ANNUAL REPORT 2020

BORD NA MÓNA

CONTENTS

BORD NA MÓNA
STATEMENT FROM THE CHIEF EXECUTIVE

I am pleased to outline the financial results for Bord na Móna for the year ending 25 March 2020 (FY20).

FY20 was marked by the continued implementation of Bord na Móna's Brown to Green strategy which maps the move away from peat and the company's diversification into a range of low-carbon, sustainable operations. The strategy involves a phased, multi-year programme of activity, the first stage of which has seen the company consolidate and simplify its high carbon operations. During this stage, the company has exited its coal and other loss-making businesses, simplified its peat harvesting and associated activities, and cut the overhead cost structure of the company by 40 per cent. The transition away from carbon intensive business was highlighted in FY20 as demand for peat was reduced and ESB announced they would close their two Midlands power stations in December 2020. The associated reduced peat sales, together with the ending of coal sales and reduced energy prices contribute to a 7.7 per cent decrease in turnover to €351.0 million in FY20.

The strategic transition to a low carbon business generated a number of costs in the reporting period. These costs are reflected in the company's net loss of €22.5 million for FY20 which is approximately half that recorded the previous year. The results include €65.9 million of exceptional costs that are generated by the decarbonisation transition. These exceptional items represent a recognition of the cost of transition for Bord na Móna to a revenue model based on low carbon activity. We have decreased net debt by €23.9 million and finished the year in a positive cash position of €1.0 million due to increased cash focus and strong operating performance. We are particularly pleased with the performance of our joint ventures which delivered a €3.8 million contribution, with year on year gains, driven by the commencement of our €180 million Oweninny I windfarm joint venture.

As its title implies, the Brown to Green strategy also involves moving the company towards greener, low carbon business operations.

These green operations already generate a significant amount of our revenue and as the Brown to Green strategy progresses towards its stated conclusion, they will come to define and sustain Bord na Móna.

Under the company's plan, the second area of strategic focus involves expansion and accelerated development of the existing low carbon, sustainable business units, to include Powergen Development and Resource Recovery. Through FY20 Powergen Development has successfully accelerated its development pipeline. In this period Oweninny I windfarm became operational, Cloncreen and Oweninny II windfarms moved to preconstruction, and a range of other projects entered and progressed through the planning and development process. Similarly, the Resource Recovery Business Unit agreed a significant expansion of its customer base and, in partnership with Sabrina Integrated Services (SIS), launched Ireland's only farm plastics recycling facility on the site of the former peat briquette factory in Littleton, Co Tipperary. The third area of strategic focus involves the development of new commercial initiatives by the New Business Unit that realise the full potential of our land, people and assets. These projects are being developed with a view to delivering commercial returns to the company and, or socio-economic dividends to the community. The new projects are at an early developmental stage, and while individually quite different, all must be commercially and environmentally sustainable enterprises that can generate new employment opportunities in the Midlands.

As we move beyond FY20, the company continues to operate in a challenging business environment that was further complicated by the onset of the global pandemic that occurred towards the end of the reporting period. Despite these challenges, the financial and other gains accruing from the Brown to Green strategy have enabled the company to sustain profitability and invest in further progress in the coming year.

Tom Donnellan
Chief Executive

BORD NA MÓNA

GOVERNANCE REPORT

BORD NA MÓNA
RISK MANAGEMENT

The Board has overall responsibility for risk management including the nature and extent of significant risks that is 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 an enterprise wide risk management system which places a strong emphasis on strategic risks at a Group level (strategic risk register) and on strategic risks at the business level (business risk registers). In this risk management system, a strong focus is placed on managing risks that management can influence through the risk process as well as an emphasis on future action items and the responsibility for these is of key importance. Risk management is embedded in each business unit 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 and 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 risk appetite statements in conjunction with the strategic risk process, then monitor and report 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 unforeseen circumstances.		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 25 March 2020, the Group had €125 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.		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.

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. 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.
General Electricity Pricing & Biomass and Carbon for Edenderry Power station (EPL) The risk of the non-operation of the EPL 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 station 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 EPL. A dedicated team has been established to source further indigenous biomass and develop a supply chain for imported biomass to supply EPL. This imported biomass will fill a demand while the market develops further indigenous biomass from the private forestry sector to mature and become available. 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 EPL.

BORD NA MÓNA
RISK MANAGEMENT CONTINUED
STRATEGIC RISKS

	Risk & Impact	Risk Climate	Mitigating Actions
Operational Continued	**COVID-19** The risk of the impact of the Corona Virus pandemic on our businesses as a result of significant supply chain disruption, sickness/death of employees, loss of business, recession etc. The true economic impact of these events is not yet known but there is a risk that they will lead to significant financial loss and future implications for the Group.		A cross functional management group has been established to deal with all the issues associated with the COVID-19 pandemic. Additional investment has taken place on our I.T capability to enable most management and administrative staff to operate from home. Protective equipment has been purchased for staff in various businesses. Some operational equipment has been modified and additional resources deployed to ensure that work practices are safe.
	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 New Business. 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 new regulations covering the movement and the extraction of peat, 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 Edenderry Power station with resulting supply chain and cost implications. The ongoing uncertainty over BREXIT remains a macroeconomic threat to the markets the group operates in.		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. In some cases when dealing with Regulatory risks the Group has no option but to accept these risks. The Group is actively managing any supply chain risks associated with Brexit.

The Directors present their annual report and the audited financial statements of Bord na Móna plc for the financial year ended 25 March 2020.

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 Statement from the Chief Executive on page 2 contains 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 25 March 2020, 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 25 March 2020 are given on pages 19 - 79 . No dividend was paid during the financial year ending 25 March 2020.

Corporate Governance

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 Chief Executive and the senior management team. The Chief Executive 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 Chief Executive acts as a direct liaison between the Board and management of Bord na Móna plc.

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 Chief Executive is appointed to the Board on appointment to that position. The Directors during the financial period were:

Geoff Meagher (Chairman)	Non-executive	Appointed October 2017
Tom Donnellan (Chief Executive)	Executive	Appointed April 2018
Denise Cronin	Non-executive	Appointed September 2011, reappointed May 2016
Gerard O'Donoghue	Non-executive	Appointed October 2012, reappointed 2 October 2017
Paddy Rowland	Worker Director	Appointed January 2019
Elaine Treacy	Non-executive	Appointed July 2012, reappointed July 2017
Barry Walsh	Non-executive	Appointed October 2012, reappointed 16 October 2017
Seamus Maguire	Non-executive	Retired 10 April 2019
Philip Casey	Worker Director	Appointed January 2015, reappointed 11 April 2019
John Farrelly	Non-executive	Appointed June 2014, retired 16 June 2019
Denis Leonard	Non-executive	Appointed June 2014, retired 16 June 2019
Mary Rose Burke	Non-executive	Appointed 13 September 2019
Margot Slattery	Non-executive	Appointed 13 September 2019
Paschal Maher	Worker Director	Appointed May 2016; retired 25 September 2019
Eddie Tynan	Non-executive	Appointed 26 September 2019
Colman Hynes	Worker Director	Appointed January 2019, retired 31 October 2019
Kevin Healy	Worker Director	Appointed 1 November 2019

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. Bord na Móna plc was in full compliance with the Code of Practice for the Governance of State Bodies 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. The table below is designed to help stakeholders navigate to the relevant sections in the report which provide additional information on the Group's approach to our non-financial information.

Reporting Requirement	Policies and Standards which Govern our Approach	Additional information and Risk Management
Environmental Matters	> Environmental compliance[1] > Biomass sustainability[1]	> **Energy:** Fully compliant with our IPC Licences P0499-01 to P0507-01. Currently operate under nine Integrated Pollution Control (IPC) Licences which govern all of our peat extraction activities under the Environmental Protection Agency Act 1992. > **Resource Recovery:** Eight Waste Licensed sites and one Waste Permitted site. All sites compliant with NSAI ISO 9001 (Quality Management), ISO 14001 (Environmental Management), OHSAS 18001 (Health & Safety Management) standards. > **Biomass:** Bord na Móna are committed to sourcing sustainable biomass to meet EU and National standards.
Employees	> Health & Safety Policy[1] > Equality and Diversity Policy[1] > Protected Disclosures Policy [2] > Code of Conduct[2]	> All Bord na Móna policies and procedures are available to all employees initially through induction and updated on our internal intranet platform. Policies are regularly 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 & Safety systems (page 5 Risk Report H&S Operational Risk).
Social Matters	> Employee Benefits & Graduate Programme[2] > Windfarm Community Gain Scheme Charter[2]	> Our employee compensation and benefits help to attract and retain the talent necessary to achieve our goal of leading the markets we serve (page 6 Risk Management Report, Strategic Risk on retaining & attracting staff).
Human Rights	> Modern Slavery Policy[2] > Children First Act, Child safeguarding statement[1]	
Anti-bribery and corruption	> Code of Conduct[2] > Anti-Bribery and Corruption Policy[1]	> Governance Report.
Description of Principle risks and impact of business activity	> Risk Management Policy[1]	> Governance Report: Risk Management Report page 3.
Description of our Business Model	> Our Business Model: Organisation Design and Strategy. 4 Business Units; Consolidate & Simplify, Extend the Core, Scale the New.	> Strategic response to decarbonisation. Page 2, CEO Statement. > Risk Management Policy: Outlines our risk management strategy including the principles and governance approach. See our risk management report on page 4.
Non-financial key performance indicators		> Wind generation was 324,337Mwh for the year. > Our average Total Recordable Incident Rate from a health and safety perspective was 1.73 for the year.

[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 Chief Executive; 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 Chief Executive 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 25 March 2020 were Denise Cronin (Chairman), Margot Slattery and Barry Walsh. The Committee met 5 times during the financial year. During the financial year ending 25 March 2020 the Risk and Audit Committee were involved in the roll out of a new Business Continuity Management and 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 Chief Executive and senior management within Government guidelines, Human Capital Planning, Succession Management, Pensions and other HR matters. The Committee met 4 times during the financial year. The members as at 25 March 2020 were Geoffrey Meagher (Chairman), Elaine Treacy and Gerard O'Donoghue. The Chief Executive, Tom Donnellan, attends the Committee except when his own position is being discussed.

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 25 March 2020 were Geoffrey Meagher (Chairman), Tom Donnellan, Mary Rose Burke and Barry Walsh. The Committee met 5 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 25 March 2020 were Gerard O'Donoghue (Chairman), Eddie Tynan, Philip Casey and Tom Donnellan. The Committee met 4 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 25 March 2020 were Barry Walsh (Chairman), Paddy Rowland and Elaine Treacy. The Committee met 3 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 year financial ended 25 March 2020.

	Board Meetings Attended/ Eligible	Committee Meetings Attended/ Eligible
G Meagher (Chairman)	10/10	9/9
T Donnellan (Chief Executive)	10/10	9/9
D Cronin	10/10	5/5
G O'Donoghue	8/10	8/8
E Treacy	7/10	6/6
P Rowland	10/10	1/1
B Walsh	9/10	9/9
S Maguire (until 10 April 2019)	N/A	1/1
P Casey (from 11 April 2019)	9/10	4/4
J Farrelly (until 16 June 2019)	1/1	1/2
MR Burke (From 13 September 2019)	7/7	2/3
D Leonard (Until 16 June 2019)	1/1	1/1
M Slattery (From 13 September 2019	3/7	2/2
P Maher (Until 25 September 2019)	5/5	3/3
E Tynan (From 26 September 2019)	5/5	2/2
C Hynes (Until 31 October 2019)	0/6	0/2
K Healy (From 1 November 2019)	3/3	N/A

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 40.

The total expenses paid to the Directors in the financial ended 25 March 2020 was €12,357 (FY19: €22,727).

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

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 of Practice for the Governance of State Bodies (2016). 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 period ended 25 March 2020 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 controls, by testing the accuracy of transactions and by otherwise obtaining management's assurance that the control 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 action plans for strengthening them are put in place and 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 period ended 25 March 2020 and up to the date of approval of the financial statements. The process used to review the effectiveness of the system of internal controls includes:

> 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 Bord na Móna 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. The directors are undertaking continuous reviews of the Group's operational, commercial and financial performance and have considered the potential impact of COVID-19 and regulatory uncertainties on the Group's ability to continue as a going concern.

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 of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. 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 25 March 2020 was €1,353,722 (FY19 €1,986,166).

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 25 March 2020 was as follows:

> Staff hospitality €226,509 (FY19 €257,807)

> Client hospitality €46,133 (FY19 €64,983)

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 25 March 2020 was €748,066 (FY19 was €1,424,301).

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 Bord na Móna plc in the financial year ended 25 March 2020 are given on pages 4 - 7.

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 Approved Profit Sharing Scheme. The other Directors and their families had no interests in the shares of Bord na Móna plc or any other Group company during the year ended 25 March 2020 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 Bord na Móna Plc 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 24 of the financial statements.

Research and Development

The research and development costs incurred during the year by the Group were €7.7 million (FY19: €9.8 million).

Political Donations

The Board made no political donations during the year (FY19 €nil).

Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditor KPMG, Chartered Accountants, who were re-appointed in January 2018, will continue in office.

On behalf of the Board:

Geoffrey Meagher
Chairman and Director

Tom Donnellan
Chief Executive

24 June 2020

BORD NA MÓNA
STATEMENT OF DIRECTORS' 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 and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU 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 each of the Group and Company financial statements, the directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and estimates that are reasonable and prudent;

> state whether they have been prepared in accordance with IFRS as adopted by the EU; and

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

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 25 March 2020.

On behalf of the Board:

Geoffrey Meagher
Chairman and Director

Tom Donnellan
Chief Executive

24 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BORD NA MÓNA PLC FOR THE YEAR ENDED 25 MARCH 2020

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bord na Móna plc ('the Company') for the year ended 25 March 2020 set out on pages 19 to 79, 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 related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Parent Company financial statements, Irish Law and FRS 101 Reduced Disclosure Framework.

In our opinion:

> the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 25 March 2020 and of the Group's loss for the year then ended;

> the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;

> the Parent Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and

> the Group and Parent 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 comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. 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 report that:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BORD NA MÓNA PLC FOR THE YEAR ENDED 25 MARCH 2020

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 Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code as included in the Directors' Report on pages 8 to 14 does not reflect the Group's compliance with paragraph 13.1 (iii) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Company'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 they either intend to liquidate the Company 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 (Ireland) 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

24 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

BORD NA MÓNA PLC
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 25 MARCH 2020

	Note	25 March 2020 €'000 Before Exceptional Items	25 March 2020 €'000 Exceptional Items	25 March 2020 €'000 Total	27 March 2019 €'000
Continuing Operations					
Revenue	3	351,019	–	351,019	380,442
Cost of sales		(237,595)	(16,813)	(254,408)	(256,664)
Gross profit/(loss)		**113,424**	**(16,813)**	**96,611**	**123,778**
Other income	7	4,217	–	4,217	6,118
Distribution expenses		(29,745)	–	(29,745)	(35,019)
Administrative expenses	7	(47,473)	(2,294)	(49,767)	(67,307)
Impairment of property, plant and equipment	7 & 10	–	(9,214)	(9,214)	(25,742)
Impairment of goodwill and intangible assets	7 & 11	–	(3,052)	(3,052)	(9,967)
Restructuring costs	7 & 18	–	(34,589)	(34,589)	(41,930)
Operating profit/(loss)		**40,423**	**(65,962)**	**(25,539)**	**(50,069)**
Finance income	8	1,154	–	1,154	1,756
Finance costs	8	(5,666)	–	(5,666)	(8,658)
Net finance costs		**(4,512)**	**–**	**(4,512)**	**(6,902)**
Share of profit of equity-accounted investees	14	3,779	–	3,779	2,279
Profit/(loss) before tax		**39,690**	**(65,962)**	**(26,272)**	**(54,692)**
Income tax (expense)/credit	9	(2,453)	6,269	3,816	4,787
Profit/(loss) for the year		**37,237**	**(59,693)**	**(22,456)**	**(49,905)**
Profit/(loss) attributable to:					
Owners of the Company		37,041	(59,693)	(22,652)	(50,116)
Non-controlling interests		196	–	196	211
		37,237	(59,693)	(22,456)	(49,905)

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

On behalf of the board

Geoff Meagher	**Tom Donnellan**
Chairman	Chief Executive

24 June 2020

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 25 MARCH 2020

	Note	25 March 2020 €'000	27 March 2019 €'000
Loss for the year		(22,456)	(49,905)
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit pension liability	25	24,358	(3,268)
Related tax on remeasurements of defined benefit pension liability	9	(3,029)	469
		21,329	(2,799)
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation		(1,275)	49
Cash flow hedges – effective portion of changes in fair value		1,278	12,072
Related tax on changes in fair value of hedges		(156)	(1,509)
Cash flow hedges – reclassified to profit or loss (cash payments)		(579)	(1,484)
Related tax on cash flow hedges reclassified to profit or loss (cash payments)		72	186
Cash flow hedges – reclassified to profit or loss (foreign exchange)		(458)	(9,728)
Related tax on cash flow hedges reclassified to profit or loss (foreign exchange)		57	1,216
Share of other comprehensive (expense)/income of equity – accounted investees	14	(1,722)	(4,646)
Reclassification of other comprehensive income following the disposal of joint venture interest	14	–	352
		(2,783)	(3,492)
Other comprehensive expense net of tax		**18,546**	**(6,291)**
Total comprehensive expense for the year		**(3,910)**	**(56,196)**
Total comprehensive expense attributable to:			
Owners of the Company		(4,106)	(56,407)
Non-controlling interests		196	211
		(3,910)	(56,196)

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

BORD NA MÓNA PLC
CONSOLIDATED BALANCE SHEET
AS AT 25 MARCH 2020

	Note	25 March 2020 €'000	27 March 2019 €'000
Assets			
Non-current assets			
Property, plant and equipment	10	217,461	235,063
Right of use assets	12	8,892	–
Goodwill and intangible assets	11	21,937	24,388
Derivative financial instruments	27	–	13,337
Equity-accounted investees	14	24,985	23,257
Retirement benefit asset	25	17,560	1,594
Total non-current assets		**290,835**	**297,639**
Current assets			
Inventories	13	29,578	59,825
Trade and other receivables	15	61,233	63,554
Cash and cash equivalents	22	36,657	53,666
Total current assets		**127,468**	**177,045**
Total assets		**418,303**	**474,684**
Equity			
Equity attributable to owners of the company			
Share capital	20	82,804	82,804
Share premium	20	1,959	1,959
Cash flow hedge reserve		–	(214)
Other reserves		(7,224)	(5,502)
Foreign currency translation reserve		(720)	555
Retained earnings		80,413	81,736
Equity attributable to owners of the Company		**157,232**	**161,338**
Non-controlling interests		94	(102)
Total equity		**157,326**	**161,236**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	25	2,850	15,337
Loans and borrowings	19	24,522	–
Lease liabilities	12	7,302	–
Capital grant	17	3,873	6,595
Provisions	18	66,884	56,143
Deferred tax liabilities	9	2,838	1,883
Total non-current liabilities		**108,269**	**79,958**
Current liabilities			
Loans and borrowings	19	495	69,760
Bank overdraft	19	10,634	6,771
Lease liabilities	12	1,909	–
Provisions	18	59,089	62,777
Trade and other payables	16	80,581	94,182
Total current liabilities		**152,708**	**233,490**
Total liabilities		**260,977**	**313,448**
Total equity and liabilities		**418,303**	**474,684**

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

On behalf of the board

Geoff Meagher Chairman

Tom Donnellan Chief Executive

24 June 2020

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 25 MARCH 2020

	Share capital €'000	Share premium €'000	Cashflow hedge reserve €'000	Other reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total €'000
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
Total comprehensive Income									
Loss for the year	–	–	–	–	–	(22,652)	(22,652)	196	(22,456)
Other comprehensive income									
Remeasurements of defined benefit liability	–	–	–	–	–	21,329	21,329	–	21,329
Foreign operations – foreign currency translation difference	–	–	–	–	(1,275)	–	(1,275)	–	(1,275)
Cash flow hedge – effective portion of changes in fair value	–	–	1,122	–	–	–	1,122	–	1,122
Cash flow hedge – reclassified to profit or loss (cash payments)	–	–	(507)	–	–	–	(507)	–	(507)
Cash flow hedge – reclassified to profit or loss (foreign exchange)	–	–	(401)	–	–	–	(401)	–	(401)
Share of other comprehensive income of equity-accounted investees	–	–	–	(1,722)	–	–	(1,722)	–	(1,722)
At 25 March 2020	**82,804**	**1,959**	**–**	**(7,224)**	**(720)**	**80,413**	**157,232**	**94**	**157,326**

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

BORD NA MÓNA PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 25 MARCH 2020

	Note	25 March 2020 €'000	27 March 2019 €'000
Cash flows from operating activities			
Loss for the year		(22,456)	(49,905)
Adjustment for:			
Depreciation of property, plant and equipment	10	29,959	33,643
Amortisation of intangible assets	11	3,009	4,520
Loss/(profit) on sale of property, plant and equipment	10	(2,222)	(1,076)
Capital grants amortisation	17	(2,528)	(1,909)
Impairment of property, plant and equipment	10	9,214	25,742
Impairment of intangible assets	11	3,052	9,966
Emission allowances surrendered	11	12,236	3,704
Profit of equity-accounted investees	14	(3,779)	(2,279)
Profit on disposal of share in equity-accounted investees	14	–	(3,920)
Net finance costs	8	4,512	6,902
Tax credit	9	(3,816)	(4,787)
Operating cash flows before changes in working capital and provisions		**27,181**	**20,601**
Changes In:			
Trade and other payables		(13,793)	10,070
Trade and other receivables		6,013	10,608
Inventories		30,247	24,186
Provisions		4,152	24,031
Increase in cash contributions over pension charge	25	(6,302)	(7,548)
		20,317	61,347
Interest paid		(3,658)	(7,875)
Tax recovered/(paid)		1,883	(3,140)
Cash generated from operating activities		**45,723**	**70,933**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	10	2,466	1,313
Intangible asset purchase	11	(15,846)	(6,237)
Capital grant received	17	(89)	89
Purchase of property, plant and equipment	10	(20,988)	(21,933)
Proceeds on disposal of interest in equity-accounted investees	14	–	8,773
Repayments/advances of loans to equity-accounted investees	14	(329)	3,153
Interest received	8	575	272
Net cash from investing activities		**(34,211)**	**(14,570)**
Cash flows from financing activities			
Repayment of unsecured loan notes		(69,265)	(55,804)
Funds received on revolving credit facility		25,000	–
Cash receipts on derivatives	8	14,589	6,387
Repayment of lease liabilities		(2,708)	–
Net cash used in financing activities		**(32,384)**	**(49,417)**
Net increase in cash and cash equivalents		(20,872)	6,946
Cash and cash equivalents at the beginning of year		46,895	39,949
Cash and cash equivalents at the end of year	22	26,023	46,895

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 25 March 2020 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 where 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:

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

> Measurement of goodwill – See note 11

> Measurement of provisions – See note 18

> Valuation of pension scheme assets and liabilities – See note 25

> Peat supply agreement – The Group has agreements in place to supply peat to the ESB until December 2020. The ESB power stations will not operate past December 2020. 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 recognises that there is significant risk to the long-term continuation of peat harvesting operations. The execution of the decarbonisation strategy, including enhanced bog rehabilitation and a move to biomass only power in Edenderry post 2023, will lead to the decarbonisation of our business activities. This is the basis for our provisions on restructuring, redundancy and other decarbonisation costs.

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

Use of estimates and judgements continued

> 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.

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 27).

Derivative financial instruments are measured at fair value. For financial assets and liabilities not measured at fair value, the carrying amount presented in these financial statements is a reasonable approximation of fair value.

Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period from 28 March 2019 to 25 March 2020 (prior year: 52-week period from 29 March 2018 to 27 March 2019).

Going concern

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

Since March 2020 COVID-19 has had a significant impact on local and global economic conditions. The complete impact of COVID-19 is still undetermined and it continues to be one of the largest uncertainties across the world. The directors are undertaking continuous reviews of the Group's operational, commercial and financial performance and have considered the potential impact of the decarbonisation strategy and COVID-19 on the Group's ability to continue as a going concern. Several mitigating measures have been taken in response to the situation. The directors consider the going concern assumption remains appropriate as the Group has sufficient liquidity to enable it to meet its obligations as they fall due to satisfy the requirements for the going concern basis of preparation. There is no material uncertainty over going concern.

Changes in Accounting Policies

(i) Standards effective during the year

The Group has applied the following standards and amendments for the first time for the financial year commencing 28 March 2019:

> IFRS 16: *Leases*

> Amendments to IFRS 9: *Prepayment Features with Negative Compensation*

> Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*

> Amendments to IAS 19: *Plan, Amendment, Curtailment or Settlement*

> Interpretation 23: *Uncertainty over Income Tax Treatments*

> Annual improvements to IFRS Standards 2015–2017 Cycle

As a result of adopting IFRS 16 the Group has changed its accounting policy for Leases. The adoption of the other amendments listed above did not have a material impact on the current year financial statements, and are not expected to have a significant impact on future financial periods.

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

Changes in Accounting Policies continued

(i) Standards effective during the year continued

IFRS 16

The Group adopted IFRS 16 Leases, using the modified retrospective approach, from 28 March 2019. Due to the transition method chosen by the Group, comparative information throughout these financial statements has not been restated. The reclassifications and adjustments arising from the adoption of the new standard are therefore recognised in the opening balances on 28 March 2019.

IFRS 16 replaces IAS 17 and its related interpretations. For leases previously classified as finance leases the Group has recognised the carrying amount of the lease asset and lease liability immediately before the transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied to lease liabilities on 28 March 2019 was 10.06%.

The associated right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 27 March 2019.

Practical Expedients

In applying IFRS 16 for the first time, the Group has used a number of practical expedients permitted by the standard. In particular, the Group:

> applied a single discount rate to portfolios of leases with reasonably similar characteristics;

> did not recognise right of use assets and lease liabilities for leases with a remaining lease term of less than 12 months as at 28 March 2019;

> relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review as at 28 March 2019;

> excluded initial direct costs for the measurement of right of use assets at the date of initial application; and

> used hindsight in determining the lease term where the contract contained options to extend or terminate.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. For all contracts entered into before the transition date the Group relied on its assessment previously made in applying IAS 17 and Interpretation 4 "Determining whether an Arrangement contains a Lease."

Impact on transition

On transition to IFRS 16, the Group recognised additional lease liabilities and corresponding right of use assets. Right of use assets have been valued at the amount of the corresponding lease liability, therefore there was no adjustment to opening retained earnings. The impact on balance sheet items is summarised below:

As at 28 March 2019	**€'000**
Right of use assets – property	4,266
Right of use assets – other	3,892
Lease liabilities	8,158
Measurement of lease liabilities on 28 March 2019	
Opening lease commitments disclosed as at 27 March 2019	10,859
Discounted using the incremental borrowing rate at 28 March 2019	(2,309)
Less: short term losses not recognised as a liability	(392)
Lease liability recognised as at 28 March 2019	**8,158**
Of which are:	
Current lease liabilities	1,456
Non-current lease liabilities	6,702

(ii) Standards not yet effective

The following standards are not effective for 25 March 2020 reporting periods and have not been adopted early by the Group:

> IFRS 17: Insurance Contracts

> Amendments to IFRS 3: *Definition of a Business*

> Amendments to IAS 1 and IAS 8: *Definition of Material*

> Amendments to References to Conceptual Framework in IFRS Standards

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

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

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.

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.

Discontinued operations

The Group has not disclosed peat operations as discontinued as those operations are not due to close immediately.

Held for sale
The Group has not disclosed peat operations as held for sale as those operations are not immediately available for sale.

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.

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

Foreign currency continued

i. Foreign Currency Transactions continued
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.

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 Group Income Statement and related notes as exceptional items. The tax element of exceptional items is included as exceptional tax.

Leases – accounting policy applicable from 28 March 2019

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. An arrangement is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In assessing whether an arrangement conveys the right to control the use of an identified asset, the Group uses the definition of a lease contained in IFRS 16.

An arrangement may contain both lease and non-lease components. The Group allocates the consideration per the arrangement to the lease and non-lease components based on their relative stand alone prices. For property leases the Group has elected not to separate lease and non-lease components and accounts for these as a single lease component.

The Group recognises a lease liability and right of use asset at the lease commencement date. The lease liability is initially measured at the present value of following lease payments:

> fixed payments, including in-substance fixed payments, less any incentives receivable;

> variable lease payments which are based on an index or rate, initially measured using the index or rate as at the commencement date;

> amounts expected to be payable under a residual value guarantee;

> the exercise price of a purchase option if the Group is reasonably certain to exercise that option;

> payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option; and

> penalty payments for early termination of the lease, unless the Group is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used.

To determine the incremental borrowing rate, the Group obtains interest rates from various external financing sources and makes adjustments to reflect the terms of the lease and the nature of the leased asset.

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

Leases – accounting policy applicable from 28 March 2019 continued

The lease liability is subsequently measured at amortised cost using the effective interest method. The Group is exposed to potential future increases in variable lease payments based on an index or rate; which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to achieve a constant rate of interest on the remaining balance of the liability.

The right of use asset is initially measured at cost comprising the following amounts:

> the initial measurement of the lease liability;

> lease payments made on or before the commencement date less any lease incentive received;

> initial direct costs; and

> restoration costs.

The right of use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the asset. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over it's useful life. In addition, the right of use asset may be periodically reduced by impairment losses, if any, and adjusted for reassessments of the lease liability.

The Group has elected not to recognise lease liabilities and right of use assets for short term leases and leases of low value assets. Lease payments associated with these leases are expensed on a straight line basis over the lease term.

Leases – accounting policy applicable before 28 March 2019

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.

Leases where the Group is a lessor
Where the Group acts as the lessor in a lease arrangement it determines at the inception of each lease contract whether the lease constitutes a finance or operating lease. In order to classify each lease, the Group undertakes an overall assessment of whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset. In such instances, the lease is a finance lease and in all other instances the lease is an operating lease. As part of this assessment, the Group considers whether the lease term is for the most part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocated the consideration of the contract. The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment of the lease. Lease payments received under operating leases are recognised as other income in the consolidated income statement on a straight-line basis over the term of the lease.

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.

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

Finance income and finance costs continued

Interest income or expenses are 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.

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

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 the wholesale electricity market arrangement for the Republic of Ireland and Northern Ireland and went live on 1 October 2018. This replaced the previous SEM with 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.

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

Revenue continued

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

Integrated-Single Electricity Market ("I-SEM") continued

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 at the point in time 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 at the point in time when the goods are delivered and have been accepted by the customer at their premises.

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 difference 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 balance sheet.

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 50%	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.

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.

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

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 and development activities is recognised in profit or loss as incurred.

Other intangible assets (excluding emissions 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:

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

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.

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

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").

Re-measurements 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.

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.

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

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

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 27). 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

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.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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).

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 continued

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

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. See Note 27 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 liabilities – Classification, subsequent measurement and gains and losses

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 27 for financial liabilities designated as hedging instruments.

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 balance sheet, 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 balance sheet 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

The Group recognises loss allowances for expected credit losses ("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.

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

Financial instruments continued

Derecognition continued

Financial assets at amortised cost continued

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 Balance sheet

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.

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

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

Cash flow hedges

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

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

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

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

Financial instruments continued

Cash flow hedges continued

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

	25 March 2020 €'000	27 March 2019 €'000
Energy:		
Peat and Biomass	55,219	71,461
Powergen Operations	96,219	104,858
Fuels	43,524	49,096
Growing Media	63,277	66,290
Total Energy	258,239	291,705
Resource Recovery	89,356	85,732
Other	3,424	3,005
Total	**351,019**	**380,442**

Revenue disaggregated by geographical location, as follows:

	25 March 2020 €'000	27 March 2019 €'000
Ireland	289,751	316,176
United Kingdom	43,745	45,927
Rest of Europe	16,971	17,844
Rest of World	552	495
	351,019	**380,442**

4. Employee benefit expenses

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

	25 March 2020 Number	27 March 2019 Number
Manufacturing and production	1,125	1,369
Administration	365	494
Total	1,490	1,863
Peak Employment	1,831	2,188

The aggregated payroll costs of these persons were as follows:	25 March 2020 €'000	27 March 2019 €'000
Wages and salaries	68,627	87,669
Social security costs	7,796	9,427
Pension costs (defined contribution)	1,688	1,521
Pension costs (defined benefit)	1,454	1,958
Redundancy costs (charge to income statement)	26,326	41,456
	105,891	142,031
Staff costs capitalised	(1,236)	(1,387)
Net staff costs	**104,655**	**140,644**

5. Directors' remuneration

	25 March 2020 €'000	27 March 2019 €'000
Directors' fees	141	135
Salary	225	228
Company contributions to pension schemes	74	69
Taxable benefits	56	39
Termination benefits	369	–
Other remuneration	297	201
	1,162	672

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 (2019: 5). 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 €206,000 (2019: €240,000).

	Fees €'000	Other Remuneration €'000	Company Contribution to pension €'000	Termination benefits €'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; 2020:3/2019:4)					
25 March 2020	**50**	**297**	**18**	**369**	**734**
27 March 2019	50	201	13	–	264
ii. Other non-executive Directors (Number of other non-executive Directors; 2020:8/2019:6)					
25 March 2020	**91**	**–**	**–**	**–**	**91**
27 March 2019	85	–	–	–	85

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension schemes €'000	Taxable €'000	Total €'000
Executive directors						
Tom Donnellan	–	225	–	56	56	337
Year Ended 25 March 2020	**–**	**225**	**–**	**56**	**56**	**337**
Tom Donnellan	–	216	–	54	38	308
Michael Barry	–	9	3	2	1	15
Year Ended 27 March 2019	–	225	3	56	39	323

The non-executive chairman receives an annual fee of €21,600 and each of the Directors, excluding the Chief Executive and one non-executive director (retired June 2019), receive an annual fee of €12,600. These amounts are adjusted on a pro rata basis where a term of office commences or concludes during the year.

5. Directors' remuneration continued

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 25 March 2020:

	25 March 2020 Shares	27 March 2019 Shares
Colman Hynes[1]	–	2,771
Paddy Rowland	1,771	1,771
Philip Casey[2]	1,771	–
Kevin Healy[2]	1,771	–
Seamus Maguire[1]	–	1,771
Paschal Maher[1]	–	1,771
Total	**5,313**	**8,084**

[1]Retired as Director during the year
[2]Appointed 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):

	25 March 2020 €'000	27 March 2019 €'000
Operating lease rentals		
Plant and machinery	–	1,853
Land and buildings	–	652
	–	2,505
Depreciation (note 10)	29,959	33,643
Profit on disposal of property, plant and equipment (note 7)	(2,222)	(1,076)
Amortisation of intangible assets (note 11)	3,009	4,520
Impairment of property, plant and equipment (note 10)	9,214	25,742
Impairment of intangible assets (note 11)	3,052	9,967
Profit on disposal of share in equity-accounted investee (note 14)	–	(3,920)
Research and business development expenditure	7,745	9,838
Capital grants amortised (note 17)	(2,528)	(1,909)
Impairment losses on trade receivables arising on contracts with customers	444	133
Foreign exchange gain	(937)	(25)

	25 March 2020 €'000	27 March 2019 €'000
Auditors' remuneration		
Audit services	245	245
Other assurance services	16	12
Other	–	10
Tax services	120	135
Total	**381**	**402**

The audit fee for the Company is €13,000

The above includes out-of-pocket expenses of €5,000 (2019: €20,000) that were reimbursed to the auditor.

7. Other income and exceptional items

(a) Other income	25 March 2020 €'000	27 March 2019 €'000
Other Income	1,995	1,122
Profit on disposal of property, plant and equipment	2,222	1,076
Profit on disposal of interest in equity-accounted investee	–	3,920
	4,217	**6,118**

(b) Exceptional items	25 March 2020 €'000	27 March 2019 €'000
Cost of sales (a)	16,813	10,639
Administrative expenses (a)	2,294	3,136
Impairment of property, plant and equipment (b)	9,214	25,742
Impairment of intangible assets (b)	3,052	9,967
Restructuring costs (c)	34,589	41,930
Exceptional costs before tax	65,962	91,414
Tax on exceptional items	(6,269)	(6,967)
Exceptional costs after tax	**59,693**	**84,447**

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. The Group is continuing this restructuring in 2020 as we recognise the impact of the end of the ESB supply contract and execute our long term Brown to Green strategy.

The exceptional items in the prior year arose primarily due to the Board announcement in October 2018 to restructure the Group as part of a long term "decarbonisation restructuring" plan.

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

2020:

i. €15.2 million of inventory adjustments related to the decarbonisation restructuring

ii. €1.6 million of costs related to onerous contracts related to the decarbonisation restructuring;

iii. €2.3m of transition costs related to the decarbonisation restructuring.

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

7. Other income and exceptional items continued

B) Impairments of Property, Plant and Equipment and Intangible Assets comprise:

2020:

i. €9.2 million of impairments related to the decarbonisation restructuring;

ii. €3.0 million of intangible asset software impairments related to decarbonisation restructuring and the exit of loss making businesses.

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.

C) Restructuring costs comprise:

2020:

i. €26.3 million of redundancy costs related to the decarbonisation restructuring. This figure includes a curtailment loss on the pension scheme of €2.1 million, see note 25.

ii. €8.2 million of site closure costs associated with the decarbonisation restructuring.

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 25.

8. Net finance costs

	25 March 2020 €'000	27 March 2019 €'000
Finance income:		
Interest income	575	272
Cash flow hedges – reclassified to profit or loss (cash receipts)	579	1,484
	1,154	1,756
Finance costs:		
Interest on overdraft facilities	(896)	(897)
Interest on unsecured loan notes	(2,172)	(6,350)
Foreign exchange movement on unsecured loan notes	(458)	(9,728)
Cash flow hedges – reclassified to profit or loss (foreign exchange)	458	9,728
Unwind of discount on provisions (Note 18)	(1,276)	(1,054)
Net interest cost on defined benefit pensions	(141)	(121)
Amortisation of issue costs	(244)	(236)
Interest on lease liabilities	(937)	–
	(5,666)	(8,658)
Net finance cost	**(4,512)**	**(6,902)**

(a) Cash receipts on derivatives include €2.2 million which relates to interest on principal repayments. €0.6 million of these interest receipts have been reclassified to profit and loss.

9. Income taxes

(a) Amounts recognised in income statement

	25 March 2020 €'000	27 March 2019 €'000
Current tax:		
Irish corporation tax	(47)	325
Adjustments in respect of prior years	(1,082)	(690)
Total current tax	**(1,129)**	**(365)**
Deferred tax		
Origination and reversal of temporary differences:		
Property, plant and equipment – allowances	95	(2,054)
Derivatives	(2,280)	1,217
Release of pension obligations	491	289
Provisions, unutilised losses & other	(993)	(3,874)
Total deferred tax	**(2,687)**	**(4,422)**
Income tax expense on continuing operations	**(3,816)**	**(4,787)**

(b) Reconciliation of effective tax rate

	25 March 2020 €'000	27 March 2019 €'000
(Loss)/profit on ordinary activities before tax	(26,272)	(54,692)
Tax using standard corporation tax rate in Ireland of 12.5% (2019: 12.5%)	(3,284)	(6,837)
Tax effect of:		
Impairments of property, plant & equipment, intangible assets and goodwill	116	171
Amortisation of intangible assets	129	123
Other non deductible expenses	131	55
Deferred tax on derivatives	(2,280)	1,216
Corporation tax on derivatives	(186)	186
Deferred tax on reduction in pension liability	491	288
Unrelieved provisions carried forward	5	–
Changes in estimates related to prior years	179	155
Utilisation of tax losses	264	(27)
Pension payment in excess of pension cost charge	(647)	(915)
Non-taxable income	–	(475)
Ineligible depreciation	703	951
Impact of different tax rates	563	322
Income tax expense	(3,816)	(4,787)
Effective tax rate	15%	9%

9. Income taxes continued

(c) Movements in deferred tax balances

	Balance at 27 March 2019 €'000	Reclassification to corporation tax €'000	Recognised in profit or loss €'000	Recognised in OCI €'000	Recognised in equity €'000	Balance at 25 March 2020 €'000
Deferred Tax assets						
Property, plant and equipment – capital allowances	3,230	–	593	–	–	3,823
Provisions	2,988	–	2,065	–	–	5,053
Unutilised losses	4,208	–	(1,061)	–	–	3,147
Defined benefit pensions	1,410	–	–	(1,410)	–	–
Total	**11,836**	**–**	**1,597**	**(1,410)**	**–**	**12,023**
Deferred tax liabilities						
Property, plant and equipment – capital allowances	(11,956)	–	(690)	–	–	(12,646)
Provisions	(13)	–	(9)	–	–	(22)
Defined benefit pensions	(83)	–	(491)	(1,619)	–	(2,193)
Derivatives	(1,667)	(613)	2,280	–	–	–
Total	**(13,719)**	**(613)**	**1,090**	**(1,619)**	**–**	**(14,861)**

The combined net deferred tax liability of €2.8 million has been shown on the balance sheet.

	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.

(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:

	25 March 2020 €'000	27 March 2019 €'000
Deferred tax assets		
Unused tax losses	6,824	7,176
Total	**6,824**	**7,176**

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

10. Property, plant and equipment

2020	**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 27 March 2019	149,357	61,100	239,568	346,249	16,852	4,860	817,986
Additions	2,801	–	5,371	7,416	14	6,689	22,291
Disposals/retirements	(1,554)	(79)	(8,246)	–	–	–	(9,879)
Reclassification	41	–	(41)	–	–	–	–
Transfers out of assets under construction	134	83	1,770	–	1,066	(3,053)	–
Exchange adjustments	(349)	–	(556)	–	–	–	(905)
At 25 March 2020	**150,430**	**61,104**	**237,866**	**353,665**	**17,932**	**8,496**	**829,493**
Depreciation and impairment							
At 27 March 2019	136,376	48,990	210,437	178,488	8,632	–	582,923
Depreciation charge for year	1,056	3,273	7,487	17,377	766	–	29,959
Impairment charge for year	3,093	751	5,355	–	15	–	9,214
Disposals/retirements	(1,397)	–	(8,159)	–	–	–	(9,556)
Reclassification	57	–	(57)	–	–	–	–
Exchange adjustments	(91)	–	(417)	–	–	–	(508)
At 25 March 2020	**139,094**	**53,014**	**214,646**	**195,865**	**9,413**	**–**	**612,032**
Carrying amount							
At 25 March 2020	**11,336**	**8,090**	**23,220**	**157,800**	**8,519**	**8,496**	**217,461**
At 27 March 2019	12,981	12,110	29,131	167,761	8,220	4,860	235,063

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)	–
Arising on acquisition	(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

10. Property, plant and equipment continued

Additions include:

(i) A sum of €1.6 million (2019: €4.8 million) in respect of decommissioning and restoration assets.

(ii) There was no capitalisation of borrowing costs in the current year (2019: nil) in respect of assets in the course of construction during the year.

(iii) Transfers from assets in course of construction include complex works, software projects 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 Groups 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) €9.2 million of impairments related to the decarbonisation of the Energy business. The impairment test was performed on a value in use basis using a discount rate of 9%. The assets were written down to nil.

The Group has reviewed other assets for indicators of impairment and noted that a reasonable change in assumptions would not result 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

2020	Software €'000	Grid Connection €'000	Other €'000	Goodwill €'000	Assets in course of construction €'000	Total €'000
Cost						
At beginning of the year	42,509	22,869	84,197	11,068	–	160,643
Additions	85	–	13,965	–	1,796	15,846
Disposals	(2,485)	–	–	–	–	(2,485)
Transfers out of assets under construction	204	–	–	–	(204)	–
Settlement of emission allowances	–	–	(12,236)	–	–	(12,236)
At end of the year	**40,313**	**22,869**	**85,926**	**11,068**	**1,592**	**161,768**
Amortisation and impairment						
At beginning of the year	35,519	9,309	80,709	10,718	–	136,255
Charge for year	1,975	918	116	–	–	3,009
Disposals	(2,485)	–	–	–	–	(2,485)
Impairment	3,052	–	–	–	–	3,052
At end of the year	**38,061**	**10,227**	**80,825**	**10,718**	**–**	**139,831**
Carrying amounts						
At 25 March 2020	**2,252**	**12,642**	**5,101**	**350**	**1,592**	**21,937**
At 27 March 2019	6,990	13,560	3,488	350	–	24,388

2019	Software €'000	Grid Connection €'000	Other €'000	Goodwill €'000	Assets in course of construction €'000	Total €'000
Cost						
At beginning of the year	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 end of the year	**42,509**	**22,869**	**84,197**	**11,068**	**–**	**160,643**
Amortisation and impairment						
At beginning of the year	22,173	8,284	80,593	10,718	–	121,768
Amortisation charge for year	3,559	845	116	–	–	4,520
Impairment	9,787	180	–	–	–	9,967
At end of the year	**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 emissions credits. Upon settlement of emissions 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) €3.0 million of intangible asset impairments related the decarbonisation of the Energy business.

12. Leases

The Group leases land and buildings, plant and machinery and motor vehicles, which have average lease periods of 14 years, 4 years and 4.5 years respectively. Leases do not contain renewal or extension options but may contain options for early termination. The Group does not consider that early terminations options, where available, are reasonably certain to be exercised. The following tables provide information for leases where the group is a lessee.

25 March 2020	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Right of use assets				
At beginning of the year	4,266	737	3,155	8,158
Depreciation	(521)	(165)	(1,396)	(2,082)
Additions	–	341	2,664	3,005
Terminations	–	(175)	(14)	(189)
At end of the year	**3,745**	**738**	**4,409**	**8,892**
Lease liabilities				
Opening lease liability				8,158
Interest expense				937
Repayments				(2,708)
Additions				3,005
Terminations				(181)
Closing lease liability				**9,211**
Of which:				
Current				1,909
Non-current				7,302

The lease interest expense for the year was €0.9 million and is included within finance costs on the consolidated income statement.

Total cash outflow for leases for the year ended 25 March 2020 was €2.7 million.

13. Inventory

	25 March 2020 €'000	27 March 2019 €'000
Raw materials	7,144	8,477
Finished goods	19,801	47,453
Maintenance spares – consumables	2,633	3,895
Total	**29,578**	**59,825**

The inventory balances are net of provisions of €24.9 million (2019: €13.3 million).

During the year, there was a write down of fuels stocks of €0.3 million (2019: €1.1 million), peat stocks of €17.5 million (2019: €8.4 million), biomass stocks of €0.6 million (2019: €0.5 million) and maintenance consumables in Edenderry of €0.1 million (2019: €0.1 million).

During the year, inventories of €114.8 million (2019: €146.5 million) were recognised as an expense and included in cost of sales.

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

14. Equity accounted investees

	25 March 2020 €'000	27 March 2019 €'000
Joint venture undertakings (a)	12,296	8,682
Associate undertakings (b)	12,689	14,575
	24,985	23,257
(a) Joint venture undertakings		
At the beginning of the year	8,682	33,630
Reclassification to associate undertakings	–	(14,558)
Movement in investments	571	(8,006)
Share of profit/(loss)	4,487	1,860
Share of equity-accounted investees other comprehensive income	(1,444)	(4,244)
At the end of the year	**12,296**	**8,682**
(b) Associate undertakings		
At the beginning of the year	14,575	–
Reclassification from joint venture undertakings	–	14,558
Movement in investments	(900)	–
Share of profit/(loss)	(708)	419
Share of equity-accounted investees other comprehensive income	(278)	(402)
At the end of the year	**12,689**	**14,575**

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

The Group owns a 50% interest in Oweninny Power DAC (''Oweninny'') which 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 commenced operations in November 2019. As at 25 March 2020, the Group holds an investment of €12.3 million in Owenwinny by way of a shareholder loan.

Oweninny

i. Summarised Income Statement	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**50%**	**50%**
Revenue	13,205	–
Cost of sales	(5,332)	–
Depreciation and amortisation	–	–
Interest expense	(1,730)	(271)
Other expenses	(22)	(79)
Income tax expense	(827)	–
Cashflow hedge movement	(2,888)	(8,090)
	2,406	(8,440)
Group's share of profit and total comprehensive income (50%)	**1,203**	**(4,220)**

ii. Summarised Balance Sheet	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**50%**	**50%**
Non-current assets	157,650	108,054
Current assets	40,624	8,423
Non-current liabilities	(157,449)	(105,391)
Current liabilities	(50,289)	(22,979)
Net liabilities (100%)	**(9,464)**	**(11,893)**
Group's share of net liabilities (50%)	(4,732)	(5,947)
Group's loans in joint venture	12,276	11,706
Carrying amount	**7,544**	**5,759**

14. Equity accounted investees continued

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. As at 25 March 2020, the Group holds an investment of €0.6 million in Electricity Exchange by way of a shareholder loan.

Electricity Exchange

i. Summarised Income Statement	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**50%**	**50%**
Revenue	10,830	9,358
Cost of sales	(6,833)	(5,008)
Depreciation and amortisation	(10)	(6)
Interest expense	–	–
Other expenses	–	–
Income tax expense	(308)	(348)
	3,679	3,996
Group's share of profit and total comprehensive income (50%)	**1,840**	**1,998**

ii. Summarised Balance Sheet	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**50%**	**50%**
Non-current assets	70	52
Current assets	9,267	7,822
Current liabilities	(1,024)	(3,211)
Net assets (100%)	8,313	4,663
Preferential dividend	–	–
Adjusted net assets (100%)	**8,313**	**4,663**
Group's share of net assets (50%)	4,157	2,332
Group's loans in joint venture	595	591
Carrying amount	**4,752**	**2,923**

14. Equity accounted investees continued

The Group owns a 37.5% interest in Sliabh Bawn Wind Holdings DAC ("Sliabh Bawn"), which has developed and operates a 64MW wind farm in Strokestown, Co. Roscommon. Commercial operations commenced on 1 March 2017. As at 25 March 2020, the Group holds an investment of €14.0 million in Sliabh Bawn by way of a shareholder loan.

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 was reclassified from investments in joint ventures to investments in associate undertakings in the prior year.

Sliabh Bawn

i. Summarised Income Statement	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**37.5%**	**37.5%**
Revenue	15,455	14,943
Cost of sales	(5,955)	(5,406)
Depreciation and amortisation	(6,010)	(5,944)
Interest expense	(2,280)	(2,673)
Other expenses	(1,810)	–
Income tax expense	(1,289)	–
Cashflow hedge movement	(743)	(1,469)
	(2,632)	(549)
Group's share of (loss)/profit and total comprehensive income (37.5%)	**(987)**	**(281)**

ii. Summarised Balance Sheet	25 March 2020 €'000	27 March 2019 €'000
Percentage ownership interest	**37.5%**	**37.5%**
Non-current assets	101,352	107,716
Current assets	12,274	10,200
Non-current liabilities	(67,107)	(71,367)
Current liabilities	(50,063)	(47,465)
Net liabilities (100%)	**(3,544)**	**(916)**
Group's share of net liabilities (37.5%)	(1,329)	(344)
Group's loans in associate/joint venture	14,018	14,919
Carrying amount	**12,689**	**14,575**

15. Trade and other receivables

	25 March 2020 €'000	27 March 2019 €'000
Trade receivables	37,149	36,064
Prepayments	3,617	8,689
Amounts owed by equity-accounted investees	939	1,627
Other receivables	1,881	3,603
Accrued revenue	14,484	10,792
Value added tax	3,051	1,728
Corporation tax	112	1,051
Total	**61,233**	**63,554**

16. Trade and other payables

	25 March 2020 €'000	27 March 2019 €'000
Trade payables	13,019	14,490
Accruals	31,377	31,358
Deferred income	12,246	23,576
Capital grants (note 17)	2,435	2,152
Other payables	14,405	17,173
Creditors in respect of tax and social welfare	7,099	5,433
Total	**80,581**	**94,182**
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	757	984
Pay-related social insurance	876	1,062
Corporation tax	794	1,547
Value-added tax	4,656	1,696
Other taxes	16	144
Total	**7,099**	**5,433**

17. Capital grants

	25 March 2020 €'000	27 March 2019 €'000
At beginning of the year	8,747	10,567
Received during the year	89	89
Amortised during the year	(2,528)	(1,909)
At end of the year	**6,308**	**8,747**
Amounts due as follows:		
Within one year	2,435	2,152
After more than one year	3,873	6,595
Total	**6,308**	**8,747**

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.

18. Provisions

2020	Environmental reinstatement €'000	Reorganisation and redundancy €'000	Insurance €'000	Other €'000	Total €'000
At beginning of the year	62,406	40,607	9,914	5,993	118,920
Provisions made during the year	11,794	34,798	2,400	1,314	50,306
Provisions used during the year	(2,850)	(26,158)	(2,542)	(325)	(31,875)
Provisions reversed during the year	(2,969)	(8,355)	–	(2,749)	(14,073)
Unwind of discount	1,276	–	–	–	1,276
Capitalised during the year	1,368	–	–	51	1,419
Exchange adjustment	–	–	–	–	–
At end of the year	**71,025**	**40,892**	**9,772**	**4,284**	**125,973**
Amounts due as follows:					
Current	11,893	40,892	2,670	3,634	59,089
Non-current	59,133	–	7,102	649	66,884
Total	**71,026**	**40,892**	**9,772**	**4,283**	**125,973**

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**

18. Provisions continued

(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 €30.5 million (2019: €20.9 million) as at 25 March 2020 represents the present value of the expected future costs of decommissioning and reinstatement.

A provision of €8.2m is made for closure costs relating to the decarbonisation of the business.

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

(ii) AES Environmental Provisions

Environmental provisions of €4.0 million (2019: €6.0 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.

(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 €23.9 million (2019: €24.6 million) at 25 March 2020. 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 (2019: €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

A provision of €5.5 million (2019: €5.0 million) is made for power stations and wind-farm closure/decommissioning costs based on the present value of the current estimate of the costs of closure/decommissioning of generating assets at the end of their useful economic lives.

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

(vi) Briquette and Horticulture Plant closure costs

A provision of €4.8 million (2019: €3.7 million) is made for plant closure costs based on the present value of the current estimate of the costs of closure of briquette and horticulture compost plants at the end of their useful economic lives.

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

(b) Reorganisation and Redundancy

The Board have taken the decision to restructure Bord an 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.

19. Loans and borrowings

	25 March 2020 €'000	27 March 2019 €'000
Non-current liabilities		
Credit facility	24,522	–
Total	**24,522**	**–**
Current liabilities		
Overdrafts	10,634	6,771
Unsecured loan notes	495	69,760
Total	**11,129**	**76,531**

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	(69,760)	69,265	–	(495)
Credit facility	–	(25,000)	478	(24,522)
Overdrafts	(6,771)	(3,863)	–	(10,634)
Total loans and borrowings	(76,531)	40,402	478	(35,651)
Cash	53,666	(17,009)	–	36,657
Net debt	**(22,865)**	**23,393**	**478**	**1,006**

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 fully repaid on 6 August 2019. 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 (2019: €0.5 million).

20. Capital and reserves

(a) Called up share capital and share premium

	25 March 2020 €'000	27 March 2019 €'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

20. Capital and reserves continued

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.

Nature and purpose of reserves

Hedging reserve
The prior year hedging reserve comprised 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 included related deferred tax. There is no hedging reserve for the year ended 25 March 2020.

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.

21. Guarantees and contingent liabilities

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

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

22. Cash and cash equivalents

	25 March 2020 €'000	27 March 2019 €'000
Cash	36,657	53,666
Overdrafts	(10,634)	(6,771)
Cash and cash equivalents	**26,023**	**46,895**

23. Commitments

Capital expenditure commitments

	25 March 2020 €'000	27 March 2019 €'000
Authorised and contracted for	10,745	6,731
Authorised and not contracted for	–	–
	10,745	**6,731**

24. Subsidiaries and investees

The following is a list of principal subsidiaries and investees of the Group at 25 March 2020:

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	Share-holding
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%
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	Simonswood Moss Perimeter Road, Kirkby, Liverpool, L33 3AN, England	100%
Bord na Móna Environmental Limited	Environmental analytical services	Newbridge, Co. Kildare	100%
The Greener Gardening Company (Kirkby) Limited (formerly White Moss Horticulture Limited)	Production and sale of horticultural products	Simonswood Moss Perimeter Road, Kirkby, Liverpool, L33 3AN, England	100%
White Moss Nominee One Limited	Dormant	Liverpool, Merseyside, L33 3AN, England	100%
White Moss Nominee Two Limited	Dormant	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%
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%
Cloncreen Wind Farm DAC	Power generation	Newbridge, Co. Kildare	100%
Cloncreen Wind Farm Holdings DAC	Holding company	Newbridge, Co. Kildare	100%

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

24. Subsidiaries and investees continued

Joint venture/associate company	Business	Registered office	Shareholding
Oweninny Power Holdings DAC	Power generation	Two Gateway, East Wall Road, Dublin 3	50%
Oweninny Power DAC	Power generation	Two Gateway, East Wall Road, Dublin 3	50%
Oweninny Power 2 DAC	Power generation	Two Gateway, East Wall Road, Dublin 3	50%
Sliabh Bawn Wind Holdings DAC	Power generation	Dublin Road, Newtownmountkennedy, Co Wicklow	37.5%
Sliabh Bawn Power DAC	Power generation	Dublin Road, Newtownmountkennedy, Co Wicklow	37.5%
Sliabh Bawn Supply DAC	Wholesale distribution of electricity	Dublin Road, Newtownmountkennedy, Co Wicklow	37.5%
Electricity Exchange DAC	Electricity management services	Newbridge, Co Kildare	50%
Sundew Solar DAC	Power generation	Two Gateway, East Wall Road, Dublin 3	50%

25. Retirement benefit obligations

	25 March 2020 €'000	27 March 2019 €'000
Total market value of pension scheme assets	319,559	337,371
Present value of defined benefit obligation	(296,840)	(350,187)
Excess of scheme liabilities over assets	22,719	(12,816)
Members share of surplus on RWESS scheme	(8,009)	(929)
Employee retirement benefit liability before tax	14,710	(13,745)

The net defined benefit asset of €14.7 million (2019: net liability €13.7 million) comprises defined benefit pension schemes in an asset position of €17.6 million (2019: €1.6 million) and defined benefit schemes in a deficit of €2.8 million (2019: €15.3 million). The pension asset and liability are shown separately in the Group balance sheet as €17.6 million and €2.8 million respectively.

25. Retirement benefit obligations continued

(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 chief executives and their dependants. The future cost of funding these pensions is recognised in the balance sheet at €2.8 million based on an actuarial valuation at 25 March 2020 (2019: €3.1 million).

Actuarial valuations and funding position of schemes

At 25 March 2020 the ratio of the fair value of assets to the defined benefit obligation was 107.7% (2019: 96.3%) 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.

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. All defined benefit 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 25 March 2020 was €4.8 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.

25. Retirement benefit obligations continued

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

Actuarial valuations and funding position of schemes continued

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 required 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 (€34.7 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 €0.4m (2019: €0.4m) 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 €7.2 million in contributions to its defined benefit plans in the year ended 31 March 2021.

	Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
Movement in net defined benefit liability	**25 March 2020 €'000**	**27 March 2019 €'000**	**25 March 2020 €'000**	**27 March 2019 €'000**	**25 March 2020 €'000**	**27 March 2019 €'000**
Balance at the beginning of the financial year	(351,116)	(347,273)	337,371	334,310	(13,745)	(12,963)
Included in income statement						
Current Service Costs	(1,454)	(1,961)	–	–	(1,454)	(1,961)
Interest Cost	(4,248)	(5,429)	–	–	(4,248)	(5,429)
Interest Income	–	–	4,107	5,308	4,107	5,308
Past service cost – curtailments[1]	(2,066)	(4,941)	–	–	(2,066)	(4,941)
	(7,768)	(12,331)	4,107	5,308	(3,661)	(7,023)
Included in OCI						
Remeasurements Actuarial Gain/(loss) arising from:						
Financial Assumptions	26,596	(13,046)	–	–	26,596	(13,046)
Experience adjustment	14,479	1,311	–	–	14,479	1,311
Demographic assumptions	–	–	–	–	–	–
Return on plan assets excluding interest income	–	–	(9,640)	5,230	(9,640)	5,230
Impact of member	(7,077)	3,237	–	–	(7,077)	3,237
	33,998	(8,498)	(9,640)	5,230	24,358	(3,268)
Other						
Contributions by members	(1,579)	(2,119)	1,579	2,119	–	–
Contributions paid by the employer	–	–	7,756	9,509	7,756	9,509
Benefits paid	21,615	19,105	(21,615)	(19,105)	–	–
	20,036	16,986	(12,280)	(7,477)	7,756	9,509
Balance at end of financial year	**(304,850)**	**(351,116)**	**319,558**	**337,371**	**14,708**	**(13,745)**

[1] The curtailment cost relates to the decarbonisation restructuring of the peat business which reduced the expected years of future service of present employees.

25. Retirement benefit obligations continued

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

Plan assets

	25 March 2020 €'000	27 March 2019 €'000
Equity securities	53,047	80,969
Debt securities	122,071	114,031
Property	19,493	20,242
Other	124,948	122,129
	319,559	337,371

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.

(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 44% match assets, 52% growth assets and 4% transition assets which we will reallocate to matching based on market conditions.

(ii) RWESS – At present the asset allocation is 38% matched assets, 29% growth assets and 33% transition assets which will reallocate to matching based on market conditions.

(iii) BnM Fuels Scheme – At present the scheme holds 64% in matching assets and 36% in growth assets. 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	2020	2019
Discount rate	1.70%	1.25%
Inflation rate (CPI)	0.50%	1.10%
Rate of increase in salaries	1.00%	1.60%
Rate of increase in pensions in payment – RWESS	0.70%	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	21.7	21.5
Female	24.0	24.0
Other		
Life expectancy at age 65 for pensioners currently aged 65 years		
Male	21.7	21.5
Female	24.0	24.0
RWESS		
Life expectancy at age 65 for pensioners currently aged 45 years		
Male	24.1	23.9
Female	26.1	26.0
Other		
Life expectancy at age 65 for pensioners currently aged 45 years		
Male	24.1	23.8
Female	26.1	25.9

At 25 March 2020, the weighted average duration of the defined benefit obligation was in 13 years (2019: 13 years).

25. Retirement benefit obligations continued

Defined benefit obligation continued

(ii) Sensitivity analysis

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

Impact in thousands of euro on liabilities	2020	%
Discount rate (0.25% increase)	(9,058)	-3%
Salary inflation (0.25% increase)	905	0%
Pension escalation (0.25% increase)	7,840	3%

Impact in thousands of euro on liabilities	2019	%
Discount rate (0.25% increase)	(11,248)	-3%
Salary inflation (0.25% increase)	1,515	1%
Pension escalation (0.25% increase)	9,719	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 a Plan's assets underperform this yield, this will create a deficit. The Plans hold 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 Plans mature, the Trustees of the Plans 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 Plans' 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 Plans' liabilities. A decrease in corporate bond yields will also increase the Plans' assets to the extent that a Plan is invested in corporate bonds. At the valuation date, the Plans 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.

26. Related party disclosure

(a) Transactions with key management personnel

(i) Key management personnel compensation

Key management personnel comprise the worker participation directors, non-executive directors and the executive director and their direct reports. The compensation attributable to these personnel comprised the following:

	25 March 2020 €'000	27 March 2019 €'000
Short-term employee benefits	2,178	2,250
Post-employment benefits	204	204
Termination benefits	419	124
	2,801	2,578

(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 provides services amounting to €0.9 million (2019: €1.0 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 €nil (2019: €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 €27.0 million at 25 March 2020 (2019: €29.0 million). During the year there were no loans advanced to joint ventures (2019: €5.0 million each to the Oweninny Power DAC joint venture).

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods and property and provided services to entities controlled by the Irish Government, the principal of these being ESB. The Group operates a long-term agreement with ESB in relation to the sale of peat and provision of ancillary services to the power stations. Supply of these services in the year to 25 March 2020 amounted to €54.3 million (2019: €71.6 million) and amounts due from these entities to the Group at 25 March 2020 for these services amounted to €0.4 million (2019: €6.7 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 €0.1 million (2019: €0.4 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. During the year to March 2020, sales to the value of €1.0 million (2019: €0.3 million) and purchases to the value of €0.1 million (2019: €0.1 million) were recorded.

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

There were no dividends paid by the Company during the years ended 25 March 2020 and 27 March 2019.

27. Financial instrument and risk management

	Carrying Amount				Fair Value			
25 March 2020	Assets at amortised cost €'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	37,149	–	–	37,149	–	37,149	–	37,149
Cash and cash equivalents	36,657	–	–	36,657	36,657	–	–	36,657
Accrued revenue	14,484	–	–	14,484	–	14,484	–	14,484
Other receivables	5,983	–	–	5,983	–	5,983	–	5,983
Trade payables	–	(13,019)	–	(13,019)	–	(13,019)	–	(13,019)
Other payables	–	(54,052)	–	(54,052)	–	(54,052)	–	(54,052)
Revolving credit facility	–	(24,522)	–	(24,522)	(24,522)	–	–	(24,522)
Unsecured loan note (note 19)	–	(495)	–	(495)	–	(495)	–	(495)
Overdrafts	–	(10,634)	–	(10,634)	(10,634)	–	–	(10,634)
	94,273	(102,722)	–	(8,449)	1,501	(9,950)	–	(8,449)

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	–	36,064	–	36,064
Cash and cash equivalents	53,666	–	–	53,666	53,666	–	–	53,666
Accrued revenue	10,792	–	–	10,792	–	10,792	–	10,792
Other receivables	8,009	–	–	8,009	–	8,009	–	8,009
Trade payables	–	(14,490)	–	(14,490)	–	(14,490)	–	(14,490)
Other payables	–	(53,964)	–	(53,964)	–	(53,964)	–	(53,964)
Swap derivatives	–	–	13,337	13,337	–	13,337	–	13,337
Unsecured loan note (note 19)	–	(69,760)	–	(69,760)	–	(69,760)	–	(69,760)
Overdrafts	–	(6,771)	–	(6,771)	(6,771)	–	–	(6,771)
	108,531	(144,985)	13,337	(23,117)	46,895	(70,012)	–	(23,117)

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
The fair value of borrowings is calculated based on discounted future principal and interest cash flows.

27. Financial instrument and risk management continued

(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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors which 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 annually or by exception when required. Credit limits are approved via an approval matrix which contains members of the Senior Management Teams, both in the business and in the Group Centre. 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 stock in the UK.

27. Financial instrument and risk management continued

(b) Credit risk continued

At 25 March 2020, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows.

Carrying Amount	25 March 2020 €'000	27 March 2019 €'000
Ireland	25,788	19,882
UK	9,123	8,070
Rest Of Europe	4,909	5,741
	39,820	33,693

Expected credit loss ("ECL") assessment for individual customers

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.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 25 March 2020 and 27 March 2019.

	Weighted average loss rate	Gross carrying amount €'000	Loss allowance €'000	Credit impaired
At 25 March 2020				
Current (not past due)	0.4%	25,505	102	No
1–30 days past due	10.0%	2,217	222	No
31–60 days past due	15.0%	754	113	No
61–90 days past due	40.0%	116	46	No
More than 90 days past due	99.0%	489	484	No
		29,081	**967**	
At 27 March 2019				
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.

27. Financial instrument and risk management continued

(b) Credit risk continued

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.

	€'000
Balance at 27 March 2019	**1,666**
Impairment loss recognised	(444)
Utilisation of the provision	(255)
Balance at 25 March 2020	**967**

Cash and cash equivalents
The Group held cash and cash equivalents of €26.1 million at 25 March 2020 (2019: €53.7m). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated BBB+ or higher, based on Standard & Poors ratings.

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

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

Derivatives
Derivatives are entered into with bank and financial institution counterparties, which are rated a minimum BBB+ or higher, based on Standard & Poors ratings.

27. 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 €1.5 million was charged on €55.7 million of average unsecured loan notes in 2020. In 2019, interest of €6.4 million was charged on average unsecured loan notes of €67.7 million.

Available liquidity

The Group has the following undrawn overdraft and loan facilities:

Facility	Drawn amount at 25 March 2020 €'000	Total of Facility €'000	Available Headroom €'000
Revolving credit facility	25,000	125,000	100,000
Bank overdraft	10,634	40,000	29,366
Total	35,634	165,000	129,366

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. All Irish subsidiaries are included in this Cashpool Agreement.

At 25 March 2020	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:						
Revolving credit facility	25,000	(25,000)	(25,000)	–	–	–
Total	25,000	(25,000)	(25,000)	–	–	–
Trade and other payables	65,900	(65,900)	(65,900)	–	–	–
Bank overdraft	10,634	(10,634)	(10,634)	–	–	–
Total	76,534	(76,534)	(76,534)	–	–	–

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)	–	–	–

27. Financial instrument and risk management continued

(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 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 and transaction exchange rate risk on purchases and sales. 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.

	25 March 2020 €'000	27 March 2019 €'000
Foreign exchange impact		
Unsecured loan notes	–	(9,728)
Effect of derivative financial instruments	–	9,728
Total	**–**	**–**

	25 March 2020		27 March 2019	
	€'000 USD	€'000 GBP	€'000 USD	€'000 GBP
Trade receivables	133	6,985	3	8,541
Trade payables	(21)	(847)	(19)	(2,453)
	112	6,138	(16)	6,088
Net balance sheet exposure				
Net six months forecast sales	–	26,032	–	30,383
Next six months forecast purchases	–	(14,578)	–	(22,309)
Net forecast transaction exposure	–	11,454	–	8,074
Forward exchange contracts	–	(6,557)	–	(4,376)
Net exposure	**–**	**4,897**	**–**	**3,698**

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

	Average rate		Year end spot rate	
	2020	2019	2020	2019
USD	1.1115	1.1584	1.0827	1.1261
GBP	0.8747	0.8822	0.9150	0.8512

Sensitivity analysis

The Group have no exposure to movements in US dollars at year end. A reasonably possible strengthening (weakening) of Sterling against Euro at 25 March 2020 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, 25 March 2020				
GBP (+/-5% Movement)	411	(374)	–	–
Wednesday, 27 March 2019				
GBP (+/-5% Movement)	321	(290)	–	–

28. Subsequent events

In June 2020, the Board announced the suspension of peat harvesting for the 2021 season. This does not require any adjustment to the financial statements.

There have been no other 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.

29. Approval of financial statements

The financial statements of the Company were approved by the directors on 24 June 2020.

ENTITY FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 25 MARCH 2020

BORD NA MÓNA PLC
COMPANY BALANCE SHEET
AS AT 25 MARCH 2020

	Note	25 March 2020 €'000	27 March 2019 €'000
Assets			
Non-current assets			
Property, plant and equipment	30 (c)	5,706	5,305
Right of use assets		101	–
Intangible assets	30 (d)	1,788	5,603
Financial assets	30 (b)	87,777	87,777
Amounts due from group companies		152,629	179,248
Derivative financial instruments	27	–	13,337
Retirement benefit asset	25	15,992	929
Deferred tax assets	30 (g)	1,117	1,020
Total non-current assets		**265,110**	**293,219**
Current assets			
Trade and other receivables	30 (e)	27,612	134,922
Cash and cash equivalents		44,780	15,441
Total current assets		**72,392**	**150,363**
Total assets		**337,502**	**443,582**
Equity			
Equity attributable to owners of the company			
Share capital	20	82,804	82,804
Share premium	20	1,959	1,959
Cash flow hedge reserve		–	(214)
Foreign currency translation reserve		(247)	–
Retained earnings		80,838	54,794
Total equity		**165,354**	**139,343**
Liabilities			
Non-current liabilities			
Retirement benefit obligations	30 (i)	2,850	15,337
Loans and borrowings		24,522	–
Right of use liabilities		41	–
Capital grants		–	2,524
Provisions	30 (h)	7,102	6,108
Deferred tax liabilities	30 (g)	1,999	–
Total non-current liabilities		**36,514**	**23,969**
Current liabilities			
Loans and borrowings		–	69,265
Right of use liabilities		65	–
Bank overdraft		1,197	8,744
Provisions	30 (h)	10,738	13,502
Trade and other payables	30 (f)	123,634	188,759
Total current liabilities		**135,634**	**280,270**
Total liabilities		**172,148**	**304,239**
Total equity and liabilities		**337,502**	**443,582**

The accompanying notes are an integral part of these financial statements

On behalf of the board

Geoff Meagher	**Tom Donnellan**
Chairman	Chief Executive

24 June 2020

BORD NA MÓNA PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 25 MARCH 2020

	Share Capital €'000	Share Premium €'000	Cashflow hedge reserve €'000	Foreign currency reserve €'000	Retained Earnings €'000	Total €'000
At 28 March 2018	82,804	1,959	(967)	–	56,091	139,887
Total comprehensive income						
Profit 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
Total comprehensive Income						
Profit for the Year	–	–	–	–	5,321	5,321
Other comprehensive income						
Remeasurements of defined benefit liability	–	–	–		20,723	20,723
Cash flow hedge – effective portion of changes in fair value	–	–	214		–	214
Foreign currency reserve – movement in foreign operations	–	–	–	(247)	–	(247)
Transactions with owners of the company						
Dividends paid to shareholders	–	–	–	–	–	–
At 25 March 2020	**82,804**	**1,959**	**–**	**(247)**	**80,838**	**165,354**

The accompanying notes are an integral part of these financial statements

30.(a) Statement of compliance

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

> a cashflow statement and related notes;

> disclosures in respect of the compensation of key management personnel;

> disclosures in respect of transactions with wholly owned subsidiaries;

> disclosures in respect of capital management;

> certain comparative information; 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;

> Certain disclosures required by IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases.

30.(b) Financial assets

	Subsidiary undertakings			
2020	**Unlisted shares €'000**	**Convertible loan stock €'000**	**Loans €'000**	**Total €'000**
At the beginning of the financial year	11	–	87,766	87,777
Repaid during the year	–	–	–	–
At the end of the financial year	**11**	**–**	**87,766**	**87,777**

	Subsidiary undertakings			
2019	**Unlisted shares €'000**	**Convertible loan stock €'000**	**Loans €'000**	**Total €'000**
At the beginning of the financial year	11	96	87,766	87,873
Repaid during the year	–	(96)	–	(96)
At the end of the financial year	**11**	**–**	**87,766**	**87,777**

At 25 March 2020, 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 2020 *(2019: €nil)*. A list of the entity's subsidiary undertakings is set out in note 24.

30.(c) Property, Plant and Equipment

2020	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 27 March 2019	559	2,924	10,563	918	14,964
Additions	–	60	–	994	1,054
Transfers out of assets under construction	–	–	1,066	(1,066)	–
At 25 March 2020	**559**	**2,984**	**11,629**	**846**	**16,018**
Depreciation and impairment					
At 27 March 2019	–	2,725	6,934	–	9,659
Depreciation charge	–	120	533	–	653
Impairment (note 7)	–	–	–	–	–
At 25 March 2020	**–**	**2,845**	**7,467**	**–**	**10,312**
Carrying amount					
At 25 March 2020	**559**	**139**	**4,162**	**846**	**5,706**
At 27 March 2019	559	199	3,629	918	5,305

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
Disposals/retirements	–	–	196	(196)	–
Transfers out of assets under construction	–	–	–	–	–
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	–	–	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

30.(d) Intangible assets

2020	**Assets in course of construction €'000**	**Software €'000**	**Total €'000**
Cost			
At beginning of the year	–	30,214	30,214
Additions	459	50	509
Transfers out of assets under construction	(204)	204	–
At end of the year	**255**	**30,468**	**30,723**
Amortisation and impairment			
At beginning of the year	–	24,611	24,611
Charge for year	–	1,672	1,672
Impairment (note 7)	–	2,652	2,652
At end of the year	**–**	**28,935**	**28,935**
Carrying amounts			
At 25 March 2020	**255**	**1,533**	**1,788**
At 27 March 2019	–	5,603	5,603

2019	**Assets in course of construction €'000**	**Software €'000**	**Total €'000**
Cost			
At beginning of the year	52	30,158	30,210
Additions	–	4	4
Transfers out of assets under construction	(52)	52	–
At end of the year	**–**	**30,214**	**30,214**
Amortisation and impairment			
At beginning of the year	–	16,168	16,168
Charge for year	–	2,486	2,486
Impairment (note 7)	–	5,957	5,957
At end of the year	**–**	**24,611**	**24,611**
Carrying amounts			
At 27 March 2019	**–**	**5,603**	**5,603**
At 28 March 2018	52	13,990	14,042

30.(e) Trade and other receivables

	25 March 2020 €'000	**27 March 2019 €'000**
Trade receivables	3	144
Prepayments	1,084	1,884
Amounts owed by group companies	23,581	130,296
Amounts owed by joint ventures	939	24
Other receivables	474	576
Value added tax	1,309	1,998
Total	**27,612**	**134,922**

30.(f) Trade and other payables

	25 March 2020 €'000	27 March 2019 €'000
Trade payables	1,747	5,277
Accruals	9,603	8,412
Deferred Income	131	131
Capital grants	354	71
Other payables	1,045	3,902
Amounts due to group companies	109,114	168,221
Creditors in respect of tax and social welfare	1,640	2,745
Total	**123,634**	**188,759**
Creditors in respect of tax and social welfare comprise:		
Income tax deducted under PAYE	757	984
Pay-related social insurance	876	1,062
Corporation tax	7	699
Total	**1,640**	**2,745**

30.(g) Deferred tax

	25 March 2020 €'000	27 March 2019 €'000
Deferred tax asset at beginning of financial year	(1,020)	(871)
Recognised in profit or loss	(1,505)	(545)
Recognised in other comprehensive income	3,407	396
Deferred tax liability/(asset) at end of financial year	**882**	**(1,020)**

30.(h) Provisions

2020	**Environmental restatement €'000**	**Reorganisation and redundancy €'000**	**Insurance €'000**	**Total €'000**
At beginning of the year	2,115	7,582	9,913	19,610
Provisions made during the year	–	2,722	2,400	5,122
Provisions used during the year	–	(4,351)	(2,541)	(6,892)
At end of the year	**2,115**	**5,953**	**9,772**	**17,840**
Amounts due as follows:				
Current	2,115	5,953	2,670	10,738
Non-current	–	–	7,102	7,102
Total	**2,115**	**5,953**	**9,772**	**17,840**

2019	**Environmental restatement €'000**	**Reorganisation and redundancy €'000**	**Insurance €'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**

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

30.(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 25 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.

30.(j) Approval of financial statements

The financial statements were approved by the directors on 24 June 2020.

NOTES

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