)
Pension payment in excess of pension cost charge	(915)	(591)
Non-taxable income	(475)	-
Ineligible depreciation	951	1,084
Impact of different tax rates	322	46
Income tax expense	(4,787)	(6,147)
Effective tax rate	9%	43%

9. Income taxes continued

(c) Movements in deferred tax balances

	Balance at 28 March 2018 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 27 March 2019 €'000
Deferred tax assets						
Property, plant and equipment – capital allowances	1,294	-	1,936	-	-	3,230
Provisions	1,979	-	1,009	-	-	2,988
Unutilised losses	756	-	3,452	-	-	4,208
Defined benefit pensions	1,146	-	(240)	504	-	1,410
Total	**5,175**	**-**	**6,157**	**504**	**-**	**11,836**
Deferred tax liabilities						
Property, plant and equipment – capital allowances	(11,498)	-	(458)	-	-	(11,956)
Provisions	-	-	(13)	-	-	(13)
Defined benefit pensions	-	-	(48)	(35)	-	(83)
Derivatives	(956)	613	(1,217)	(107)	-	(1,667)
Total	**(12,454)**	**613**	**(1,736)**	**(142)**	**-**	**(13,719)**

The combined net deferred tax liability of €1.9 million has been shown on the balance sheet.

	Balance at 29 March 2017 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 28 March 2018 €'000
Deferred tax assets						
Defined benefit pensions	1,535	-	(660)	271	-	1,146
Property, plant and equipment – capital allowances	105	-	1,189	-	-	1,294
Provisions	1,046	-	933	-	-	1,979
Unutilised losses	239	-	517	-	-	756
Total	**2,925**	**-**	**1,979**	**271**	**-**	**5,175**
Deferred tax liabilities						
Property, plant and equipment – capital allowances	(9,895)	-	(1,603)	-	-	(11,498)
Intangible assets	-	-	-	-	-	-
Derivatives	(4,491)	-	3,430	105	-	(956)
Investment property	(3,810)	3,810	-	-	-	-
Total	**(18,196)**	**3,810**	**1,827**	**105**	**-**	**(12,454)**

The combined net deferred tax liability of €7.3 million has been shown on the balance sheet.

(d) Unrecognised deferred tax assets

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

	27 March 2019 €'000	28 March 2018 €'000
Deferred tax assets		
Unused tax losses	7,176	5,907
Total	**7,176**	**5,907**

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

10. Property, plant and equipment

2019	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group Total €'000
Cost							
At 28 March 2018	146,082	56,702	251,405	341,683	16,559	3,160	815,591
Additions	2,909	1,903	7,899	4,563	99	9,684	27,057
Disposals/retirements	(944)	-	(23,708)	-	-	-	(24,652)
Reclassification	9	(88)	78	3	(2)	-	-
Transfers out of assets under construction	1,309	2,583	3,896	-	196	(7,984)	-
Exchange adjustments	(8)	-	(2)	-	-	-	(10)
At 27 March 2019	**149,357**	**61,100**	**239,568**	**346,249**	**16,852**	**4,860**	**817,986**
Depreciation and impairment							
At 28 March 2018	128,088	46,247	213,089	152,773	7,632	-	547,829
Depreciation charge for year	2,946	2,743	12,086	15,149	719	-	33,643
Impairment charge for year	6,148	-	8,771	10,542	281	-	25,742
Disposals/retirements	(826)	-	(23,610)	21	-	-	(24,415)
Reclassification	(6)	-	3	3	-	-	-
Exchange adjustments	26	-	98	-	-	-	124
At 27 March 2019	**136,376**	**48,990**	**210,437**	**178,488**	**8,632**	**-**	**582,923**
Carrying amount							
At 27 March 2019	**12,981**	**12,110**	**29,131**	**167,761**	**8,220**	**4,860**	**235,063**
At 28 March 2018	17,994	10,455	38,316	188,910	8,927	3,160	267,762

2018	Peatland, drainage and production buildings €'000	Landfill €'000	Railway, plant and machinery €'000	Generating assets €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group Total €'000
Cost							
At 29 March 2017	143,792	52,633	237,542	338,989	15,651	5,982	794,589
Additions	2,720	1,393	12,036	2,694	416	8,160	27,419
Disposals/retirements	(756)	-	(5,687)	-	-	-	(6,443)
Reclassification	67	-	(68)	-	1	-	-
Transfers out of assets under construction	157	2,676	7,658	-	491	(10,982)	-
Arising on acquisition	102	-	(76)	-	-	-	26
At 28 March 2018	**146,082**	**56,702**	**251,405**	**341,683**	**16,559**	**3,160**	**815,591**
Depreciation and impairment							
At 29 March 2017	121,778	41,850	194,864	137,414	6,303	-	502,209
Depreciation charge for year	4,408	4,397	13,097	15,359	679	-	37,940
Impairment charge for year	2,662	-	10,457	-	650	-	13,769
Disposals/retirements	(756)	-	(5,354)	-	-	-	(6,110)
Exchange adjustments	(4)	-	25	-	-	-	21
At 28 March 2018	**128,088**	**46,247**	**213,089**	**152,773**	**7,632**	**-**	**547,829**
Carrying amount							
At 28 March 2018	**17,994**	**10,455**	**38,316**	**188,910**	**8,927**	**3,160**	**267,762**
At 29 March 2017	22,014	10,783	42,678	201,575	9,348	5,982	292,380

10. Property, plant and equipment continued

Additions include:

i. A sum of €4.8 million (2018: €5.8 million) in respect of decommissioning and restoration assets.

ii. There was no capitalisation of borrowing costs in the current year (2018: €nil) in respect of assets in the course of construction during the year.

iii. Transfers from assets in course of construction includes plant constructed in-house and engineered landfill cells which became operational during the year. The balance at year-end represents engineered landfill cells, wind and fish farm development and factory and complex works.

No property, plant and equipment is held as security for any loans or borrowings of the Group. The Group's debt arrangement do however, restrict the Group from selling more than 10% of the Group's gross assets without prior consent.

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

Impairments of property, plant and equipment comprise:

i. €15.2 million of impairments related to decarbonisation. The impairment test was performed on a value in use basis using a discount rate of 11.2%. The assets were written down to €nil; and

ii. €10.5 million of impairments in the Powergen business related to changes in the energy market. The impairment test was performed on a value in use basis using a discount rate of 7.8%. The assets were written down to a recoverable amount of €17.1 million.

The Group has considered other assets for indicators of impairment and noted that a reasonable change in assumptions would not have resulted in an impairment.

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

11. Goodwill and intangible assets

2019	Software €'000	Grid connection €'000	Other €'000	Goodwill €'000	Assets in course of construction €'000	Total €'000
Cost						
At 28 March 2018	42,325	22,517	82,406	11,068	52	158,368
Additions	132	352	5,495	-	-	5,979
Transfers out of assets under construction	52	-	-	-	(52)	-
Settlement of emission allowances	-	-	(3,704)	-	-	(3,704)
At 27 March 2019	**42,509**	**22,869**	**84,197**	**11,068**	**-**	**160,643**
Amortisation and impairment						
At 28 March 2018	22,173	8,284	80,593	10,718	-	121,768
Charge for year	3,559	845	116	-	-	4,520
Impairment	9,787	180	-	-	-	9,967
At 27 March 2019	**35,519**	**9,309**	**80,709**	**10,718**	**-**	**136,255**
Carrying amounts						
At 27 March 2019	**6,990**	**13,560**	**3,488**	**350**	**-**	**24,388**
At 28 March 2018	20,152	14,233	1,813	350	52	36,600

Other includes investments in customer lists and carbon emission credits. Upon settlement of emission liabilities the credits are released from intangible assets.

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

Impairments of intangible assets comprise:

i. €10.0 million of intangible asset impairments related to decarbonisation and the exit of loss making businesses.

11. Goodwill and intangible assets continued

2018	Software €'000	Grid connection €'000	Other €'000	Goodwill €'000	Assets in course of construction €'000	Total €'000
Cost						
At beginning of the year	39,351	22,517	83,878	11,068	758	157,572
Additions	820	-	3,423	-	1,448	5,691
Transfers out of assets under construction	2,154	-	-	-	(2,154)	-
Settlement of emission allowances	-	-	(4,895)	-	-	(4,895)
At end of the year	**42,325**	**22,517**	**82,406**	**11,068**	**52**	**158,368**
Amortisation and impairment						
At beginning of the year	18,061	7,415	80,798	10,718	-	116,992
Amortisation charge for year	4,050	869	407	-	-	5,326
Settlement of emission allowances	-	-	(612)	-	-	(612)
Impairment	62	-	-	-	-	62
At end of the year	**22,173**	**8,284**	**80,593**	**10,718**	**-**	**121,768**
Carrying amounts						
At 28 March 2018	**20,152**	**14,233**	**1,813**	**350**	**52**	**36,600**
At 29 March 2017	21,290	15,102	3,080	350	758	40,580

12. Inventories

	27 March 2019 €'000	28 March 2018 €'000
Raw materials	8,477	12,795
Finished goods	47,453	65,621
Maintenance spares – consumables	3,895	5,595
Total	**59,825**	**84,011**

The inventory balances are net of provisions of €13.3 million (2018: €8.9 million).

During the year there was a write down of fuels inventories of €1.1 million (2018: €3.6 million), peat inventories of €8.4 million (2018: €1.7 million), biomass inventories of €0.5 million (2018: €nil) and maintenance inventories in Edenderry of €0.1 million (2018: €0.1 million).

During the year, inventories of €146.5 million (2018: €141.6 million) were recognised as an expense and included in cost of sales.

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

13. Equity accounted investees

	27 March 2019 €'000	28 March 2018 €'000
Joint venture undertakings	8,682	33,630
Associate undertakings	14,575	-
	23,257	33,630
(a) Joint venture undertakings		
At the beginning of the year	33,630	26,451
Reclassification to associate undertakings	(14,558)	-
Movement in investments	(8,006)	5,167
Share of profit/(loss)	1,860	1,635
Share of equity-accounted investees other comprehensive income	(4,244)	377
At end of the year	**8,682**	**33,630**
(b) Associate undertakings		
At the beginning of the year	-	-
Reclassification from joint venture undertakings	14,558	
Share of profit/(loss)	419	-
Share of equity-accounted investees other comprehensive income	(402)	-
At end of the year	**14,575**	**-**

The Group has significant joint ventures and associates, as follows:

Oweninny

Oweninny Power DAC (''Oweninny'') was incorporated in September 2011 as a joint venture between Bord na Móna Powergen Limited and ESB Wind Development Limited to develop a 172MW wind farm in Oweninny, Co. Mayo. The joint venture is developing the first phase of the wind farm project and construction is currently ongoing with an expected commercial operations date of October 2019. The following table summaries the financial information of Oweninny for the year ended 27 March 2019, as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Oweninny.

i. Summarised Income Statement	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	50%	50%
Revenue	-	-
Depreciation and amortisation	-	-
Interest expense	(271)	(32)
Other expenses	(79)	-
Income tax expense	-	-
Cash flow hedge movement	(8,090)	-
	(8,440)	(32)
Group's share of loss and total comprehensive income (50%)	**(4,220)**	**(16)**

ii. Summarised Balance Sheet	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	50%	50%
Non-current assets	108,054	35,592
Current assets	8,423	1,957
Non-current liabilities	(105,391)	(14,636)
Current liabilities	(22,979)	(26,614)
Net liabilities (100%)	**(11,893)**	**(3,701)**
Group's share of net liabilities (50%)	(5,947)	(1,851)
Group's loans in joint venture	11,706	14,408
Carrying amount	**5,759**	**12,557**

13. Equity accounted investees continued

Sliabh Bawn

In December 2018, the Group disposed of 25% of its shareholding in Sliabh Bawn Wind Holdings DAC. As a result of the disposal, the Group's investment in Sliabh Bawn Wind Holdings DAC has been reclassified from investments in joint ventures to investments in associate undertakings. The profit on the disposal is shown in other income (note 7).

Sliabh Bawn developed and operates a 64MW wind farm in Strokestown, Co. Roscommon. Commercial operations commenced on 1 March 2017. The following table summarises the financial information of Sliabh Bawn and reconciles the summarised financial information to the carrying amount of the Group's interest in Sliabh Bawn group. The information presented in the table includes the results of Sliabh Bawn for the period 29 March 2018 to 27 March 2019.

i. Summarised Income Statement	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	**37.5%**	**50%**
Revenue	14,943	14,175
Cost of sales	(5,406)	(3,843)
Depreciation and amortisation	(5,944)	(5,942)
Interest expense	(2,673)	(2,528)
Other expenses	-	-
Income tax expense	-	(309)
Cash flow hedge movement	(1,469)	755
	(549)	2,308
Group's share of (loss)/profit and total comprehensive income (2019: 37.5% 2018: 50%)	**(281)**	**1,154**

ii. Summarised Balance Sheet	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	**37.5%**	**50%**
Non-current assets	107,716	112,651
Current assets	10,200	50,804
Non-current liabilities	(71,367)	(85,126)
Current liabilities	(47,465)	(78,443)
Net liabilities (100%)	**(916)**	**(114)**
Group's share of net liabilities (2019: 37.5% 2018: 50%)	(344)	(57)
Group's loans in associate/joint venture	14,919	20,216
Carrying amount	**14,575**	**20,159**

13. Equity accounted investees continued

Electricity Exchange

The Group owns a 50% interest in the shares of Electricity Exchange DAC. The Company participates in the all-island Single Electricity Market (SEM) as a Demand Side Unit (DSU) and focuses on the development of smart technologies and the provision of flexible support services to the national grid.

i. Summarised Income Statement	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	**50%**	**50%**
Revenue	9,358	4,908
Cost of sales	(5,008)	(2,279)
Depreciation and amortisation	(6)	(3)
Interest expense	-	(5)
Other expenses	-	(812)
Income tax expense	(348)	(60)
	3,996	1,749
Group's share of profit and total comprehensive income (50%)	**1,998**	**875**

ii. Summarised Balance Sheet	27 March 2019 €'000	28 March 2018 €'000
Percentage ownership interest	**50%**	**50%**
Non-current assets	52	20
Current assets	7,822	2,026
Non-current liabilities	-	-
Current liabilities	(3,211)	(929)
Net assets (100%)	4,663	1,117
Preferential dividend	-	(472)
Adjusted net assets (100%)	**4,663**	**645**
Group's share of adjusted net assets (50%)	2,332	323
Group's loans in joint venture	591	591
Carrying amount	**2,923**	**914**

14. Trade and other receivables

	27 March 2019 €'000	28 March 2018 €'000
Trade receivables	36,064	47,518
Prepayments	8,689	5,616
Amounts owed by equity-accounted investees	1,627	6,884
Other receivables	3,603	1,755
Accrued revenue	10,792	10,335
Value-added tax	1,728	733
Corporation tax	1,051	864
Total	**63,554**	**73,705**

15. Trade and other payables

	27 March 2019 €'000	28 March 2018 €'000
Trade payables	14,490	21,266
Accruals	31,358	34,681
Deferred income	23,576	6,898
Capital grants (Note 16)	2,152	2,578
Other payables	17,173	18,823
Creditors in respect of tax and social welfare	5,433	7,998
Total	**94,182**	**92,244**
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	984	1,014
Pay-related social insurance	1,062	1,194
Corporation tax	1,547	4,344
Value-added tax	1,696	1,446
Other taxes	144	-
Total	**5,433**	**7,998**

16. Capital grants

	27 March 2019 €'000	28 March 2018 €'000
At beginning of the year	10,567	12,718
Received during the year	89	-
Amortised during the year	(1,909)	(2,151)
At end of the year	**8,747**	**10,567**
Amounts due as follows:		
Within one year	2,152	2,578
After more than one year	6,595	7,989
Total	**8,747**	**10,567**

Edenderry Power Limited received a European Union grant for €26.0 million as part of the Economic Infrastructure Operational Programme (EIOP) in the period 1999 to 2002. All conditions under the grant agreement have been satisfied.

17. Provisions

2019	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	60,678	16,132	8,182	4,042	89,034
Provisions made during the year	1,200	43,556	2,500	4,871	52,127
Provisions used during the year	(4,378)	(18,558)	(768)	(2,111)	(25,815)
Provisions reversed during the year	(977)	(523)	-	(815)	(2,315)
Unwind of discount	1,054	-	-	-	1,054
Capitalised during the year	4,813	-	-	-	4,813
Exchange adjustment	16	-	-	6	22
At end of the year	**62,406**	**40,607**	**9,914**	**5,993**	**118,920**
Amounts due as follows:					
Current	13,250	40,607	3,806	5,114	62,777
Non-current	49,156	-	6,108	879	56,143
Total	**62,406**	**40,607**	**9,914**	**5,993**	**118,920**

2018	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	58,115	4,612	7,100	4,685	74,512
Provisions made during the year	6,007	15,617	2,001	1,423	25,048
Provisions used during the year	(9,566)	(2,282)	(919)	(2,056)	(14,823)
Provisions reversed during the year	(854)	(1,815)	-	(10)	(2,679)
Unwind of discount	1,217	-	-	-	1,217
Capitalised during the year	5,759	-	-	-	5,759
At end of the year	**60,678**	**16,132**	**8,182**	**4,042**	**89,034**
Amounts due as follows:					
Current	14,980	16,068	702	3,045	34,795
Non-current	45,698	64	7,480	997	54,239
Total	**60,678**	**16,132**	**8,182**	**4,042**	**89,034**

(a) Environmental reinstatement

Environmental reinstatement costs include:

i. Peatlands

Costs that will be incurred at the end of the economic lives of the peatlands. Under IAS 37, provision is made for these costs when the circumstances occur giving rise to the obligation under the Group's Integrated Pollution Prevention Control licence to decommission and reinstate the peatlands post peat production. The provision of €20.9 million (2018: €18.8 million) as at 27 March 2019 represents the present value of the expected future costs of decommissioning and reinstatement.

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

ii. AES environmental provisions

Environmental provisions of €6.0 million (2018: €6.8 million) recognised in accordance with IAS 37 in respect of the Group's assessment of environmental liabilities in relation to (a) the AES site which were in existence prior to the Group's acquisition of the business in May 2007; and (b) environmental obligations under existing waste licences at the AES facilities.

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

17. Provisions continued

(a) Environmental reinstatement continued

iii. Drehid landfill
The cost of maintaining the landfill facility post closure (2028) and the cost of capping existing engineered cells in use. The Group's estimate of minimum unavoidable costs measured at present value amount to €24.6 million (2018: €22.8 million) at 27 March 2019. The Group continues to review the composition and quantum of these costs which may be impacted by a number of factors including changes in legislation and technology. The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years after the expiry of the operational license.

iv. Environmental restoration
Certain other environmental restoration costs of €2.1 million (2018: €2.1 million) are recognised in accordance with IAS 37, being the Group's estimate of waste removal and waste management costs associated with certain of its lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts. The majority of the obligation will unwind over a three year timeframe but the exact timing of the provisions is not certain.

v. Power station and wind farm closure costs
A provision of €5.0 million (2018: €4.4 million) is made for power stations and wind farm closure/decommissioning costs based on the present value of the current estimate of the costs of closure/decommissioning of generating assets at the end of their useful economic lives.

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

vi. Briquette and horticulture plant closure costs
A provision of €3.7 million (2018: €5.0 million) is made for plant closure/decommissioning costs based on the present value of the current estimate of the costs of closure of briquette and horticulture compost plants at the end of their useful economic lives.

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

(b) Reorganisation and redundancy

The Board announced in October 2018 the decision to restructure Bord na Móna as part of a long term decarbonisation plan. The Directors have recognised a provision which represents their best estimate of the cost of these measures and it is expected to be utilised within the next year.

(c) Insurance

The insurance provision relates to employer, 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 and other costs.

18. Loans and borrowings

	27 March 2019 €'000	28 March 2018 €'000
Non-current liabilities		
Unsecured loan notes	-	62,913
Total	**-**	**62,913**
Current liabilities		
Overdrafts	6,771	4,537
Unsecured loan notes	69,760	53,103
Total	**76,531**	**57,640**

Analysis of changes in net debt	At beginning of year €'000	Cash flow €'000	Non cash €'000	At end of year €'000
Unsecured loan notes	(116,016)	51,081	(4,825)	**(69,760)**
Overdrafts	(4,537)	(2,234)	-	**(6,771)**
Total loans and borrowings	(120,553)	48,847	(4,825)	**(76,531)**
Cash	44,486	9,180	-	**53,666**
Net debt	**(76,067)**	**58,027**	**(4,825)**	**(22,865)**

At 27 March 2019 the Group had US$78.0 million (€69.3 million equivalent) debt arising from a US private placement transaction, which was completed on 6 August 2009. The Group entered into swaps to hedge the related interest and foreign exchange risk. Included in unsecured loan notes are other medium term loans of €0.5 million (2018: €0.7 million).

19. Capital and reserves

(a) Called up share capital and share premium

	27 March 2019 €'000	28 March 2018 €'000
Share capital	82,804	82,804
Share premium	1,959	1,959
	84,763	84,763
Authorised share capital		
300,000,000 ordinary shares of €1.27 each	380,921	380,921
Issued and fully paid		
65,212,639 ordinary shares of €1.27 each	82,804	82,804

Ordinary share capital

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

19. Capital and reserves continued

Nature and purpose of reserves

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

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

Other reserve
The other reserve comprises the Group's share of the other comprehensive income of equity-accounted investments.

20. 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.

21. Cash and cash equivalents

	27 March 2019 €'000	28 March 2018 €'000
Cash	53,666	44,486
Overdrafts	(6,771)	(4,537)
Cash and cash equivalents	**46,895**	**39,949**

22. Commitments

(a) Capital expenditure commitments

	27 March 2019 €'000	28 March 2018 €'000
Authorised and contracted for	6,731	3,946
Authorised and not contracted for	-	703
	6,731	4,649

(b) Operating lease commitments

The Group's operating lease commitments primarily comprise obligations in relation to plant and machinery, vehicles and land & buildings. At the reporting date, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	27 March 2019 €'000	28 March 2018 €'000
No later than one year	2,545	2,256
Later than one and not later than five years	5,877	6,199
Later than five years	2,437	2,289
	10,859	10,744

23. Subsidiaries and investees

The following is a list of principal subsidiaries and investees of the Group at 27 March 2019:

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

The Company has a shareholding in the following companies:

Subsidiary undertaking	Business	Registered office	Shareholding
Bord na Móna Energy Limited[1]	Production and sale of milled peat	Newbridge, Co. Kildare	100%
Bord na Móna Biomass Limited	Production and sale of milled peat	Newbridge, Co. Kildare	100%
Bord na Móna Powergen Limited[1]	Power generation	Newbridge, Co. Kildare	100%
Edenderry Power Limited	Power generation	Newbridge, Co. Kildare	100%
Edenderry Power Operations Limited	Maintenance of power plants	Newbridge, Co. Kildare	100%
Cushaling Power Limited	Power generation	Newbridge, Co. Kildare	100%
Edenderry Supply Company Limited	Wholesale distribution of electricity	Newbridge, Co. Kildare	100%
Renewable Energy Ireland Limited	Power generation	Newbridge, Co. Kildare	100%
Mount Lucas Wind Farm Limited	Power generation	Newbridge, Co. Kildare	100%
Mount Lucas Supply Company Limited	Business, wholesale distribution of electricity	Newbridge, Co. Kildare	100%
Bruckana Wind Farm Limited	Power generation	Newbridge, Co. Kildare	100%
Bruckana Supply Company Limited	Wholesale distribution of electricity	Newbridge, Co. Kildare	100%
Bord na Móna Fuels Limited	Production, sale and distribution of solid fuels	Newbridge, Co. Kildare	100%
BnM Fuels Limited	Dormant	Newbridge, Co. Kildare	100%
Suttons Limited	In liquidation	Newbridge, Co. Kildare	100%
Bord na Móna Horticulture Limited	Production and sale of horticultural products	Newbridge, Co. Kildare	100%
Bord na Móna UK Limited	Marketing, sale and supply of growing media and heating products to UK market	Bridgewater, TA6 4WA	100%
Bord na Móna Environmental Limited	Environmental analytical services	Newbridge, Co. Kildare	100%
White Moss Horticulture Limited	Production and sale of horticultural products	Liverpool, Merseyside, L33 3AN, England	100%
White Moss Nominee One Limited	Dormant	Liverpool, Merseyside, L33 3AN, England	100%

23. Subsidiaries and investees continued

Subsidiary undertaking	Business	Registered office	Shareholding
White Moss Nominee Two Limited	Dormant	Liverpool, Merseyside, L33 3AN, England	100%
Bord na Móna Environmental Products (UK) Limited	In liquidation	Liverpool, Merseyside, L33 3AN, England	100%
Bord na Móna Environmental UK Limited	In liquidation	Liverpool, Merseyside, L33 3AN, England	100%
Bord na Móna ESOP Trustee DAC	Trustee of employee share ownership plan	Newbridge, Co. Kildare	100%
Bord na Móna Resource Recovery Limited	Resource recovery and recycling company	Newbridge, Co. Kildare	100%
Advanced Environmental Solutions Irl Limited	Resource recovery and recycling company	Newbridge, Co. Kildare	100%
Midland Waste Disposal Company Limited	In liquidation	Newbridge, Co. Kildare	100%
Bord na Móna Property DAC	Dormant	Newbridge, Co. Kildare	100%
Bord na Móna Treasury DAC[1]	Treasury holdings	Newbridge, Co. Kildare	100%
Derryarkin Sand and Gravel DAC	Extraction and sale of sand and gravel	Newbridge, Co. Kildare	55%
Bord na Móna Trustee Company DAC	Trustee of defined contribution pension schemes	Newbridge, Co. Kildare	100%

Joint venture/associate company	Business	Registered office	Shareholding
Oweninny Power Holdings DAC	Power generation	St. Stephen's Green, Dublin 2	50%
Oweninny Power DAC	Power generation	St. Stephen's Green, Dublin 2	50%
Oweninny Power 2 DAC	Power generation	St. Stephen's Green, Dublin 2	50%
Sliabh Bawn Wind Holdings DAC	Power generation	Newtown Mountkennedy, Co Wicklow	37.5%
Sliabh Bawn Power DAC	Power generation	Newtown Mountkennedy, Co Wicklow	37.5%
Sliabh Bawn Supply DAC	Wholesale distribution of electricity	Newtown Mountkennedy, Co Wicklow	37.5%
Electricity Exchange DAC	Power generation	Co. Limerick	50%

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

24. Retirement benefit obligations

	27 March 2019 €'000	28 March 2018 €'000
Total market value of pension scheme assets	337,371	334,310
Present value of defined benefit obligation	(350,187)	(343,110)
Excess of scheme liabilities over assets	(12,816)	(8,800)
Members share of surplus on RWESS scheme	(929)	(4,163)
Employee retirement benefit liability before tax	(13,745)	(12,963)

The net defined benefit liability of €13.7 million (2018: €13.0 million) comprises defined benefit pension schemes in an asset position of €1.6 million (2018: €4.2 million) and defined benefit schemes in a deficit of €15.3 million (2018: €17.1 million). The pension asset and liability are shown separately in the Group statement of financial position as €1.6 million and €15.3 million respectively.

(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 three schemes in operation are;

> the General Employees Superannuation Scheme (GESS) which covers management, professional and clerical employees;

> the Regular Works Employees Superannuation Scheme (RWESS) which covers remaining categories of employees; and

> the BnM Fuels Pension scheme which covers employees who became Group employees on the acquisition of the Coal Distributors Group, Stafford North East, Sutton Group and Sheehan and Sullivan.

On retirement from one of the defined benefit schemes a member is entitled to a pension equal to the number of pensionable years' service divided by 80 of net retiring salary and a gratuity equal to 3/80 of retiring salary for each year of pensionable service.

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 €3.1 million based on an actuarial valuation at 27 March 2019 (March 2018 €3.8 million).

Actuarial valuations and funding position of schemes
At 27 March 2019 the ratio of the fair value of assets to the defined benefit obligation was 96.3% (2018: 97.4%) The actuarial method used (aggregate method) determines a contributory rate which should, if continued until the last of the present members retires, provide a fund which is sufficient to provide their benefits. The assumptions which have the most significant effect on the results of the actuarial valuation are those relating to the return on investments and the rate of increase in remuneration.

The most recent funding valuation for the GESS and RWESS schemes are dated 31 March 2017 and the BnM Fuels scheme valuation dated 1 April 2018. These valuations are updated for the most recent census data. In the actuarial valuations for the GESS and RWESS schemes it was assumed that the schemes' investments will earn a real rate of investment return of 0.5% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €336.8 million.

24. Retirement benefit obligations continued

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

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

1. A deficit of €16.5 million on the GESS scheme
2. A surplus of €2.4 million on the RWESS scheme
3. A deficit of €0.6 million on the BnM Fuels scheme

At March 2017 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 89%, 101% and 95% of the benefits that had accrued to the members of the GESS, RWESS and BnM Fuels (April 2018) schemes respectively at the valuation dates.

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

A funding proposal to address the RWESS scheme benefits is in place since 2010, with the Group and active members paying an additional annual sum of 1.5% of their pensionable salary.

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 2019 was €4.3 million and the Group will meet the capital cost by way of fixed annual capital payments of €1.0 million by 30 June each year over a period of no more than twelve years. No additional liability has been recognised over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

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

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

In addition to the scheme changes, the Group will make payments of €36 million (€30.6 million paid to date) over an eight year period, with a payment of €10.2 million made in May 2015 and payments of €5.1 million made in May 2016, May 2017, May 2018 and May 2019. No additional liability has been recognised for the funding commitments over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

The BnM Fuels pension scheme is closed to future accrual with effect from June 2013. An approved funding proposal for Group contributions of €2.3 million was agreed with all parties with annual payments until December 2023. Included in other accruals (note 16) is an additional liability of €0.4 million (2018: €0.4 million) which has been recognised over and above the IAS 19 liability in accordance with the accounting requirements of IAS 19 and IFRIC 14.

The Group expects to pay €7.9 million in contributions to its defined benefit plans in the year ended 25 March 2020.

24. Retirement benefit obligations continued

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

	Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
Movement in net defined benefit liability	**27 March 2019 €'000**	**28 March 2018 €'000**	**27 March 2019 €'000**	**28 March 2018 €'000**	**27 March 2019 €'000**	**28 March 2018 €'000**
Balance at the beginning of the financial year	(347,273)	(349,441)	334,310	333,052	(12,963)	(16,389)
Included in income statement						
Current service cost	(1,961)	(1,999)	-	-	(1,961)	(1,999)
Interest cost	(5,429)	(5,764)	-	-	(5,429)	(5,764)
Interest income	-	-	5,308	5,644	5,308	5,644
Past service cost – curtailments[1]	(4,941)	(1,120)	-	-	(4,941)	(1,120)
	(12,331)	(8,883)	5,308	5,644	(7,023)	(3,239)
Included in OCI						
Remeasurements actuarial gain/(loss) arising from:						
Financial assumptions	(13,046)	(6,339)	-	-	(13,046)	(6,339)
Experience adjustment	1,311	5,438	-	-	1,311	5,438
Demographic assumptions	-	(5,749)	-	-	-	(5,749)
Return on plan assets excluding interest income	-	-	5,230	595	5,230	595
Impact of member	3,237	3,768	-	-	3,237	3,768
	(8,498)	(2,882)	5,230	595	(3,268)	(2,287)
Other						
Contributions by members	(2,119)	(2,507)	2,119	2,507	-	-
Contributions paid by the employer	-	-	9,509	8,952	9,509	8,952
Benefits paid	19,105	16,440	(19,105)	(16,440)	-	-
	16,986	13,933	(7,477)	(4,981)	9,509	8,952
Balance at end of financial year	**(351,116)**	**(347,273)**	**337,371**	**334,310**	**(13,745)**	**(12,963)**

[1] The curtailment cost relates to the closure of the Littleton briquette factory and the decarbonisation restructuring plan, both of which reduced the expected years of future service of present employees.

Plan assets

	27 March 2019 €'000	28 March 2018 €'000
Equity securities	80,969	86,252
Debt securities	114,031	111,660
Property	20,242	19,724
Other	122,129	116,674
	337,371	334,310

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

24. Retirement benefit obligations continued

(b) Investment strategy

i. GESS – The plan is to move to a 100% matched position over the term of the funding plan to 2023. The scheme uses passive management for both equities and bonds, with active managers being used for absolute return/diversified growth funds and alternative long term assets. Currently the holding is 29% match assets, 67% growth assets and 4% transition assets which we will reallocate to matching based on market conditions.

ii. RWESS – At present the asset allocation is 36% matched assets, 33% growth assets and 31% transition assets which will reallocate to matching based on market conditions.

iii. BnM Fuels Scheme – At present the scheme holds 42% in matching assets, 49% in growth assets and 9% transition assets which we will reallocate to matching based on market conditions. The scheme uses passive management for both equities and bonds with active managers being used for absolute return/diversified growth funds.

Defined benefit obligation

i. Actuarial assumptions	2019	2018
Discount rate	1.25%	1.60%
Inflation rate (CPI)	1.10%	1.50%
Rate of increase in salaries	1.60%	2.00%
Rate of increase in pensions in payment – RWESS	1.00%	1.00%
Rate of increase in pensions in payment – GESS	0.00%	0.00%
RWESS		
Life expectancy at age 65 for pensioners currently aged 65 years		
Male	21.5	21.4
Female	24.0	23.9
Other		
Life expectancy at age 65 for pensioners currently aged 65 years		
Male	21.5	21.4
Female	24.0	23.9
RWESS		
Life expectancy at age 65 for pensioners currently aged 45 years		
Male	23.9	23.8
Female	26.0	25.9
Other		
Life expectancy at age 65 for pensioners currently aged 45 years		
Male	23.8	23.8
Female	25.9	25.9

At 27 March 2019, the weighted average duration of the defined benefit obligation was 13 years (2018: 13 years).

24. Retirement benefit obligations continued

ii. Sensitivity analysis

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

Impact in thousands of euro on liabilities	2019	%
Discount rate (0.25% increase)	(11,248)	-3%
Salary inflation (0.25% increase)	1,515	0%
Pension escalation (0.25% increase)	9,719	3%

Impact in thousands of euro on liabilities	2018	%
Discount rate (0.25% increase)	(11,306)	-3%
Salary inflation (0.25% increase)	1,868	1%
Pension escalation (0.25% increase)	8,879	3%

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

(c) Pension risks

The following are the risks associated with the pension plans:

Asset volatility

The plan's liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan's assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities and absolute return funds which are expected to outperform corporate bonds in the long-term while increasing volatility and risk in the short-term. As the plan matures, the trustees of the plan are likely to reduce the level of investment risk by investing more in assets that better match the liabilities.

The trustees believe that due to the long-term nature of the plan's liabilities and the strength of the supporting Company, a level of continuing equity and absolute return fund investment is an appropriate element of the trustees' long term strategy to manage the plan efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase the plan's liabilities. A decrease in corporate bond yields will also increase the plan's assets to the extent that the plan is invested in corporate bonds. At the valuation date, the plan holds corporate bonds, although the level of investment in corporate bonds is relatively small.

Inflation risk

Some of the pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Investment risk

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The assets of the plan are invested in a wide range of asset classes including equities, bonds, property and absolute return bonds.

25. Related party disclosure

(a) Transactions with key management personnel

i. Key management personnel compensation

Key management personnel comprises the worker participation Directors, non-executive Directors and the executive Director and their direct reports. The compensation attributable to these personnel comprised the following:

	27 March 2019 €'000	28 March 2018 €'000
Short-term employee benefits	2,250	1,531
Post-employment benefits	204	181
Termination benefits	124	-
	2,578	1,712

ii. Key management personnel interests

See note 5 for information on the interests of the Directors in the ordinary shares of the Company.

iii. Key management personnel transactions

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

(b) Parent and ultimate controlling party

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

(c) Other related party transactions

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

The Group provide services amounting to €1.0 million (2018: €0.1 million) in the areas of planning, project management, legal, finance and administration to its associates and joint ventures along with the sale of electricity of €0.5 million. These services are charged in accordance with arrangements agreed between the shareholders of the associates and joint ventures. The associates and joint ventures owed the Group €29.0 million (2018: €23.2 million) at 27 March 2019. During the period the joint venture shareholders advanced loans of €5.0 million each to the Oweninny Power DAC joint venture.

In the ordinary course of its business the Group sold goods and property and provided services to entities controlled by the Irish Government, the principal of these being ESB. The Group operates a long-term agreement with ESB in relation to the sale of peat and provision of ancillary services to the power stations. Supply of these services in the year to 27 March 2019 amounted to €71.6 million (2018: €67.9 million) and amounts due from these entities to the Group at 27 March 2019 for these services amounted to €6.7 million (2018: €4.3 million).

During the year to March 2019, services were received from AMCS, a software/hardware provider for the Resource Recovery business unit to the value of €0.4 million (2018: €0.5 million). Elaine Treacy, a Director of Bord na Móna plc, is a member of the senior management team in AMCS.

Duncan O'Toole, a Director of Electricity Exchange, is also a Director of Captured Carbon Ltd which purchases power from EPL under a contract for differences arrangement. In 2019, sales to the value of €0.3 million (2018: €13 thousand) and purchases to the value of €0.1 million (2018: €8 thousand) were recorded.

25. Related party disclosure continued

From time to time the Group places monies on deposit with financial institutions controlled by the State. At 27 March 2019 the Group had €0.9 million monies on deposit (2018: €nil) with such institutions.

(d) Dividends

	27 March 2019 €'000	28 March 2018 €'000
To the Minister for Finance	-	2,331
To Bord na Móna ESOP Trustee Limited	-	123
	-	2,454

The Company paid a dividend of €nil (2018: €0.0376) per share during the year. The total dividend payment for the year was €nil million (2018: €2.5 million).

26. Financial instrument and risk management

Accounting classifications and fair value

	Carrying Amount				Fair Value			
27 March 2019	Loans and receivables €'000	Liabilities at amortised cost €'000	Fair value hedging instruments €'000	Total carrying amount €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Trade receivables	36,064	-	-	36,064	-	-	-	-
Cash and cash equivalents	53,666	-	-	53,666	-	-	-	-
Accrued revenue	10,792	-	-	10,792	-	-	-	-
Other receivables	8,009	-	-	8,009	-	-	-	-
Trade payables	-	(14,490)	-	(14,490)	-	-	-	-
Other payables	-	(53,964)	-	(53,964)	-	-	-	-
Swap derivatives	-	-	13,337	13,337	-	13,337	-	13,337
Unsecured loan note (Note 18)	-	(69,760)	-	(69,760)	-	-	-	-
Overdrafts	-	(6,771)	-	(6,771)	-	-	-	-
	108,531	(144,985)	13,337	(23,117)	-	13,337	-	13,337

28 March 2018	Loans and receivables €'000	Liabilities at amortised cost €'000	Fair value hedging instruments €'000	Total carrying amount €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Trade receivables	47,518	-	-	47,518	-	-	-	-
Cash and cash equivalents	44,486	-	-	44,486	-	-	-	-
Accrued revenue	10,335	-	-	10,335	-	-	-	-
Other receivables	10,236	-	-	10,236	-	-	-	-
Trade payables	-	(21,266)	-	(21,266)	-	-	-	-
Other payables	-	(61,502)	-	(61,502)	-	-	-	-
Swap derivatives	-	-	7,652	7,652	-	7,652	-	7,652
Unsecured loan note (Note 18)	-	(116,016)	-	(116,016)	-	-	-	-
Overdrafts	-	(4,537)	-	(4,537)	-	-	-	-
	112,575	(203,321)	7,652	(83,094)	-	7,652	-	7,652

26. Financial instrument and risk management continued

Accounting classifications and fair value continued

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

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

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

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

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

(a) Financial risk management

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

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

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

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

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

(b) Credit risk

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

The carrying amounts of financial assets represent the maximum credit exposure.

Impairment losses on financial assets recognised in profit or loss were as follows:

	2019 €'000	2018 €'000
Impairment loss on trade receivables arising from contracts with customers	133	156
	133	156

26. Financial instrument and risk management continued

(b) Credit risk continued

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

The Group has established a credit policy under which each new customer is vetted individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings and trade references when available. Credit limits are established for each customer and reviewed periodically. In monitoring customer credit risk, customers are grouped according to their characteristics, including their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group is monitoring the economic environment in the UK and is taking actions to limit its exposure to customers due to Brexit. The Group has prepared a risk mitigation plan on the export of horticultural products to the UK. The Group has worked with customers and supply chain partners to transport and store inventories in the UK prior to the anticipated Brexit date. In addition the plan covers expected export compliance activities.

At 27 March 2019, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

Carrying Amount	2019 €'000	2018 €'000
ROI	19,882	32,650
UK	8,070	10,075
Rest of Europe	5,741	4,793
	33,693	47,518

Comparative information under IAS 39
An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 28 March 2018 is as follows:

At 28 March 2018	Gross €'000	Impairment €'000	Net receivables €'000
Group			
Not past due	41,685	717	40,968
Past due < 90 days	6,195	482	5,713
Past due > 90 days	1,445	608	837
	49,325	1,807	47,518

Expected credit loss ("ECL") assessment for individual customers as at 27 March 2019 and 28 March 2018
The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

26. Financial instrument and risk management continued

(b) Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 27 March 2019.

	Weighted average loss rate	Gross carrying amount €'000	Loss allowance €'000	Credit impaired
Current (not past due)	0.4%	29,544	118	No
1–30 days past due	10.0%	1,963	197	No
31–60 days past due	15.0%	713	107	No
61–90 days past due	40.0%	358	143	No
More than 90 days past due	99.0%	1,115	1,101	No
		33,693	**1,666**	

Loss rates are based on actual credit loss experience over the last year. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows. Comparative amounts for 2018 represent the allowance account for impairment losses under IAS 39.

	2019 €'000	2018 €'000
Balance at beginning of year under IAS 39	**1,807**	**1,651**
Adjustment on initial application of IFRS 9	-	-
Balance at beginning of year under IFRS 9	1,807	1,651
Amounts recognised	133	156
Utilisation	(274)	-
Balance at end of year	**1,666**	**1,807**

Trade receivables with a contractual amount of €0.4 million written off during the year are still subject to enforcement activity.

Cash

The Group held cash of €53.7 million at 27 March 2019 (2018: €44.5 million). The cash is held with bank and financial institution counterparties, which are rated BBB+ or higher, based on Standard & Poors ratings.

Impairment on cash has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash has low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash to those used for debt securities.

On initial application of IFRS 9, the Group did not recognise an impairment allowance as at 28 March 2018 as the amount was immaterial.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated BBB+, based on Standard & Poors ratings.

26. Financial instrument and risk management continued

(c) Liquidity risk

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

Unsecured loan notes
Interest of €6.4 million was charged on €67.7 million of average unsecured loan notes in 2019. In 2018, interest of €9.5 million was charged on average unsecured loan notes of €138.7 million.

Available liquidity

The Group has the following undrawn overdraft and loan facilities:

Facility	Drawn amount at 27 March 2019 €'000	Total of facility €'000	Available headroom €'000
Revolving credit facility	-	150,000	150,000
Bank overdraft	6,771	40,000	33,229
Total	6,771	190,000	183,229

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

26. Financial instrument and risk management continued

(c) Liquidity risk continued

Contractual maturities

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

At 27 March 2019	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1–2 years €'000	2–5 years €'000	More than 5 years €'000
Borrowings:						
Unsecured loan notes	69,760	(72,493)	(72,178)	(315)	-	-
Related derivatives	(13,337)	14,112	14,112	-	-	-
Total	56,423	(58,381)	(58,066)	(315)	-	-
Trade and other payables	68,454	(68,454)	(68,454)	-	-	-
Bank overdraft	6,771	(6,771)	(6,771)	-	-	-
Total	75,225	(75,225)	(75,225)	-	-	-

At 28 March 2018	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1–2 years €'000	2–5 years €'000	More than 5 years €'000
Borrowings:						
Unsecured loan notes	115,341	(124,357)	(58,962)	(65,395)	-	-
Related derivatives	(7,652)	10,074	2,564	7,510	-	-
Total	107,689	(114,283)	(56,398)	(57,885)	-	-
Trade and other payables	83,099	(83,099)	(83,099)	-	-	-
Bank overdraft	4,537	(4,537)	(4,537)	-	-	-
Total	87,636	(87,636)	(87,636)	-	-	-

(d) Market risk

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

Foreign exchange rate risk

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

The effect of the foreign exchange transaction rate risk on the unsecured loan notes is, however, material. On 27 March 2019 the Group had US$78 million fixed rate debt arising from a US private placement transaction, which was completed on 6 August 2009. The Group has entered into swap agreements to mitigate this risk entirely. The private placement debt in place is at fixed interest rates and the Group has entered into derivatives that swap the US$ interest and principal repayments into fixed euro. Therefore, in relation to the debt the Group has in substance no exposure to movements in foreign exchange rate movements or interest rate movements.

26. Financial instrument and risk management continued

(d) Market risk continued

	27 March 2019 €'000	28 March 2018 €'000
Foreign exchange impact		
Unsecured loan notes	(9,728)	21,430
Effect of derivative financial instruments	9,728	(21,430)
Total	**-**	**-**

	27 March 2019		28 March 2018	
	€'000 USD	€'000 GBP	€'000 USD	€'000 GBP
Trade receivables	3	8,541	3	6,527
Trade payables	(19)	(2,453)	(4)	(1,785)
	(16)	6,088	(1)	4,742
Net balance sheet exposure				
Net six months forecast sales	-	30,383	-	33,294
Next six months forecast purchases	-	(22,309)	-	(23,820)
Net forecast transaction exposure	-	8,074	-	9,474
Forward exchange contracts	-	(4,376)	-	-
Net exposure	**-**	**3,698**	**-**	**9,474**

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

	Average rate		Year end spot rate	
	2019	2018	2019	2018
USD	1.1584	1.1701	1.1261	1.2398
GBP	0.8822	0.8824	0.8512	0.8760

26. Financial instrument and risk management continued

(d) Market risk continued

Sensitivity analysis

The Group have no material exposure to movements in US dollars. A reasonably possible strengthening (weakening) of sterling against euro at 27 March 2019 would have affected the measurement of financial instruments denominated in sterling and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Wednesday, 27 March 2019				
GBP (+/-5% Movement)	321	(290)	-	-
Wednesday, 28 March 2018				
GBP (+/-5% Movement)	249	(226)	-	-

27. Subsequent events

There have been no events between the reporting date and the date on which the financial statements were approved by the Board, which would require disclosure in and/or adjustment to the financial statements.

28. Approval of financial statements

The financial statements were approved by the Directors on 26 June 2019.

ENTITY FINANCIAL STATEMENTS OF THE COMPANY

BORD NA MÓNA PLC
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 27 MARCH 2019

	Note	27 March 2019	28 March 2018
Assets			
Non-current assets			
Property, plant and equipment	29(c)	5,305	5,240
Intangible assets	29(d)	5,603	14,042
Financial assets	29(b)	87,777	87,873
Amounts due from group companies		179,248	201,541
Derivative financial instruments	26	13,337	7,652
Retirement benefit asset	24	929	4,163
Deferred tax assets	29(g)	1,020	871
Total non-current assets		**293,219**	**321,382**
Current assets			
Trade and other receivables	29(e)	134,922	125,927
Cash and cash equivalents		15,441	37,891
Total current assets		**150,363**	**163,818**
Total assets		**443,582**	**485,200**
Equity			
Equity attributable to owners of the Company			
Share capital	19	82,804	82,804
Share premium	19	1,959	1,959
Cash flow hedge reserve		(214)	(967)
Retained earnings		54,794	56,091
Total equity		**139,343**	**139,887**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	29(i)	15,337	17,307
Loans and borrowings		-	62,124
Capital grants		2,524	-
Provisions	29(h)	6,108	7,480
Total non-current liabilities		**23,969**	**86,911**
Current liabilities			
Loans and borrowings		69,265	52,428
Bank overdraft		8,744	-
Provisions	29(h)	13,502	3,936
Trade and other payables	29(f)	188,759	202,038
Total current liabilities		**280,270**	**258,402**
Total liabilities		**304,239**	**345,313**
Total equity and liabilities		**443,582**	**485,200**

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

On behalf of the board

Geoff Meagher
Chairman

Tom Donnellan
Managing Director

26 June 2019

BORD NA MÓNA PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 MARCH 2019

	Share capital €'000	Share premium €'000	Cash flow hedge reserve €'000	Retained earnings €'000	Total €'000
At 29 March 2017	82,804	1,959	(224)	38,061	122,600
Total comprehensive income					
Loss for the year	-	-	-	22,576	22,576
Other comprehensive income					
Remeasurements of defined benefit liability	-	-	-	(2,092)	(2,092)
Cash flow hedge – effective portion of changes in fair value	-	-	(17,790)	-	(17,790)
Cash flow hedge – reclassified to profit or loss (cash payments)	-	-	(1,704)	-	(1,704)
Cash flow hedge – reclassified to profit or loss (foreign exchange)	-	-	18,751	-	18,751
Transactions with owners of the Company					
Dividends paid to shareholders	-	-	-	(2,454)	(2,454)
At 28 March 2018	82,804	1,959	(967)	56,091	139,887
Total comprehensive income					
Loss for the year	-	-	-	1,745	1,745
Other comprehensive income					
Remeasurements of defined benefit liability	-	-	-	(3,042)	(3,042)
Cash flow hedge – effective portion of changes in fair value	-	-	10,563	-	10,563
Cash flow hedge – reclassified to profit or loss (cash payments)	-	-	(1,298)	-	(1,298)
Cash flow hedge – reclassified to profit or loss (foreign exchange)	-	-	(8,512)	-	(8,512)
Transactions with owners of the Company					
Dividends paid to shareholders	-	-	-	-	-
At 27 March 2019	82,804	1,959	(214)	54,794	139,343

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

29.(a) Statement of compliance

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

> A cash flow statement and related notes;

> Disclosures in respect of the compensation of key management personnel;

> Disclosures in respect of transactions with wholly owned subsidiaries;

> Disclosures in respect of capital management;

> Certain comparative information; and

> The effects of new but not yet effective IFRSs.

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

> Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures;

> Prior year comparatives have been restated on a consistent basis with the current year.

29.(b) Financial assets

	Subsidiary undertakings			
2019	**Unlisted shares €'000**	**Convertible loan stock €'000**	**Loans €'000**	**Total €'000**
At 28 March 2018	11	96	87,766	87,873
Repaid during the year	-	(96)	-	(96)
At 27 March 2019	**11**	**-**	**87,766**	**87,777**

	Subsidiary undertakings			
2018	**Unlisted shares €'000**	**Convertible loan stock €'000**	**Loans €'000**	**Total €'000**
At 28 March 2018	11	316	87,766	88,093
Repaid during the year	-	(220)	-	(220)
At 27 March 2019	**11**	**96**	**87,766**	**87,873**

At 27 March 2019 the carrying amount of the investment in subsidiary undertakings was reviewed for impairment in accordance with our accounting policies. No impairment loss was recognised in 2019 (2018: €nil). A list of the entity's subsidiary undertakings is set out in note 23.

29.(c) Property, plant and equipment

2019	Peatland, drainage and production buildings €'000	Railway, plant and machinery €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group total €'000
Cost					
At 28 March 2018	559	2,921	10,337	17	13,834
Additions	-	3	30	1,097	1,130
Transfers out of assets under construction	-	-	196	(196)	-
At 27 March 2019	**559**	**2,924**	**10,563**	**918**	**14,964**
Depreciation and impairment					
At 28 March 2018	-	2,422	6,172	-	8,594
Depreciation charge	-	303	481	-	784
Impairment (Note 7)	-	-	281	-	281
At 27 March 2019	**-**	**2,725**	**6,934**	**-**	**9,659**
Carrying amount					
At 27 March 2019	**559**	**199**	**3,629**	**918**	**5,305**
At 28 March 2018	559	499	4,165	17	5,240

2018	Peatland, drainage and production buildings €'000	Railway, plant and machinery €'000	Freehold land, administration and research buildings €'000	Assets in course of construction €'000	Group total €'000
Cost					
At 29 March 2017	559	2,961	9,640	-	13,160
Additions	-	-	240	523	763
Disposals/retirements	-	(89)	-	-	(89)
Transfers out of assets under construction	-	49	457	(506)	-
At 28 March 2018	**559**	**2,921**	**10,337**	**17**	**13,834**
Depreciation and impairment					
At 29 March 2017	-	1,899	5,057	-	6,956
Depreciation charge	-	523	465	-	988
Impairment	-	-	650	-	650
At 28 March 2018	**-**	**2,422**	**6,172**	**-**	**8,594**
Carrying amount					
At 28 March 2018	**559**	**499**	**4,165**	**17**	**5,240**
At 29 March 2017	559	1,062	4,583	-	6,204

29.(d) Intangible assets

2019	Assets in course of construction €'000	Software €'000	Total €'000
Cost			
At 28 March 2018	52	30,158	30,210
Additions	-	4	4
Transfers out of assets under construction	(52)	52	-
At 27 March 2019	**-**	**30,214**	**30,214**
Amortisation and impairment			
At 28 March 2018	-	16,168	16,168
Charge for year	-	2,486	2,486
Impairment (Note 7)	-	5,957	5,957
At 27 March 2019	**-**	**24,611**	**24,611**
Carrying amounts			
At 27 March 2019	**-**	**5,603**	**5,603**
At 28 March 2018	52	13,990	14,042

2018	Assets in course of construction €'000	Software €'000	Total €'000
Cost			
At 29 March 2017	758	27,916	28,674
Additions	1,448	88	1,536
Transfers out of assets under construction	(2,154)	2,154	-
At 28 March 2018	**52**	**30,158**	**30,210**
Amortisation and impairment			
At 29 March 2017	-	13,378	13,378
Charge for year	-	2,790	2,790
At 28 March 2018	**-**	**16,168**	**16,168**
Carrying amounts			
At 28 March 2018	**52**	**13,990**	**14,042**
At 29 March 2017	758	14,538	15,296

29.(e) Trade and other receivables

	27 March 2019 €'000	28 March 2018 €'000
Trade receivables	144	208
Prepayments	1,884	1,843
Amounts owed by group companies	130,296	116,644
Amounts owed by joint ventures	24	5,997
Other receivables	576	158
Value-added tax	1,998	1,077
Total	**134,922**	**125,927**

29.(f) Trade and other payables

	27 March 2019 €'000	28 March 2018 €'000
Trade payables	5,277	11,565
Accruals	8,412	10,922
Deferred income	131	131
Capital grants	71	496
Other payables	3,902	2,530
Amounts due to group companies	168,221	171,198
Creditors in respect of tax and social welfare	2,745	5,196
Total	**188,759**	**202,038**
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	984	993
Pay-related social insurance	1,062	1,164
Corporation tax	699	3,039
Total	**2,745**	**5,196**

29.(g) Deferred tax

	27 March 2019 €'000	28 March 2018 €'000
Deferred tax (asset)/liability at beginning of year	(871)	6,168
Recognised in profit or loss	(545)	(7,455)
Recognised in other comprehensive income	396	416
Deferred tax (asset)/liability at end of the year	**(1,020)**	**(871)**

29.(h) Provisions

2019	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	2,120	1,115	8,181	-	11,416
Provisions made during the year	-	7,581	2,500	-	10,081
Provisions used during the year	(5)	(1,114)	(768)	-	(1,887)
At end of the year	**2,115**	**7,582**	**9,913**	**-**	**19,610**
Amounts due as follows:					
Current	2,115	7,581	3,806	-	13,502
Non-current	-	-	6,108	-	6,108
Total	**2,115**	**7,581**	**9,914**	**-**	**19,610**

2018	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	2,123	1,568	7,100	1,200	11,991
Provisions made during the year	-	300	2,000	-	2,300
Provisions used during the year	(3)	(753)	(919)	(1,200)	(2,875)
At end of the year	**2,120**	**1,115**	**8,181**	**-**	**11,416**
Amounts due as follows:					
Current	2,120	1,115	701	-	3,936
Non-current	-	-	7,480	-	7,480
Total	**2,120**	**1,115**	**8,181**	**-**	**11,416**

For further detail on the above provisions, see note 17 in the Group financial statements.

29.(i) Pension fund liabilities

There are two pension schemes held within the balance sheet of Bord na Móna plc (RWESS and GESS). In addition to this, the unfunded scheme is also recognised on the balance sheet. The third pension scheme (BnM Fuels pension scheme) has been recognised on the balance sheet of Bord na Móna Fuels Limited. Information has been provided on these pension schemes as per note 24 of the consolidated financial statements. As there are no material differences between the information given in the consolidated notes and the Company information it has been chosen not to reproduce this information.

29.(j) Approval of financial statements

The financial statements were approved by the Directors on 26 June 2019.

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