LOOKING TO THE FUTURE

ANNUAL REPORT 2015

Bord na Móna

OUR **BUSINESS** STORY

Bord na Móna was initially established to develop Ireland's peat resources for the economic benefit of the State. Today the company operates a diversified portfolio across five main business areas serving markets in Ireland as well as Britain and mainland Europe. These business activities are based on both peat and non–peat products and services and principally cover the power, resource recovery, horticulture, home heating and air and water treatment sectors.

48%

TURNOVER
€200M

PEAT
BASED
BUSINESSES

Peat from the company's 80,000 hectares of peatlands continues to be the main feedstock for the powergen and horticultural growing media sectors, as well as for the manufacture of peat briquettes. A relatively small amount is also used as a biofiltration medium in the clean air and clean water businesses.

Peat Briquettes

Peat Biofilters

Growing Media Peat

Did you know?
Our commitment to quality in the Growing Media sector was highlighted when the largest independent consumer body "WHICH?" awarded their top accolade "WHICH? BEST BUY" to three of our products

Powergen Peat

Feedstock Peat

52%

TURNOVER
€217M

NON-PEAT
BASED
BUSINESSES

Bord na Móna has been progressively diversifying away from its traditional peat based business and now operates a varied portfolio across the power generation and renewable energy, resource recovery and home heating sectors which will ultimately see the company engaged in thriving sustainable businesses through to 2030 and beyond.

Powergen Wind

Feedstock Biomass

Convenience Products

Residential Coal

Resource Recovery

Did you know?
48,000 homes powered by electricity from Mountlucas and Bruckana Windfarms.

Did you know?
Biomass procurement and supply reached a record 284,000 tonnes

Did you know?
50% of all AES customers are on a paperless billing system

Composted Greenwaste

Water and Wastewater

Powergen Peaking Plant

Air & Odour Abatement

OUR VISION

A CONTRACT WITH NATURE

OUR MISSION

Bord na Móna will continue to fully utilise its peatland resources to create value in order to develop a portfolio of sustainable infrastructure in Ireland, to support customers' requirements for renewable energy, home heating products and resource recovery, whilst driving profitability and shareholder return.

We can achieve this because of our strategic land bank, reputation, development expertise and strategic partnerships.

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OUR VALUES

RESOURCEFUL

We live in an ever–evolving landscape. We feel that knowing when it is time to innovate and when it is time to consolidate is a core skill. We believe in adopting a curious mind and encouraging our team to explore all possibilities in our search for more efficient solutions. We believe nothing should be overlooked or wasted.

ENGAGING

We believe in our people. We believe in a 'one team' ethos driving our business forward. One team of experts, speaking in consistent voice and opening up dialogues with customers and communities on many different levels.

RESPECTFUL

We are proud of our past. Experience has taught us that only through a greater understanding of our natural resources can we seek to offer more sustainable solutions to all who engage with us. We listen to planet and people, in equal measure, for it is through a common appreciation of what is desired and what is possible that we will achieve real progress.

GROUP PERFORMANCE INDICATORS

Financial Summary	% Change	**2015 €'000**	2014 €'000
Turnover	–2.2%	**417,383**	426,798
EBITDA	7.9%	**98,085**	90,865
Operating profit	4.3%	**52,425**	50,255
Profit before tax	–6.7%	**37,244**	39,914
Net profit after tax	–9.2%	**30,422**	33,510
Shareholders' funds	4.4%	**222,213**	212,903
Net debt	83.6%	**(132,608)**	(72,207)

Ratios	**2015**	2014
EBITDA/turnover	**23.5%**	21.3%
Gross return on net capital employed	**14.2%**	17.8%
Debt/Equity	**59.7%**	33.9%
EBITDA/interest cover (times)	**7.3**	7.1
Current ratio (times)	**1.4**	1.3

	2015	2014
Payroll costs €'000 (gross of employer's pension costs)	**109,604**	114,705
Payroll costs €'000 (net of employer's pension costs)	**107,058**	110,356
Numbers employed at peak	**2,336**	2,401
Average employment numbers	**1,999**	2,061

Turnover by Business	**2015 €'million**	2014 €'million
Powergen	**98.8**	77.3
Feedstock	**80.7**	78.2
Resource Recovery	**81.9**	80.3
Consumer & Professional	**143.7**	177.3
Anua Environmental and other	**12.2**	13.8

CHAIRMAN'S STATEMENT

MEETING THE **CHALLENGE**

I am pleased to present the Annual Report of Bord na Móna plc for the year ended March 2015 and to report a strong financial performance for the year on the continued operations. The operating profit increased by €2.2 million to €52.4 million, however the operating profit from continuing businesses increased by €5.0 million to €55.6 million. During the year, the Board decided to cease the Environmental (trading as) Anua business operation due to ongoing losses; the business incurred a trading loss of €3.2 million and a further loss of €4.6 million on the termination of the operation, a total loss before tax of €7.9 million. The profit before tax and interest and after accounting for the loss incurred in the Anua business was €47.4 million, a reduction of €2.8 million on the prior year attributable to the exceptional loss incurred on the termination of operations in Anua.

Turnover earned in the year at €417.4 million is a reduction of €9.4 million on 2014. However turnover in 2014 included €23.7 million in respect of the Suttons Oil business which was disposed of in January 2014. Sales revenue was mixed across the Group with increases in the Powergen, Feedstock, Horticulture and Resource Recovery businesses; however the Fuels and Anua businesses experienced a reduction in sales activity. The Powergen business delivered a significant increase in turnover with the commencement of commercial operations at the Mountlucas and Bruckana wind farms increasing the turnover by €15 million. Turnover also increased for the Edenderry Power station with plant availability up 13% on the prior year. The supply of milled peat by Feedstock increased on the previous year due to increased demand from the ESB in respect of the West Offaly Power station, increased demand for the Edenderry Power station but a reduced demand for the Lough Ree Power station as the plant was on an extended outage in the summer of 2014. The Resource Recovery business also experienced turnover growth in comparison to the prior year, with increased tonnage intake of 22% for the recycling business, with the majority of the growth attributable to the commercial sector. The residential sector was on a par with the prior year. Tonnage intake to the end treatment facilities located in Drehid in Co. Kildare was up 13% on the previous year although the turnover was down on the prior year due to a change in the waste stream mix.

THE OPERATING PROFIT WAS UP 4.3% ON 2014, DRIVEN IN PARTICULAR BY;

The commencement of commercial operations at both the Mountlucas and Bruckana wind farms

Increased sales of milled peat for power generation at the West Offaly and Edenderry Power stations

Improved trading performance of the Resource Recovery end treatment business with increased tonnage intake

Offset by lower sales of residential fuels, increased regulatory costs, carbon taxes and better energy payments on residential fuels, lower margins on waste collections streams and the termination costs associated with the closure of Anua operations.

In the Consumer and Professional business (which comprises of Fuels and Horticulture), sales of fuels products were lower than the prior year by €11.0 million because of the warm summer and relatively mild winter season, with residential fuels sales volumes down 18%. The impact of carbon tax, increased competition from alternative fuels and from Northern Ireland based suppliers have also contributed to the reduced demand. The prior year's turnover included €23.7 million in respect of oil sales by Suttons Oil which was sold in January 2014. The Consumer and Professional horticulture range of products experienced a 2% decline in volume demand, but turnover was up by €1.1 million due to a currency gain on sales into the U.K. Sales for the Anua business reduced in all three geographical regions, Ireland, U.K. and the U.S by €2.9 million in aggregate. The Board terminated its Anua operations in all three regions following the end of the financial year.

Earnings before interest, taxation, depreciation and amortisation, (EBITDA), before exceptional costs at €98.1 million were up €7.2 million on the prior year. In 2015, the Group incurred an exceptional charge of €4.6 million (pre tax) in respect of the termination of the Anua operations. In 2014, the Group achieved a very successful harvest with a final yield of 4.5 million tonnes, 0.5 million tonnes above the target for the year and we now have sufficient stocks of milled peat to meet demand for the next twelve months.

The Group recorded an operating profit of €52.4 million and a profit before taxation of €37.2 million. The operating profit was up 4.3% on 2014, driven in particular by;

- The commencement of commercial operations at both the Mountlucas and Bruckana wind farms;
- Increased sales of milled peat for power generation at the West Offaly and Edenderry Power stations;
- Improved trading performance of the Resource Recovery end treatment business with increased tonnage intake
- Offset by lower sales of residential fuels, increased regulatory costs on residential fuels, lower margins on waste collections streams and the termination costs associated with the closure of Anua operations.

The profit after tax in 2015 at €30.4 million compares with a profit after tax of €33.5 million in 2014 reduced by the exceptional cost incurred on the closure of the Anua business. Lower interest payable costs of €2.5 million were offset by lower interest receivable of €2.4 million and an increase in the tax charge of €0.3 million on higher taxable profits.

Gabriel d'Arcy, who was Managing Director for his term of seven years, resigned in October 2014 to take up another appointment. I would like to acknowledge the many contributions and innovations made by Gabriel during his period as Managing Director and to wish him success in his new career.

Following an extensive recruitment process, the Board selected Mike Quinn as our new Managing Director and he joined us on 2 January 2015. Mike brings a strong track record and relevant experience to the Group and he has started with great enthusiasm, vision and drive in his new role. The Board is confident that we have the right person to lead the Company through the difficult transition that the Company must take.

Notwithstanding the strong performance in 2015, changes in regulations, especially carbon tax regulations and the current economic environment continue to present difficult challenges to the Group's businesses. The level of competition continues to increase across all of Bord na Móna's activities making it essential to maximise efficiencies and control costs to enable the Group to continue to prosper and deliver an appropriate return to shareholders. We continue to implement a wide-ranging programme of business transformation initiatives, including both cost reduction programmes and initiatives to expand other non-peat related business areas. These strategies will require investment of some €40 million, over a three year period and will, when delivered, improve the sustainability of the Group in the future.

CHAIRMAN'S STATEMENT CONTINUED

"COMMENCEMENT OF COMMERCIAL OPERATION OF WIND FARMS AT MOUNTLUCAS, CO. OFFALY (84 MW) AND AT BRUCKANA (42 MW) ON THE BORDERS OF LAOIS, TIPPERARY AND KILKENNY."

In view of the ongoing significant challenges faced by our businesses, the Board has decided that general increases in basic pay rates for employees would be inappropriate.

In addition, the Group is continuing to evaluate the potential of its land bank for further renewable energy projects, including wind farms, solar and biomass to serve the Irish market and contribute to fulfilling Ireland's medium term needs for renewable energy in line with Government policy.

The Group paid a dividend of €11.2 million during the year, of which €10.6 million was paid to the State and €0.6 million was paid to the Employee Share Ownership Plan (ESOP).

In the year 2015, the Group continued to focus on implementing its strategic growth and development initiatives across all of its business areas. A number of the key significant steps taken to progress our vision for the Group were:

- commencement of commercial operation of wind farms at Mountlucas, Co. Offaly (84 MW) and at Bruckana (42 MW) on the borders of Laois, Tipperary and Kilkenny;
- continuing to work with ESB to deliver the first two phases of our 172 MW joint wind farm project at Oweninny, Co. Mayo;
- lodging an updated application for planning approval for the wind energy projects at Oweninny, reflecting recent advances in turbine technology;
- continued growth in our programme to use biomass to generate electricity with 284,000 tonnes of mixed biomass consumed in the year – co-firing rate of 27%;
- commencement of operation of a recycling facility at Lusk, Co Dublin;
- submission of an application for planning approval for the construction of a factory at Foynes, Co Limerick for the manufacture of smokeless coal ovoids;
- obtaining planning approval from Offaly County Council and An Bord Pleanala for the continued operation of our power plant at Edenderry, Co Offaly until 2023. This permission is currently the subject of judicial review proceedings which commenced in the High Court on 30 June 2015;
- opening by the Minister for Communications, Energy and Natural Resources, Mr Alex White TD of the newly constructed Visitor Centre at our flagship site at Lough Boora Discovery Park; the Park was subsequently judged "Best Environmental Innovation" by the Irish Tourism Industry;
- completion of the refurbishment of the Company's investment property at Baggot Street and the letting of the building ;
- agreement with the ESB that the peat fired electricity generating stations at Lough Ree and West Offaly will continue to operate after the expiry of the current Fuel Supply Agreements in 2019, provided Bord na Móna can supply peat and biomass on an economic basis;
- annual review of Bord na Móna's Biodiversity Action Plan 2010-2015 in full consultation with stakeholders, reporting further progress on various projects and activities to enhance biodiversity on the Company's peatlands;
- continued participation by the Company in the formulation of a National Peatlands Strategy by the Department of Arts, Heritage and the Gaeltacht which has been submitted to the Government; and
- continuing to monitor a potential role for Bord na Móna in relation to the provision of an alternative water source for the Eastern Region, now the responsibility of Irish Water.

The Group participated with NewERA and Coillte in the implementation of the Government decision that certain activities of both companies be operated via joint venture. Areas being addressed under this process include Wind Energy, Bioenergy, Shared Services and Tourism and Recreation.

During the year, the Group continued to engage with the trustees of the General Employee Superannuation Scheme in relation to a proposal to resolve the scheme's funding deficit. I can confirm that a solution balancing the interests of the Company, the employees and the pensioners was approved by the Pensions Authority and subsequently the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform. The Trustees implemented the funding proposal in June 2015. This long-running issue has now been successfully resolved and I wish to convey the Board's appreciation to all involved. All of Bord na Móna's Defined Benefit schemes now have appropriate funding arrangements in place.

"OPENING BY THE MINISTER FOR COMMUNICATIONS, ENERGY AND NATURAL RESOURCES, MR ALEX WHITE TD OF THE NEWLY CONSTRUCTED VISITOR CENTRE AT OUR FLAGSHIP SITE AT LOUGH BOORA DISCOVERY PARK; THE PARK WAS SUBSEQUENTLY JUDGED "BEST ENVIRONMENTAL INNOVATION" BY THE IRISH TOURISM INDUSTRY."

The Board continues to focus on corporate governance, based on best practice, emerging regulation and trends. Developments during the year included the further implementation of a comprehensive process for considering and reporting on the risks faced by the Group. The Board assesses all significant investments using rigorous methodologies to ensure we meet our responsibility to safeguard the Group's assets. The Board is satisfied that the Group has an appropriate and responsive system of internal controls to mitigate significant risks, keep exposures at an acceptable level and ensure that Bord na Móna continues its effective approach to corporate governance. The Board completed a process to evaluate its own performance and recommendations for improvements are now being implemented via a special Committee of the Board. Since my appointment, I have attempted to improve the culture of the Company towards a more open and transparent approach to business and while I have made some progress in this regard, I am determined that this will become a characteristic of Bord na Móna.

In line with our approach to strategy development, the Board again carried out a detailed review of the Group's strategy during the year, with the participation of representatives from the Departments of Communications, Energy and Natural Resources, Public Expenditure and Reform and NewERA. A detailed five year plan to implement the strategy is being prepared for consideration by the Board. It is our intention to launch our approved strategy publicly later in 2015. The Board is confident that the strategy will continue to build on our many core strengths. The Board is determined to ensure a successful, vibrant and long term future for the Group which will enhance the interests of all our stakeholders and continue Bord na Móna's significant economic, social and environmental contribution to Ireland.

The Board's role is to provide the environment and resources which will enable the achievement of the strategy thereby delivering excellent returns to shareholders. I am happy to confirm that the Directors are fully committed to fulfilling this role.

I would like to thank my Board colleagues for their commitment and support during the year. There were a number of changes to the membership of the Board during the year due to the expiry of terms of office. Paudge Bennett, Paddy Fox, Pat McEvoy, Paschal Maher and David Taylor stepped down as Directors during the year. I want to acknowledge the valuable contributions to the work of the Board by them during their terms. An election in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 was held in November 2014 and as a result the Minister for Communications, Energy and Natural Resources, Mr. Alex White T.D. appointed Philip Casey, Kevin Healy, Seamus Maguire to the Board and Colm O'Gógáin was reappointed. I welcome them to the Board, along with John Farrelly and Denis Leonard who were appointed as Directors during 2014.

I would like to thank the Minister for Communications, Energy and Natural Resources, Mr Alex White T.D. and his predecessor Mr Pat Rabbitte T.D. for their ongoing support for Bord na Móna.

I also express my appreciation to Mr Mark Griffin, Secretary General of the Department, Mr Ken Spratt, Assistant Secretary General and the other officers of the Department for their interest and advice.

During the year, the Company interacted on a regular basis on governance, policy and measurement matters with the NewERA Division of the National Treasury Management Agency (NTMA) and the Department of Public Expenditure and Reform. I would like to thank Ms Eileen Fitzpatrick and her colleagues in NewERA and the various officials in the Department for their support during the year.

I would also like to take this opportunity to express my congratulations and sincere thanks to Mr Mike Quinn, the Group's Managing Director, and to the management team he leads. I thank all our employees for their dedication and hard work in delivering another year of progress for the Group, despite the challenges which emerged.

John Horgan
Chairman
25 June 2015

MANAGING DIRECTOR'S REVIEW

TOWARDS **2030**

It is with great pleasure that I present my first Annual Report as Managing Director. When Bord na Móna was initially established, it was seen as an engine for economic development, particularly across the Midlands. Today, more than ever, the refrain of our company as a vehicle for economic growth in our communities rings true. It is my intention to ensure the future of this great company towards 2030 and beyond.

Financial overview

I am pleased to report another year of solid achievement by the Group in the year 2015. Turnover, at €417.4 million, is down 2.2% on the previous year, however the Suttons Oil business was disposed of in January 2014 and on an adjusted basis turnover increased by 3.5% in comparison to the prior year. EBITDA return for 2015 was €98.1 which was 7.9% up on 2014. Operating profit as a percentage of turnover increased from 11.7% in 2014 to 12.6% in 2015 an improvement of 7% reflecting the investments in the wind farms and the disposal of the low margin oil business.

Future Direction and strategic Intent

Bord na Móna has been undergoing seismic change in recent years as it transitions its traditional peat-based activities to a future that will ultimately see the company engaged in thriving sustainable businesses through to 2030 and beyond.

Since my appointment by the Board, I have undertaken a significant review of each of the businesses. In March, at our strategy review day, I presented a framework that will underpin our future growth to the Board and the Minister for Communications, Energy and Natural Resources, Mr. Alex White TD.

I have made changes to the operational structure of the Group since the start of the 2016 fiscal year, to streamline our business units so that they are best placed to deliver on our strategic objectives. Consumer and Professional became two separate business units, Fuels and Horticulture (Growing Media) respectively. The business unit formerly known as Powergen has also become two business units, Powergen Operations and Powergen Development. In light of the criticality of Biomass to our Group over the next number of years and the exceptional volume demand I have appointed a new Head of Biomass to help reach our goals in this area.

Our intent is to optimise growth to become the leading player in every market that we operate. The plans that I outlined, and which were agreed in principle by the Board, will deliver a long term sustainable business up to 2030 and beyond. This plan is underpinned by five key areas of focus; Growth, Human Capital, Sustainability, Market Leadership and our Joint Venture with Coillte.

Powergen operations will focus on maximising the value of the generating assets and Powergen Development will focus on identifying new generation assets potential obtaining consents and the construction of approved and consented projects.

The plan has at its core the key aim and ambition to become the leading player in every market that we operate. In terms of specifics this means that Bord na Móna will become:

OUR PLAN HAS AT ITS CORE THE KEY AIM AND AMBITION TO BECOME THE LEADING PLAYER IN EVERY MARKET THAT WE OPERATE. IN TERMS OF SPECIFICS THIS MEANS THAT BORD NA MÓNA WILL BECOME;

Number 1 supplier of renewable electricity on the island of Ireland

Number 1 supplier and user of biomass materials on the island of Ireland

Number 1 renewable home heating supplier in Ireland and the UK

Number 1 supplier of retail growing media in Ireland and the UK

Number 1 Resource Recovery landfill operator in Ireland,

International market leader in professional peat

- Number 1 supplier of renewable electricity on the island of Ireland;
- Number 1 supplier and user of biomass materials on the island of Ireland;
- Number 1 renewable home heating supplier in Ireland and the UK;
- Number 1 supplier of retail growing media in Ireland and the UK;
- Number 1 Resource Recovery landfill operator in Ireland; and
- International market leader in professional growing media.

Challenges

Building a long term sustainable future for the company will not be easy. Bord na Móna currently faces significant challenges, both in the immediate term, and over the next number of years. In the financial year 2015, the business experienced the significant adverse impact that items such as the Carbon Tax, Carbon Credit Pricing, the private sale of timber and turf and Cross Border Fuel Trading have had on our Fuels operating profit performance. The environment in which we operate is coming under increasing pressure because of the lack of a level playing field due to the lack of consistent enforcement and application of regulations.

In the medium term, we will face increased challenges in obtaining planning in consents for infrastructural developments, the cost effective supply of biomass to both our Powergen business and to the ESB peat stations post 2019, Pay by Weight in our Resource Recovery Business, the implementation of the Feedstock transformation programme and the expiry of the current long term Peat Supply Agreements.

Transformation

This recent announcement between Bord na Móna and the ESB underpinning the operation of two peat power stations to 2030 is very significant news for the future of the company. This means that Feedstock can subject to supplying peat and biomass on a cost effective basis remain in business beyond the end of the current ESB agreements which expire in 2019.

Whilst the announcement is very welcome, considerable work still needs to be done, to make this agreement viable. The business has to reduce its costs considerably and sell peat at a competitive price. This confirmation is explicitly dependent on us significantly reducing in the absence of the support provided through the current public service obligation mechanism, the sale price of our peat in order to compete with oil, gas and coal, the prices of which have dropped substantially in recent times. The ESB have stated that the stations will only operate if they are commercially viable. I have made it clear that we will do everything in our power to meet this requirement.

This means that a major external obstacle to our plan for a long term sustainable Feedstock business has been removed. The power to back the plan to sustain jobs and the business now lies in the hands of Bord na Móna and our employees.

Change is neither popular nor easy in any organisation. For many in Bord na Móna the term Transformation is something that is only associated with our Feedstock business. Change is not however confined to just one area. I have already outlined many of the key challenges that face our businesses. For example, in Consumer and Professional we are facing big challenges from carbon tax and an unfairly structured fuels market. Powergen faces challenges around planning and regulation. Resource Recovery operate in an increasingly competitive and regulated industry. An essential element of continued success in the face of these challenges will be willingness by all employees to embrace the need for continuous change and improvement.

We can choose to back our own ability to change, to grow our business and to sustain our jobs. It has been said, the secret of change is to focus all of your energy, not on fighting the old, but on building the new. It is my primary focus to transform Bord na Móna and build a sustainable business out to 2030 and beyond.

People

Since I took up my position, it is clear to me that for Bord na Móna to succeed towards 2030, the critical success factor will be our people. Our employees are the most important resource that we have. For my part, I will endeavour to deliver and maintain positive work environments, with open communication channels that will encourage all of our staff to work together to build a long term sustainable future. Since taking up my position, I have endeavoured to meet and to listen to as many of our employees as possible, and I look forward to building these relationships even further over the coming years.

MANAGING DIRECTOR'S REVIEW CONTINUED

The future

Throughout the coming year, we will continue to maintain a strong focus on Health and Safety right across our Group. I am committed to improving communications across the organisation and to being open and transparent in all our dealings. Bord na Móna has strong links in our communities going back generations. We live here, we work here and we are deeply invested in creating the brightest possible future for the people of the regions in which we operate. I look forward to the coming years and building a long term sustainable future for Bord na Móna and the people we serve.

Operational and Financial Review

A summary of the key Group financial results for the past three years is as follows:

	2015	2014	2013
	€'000	€'000	€'000
Turnover	**417,383**	**426,798**	426,120
% change	**–2.2**	**+0.2**	+11.0
EBITDA	**98,085**	**90,865**	61,244
% change	**+7.9**	**+48.4**	+0.2
Profit/(loss) before tax	**37,244**	**39,914**	12,532
% change	**–6.7**	**+218.5**	+198.4
Shareholders' funds	**222,213**	**212,903**	173,672
% change	**+4.4**	**+22.6**	–4.2

Turnover decreased by €9.4 million and €8.7 million in comparison to 2014 and 2013 respectively. The Suttons Oil business was disposed of in January 2014 and in comparison to the prior year reduced the turnover of the Group by €23.7 million. There was reduced sales activity in the home heating sector with briquette and coal sale tonnages down 14% and 23% respectively on 2014 due to the impact of increased carbon tax on solid fuels, increased competition from Northern Ireland suppliers and alternative products such as private turf and wood based products. Growing media sales into mainland Europe decreased on the prior year, with sales decreasing in the Dutch, Belgium and French markets but recovered in the Italian market in comparison to the prior year. Retail growing media sales in Ireland and the UK increased on the prior year reflecting favourable weather during the growing season.

Electricity sales in the power-generation business were up on the previous year due to the commencement of commercial operations at the Mountlucas and Bruckana wind farms. The Mountlucas farm with 28 turbines – an 84 megawatt wind farm was commissioned in September and the Bruckana farm with 14 turbines – a 42 megawatt wind farm was commissioned in November. Electricity sales for the co-fired peat/biomass power plant at Edenderry also increased on last year with increased plant availability of 13% with an extended summer outage in the prior year. Biomass supplies to the Edenderry power station increased to 284,000 tonnes, an 18% increase on the prior year. The peaking plant had 99.9% plant availability during the year.

The Feedstock business increased the sale of milled peat for power generation in the year with supplies increased by 6% and 13% to the West Offaly and Edenderry Power stations respectively. However at Lough Ree Power, supplies were 7% lower in the current year as an extended scheduled outage occurred in the summer of 2014. Sales to the briquette factories were significantly down on the prior year, a reduction of 20% as briquette manufacturing was curtailed by an additional ten weeks to address the high briquette stocks at each factory. Sales of peat for growing media declined by 11% due to reduced demand for professional peat in the Dutch and French markets.

Resource Recovery increased their inbound tonnage intake from commercial customers by 22% and end treatment sales to the Drehid facility increased by 13% on the prior year. The landfill gas electricity generation units fired by gas recovered from the engineered landfill will power 8,500 residential homes and had increased sales of 140% with a full year's operation.

EBITDA at €98.1 million was €7.2 million up on 2014 reflecting:

- commencement of commercial operations at the Mountlucas wind farm in September and the Bruckana wind farm in November;
- increased plant availability and higher electrical output at the co-fired Edenderry Power station;
- increased sales of milled peat for power generation to the West Offaly and Edenderry power stations;
- increased inbound tonnage for the waste collection business and the opening of the Lusk recycling facility in north Dublin;
- increased inbound tonnage to the Drehid Landfill facility, the Composting facility and full year impact of the generation of electricity on recovered gases from the engineered landfill;
- currency gains on sales of growing media into the U.K. market and on the adverse side to the prior year;
- lower sales of briquette and coal products impacted by the increased carbon tax and increased competition from alternative products such as private turf and wood based products;
- reduced sales activity and reduced gross margins for the Anua business.

Profit before tax of €37.2 million was €2.7 million down on 2014 reflecting the enhanced earnings in the Powergen and Resource Recovery businesses and the additional sales of good quality peat for power generation. However, the profit before tax figure included an exceptional cost of €4.6 million (pre-tax) in relation to termination of operations in the Anua businesses. The business has incurred losses in previous years and following a strategic review by the Board in the early part of the year and an examination of potential investments, the Board decided to arrange for the orderly wind-up of the operations. The exceptional charge includes costs for redundancy of €1.6 million, a write down of the inventory and receivable to recoverable amounts of €2.2 million, a provision for onerous contracts of €0.6m and impairment of €0.2 million to tangible assets. The profit before tax for 2014 of €39.9 million was €27.3 million up on 2013, but the financial year 2013 included exceptional costs of €23.3 million on a record low annual harvest yield of only 1.4 million tonnes of peat, 37% of the annual target and a shortfall of 2.4 million tonnes of peat.

Shareholders' funds have increased by €9.3 million in the period, mainly as a result of retained earnings of €30.4 million for the year and a revaluation gain on the Baggot Street investment property of €14.1 million. However, shareholders' funds were reduced by a charge of €24. 6 million (net of tax) for a deficit on the defined benefit pension schemes and a dividend payment of €11.2 million. The key contributing factor to the pension deficit is a change in the discount rate from 3% down to 1.25% which increased the plan liabilities by €83.9 million; this was offset by an increased return on the scheme assets and experience gains on the pension assumptions.

Funds from Operating Activities

The Group had an operational cash flow of €89.1 million compared to €47.5 million in the prior year – an improvement of €41.6 million. In the prior year there was significant investment in stocks of €36.7 million with a rebuild of milled peat stocks of 2.9 million tonnes to 5.2 million tonnes but in the current year the Group has increased stock investment in milled peat and coal by €9.8 million, a decrease of €26.9 million upon the prior year. The Group will seek to reduce investment in stocks for the year to March 2016. The improved operating profit of €2.2 million in 2015, together with increased depreciation and amortisation charges of €10.6 million in comparison to 2014 are the other key contributors to the cash flow variance.

The Group had a cash outflow of €190.1 million, capital expenditure and investment of €113.7 million of which €86.5 million is attributable to the two wind farms. The Group repaid €40.7 million to Private Placement debt holders, interest repayments of €14.0 million, dividend payment

"THE GROUP HAD AN OPERATIONAL CASH FLOW OF €89.1 MILLION COMPARED TO €47.5 MILLION IN THE PRIOR YEAR – AN IMPROVEMENT OF €41.6 MILLION."

of €11.2 million and corporation tax payments of €10.8 million.

The Group had a net cash outflow of €101.0 million funded by a reduction in cash of €76.9 million and bank overdraft facilities of €24.1 million. Net debt increased from €72.2 million at the start of the year to a closing net debt of €132.6 million an increase of €60.4 million. The Group had a closing cash balance of €96.3 million which will partially fund the implementation of the strategy for the Group.

The Group generated €47.5 million from operating activities in 2014 compared to €89.1 million in the current year. Milled peat stock levels being rebuilt in the prior year and lower cash operating profits were the key contributors.

	2015 €'million	2014 €'million
Net cash flow from operating activities	**89.1**	47.5
Capital expenditure and investments	**(113.7)**	(86.3)
Financing costs paid	**(13.6)**	(10.0)
Disposal of a subsidiary	**0.0**	2.9
Corporation tax paid	**(10.8)**	(3.8)
Dividend paid	**(11.2)**	(5.3)
(Decrease)/Increase in net cash	**(60.1)**	55.0
Non cash movement	**(0.2)**	(0.2)
Increase/(decrease) in net debt	**(60.4)**	(55.5)

At year end, the Group had net debt of €132.6 million, an increase of €60.3 million in the year – attributable to the level of capital expenditure on the two wind farms which became operational in September and November 2014. The detailed cash flow statement is shown on page 51 supported by Note 20 to the Financial Statements.

Investment for the future

Capital Expenditure and Financial Investment for 2015 amounted to €113.8 million (€86.3 million in 2014). The capital investment programme undertaken during the year included the completion of the substation for the Bruckana wind farm, erection of wind turbines on wind farms at Mountlucas, Co. Offaly and Bruckana on the borders of counties Kilkenny, Laois and Tipperary. The Mountlucas and Bruckana wind farms began commercial operations in September and November respectively. Other key items of expenditure were the production plant for peat harvesting, transport equipment for the transport of milled peat, the construction of engineered landfill cells for waste treatment and gas recovery, upgrades at the two briquette factories, refurbishment of the Baggot Street property and the design and build of new financial processes and systems for the new finance delivery model based on Financial Shared Services and Finance Business Partnering.

Research and Development: During 2015 Bord na Móna spent €5.5 million on research and development including business development, exclusive of grants (compared with €4.0 million in 2014). Nine people are directly employed in the Innovation Centre with a further seventeen people in business development and innovation embedded in the operational businesses of the Group.

Capital Structure and Treasury Policy

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

The overall objective of the Treasury function in managing foreign exchange risk is to contribute to the achievement of the Group financial objective of stable Euro operating profit growth in a risk averse and cost effective manner and to use natural hedges across the Group wherever possible. Exposures in relation to foreign investments are hedged as far as possible by borrowings in the same currency as the underlying net assets.

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

The Group's overall debt position is primarily fixed through swaps. Net borrowings in the current financial year reached a peak of €166 million in December 2014, compared with a peak in the previous year of €78 million. The peak borrowing related to the completion of the two wind farms. Bank interest payable and similar charges at €10.6 million was €2.5 million lower than in the previous year with, increased capitalised interest and lower gross private placement debt with a €40.7 million repayment during the year. Interest receivable at €0.3m was €2.4 million lower than in 2014 due to lower cash levels and reduced deposit interest rates.

At year end, the Group had $273 million (€203.6 million) fixed rate debt raised on the US private placement debt market. In order to hedge the associated US dollar exchange rate exposures and convert the underlying interest rates to fixed, the Group entered into a number of cross currency swaps to match the maturity profile of this debt.

The maturity profile of debt at the financial year end was as follows, 31% repayable in 2017, 16% repayable in 2018, 24% repayable in 2019 and 29% repayable in 2020.

Gearing was 60% at year end compared to 34% at the start of the year reflecting the investment in capital expenditure during the year. The gearing ratio was forecast to increase in 2015 and is expected to remain at a similar level for March 2016.

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
POWERGEN

The Bord na Móna Powergen business manages and operates a portfolio of thermal and renewable assets consisting of the Edenderry peat/biomass generating unit, the Cushaling peaking plant, the Bellacorick, Mountlucas and Bruckana wind farms, and the Drehid landfill gas facility. The most recent additions to the portfolio have been the Mountlucas and Bruckana wind farms. These have made a significant contribution to our renewable portfolio with greater than 50% of our electricity generated now classified as carbon neutral.

Powergen's strategy is focussed on sustainable business growth through the phased development of a diversified portfolio of generating assets. This will be achieved by leveraging Bord na Móna's land assets, project development skills and operation and maintenance capabilities. Powergen will be a leading low carbon electricity generator, with a suite of resources including wind, biomass, biogas and other renewable technologies supported by flexible thermal plant.

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
POWERGEN

Challenges

Operations

Powergen's major operational challenge is the optimization of the existing generation asset base, in a changing market and an evolving regulatory environment, so as to preserve the useful asset life while maximising output and economic returns.

Development Agenda

As a result of Powergen's development agenda there are residual requirements to complete the installation of additional fuel handling equipment at Edenderry Power Limited (EPL) in order to increase the biomass co-firing rate; together with our partner ESB conclude and obtain a successful outcome of planning consent application for the Oweninny wind farm and negotiate the best possible contracts for the supply of civil works, turbines and the electrical balance of plant for the completion of this wind farm.

Energy Efficiency Obligation

Having achieved its previous targets, the business is now tasked with achieving a considerably higher level of energy efficiency savings as part of Bord na Móna's obligation under the Energy Efficiency Obligation Scheme, while also striving to achieve the Government target of a 33% energy intensity reduction for all public bodies by 2020.

Achievements

Operations

Having completed annual outage, the Edenderry station has seen exceptional availability with fuel quality being a major contributory factor as a result of the excellent peat harvest in 2014. Biomass co-firing for the financial year increased to 27%.The Edenderry station exhibited impressive reliability, with a forced outage rate of only 0.84% during FY15. The 116 MW Cushaling Power peaking plant had an annual availability of 99.9%, and the Bellacorick wind farm continued to perform well.

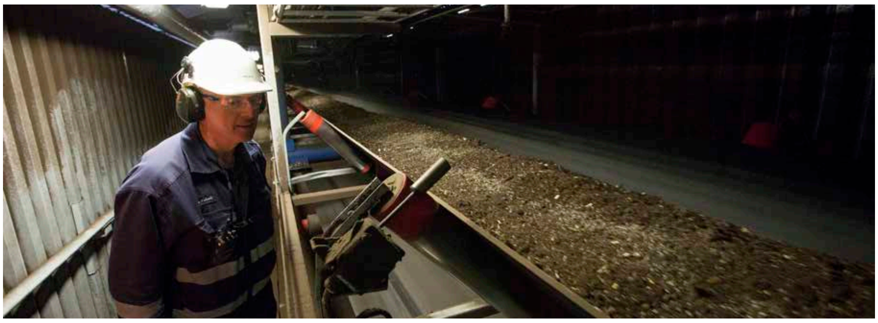
The Mountlucas and Bruckana wind farms have performed in line with expectations and have been successfully integrated into Powergen's Operations and Maintenance activities.

Progressing Development Projects

Oweninny Power Ltd., the Bord na Móna/ESB joint venture which is developing the first 172 MW of a large-scale wind farm at Oweninny, Co. Mayo, progressed through the planning process and awaits planning decision in the later part of the calendar year 2015. Eirgrid confirmed that the existing 110 kV infrastructure can accommodate an initial circa 90 MW of the project on a firm connection basis.

Energy Efficiency

Powergen's Energy Services team met the 2014 compliance requirements relating to the Energy Efficiency Obligation Scheme. Reduced grant funding for Commercial and Industrial projects has made the achievement of savings in this sector extremely challenging.



"POWERGEN REMAINS FULLY COMMITTED TO REDUCING THE CARBON INTENSITY OF THE ELECTRICITY GENERATED FROM ITS PORTFOLIO IN ORDER TO MEET BOTH NATIONAL CLIMATE CHANGE OBLIGATIONS AND ALSO THE RENEWABLE TARGETS SET UNDER THE NATIONAL RENEWABLE ENERGY ACTION PLAN (NREAP).

Commitments

Development

Powergen remains fully committed to reducing the carbon intensity of the electricity generated from its portfolio in order to meet both national climate change obligations and also the renewable targets set under the National Renewable Energy Action Plan (NREAP).

Wind Projects

Powergen is committed to the joint development of the first phase of the Oweninny wind farm with the ESB and the procurement process for the project is well underway. Powergen is progressing a joint venture proposal with Coillte.

Market Opportunities

Powergen will continue to assess the suitability of Bord na Móna's cutaway peatland assets for the development of wind farms which can contribute to an expanding portfolio of renewable assets and the achievement of both National and European targets. Additionally work is progressing with a view to developing a solar demonstration project co-located with one of the existing windfarms. In addition Powergen will monitor and assess the requirement for additional thermal assets which can contribute to system flexibility and security as the proportion of intermittent renewable generation on the Irish electricity system increases.

"POWERGEN WILL CONTINUE TO ASSESS THE SUITABILITY OF BORD NA MÓNA'S CUTAWAY PEATLAND ASSETS FOR THE DEVELOPMENT OF WIND FARMS WHICH CAN CONTRIBUTE TO AN EXPANDING PORTFOLIO OF RENEWABLE ASSETS AND THE ACHIEVEMENT OF BOTH NATIONAL AND EUROPEAN TARGETS. ADDITIONALLY WORK IS PROGRESSING WITH A VIEW TO DEVELOPING A SOLAR DEMONSTRATION PROJECT CO-LOCATED WITH ONE OF THE EXISTING WINDFARMS."

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
FEEDSTOCK

The Feedstock business supplies peat and biomass materials for the generation of electricity in Bord na Mona's Edenderry Power station, and the two ESB power stations at West Offaly Power and Lough Ree Power. Feedstock also supplies peat and biomass to Bord na Mona's Consumer and Professional business for the supply of professional and retail growing media products and the manufacture of peat briquettes. The Feedstock business has specific challenges in all its markets as the demand for peat declines and price pressures increase. The impending expiry of the Public Service Obligation support mechanism, has necessitated the initiation of major transformational change and restructuring in order to maintain a sustainable business and sustainable jobs well into the future.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MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
FEEDSTOCK

Performance

The Feedstock business achieved an improved performance for 2015 compared to the previous year. Turnover for the year at €146.4 million showed an increase of €4.3 million or 2.9% on the previous year. Sales for Power Generation increased by 4.1% and there was a reduction of 17.4% in relation to sales to Bord na Mona factories for the heating and horticultural markets. Biomass sales showed an increase of 19% compared to the previous year and accounted for 27% of all through-put at Edenderry Power Plant.

Achievement

Despite a slow start, favourable weather conditions during the peak harvesting period resulted in a harvest of 4.45 million tonnes of milled peat which was a gain of 14.0% against target. This excellent harvest enhanced the quality and quantum of peat stocks remaining from 2013 leading to a very strong closing stock position of 5.88 million tonnes of peat. A record amount of 3.0 million tonnes of peat stocks was covered with polythene film in order to protect our good quality peat stocks from storm damage and rewetting.

Biomass procurement and supply reached a record 284,000 tonnes and exceeded target by 5.1%. As a result Powergen were able to achieve a co-firing rate of 27%. New potential biomass products were sourced and consumed and we extended our purchase of pulpwood from the private forestry sector to 20,000 tonnes.

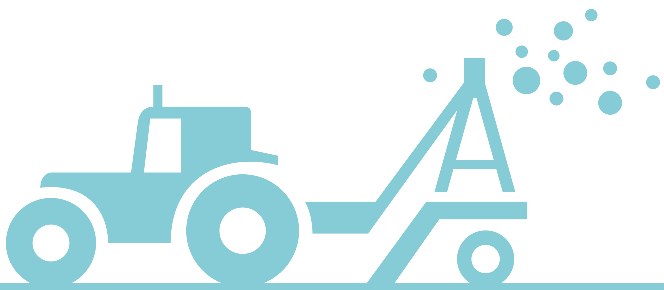
Engagement commenced with Coillte on the establishment of BioEnergy Ireland. This Bord na Mona/Coillte Joint Venture business will be instrumental in mobilising the private forestry sector and will promote the growing of BioEnergy crops in the Midlands for use in our co-firing programme.

Feedstock's peat operations systems are accredited to ISO9001, which was achieved in December 2014. This system enables and assists Feedstock to commit to the timely supply of high quality products to its customers and in doing so to commit to continually improving the quality of these products. It supports the business in the setting of meaningful and challenging objectives for the business and its employees and to fostering innovation delivered through the excellence and commitment of our people.

Feedstock is licensed by the Environmental Protection Agency under nine integrated pollution Control Licences, consenting operations across nine counties in the midlands and west. These permit and control emissions to water, air and land and include requirements for responsible decommissioning and aftercare of cutaway boglands. Feedstock is the only regulated peat extraction company in Ireland and as such manages its operations and after use in accordance with best practice. This includes managed decommissioning, stabilization, rehabilitation and consideration of potential amenity values, as well as commercial opportunities. Feedstock is committed to continually improving its compliance levels with active programmes underway seeking to minimise our impact on the environment.

Challenges

The coming year sees the ending of the Public Service Obligation peat support mechanism and the must-run status for Edenderry power. A significant and challenging cost reduction and business transformation initiative has been introduced. An extensive and ongoing engagement and communication programme has been implemented for all employees and other stakeholders. Stakeholder understanding and buy-in is vital for the future of this transformation process and the ongoing survival of our business.



"THE FEEDSTOCK BUSINESS STRATEGY IS TO FULLY UTILISE OUR PEAT RESOURCES AND EXTRACT MAXIMUM VALUE BY EXTENDING THE RUNNING OF THE THREE PEAT–FIRED POWER STATIONS AND CONTINUING TO PROVIDE HIGH QUALITY PEAT FOR GROWING MEDIA AND ECO BRIQUETTES."

Looking to the Future

Outlook/Forecast

The Feedstock business strategy is to fully utilise our peat resources and extract maximum value by extending the running of the three peat-fired power stations and continuing to provide high quality peat for growing media and eco briquettes. This will be achieved through restructuring of our cost base through business transformation and provision of suitable and competitive biomass for co-firing. This will sustain our business and employment for many years to come.

Challenges

The Feedstock business faces significant challenges in all its core markets and has begun a major transformational change programme in order to create a sustainable business and sustainable employment. The supply price for peat will reduce and in turn the business will move to a variable cost model in order to reflect the increasingly variable nature of our business. The traditional management structures in the business have been replaced by a more customer focused structure with clearer goals and responsibilities.

Commitments

Customers: Feedstock is committed to supplying its customers with the quantity and quality of peat and biomass products at a price that enables them to operate in increasingly competitive markets. We are committed to providing material that enables our customers to expand their range of products in new markets.

Employees: Feedstock is committed to provide sustainable, well paid employment for our staff into the future. We will continue to provide a safe place of work and safe systems of work. We will demonstrate and promote the company values of Engaging, Resourceful and Respectful

Environment: Feedstock is committed to complying with the terms of our Environmental licences in order to minimise our impact on the surrounding environment. We will preserve important examples of raised bog areas and are committed to decommission and rehabilitate our boglands as they exit the production phase. We are committed to leaving a positive and productive legacy in the communities in which we operate. We will reduce our energy footprint by adopting best practice in energy management and investing in and promoting increased energy efficiency.

"FEEDSTOCK IS COMMITTED TO COMPLYING WITH THE TERMS OF OUR ENVIRONMENTAL LICENCES IN ORDER TO MINIMISE OUR IMPACT ON THE SURROUNDING ENVIRONMENT."

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
CONSUMER AND PROFESSIONAL

The Consumer and Professional division is focused on the commercial sales and marketing of heating solutions and horticultural products across Ireland, the UK and Europe, providing innovative product and supply solutions to meet customer needs. Bord na Móna is the market leader in both the solid fuel and horticultural categories in many of the markets where we trade. The business is continually evolving and has developed an ambitious plan to lead the market to a more carbon free and smokeless fuel environment, whilst also expanding our portfolio of horticultural products and services. In exports, the company's strength is in the provision of technically strong growing media solutions for the professional markets in Europe and the Middle and Far East.

An internal review of the business, conducted over the year examined the challenges faced by Consumer and Professional. As a result of the review we decided to divide the business into separate fuels and horticulture businesses entirely focused on their own distinct strategic objectives.

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
CONSUMER AND PROFESSIONAL

Performance

Consumer and Professional generated annual sales of €143.7 million in fiscal year 2015.

Heating Market Ireland

After two particularly strong years the heating market experienced significant challenges. Heating oil prices dropped by 20%, plentiful supplies of private firewood and turf reduced demand for traded solid fuel and the real impact of the imposition of carbon tax on both coal and briquette took hold. The ongoing challenge of non-compliant fuel imports, chiefly from Northern Ireland, was accentuated by the disparity of treatment of solid fuel taxation in the two jurisdictions. Overall peat briquette volumes reduced by circa 13% year on year, while coal, which suffered more from carbon tax and non-compliant imports, reduced by 18%.

Growing Media

The UK growing media business continues to perform well with growth of 2.9% in 2014. Our strategic partner B&Q experienced strong growth year on year due to favourable weather conditions and strong commercial implementation at store level. The smaller garden centre sector delivered its third year of double digit percentage growth.

The professional horticulture business planned and implemented key strategic initiatives during the year to support achieving €19.8 million in sales across Europe. We strengthened our market position with the introduction of new differentiated peat types and enhanced our quality peat brand by achieving the industry recognised, independently certified, RHP quality mark.

Despite the competitive imports of competing peats and alternative ingredients traditional markets such as Holland, Italy and France all performed ahead of budget.

Achievements

In a challenging market in Ireland, the Consumer and Professional business continued its investment in Sales & Marketing with the introduction of the Customer Partner Programme, working closely with trade customers via localised promotional activity, the provision of signage and point of sale and improved staff training programmes. Our innovative display units significantly expanded the range of solid fuel available in the multiple retail channel. Reflecting the company's movement toward lower carbon solid fuels Bord na Móna introduced a high-quality range of firewood products, including Kiln dried firewood, kindling in a variety of sizes and new wood pellet products.

Bord na Móna supported Waterford Stanley's successful heat week promotion and also introduced a new Stove log product which is being rolled out across key retailers this year. Attendance at the Ploughing championship, which saw record crowds, the Ideal Homes events in Dublin and a variety of local and national trade show events also ensured strong trade visibility.

Our continued commitment to quality and sustainability in the growing media sector was highlighted when the largest independent consumer body,' Which?' awarded their top accolade 'Which? Best Buy' to three of our products.

The year also saw the establishment of peat exports to Taiwan supplying the first Potting soil factory in the region and new exports to Saudi Arabia, Oman and Qatar.

Challenges

The solid fuel industry is at a point of significant challenge from a number of areas. In particular the challenge brought by the expanding range of legislative pressures on the business. The imposition of carbon tax on solid fuel has added significantly to the retail prices of coal and briquette products (up to 20% over the last two years). This impact is being felt disproportionately by those at risk from fuel poverty and is impacting adversely on sales of these products.

"WE ARE COMMITTED TO MOVING TOWARDS A MORE SUSTAINABLE FUTURE. BORD NA MÓNA IS THE MARKET LEADER IN SOLID FUEL TODAY AND WILL LEAD THE MARKET IN THE TRANSITION TO RENEWABLE HOME HEATING."

The low level of visible enforcement of carbon tax, specifically related to imports from Northern Ireland is encouraging non-compliant behaviour and putting the Irish solid fuel industry at serious risk. This year Bord na Móna became responsible for an Energy Efficiency Obligation - one of just two ROI solid fuel suppliers to be so responsible. The impact of this will be to increase the challenge on Bord na Móna in an increasingly competitive marketplace.

In the UK growing media market, there is a continued focus on helping our expanding customer base meet the regulatory drive for peat dilution and sustainably sourced growing media. This activity is being undertaken with a continuing focus on remaining competitive in the face of additional feedstock costs and freight charges.

Commitments

Sustainability

We are committed to moving towards a more sustainable future. Bord na Móna is the market leader in solid fuel today and will lead the market in the transition to renewable home heating.

In relation to growing media, Bord na Móna continues to develop sustainable and peat diluted products to meet market demands. There is continued focus in the UK on helping our customers meet the regulatory drive for peat dilution and sustainable products while remaining competitive.

Innovation

As the largest producer and importer of solid fuel products in Ireland, the Consumer & Professional business is committed to developing alternatives to traditional fuels that are not only compliant but also market-leaders in the provision of effective, sustainable and competitive solutions.

New product innovation is also a critical component of our overall commitment to moving towards a more sustainable future. In the past year we have made good progress on strategic projects to deliver smokeless and renewable products to meet future market demands and consumer needs.

The business is committed to marketing innovative growing media solutions, from consumer products through to professional grower products, which are sustainable and cost competitive. By investment in product development that is compliant with sustainability criteria, we will help our customers in the UK, Europe and beyond to continue to strengthen their business with solutions that are effective, compliant and profitable for them in whatever market sector they trade. Above all, the business will continue to support our customers as we have always done to help grow and develop their businesses for our mutual benefit.

"THE BUSINESS IS COMMITTED TO MARKETING INNOVATIVE GROWING MEDIA SOLUTIONS, FROM CONSUMER PRODUCTS THROUGH TO PROFESSIONAL GROWER PRODUCTS, WHICH ARE SUSTAINABLE AND COST COMPETITIVE."

MANAGING DIRECTOR'S REVIEW CONTINUED

BUSINESS REVIEW
RESOURCE RECOVERY

Bord na Móna Resource Recovery is an integrated waste management business providing a collection service with full recovery, recycling, composting and residual landfill disposal of all non-hazardous waste streams. Waste collection services operate under the AES brand, providing full domestic waste management throughout the Midlands, North East, South East and Mid-West regions and commercial waste management nationwide.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MANAGING DIRECTOR'S REVIEW CONTINUED
BUSINESS REVIEW
RESOURCE RECOVERY

Achievements

Customer Growth & Waste Diversion

In the domestic business, the acquisition of domestic customers from two competitors, Tag-a-bin and Mahon's Recycling, increased the domestic customer base by an additional 7,000 customers. The active domestic customer base now totals over 100,000 households.

Customers have also embraced AES digital offerings with over 50% of the domestic base now participating in our paperless billing system and 70% are registered to either pay online or through direct debit. The use of such channels has allowed the Customer Care Team to provide an even better quality of service and a more informative customer experience.

An additional 5,000 organic bins were rolled out to domestic customers during the year. This has allowed improvements in the diversion from landfill and ensured that the business has stayed ahead of regulatory obligations for organic bin roll out.

Increased Processing & Reporting

AES facilities added processing capacity during the year; currently operating 95,000 tonnes of commercial and construction waste processing capacity at the new AES Lusk facility, 40,000 tonnes of Mixed Solid Waste (MSW) capacity at the re-opened AES Portlaoise facility and baling capacity of refuse derived fuel for export commenced at the AES Navan Facility. This has had the effect of decreasing material for direct disposal, increasing recycling and recovery waste streams and reducing end treatment costs.

AES's commercial business processes moved onto a new best in class software platform in 2015 which was designed specifically for the waste industry. All Resource Recovery locations are using the system which will allow for real-time reporting, improve invoicing accuracy and enable more efficient management of margins for the company.

Drehid Waste Park Facility

During the year, waste tonnages inbound for disposal and recovery at the engineered landfill facility in the Drehid Waste Park, were strong. There was also a higher proportion of material used for recovery than in previous years.
With a continued focus on operational efficiencies, a review of leachate disposal options will be completed during 2015 in order to achieve further cost reductions.

The compost facility and landfill gas project continue to enjoy a steady performance in 2015. An advanced gas cleaning system, using proprietary technology, will be deployed over the coming months to reduce the maintenance costs of the Landfill Gas Power Plant.

Challenges

Waste Volumes & Operational Costs

Although slight growth was seen over the last year in waste volumes collected, particularly in the commercial market, industry over-capacity continues to prompt aggressive product pricing. This pricing dynamic has resulted in a challenging market place for all providers.

Future Challenges

Pay by Weight service

The full introduction of the mandatory Pay by Weight service type for the domestic sector was postponed until July 2016. This service typically results in a decrease in collected waste volumes and therefore may negatively impact the revenue achieved per customer.

Decreased capacity in Drehid Landfill

From January 2016 the Drehid Landfill facility licensed capacity for disposal will reduce from 360,000 tonnes per annum to 120,000 tonnes. As a result of this reduction in capacity, increased operational costs per tonne will be experienced.

"BORD NA MÓNA CAN PROVIDE A STRATEGICALLY LOCATED SUSTAINABLE RECOVERY FACILITY HELPING TO FULFIL GOVERNMENT POLICY ASPIRATIONS IN RELATION TO THE RESPONSIBLE TREATMENT OF WASTE."

Commitments

Improved Service Offering

The business seeks to provide ever higher levels of service to its domestic and commercial customers, thereby reinforcing Resource Recovery's aspiration to be the service provider of choice. This year the business will deliver a new web based customer interface to its domestic customers. The business is also committed to continue providing innovative solutions for industrial and commercial customers.

Sustainable Indigenous Processing

The business believes the export of waste is not a long term sustainable solution for the Irish waste market. Through further development of the Drehid Waste Park, including potentially, the build out of the planned mechanical biological treatment facility, Bord na Móna can provide a strategically located sustainable recovery facility helping to fulfil Government policy aspirations in relation to the responsible treatment of waste.

Growth & Consolidation

Resource Recovery has made significant progress on improving the return from the business, through lower cost operational measures and with the increased processing capacity the business is well positioned to grow in the coming years. Continued focus on operational efficiencies together with the ability to leverage existing investments and waste collection technologies, underpin this growth potential in the midst of a changing market environment.

"RESOURCE RECOVERY HAS MADE SIGNIFICANT PROGRESS ON IMPROVING THE RETURN FROM THE BUSINESS, THROUGH LOWER COST OPERATIONAL MEASURES AND WITH THE INCREASED PROCESSING CAPACITY THE BUSINESS IS WELL POSITIONED TO GROW IN THE COMING YEARS."

BUSINESS REVIEW
ANUA

For over twenty years Anua has played a significant role in the design, manufacture and installation of an extensive portfolio of differentiated, sustainable clean-tech technologies, offering clean air – clean water solutions to residential, commercial, municipal/ utility and industrial sectors in Europe and North America.

Since 2008 the Anua business has been severely challenged by the deep recession in the construction sector and while the business now only accounts for 2% of Group turnover it has returned losses over the past five years. A strategic review of the business concluded that Anua activities do not leverage or complement the core competencies of the Group and with ongoing losses being incurred the business was no longer sustainable.

Following careful consideration the Board decided to exit the entire business, through structured closure and wind down of operations. The UK business was closed in March 2015. Post year end the Irish and U.S. businesses are being wound down in an orderly manner.

SUSTAINABILITY STATEMENT

Bord na Móna has been involved in the management of Ireland's natural resources since the early days of the State's existence. In the decades since it was established, the company has expanded beyond that part of the original mandate, focusing on the management of the nation's peat resources, into other businesses built on its extensive land bank of more than 80,000ha. With a workforce of more than 2,000 people, in various locations throughout the country, the company has a large footprint across the Island and understands the duty it has to the people and communities in which we operate.

Today, Bord na Móna businesses encompass electricity generation, peat harvesting, heating products, resource recovery, growing media and biomass product . Each and every part of our business is involved in delivering on our sustainability agenda.

A Contract with Nature underpins Bord na Móna's mission, objectives, strategy and values and sets out a clear sustainability path for the company. It means that all of our business activities, both direct and supporting, are becoming increasingly sustainable from an environmental and social point of view while continuing to yield profits. It outlines how the company is transforming itself into a leading provider of sustainable products and services, both in Ireland and abroad and comprises of three fundamental pillars; people, planet and profit.

Bord na Móna's drive to decarbonise is itself informed by the transformation in European policy, which has firmly embarked upon a pathway to a low carbon future with the ambition of reducing carbon emissions by up to 80 per cent from 1990 levels by 2050. This not only drives demand for innovative solutions to the sustainability challenges facing the current activities of each of our operating business units, but also acts as a necessary filter for screening new business development opportunities to ensure ultimate strategic fit.

In Ireland, because of the abundance of sources of renewable energy, in particular wind power, we are in the fortunate position of being able to pursue a renewable generation policy that isn't significantly more expensive than that generated from conventional sources. As a State entity, Bord na Móna has a specific responsibility to deliver in a commercially and environmentally sustainable manner. The company's land bank of 80,000 hectares is situated in a part of Europe that has an abundance of one of the most cost-effective renewable energy sources on the planet. The land bank includes many areas that are now coming to the end of their commercial productive life for peat-based energy production.

This production was the bedrock of Ireland's energy security for many years and involved tens of thousands of employees, building and sustaining communities across Ireland. The company's legacy of developing national energy assets in close association with local communities is key to understanding Bord na Móna's past and present success.

The Group's latest renewable electricity facility, an 84 MW windfarm at Mountlucas, Co Offaly, was recently opened by Mr. Alex White, the Minister for Communications, Energy and Natural Resources. Sited on 1,100 hectares of cutaway bog that exited peat production in 2004, the wind farm became the first facility to be built on the midland's vast cutaway bogs.

Building on its legacy of close community co-operation, Bord na Móna pursued a policy of ongoing engagement with local communities around Mountlucas. During the development of the facility the company met with community groups, held open days, community meetings and established a community benefit scheme.

Everything we do is consistent with our focus on People, Planet, and Profit. At Bord na Móna, we see it as our duty to play a leading role in shaping a better future for all of us. We live in an ever changing world. As the developed world's economies move towards a low carbon platform, significant opportunities exist for Bord na Móna to become a strong player in the provision of sustainable products and services, which helps us deliver on our sustainability agenda.

MOUNTLUCAS WIND FARM

BORD NA MÓNA´S SINGLE **BIGGEST INVESTMENT EVER**

DELIVERED ON-TIME AND **ON-BUDGET**

COST OF **€115 MILLION**

PROVIDES ELECTRICITY FOR **45,000 HOMES**

LOUGH BOORA DISCOVERY PARK VISITOR CENTRE

COST OF **€1.5 MILLION**

LOUGH BOORA DISCOVERY PARK NOW EXTENDS TO OVER **2000 HECTARES** AND HAS A NETWORK OF OFF-ROAD WALKING AND CYCLE ROUTES WITHIN A PERIMETER OF APPROXIMATELY **20 KILOMETRES**

VARIOUS INTERNAL LOOPED WALKWAYS AND ROUTES OFFER A WONDERFUL VISTA OF SCENIC BEAUTY, HERITAGE AND **AN IMPRESSIVE COLLECTION OF SCULPTURES** THAT IS A PARADISE FOR **OUTDOOR ENTHUSIASTS AND FAMILIES ALIKE**

A KEY OBJECTIVE OF THIS INVESTMENT WAS TO PROVIDE A **SUSTAINABLE DEVELOPMENT** THAT IS IN KEEPING WITH THE LANDSCAPE. WITH THIS IN MIND, THE BUILDING ITSELF HAS A NUMBER OF ENVIRONMENTALLY FRIENDLY FEATURES, INCLUDING USE OF **SUSTAINABLE MATERIALS IN CONSTRUCTION, A GREEN ROOF, SOLAR ENERGY, AND AN ECOLOGICAL WASTE WATER TREATMENT SYSTEM,** AMONGST OTHER THINGS.


Lough Boora
Discovery Park

THE BOARD

John Horgan (Chairman)
John Horgan was appointed to the Board in April 2012 and as Chairman in September 2012. He is an independent Human Resource Consultant. He has a degree in Social Science from University College Dublin, MA in Industrial Relations from Warwick University and an MA in History from NUIG. Following positions in the UK and Irish public service he was appointed Deputy Chairman and then Chairman of the Labour Court. Subsequently he worked for GPA in Shannon and was HR Director for a number of multinational companies.

Mike Quinn (Managing Director)
Mike Quinn was appointed as Managing Director with effect from 2 January 2015. Prior to joining Bord na Móna, he was Group Vice President with Precision Castparts. He also held senior management positions in Tellabs, Stryker and Lufthansa Technik having previously worked in engineering roles with Amdahl Ireland and Apple Computers. He holds a degree in Physics and Electronics from Dublin City University and a post graduate qualification in Project Management from University of Limerick. He has also studied Advanced Leadership programmes at both Cranfield University and the University of Michigan.

Philip Casey
Philip Casey was appointed to the Board in January 2015 under the Worker Participation (State Enterprises) Acts 1977 and 1988. He joined Bord na Móna in 1980 as a production seasonal operative at Blackwater Works and became permanent in December 1981 as a watchman. He held a service man position from 1982 until appointed as a Team Leader in 1991. He transferred to Transport operations in 1997 where he is currently employed as a Transport Shift Operator. He holds HETAC Certificates in Occupational Health and Safety, Trade Unionism/Collective Bargaining, New Forms of Work Organisation/Employment Law, Equality/ Social and Economic Issues, Advanced Health, Safety and Welfare at Work and Health and Safety.

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

Seamus Maguire
Seamus Maguire was appointed to the Board in January 2015 under the Worker Participation (State Enterprises) Acts 1977 and 1988. He joined Bord na Móna in 1974 as an apprentice fitter in Derrygreenagh workshop. On completion of his apprenticeship he transferred to Ballycon workshop and worked as an area fitter for a number of years. He returned to Derrygreenagh in 1988 and since 1990 he has been part of a PBR fabrication team. He has been a TEEU delegate on the Bord na Móna Group of Unions since 1998. He trained as a manual handling instructor in 2006 and supports the training instructors when the need arises. He is the Derrygreenagh safety representative and is currently a member of the Central Health and Safety Committee.

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



Denise Cronin
Denise Cronin was appointed to the Board in September 2011. She is an Accounting Manager for the European operations of a US multinational technology company. She has worked in finance roles in a number of Irish companies across a range of industries. Denise is a fellow of the Institute of Chartered Accountants in Ireland and holds a B.Comm (Hons) from University College Cork. She also serves with a number of not for profit bodies.

John Farrelly
John Farrelly was appointed to the Board in June 2014. He is a Director of DNG Royal County Auctioneers and Estate Agents. He served as a Senator from 1993 to 1997 and was a member of Dail Eireann from 1982 to 1992 and 1997 to 2000. He was a member of Meath County Council and Chairman of Meath Tourism. He also served as Chairperson of the East Border Region. He is currently a Director of the Kells Literary Hay Festival and has served on a number of other bodies during his career. He is a graduate of Warrenstown Agricultural College

Kevin Healy
Kevin Healy was appointed to the Board in January 2015 under the Worker Participation (State Enterprises) Acts 1977 and 1988. He joined Bord na Móna in 1975 as an Assistant Surveyor at Boora Works in peat energy and has held positions in Record keeping, Maintenance Cost Control, Payroll and Stores. He was a founder member of the group which initiated Lough Boora Discovery Park and is involved in its development and in local community organisations. He has served as a Shop Steward, Branch Secretary and Section Committee member for SIPTU.



Colm Ó Gógáin
Colm Ó Gógáin was appointed to the Board in January 2011 under the Worker Participation (State Enterprises) Acts 1977 and 1988 and re-appointed in January 2015. He joined Bord na Móna in 1974 and has held various positions including Chief Executive Bord na Móna Fuels Ltd, Director of Bord na Móna Environmental Ltd and is currently Head of Strategic Infrastructure. He holds a B.E. (Mechanical) from University College Dublin, is a Chartered Engineer and a Fellow of Engineers Ireland.

Elaine Treacy
Elaine Treacy was appointed to the Board in July 2012. With 20 years' experience in the technology industry, Elaine has a wealth of expertise in international sales, marketing and business strategy coupled with capital fundraising and M&A. Her career spans PLC, public sector and start–up organisations. She currently leads UK Sales & Marketing operations for AMCS Group, a global leader in waste and recycling software and technology. Elaine holds a Masters of Business Studies (MBS) and a Bachelor of Commerce from National University of Ireland, Galway.

Barry Walsh
Barry Walsh was appointed to the Board in October 2012. He is an accountant by profession and worked for most of his career in senior financial positions in the Irish Life Group. From 2012 up to his retirement in 2014 he was Company Secretary of the Irish Life Group and is currently Chairman of the Irish Life Staff Pension Scheme. Prior to joining Irish Life he was an Inspector of Taxes with the Revenue Commissioners.

DIRECTORS' REPORT

Introduction

The Directors present their annual report and the audited financial statements of Bord na Móna plc for the financial year ended 25 March 2015.

Principal Activities and Business Review

The Group supplies electricity generated from peat, wind, oil 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 manufactures peat briquettes and horticultural products, supplies waste management services, provides environmental consultancy and commercial laboratory services and blends, bags and distributes coal products. Previously it manufactured wastewater treatment and odour emissions products.

The Chairman's Statement on pages 4 to 7 and the Managing Director's Review on pages 8 to 11 contain a review of the development of the Group's business during the year, the state of affairs of the businesses at 25 March 2015, recent events and likely future developments.

Results for the period

	€'000
Profit for the financial year	30,422
Dividend paid	(11,171)
Profit retained for financial year	19,251

Details of the financial results of Bord na Móna plc for the financial year ended 25 March 2015 are given on pages 45 to 84.

A performance overview for the financial year ended 25 March 2015 including information on recent events are contained in the Chairman's Statement on page 4 and the Managing Director's Review on page 8.

Directors

Policy in Bord na Móna is determined by a twelve member Board appointed by the Minister for Communications, Energy and Natural Resources. Seven of the Directors are normally appointed for a term of five years. Four of the Directors are appointed for a term of four years, in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988. The Managing Director is appointed to the Board on appointment to that position. The names of the persons who were Directors as at 25 March 2015 are set out below.

John Horgan	Chairman
Mike Quinn	Managing Director, appointed with effect from 2 January 2015
Philip Casey	appointed with effect from 1 January 2015
Denise Cronin	
John Farrelly	appointed with effect from 17 June 2014
Kevin Healy	appointed with effect from 1 January 2015
Denis Leonard	appointed with effect from 17 June 2014
Seamus Maguire	appointed with effect from 1 January 2015
Gerard O'Donoghue	
Colm Ó Gógáin	Term of office expired on 31 December 2014 and re–appointed with effect from 1 January 2015
Elaine Treacy	
Barry Walsh	

In addition the following were Directors during the period ended 25 March 2015:

Gabriel D'Arcy	Managing Director– resigned with effect from 1 October 2014
Paudge Bennett	Term of office expired on 31 December 2014
Paddy Fox	Term of office expired on 30 April 2014
Pat McEvoy	Term of office expired on 31 December 2014
Paschal Maher	Term of office expired on 31 December 2014
David Taylor	Term of office expired on 8 June 2014

Corporate Governance

As part of its commitment to quality the Group has continued to implement best practice in relation to the conduct of its business and in relation to financial and general reporting. The Group complies with the provisions of the Department of Finance's "Code of Practice for the Governance of State Bodies" updated in 2009 ("the Code"). The Code sets out the governance framework agreed by Government for the internal management and the internal and external reporting relationships of Commercial State Bodies.

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 Groups' system of financial control and risk management
- Appointment of Managing Director
- 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 that Board procedures are complied with. 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 appropriate briefing on being appointed to the Board and access to training is provided by the Group during a Director's term of office.

The Board completed a process for evaluating its performance during the period and a number of recommendations were noted and will be implemented in due course.

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

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

Remuneration of Directors
Fees for Directors are determined by the Government and set out in writing by the Minister for Communications, Energy and Natural Resources. Directors remuneration is outlined in note 4 to the financial statements on page 62. The aggregate expenses paid to the Directors in 2014/2015 were €32,112 (2013/2014: €33,001).

Board Meetings
The Board met 11 times during the financial year.

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

The members of the Risk and Audit Committee (RAC) as at 25 March 2015 were Denise Cronin (Chairperson), John Farrelly and Barry Walsh. The Committee met 5 times during the financial year. 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, risk management 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 the minutes of its meetings are circulated to all Directors.

The Remuneration Committee deals with the remuneration and expenses of the Managing Director and senior management within Government guidelines, Human Capital Planning, Succession Management, Pensions and other HR matters. The members as at 25 March 2015 were John Horgan (Chairman), Elaine Treacy and Gerard O'Donoghue. The Managing Director, Mike Quinn, attends the Committee except when his own position is being discussed. The Committee met 8 times during the financial year.

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 2015 were John Horgan (Chairman), Kevin Healy, Denis Leonard, Seamus Maguire and Mike Quinn. The Committee met twice during the financial year.

The Health & Safety Committee advises the Board on Health & Safety matters within the Bord na Móna Group. The members as at 25 March 2015 were Colm O'Gogain (Chairman), Philip Casey, Gerard O'Donoghue and Mike Quinn. The Committee met 3 times during the financial year.

From time to time the Board also establishes temporary Committees to deal with specific matters under defined terms of reference.

On 23 January 2014 the Board established a Committee to oversee the process for the appointment of a Managing Director with effect from 1 February 2015, when the contract of employment of the then current Managing Director expired. The members of the Committee were John Horgan (Chairman), Denise Cronin and Barry Walsh. The Committee met twice during the financial year. Mr. Mike Quinn was appointed as Managing Director with effect from 2 January 2015 as recommended by the Committee.

During the year, the Board also established a Committee to review the outcome of the Board Evaluation process and to make recommendations to the Board. The members of the Committee as at 25 March 2015 were Barry Walsh (Chairman) Elaine Treacy and Colm O'Gogain. The Committee met twice during the financial year.

The Board also established a Committee to review certain aspects of a potential joint venture project by Bord na Móna in a wind farm project. The members of the Committee which met once during the financial year were John Horgan (Chairman), Mike Quinn and John Farrelly.

Attendance at Board and Committee Meetings
The table below summarises the attendance of Directors at Board and Committee meetings which they were eligible to attend during the year ended 25 March 2015.

(a) Directors as at 25 March 2015

Director	Board Meetings Attended/Eligible	Committee Meetings Attended/Eligible	Note
Directors as at 25 March 2015			
J Horgan Chairman	11/11	13/13	
M Quinn Managing Director	3/3	3/3	Appointed from 2 January 2015
P Casey	3/3	1/1	Appointed from 1 January 2015
D Cronin	11/11	7/7	
J Farrelly	8/8	4/4	Appointed from 17 June 2014
K Healy	3/3	1/1	Appointed from 1 January 2015
D Leonard	8/8	1/1	Appointed from 17 June 2014
S Maguire	3/3	1/1	Appointed from 1 January 2015
G O'Donoghue	10/11	10/11	
C Ó Gógáin	11/11	5/5	Appointed from 1 January 2015
E Treacy	9/11	11/12	
B Walsh	11/11	9/9	

(b) Directors who served during the year ended 25 March 2015

Director	Board Meetings Attended/Eligible	Committee Meetings Attended/Eligible	Note
Directors who served during the Financial Year			
G D'Arcy Managing Director	6/7	6/6	Resigned 31 October 2014
P Bennett	8/8	2/2	Term expired 31 December 2014
P Fox	1/1	Not Applicable	Term expired 30 April 2014
P McEvoy	8/8	1/1	Term expired 31 December 2014
P Maher	6/6	1/1	Term expired 31 December 2014
D Taylor	3/3	Not applicable	Term expired 8 June 2014

DIRECTORS' REPORT CONTINUED

Internal Controls

The Directors have overall responsibility for the Group's systems of internal control and for reviewing its effectiveness. These systems are designed to manage risk and can give reasonable, but not absolute, assurance against material misstatement or loss. The Board confirms that it has reviewed the effectiveness of the system of internal control during the financial year.

Management is responsible for the identification and evaluation of significant risks, together with the design and operation of suitable internal control systems. The system of internal control is designed to ensure that transactions are executed in accordance with Management's authorisation, that reasonable steps are taken to safeguard assets and to prevent fraud, and that proper financial records are maintained. Management reports to the Board on material changes in the business and external environment which affect risk.

The principal procedures which have been put in place by the Board to provide effective internal control include:

- an organisation structure with clear operating and reporting procedures, authorisation limits, segregation of duties and delegated authorities;
- 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 and the central support services culminating in an annual Group budget approved by the Board;
- a comprehensive planning process for each business and the central support services culminating in an annual Group long–term plan, approved by the Board;
- a comprehensive financial reporting system with actual performance against budget, forecasts, performance indicators and significant variances reported monthly to the Board;
- a set of policies and procedures relating to operational and financial controls including capital expenditure;
- 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
- procedures for monitoring the effectiveness of the internal control systems include the work of the RAC, management reviews, the use of external consultants and internal audit.

Internal audit considers the Group's control systems by examining financial reports, by testing the accuracy of transactions and by otherwise obtaining assurances that the systems are operating in accordance with the Group's policies and control requirements. Internal audit report directly to the RAC on the operation of internal controls and make recommendations on improvements to the control environment if appropriate.

The Group has a robust framework in place to review the adequacy and monitor the effectiveness of internal controls covering financial, operational, risk management and compliance controls. The Board is satisfied that the system of internal control in place is appropriate for the business.

The Board has reviewed the effectiveness of the system of internal control up to the date of approval of the financial statements. The RAC performed a detailed review and reported its findings back to the main Board. 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 financial 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.

Risk Management

The Board has overall responsibility for risk management including determining the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives.

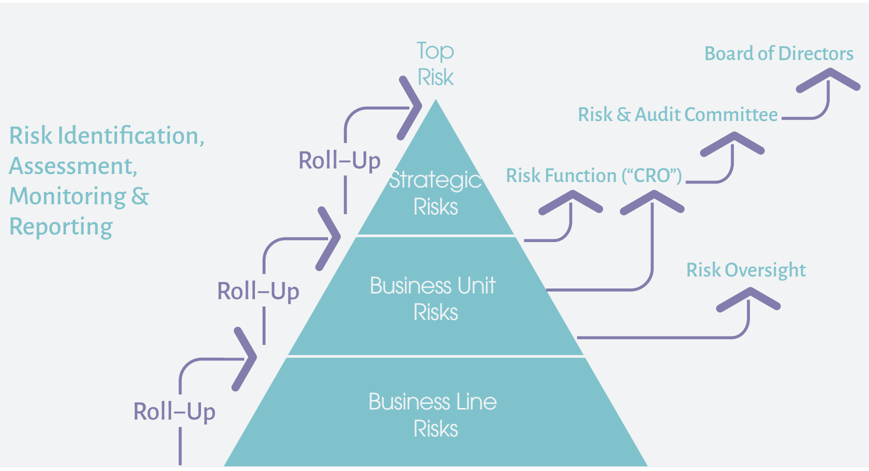
To address this, the Board has established a risk management system that provides for the continuous identification, assessment, implementation of mitigating actions and controls, and the monitoring and reporting of significant risks within Bord na Móna.

The Risk and Audit Committee (RAC) is the forum for risk governance within Bord na Móna acting under delegated authority from the Board.

The RAC is responsible for assisting the Board in fulfilling its oversight activities with regard to assessing, reviewing and monitoring the risks inherent in the business and the control processes with respect to such risks. The RAC is supported on a day to day basis 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 Bord na Móna is developed and maintained.

Bord na Móna has an established enterprise wide risk management system that ensures that risks are consistently identified, assessed, recorded and reported across all business units and support functions. The risk management system provides appropriate governance structures to support sound risk management practices, formal assignment of risk responsibilities throughout Bord na Móna as well as the procedures to be used in the identification, assessment, monitoring and reporting of risks, including relevant mitigation actions and controls.



The key concepts of this risk management system include:

- a clearly defined risk management strategy that includes risk management objectives, key risk management principles, and the assignment of risk management responsibilities within Bord na Móna;
- a risk management framework and reporting cycle to identify, assess, manage, monitor and report on the risks that Bord na Móna is or may be exposed to. Bord na Móna use a combination of a 'top down' and 'bottom up' risk assessment and management process as outlined in the diagram above;
- as part of the "bottom up" risk assessment, regular risk workshops are held each year with the business units and central support units. At these risk workshops each individual risk is assessed, scored and the mitigating controls in place identified. The top risks to the Group are identified, collated and presented to the Senior Management Team. They then discuss, review, amend and score these risks before and after mitigating controls to identify the top Group risks. This review is an important part of the annual overall "top down" risk assessment carried out in the Group.
- a risk monitoring plan that outlines the review, challenge and oversight activities of the CRO.
- reporting procedures which ensure that risk information is actively monitored, managed and appropriately communicated at all levels within Bord na Móna. On a quarterly basis each business and central support unit updates their risk assessments as part of the risk review and reporting process. These are then reviewed with the RAC on a semi–annual basis; and
- embedding a strong risk management culture across all levels of the Group.

Principal Risks

Regulatory

Bord na Móna's business activities are subject to a broad range of legislative provisions and regulations. The scope of activities subject to material regulatory changes makes this a significant risk affecting all Bord na Móna's businesses. The company operates diverse businesses increasingly affected by regulatory change. The Group continually monitors relevant legislative and regulatory changes. Some of the key regulatory risks affecting our businesses are:

- Powergen business
  - an evolving EU regulatory framework for electricity from 2017 affecting the Single Electricity Market (SEM) and a reduction in the annual capacity payment for power plants;
  - the changing regulatory landscape which is driving increased biomass usage in the peat fired generating stations with consequential supply chain and cost implications;
  - EUA carbon allowances for power plants (and briquette factories) resulting in increased costs.
  - increasing difficulty in obtaining planning permission for power and infrastructure projects.
- Feedstock business
  - increased regulation on peat extraction; and
  - the expiration of the public service obligation on electricity generated by the peat fired stations.
- Consumer & Professional business
  - the increasing restrictions on the sale of bituminous coal and the imposition of carbon taxes; and
  - the trend towards the dilution of peat with non-peat based materials in retail Horticulture products in the UK market;
- Resource Recovery business
  - expected imposition of pay by weight on domestic waste collection services which may adversely affect the business model.

The Group's ability to put effective controls in place to mitigate the impact of some of these Regulatory risks can be limited.

Business Continuity

The Group's operations are subject to operational risks, disruption and other risk events such as I.T. system failure, critical plant failure and environmental disruption. The Group has specific mitigation plans to address business disruption if such events were to occur. The Group has identified the necessity to upgrade its accounting and supply chain applications and implementation of the Oracle e-business suite in a Financial Shared Services environment on a phased deployment basis has commenced.

Employee Risks

The Group faces a number of risks related to its employees. A key risk is the ability of the organisation to retain and attract key staff members as the Irish economy continues to expand and demand for experienced employees grows.

Weather

The weather can have a significant impact on the Group's operating performance. For instance, adverse summer weather can impact on our ability to harvest peat and to maintain sufficient peat stocks to meet the needs of our customers resulting in a material adverse impact on the operating performance of our peat related businesses. The sales demand for growing media, briquettes, and coal is also weather dependent at specific time periods throughout the year. Operating profits from the Group's significant investment in two wind farms at Mountlucas and Bruckana will depend on actual wind yields. While we believe that the expected wind yields have been modelled on a sufficiently conservative basis to give a high level of confidence in the long term level of return on investment, it can be anticipated that there will be volatility in the returns actually achieved in any specific financial year due to weather variations.

DIRECTORS' REPORT CONTINUED

Competitiveness
The Group faces strong competition in all of the markets in which it operates. The Group needs to continually respond to changing market conditions. In particular our mature businesses must focus on cost reduction in order to remain competitive in the changing market environment. To this end a number of crucially important business transformation projects aimed at increasing efficiency and reducing costs are in progress. Successful implementation of these business transformation projects is essential to the medium and long term economic viability of these businesses. The nature of the changes envisaged, could adversely affect industrial relations in certain parts of the Group.

Across the Group a financial shared services model is also currently being implemented which will further reduce costs and drive efficiencies. The implementation of an Enterprise wide I.T system is a key element in reducing the risks associated with the company's reliance on old legacy systems and driving competitiveness.

Financial Risk
The Group's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange risk, credit risk, liquidity and interest rate risk. The Group has in place a risk management programme that seeks to manage the financial exposures of the Group by actively managing foreign exchange exposure together with debt finance and the related finance costs.

The Group's treasury operations are managed in accordance with policies approved by the Board. These policies provide principles for overall financial risk management and cover specific areas such as interest rate, credit, liquidity and foreign exchange risk.

Price risk
The Group is exposed to commodity price risk. Due to competitive pressures the Group's ability to pass on price increases may be limited. Actively hedging these exposures is in many cases not possible or is prohibitively expensive. As a result, the Group accepts, in certain instances, the inherent exposures associated with dealing in these commodities. The Directors will reconsider the appropriateness of this policy on a regular basis and, in particular, should the Group's operations change in size or nature.

Foreign exchange risk
Bord na Móna's functional currency is the euro. Group policy is to minimise the impact of material variations due to foreign exchange movements. The Group is exposed to foreign exchange risks in the normal course of business, principally on the sale and purchase of both sterling and US dollar. Certain natural economic hedges exist within the Group and the Group policy is to match and hedge the currencies across different divisions. At the year end, the Group had $273,000,000 fixed rate debt which was hedged by swap arrangements.

Credit risk
The Group continually examines its credit policies in light of changing economic conditions that the Group operates in. Management, with the approval of the Board, has an ongoing programme of mitigating actions to reduce identified credit risks which include improved exception reporting and automated use of credit limits to manage risk. In addition, credit insurance is in place for the larger customers of the Group.

Counterparty risk
The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. Bord na Móna policy is to continually manage counterparty risk taking account of, amongst other relevant factors, published credit ratings. Bord na Móna closely monitors and measures its counterparty limits for all financial institutions that cash deposits are placed with. This matter is regularly reviewed by the Board.

Liquidity risk
Overall, the Group's operations are cash generative. The Group is now primarily financed by short and medium term debt with this debt maturing on dates between 2016 and 2020.

Interest rate and cash flow risk
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 debt at fixed rate. Through a series of interest rate swaps, the Group has fixed the interest rates on all of its debt. At March 2015, the Group had fixed 100% (2014: 100%) of its private placement debt. Further to this the Group seeks to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods. 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.

Health and Safety and Environmental Risk
The Group's operations are subject to an increasingly stringent range of environmental regulations, health and safety law and other regulations and standards. A breach of any such law or regulation could result in the imposition of material sanctions on the Group and could have a material adverse effect on the Group's businesses. The Group employ special expertise to ensure full compliance, together with continuous staff training and robust monitoring procedures designed to prevent a material breach of statutory or other regulatory obligations.

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 2,102 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).

Mr P Casey, Mr K Healy, Mr S Maguire and Mr C Ó Gógáin and the Secretary are participants in the Bord na Móna Employee Share Ownership Plan and each has a notional allocation of 1,771 ordinary shares in Bord na Móna plc which are held in the Bord na Móna Approved Profit Sharing Scheme. Mr P Bennett, Mr P Fox, Mr P McEvoy and Mr P Maher who served as Directors in the year ended 25 March 2015 are participants in the Bord na Móna Employee Share Ownership Plan and each has a notional allocation of 1,771 ordinary shares in Bord na Móna plc which 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 2015.

Codes of Conduct

The Code of Conduct for Employees continued to be in place during the 2015 financial year. A Code of Conduct for Directors was adopted in April 2002 and remains in place.

Human Resources

Bord na Móna adopts a coherent Human Resource (HR) Strategy that creates a progressive business culture with empowered managers leading committed capable people, all focused on delivering the Group strategy. Bord na Móna strives to attract target candidates, whilst recognising and retaining the best people, through a commercially competitive reward policy, an investment in the development of our people and our offer of interesting and worthwhile opportunities.

During the year the HR function was reorganised to provide more effective and cost efficient service and support to internal customers.

Our reward policy is designed to reward individuals in accordance with their contribution, potential and market worth. The Group continues to apply an Annual Performance Payments model clearly connected to the overall Group strategy.

We continued to invest in the development of our employees throughout the year by implementing an informed succession planning and talent development programme to help harness the identified talent amongst management and technical professional employees. Building a strong pipeline of talented individuals is crucial to the Group's long-term success and will help to ensure that we remain competitive and develop our businesses to meet the emerging needs of our customers.

The Group revised its approach to the Graduate programme, focusing our effort on introducing individuals at an early career level who bring the latest academic knowledge and contribute to the overall commercial results of the Group. In addition, Bord na Móna continue to support the many and varied labour reactivation programmes (JobBridge, Springboard, Momentum and a number of similar local initiatives), providing meaningful placements for participants to re-enter the workforce.

Senior Management continues its support of the change management effort in various Business Units and support functions through the provision of subject matter experts and the development of a new Business Transformation toolkit for Managers. The Group is operating to an agreed Internal Relations Protocol with the Group of Unions designed to facilitate stronger working relationships, allowing both parties to work together on business challenges through joint engagement on a timely basis.

Quality and Customer Service

The Board has adopted a policy that Bord na Móna will voluntarily obtain the relevant ISO accreditation and/or other relevant accreditation for all its activities.
The Group has adopted the *Code of Practice for the Delivery of Services to Customers of Commercial State Companies.*

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.

Post Balance Sheet Events

A funding proposal on the General Employee Superannuation Scheme deficit was agreed in April 2015, between the Board, active and deferred members, pensioners and the Pension Authority and subsequently received Ministerial consent. The changes to the scheme which are outlined in note 24 to the Financial Statements on pages 24 to 83 are not accounted for in the year ended March 2015 as it represents a non adjusting event. There were no other post balance sheet events that would require adjustment to, or disclosure in, the 2015 financial statements.

Accounting Records

The directors believe that they have complied with the requirements of Section 281 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.

Prompt Payment of Accounts

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payments of Account Act, 1997, the European Communities (Late Payment in Commercial Transactions) Regulations of 2002, 2012 and 2013 (S.I.s No 388 of 2002, No. 580 of 2012 and No. 74 of 2013 respectively) ("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 with the requirements of the Regulations in all material respects in relation to external supplier payments within the EU.

Political donations

The Board made no political donations during the year.

Auditors

In accordance with Section 383(2) of the Companies Act, 2014, the auditor KPMG, Chartered Accountants will continue in office.

On behalf of the Board:

Signed:

John Horgan	**Mike Quinn**
Chairman	Managing Director

25 June 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with 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 to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

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

On behalf of the Board:

Signed:

John Horgan
Chairman

Mike Quinn
Managing Director

25 June 2015

SENIOR LEADERSHIP TEAM

Michael Barry	Head of Finance
Tom Bradley	Head of Anua
Ger Breen	Group Financial Controller
Tom Egan	Head of Powergen Operations
David Fox	Head of Information Technology
Hubert Henry	Head of Innovation
Gerry O'Hagan	Head of Consumer and Professional (Acting)
Gerry O'Hagan	Head of Marketing and Communications
Mike Quinn	Managing Director
John Reilly	Head of Powergen Development
Paul Riordan	Head of Feedstock
Declan Ryan	Head of Resource Recovery (Acting)
Gerry Ryan	Company Secretary/Head of Land and Property
Jim Stockwell	Head of Human Resources

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BORD NA MÓNA PLC

We have audited the Group and Parent Company financial statements ("the financial statements") of Bord na Móna plc for the year ended 25 March 2015 which comprise the group profit and loss account, the Group statement of total recognised gains and losses, the Group and Company balance sheets, the Group cash flow statement, the Group and Company reconciliation of movements in shareholders' funds, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Opinions and conclusions arising from our audit

Our opinion on the financial statements is unmodified

In our opinion the Group financial statements and the Company balance sheet:

- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 25 March 2015 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act, 2014.

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

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

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

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

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

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

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

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code, as included in the directors' report on page 38, 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.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 42, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act, 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

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

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

Laura Gallagher

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

25 June 2015.

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 25 MARCH 2015

	Note	2015 Continuing	2015 Discontinued (Note 2)	2015 Total Operations €'000	2014 Continuing	2014 Discontinued (Note 2)	2014 Total Operations €'000
Turnover	2	**406,721**	**10,662**	**417,383**	413,202	13,596	426,798
Cost of sales	2	**(272,430)**	**(9,725)**	**(282,155)**	(287,082)	(10,396)	(297,478)
Gross profit		**134,291**	**937**	**135,228**	126,120	3,200	129,320
Distribution costs	2	**(30,541)**	**(1,353)**	**(31,894)**	(30,320)	(1,460)	(31,780)
Administration expenses	2	**(48,668)**	**(2,741)**	**(51,409)**	(44,244)	(3,041)	(47,285)
Other income		**500**	**0**	**500**	0	0	0
Operating profit		**55,582**	**(3,157)**	**52,425**	51,556	(1,301)	50,255
Termination of operation	2	**0**	**(4,637)**	**(4,637)**	79	(79)	0
Share of loss of joint venture	10	**(382)**	**0**	**(382)**	(60)	0	(60)
Profit before finance charges and taxation		**55,200**	**(7,794)**	**47,406**	51,575	(1,380)	50,195
Interest receivable and similar income	5	**261**	**0**	**261**	2,675	0	2,675
Interest payable and similar charges	5	**(10,575)**	**0**	**(10,575)**	(13,054)	0	(13,054)
Other finance income and charges	5	**152**	**0**	**152**	98	0	98
Profit on ordinary activities before taxation		**45,038**	**(7,794)**	**37,244**	41,294	(1,380)	39,914
Taxation on ordinary activities	6	**(7,081)**	**289**	**(6,792)**	(6,454)	0	(6,454)
Profit after taxation on ordinary activities		**37,957**	**(7,505)**	**30,452**	34,840	(1,380)	33,460
Equity minority interests	19	**(30)**	**0**	**(30)**	50	0	50
Profit for the financial year		**37,927**	**(7,505)**	**30,422**	34,890	(1,380)	33,510

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 25 MARCH 2015

	Note	2015 €'000	2014 €'000
Profit for the financial year		**30,422**	33,510
Actuarial (loss)/gain recognised on pension schemes	24	**(28,056)**	12,553
Deferred tax related to actuarial (loss)/gain	17(e)	**3,451**	(1,545)
Revaluation of investment property	9	**14,068**	0
Exchange gain/(loss) on translation of foreign subsidiaries		**596**	(24)
Total recognised gains for the financial year		**20,481**	44,494

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 25 MARCH 2015

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss Account €'000	Revaluation Reserve €'000	Shareholders' Funds €'000
THE GROUP						
Profit for the financial year ended 26 March 2014		0	0	33,510	0	33,510
Dividend paid	3	0	0	(5,263)	0	(5,263)
Profit retained for the financial year ended 26 March 2014		0	0	28,247	0	28,247
Actuarial profit recognised on pension schemes	24	0	0	12,553	0	12,553
Deferred tax related to actuarial profit	17(e)	0	0	(1,545)	0	(1,545)
Exchange loss on translation of foreign subsidiaries		0	0	(24)	0	(24)
Net decrease in shareholders' funds		0	0	39,231	0	39,231
Shareholders' funds at 27 March 2013		82,804	1,959	88,909	0	173,672
Shareholders' funds at 26 March 2014		82,804	1,959	128,140	0	212,903
Profit for the financial year ended 25 March 2015		**0**	**0**	**30,422**	**0**	**30,422**
Dividend paid	3	**0**	**0**	**(11,171)**	**0**	**(11,171)**
Profit retained for the financial year ended 25 March 2015		**0**	**0**	**19,251**	**0**	**19,251**
Actuarial loss recognised on pension schemes	24	**0**	**0**	**(28,056)**	**0**	**(28,056)**
Deferred tax related to actuarial loss	17(e)	**0**	**0**	**3,451**	**0**	**3,451**
Revaluation of investment property	9	**0**	**0**	**0**	**14,068**	**14,068**
Exchange gain on translation of foreign subsidiaries		**0**	**0**	**596**	**0**	**596**
Net increase in shareholders' funds		**0**	**0**	**(4,758)**	**14,068**	**9,310**
Shareholders' funds at 26 March 2014		**82,804**	**1,959**	**128,140**	**0**	**212,903**
Shareholders' funds at 25 March 2015		**82,804**	**1,959**	**123,382**	**14,068**	**222,213**

RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

YEAR ENDED 25 MARCH 2015

	Note	Called up Share Capital €'000	Share Premium €'000	Profit and Loss account €'000	Shareholders' Funds €'000
THE COMPANY					
Profit for the financial year ended 26 March 2014		0	0	47,443	47,443
Dividend paid	3	0	0	(5,263)	(5,263)
Net decrease in shareholders' funds		0	0	42,180	42,180
Shareholders' funds at 27 March 2013		82,804	1,959	15,142	99,905
Shareholders' funds at 26 March 2014		82,804	1,959	57,322	142,085
Loss for the financial year ended 25 March 2015		0	0	(4,357)	(4,357)
Dividend paid	3	0	0	(11,171)	(11,171)
Net decrease in shareholders' funds		**0**	**0**	**(15,528)**	**(15,528)**
Shareholders' funds at 26 March 2014		**82,804**	**1,959**	**57,322**	**142,085**
Shareholders' funds at 25 March 2015		**82,804**	**1,959**	**41,794**	**126,557**

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual profit and loss account to shareholders at the annual general meeting and from filing it with the Registrar of Companies. The Company's result for the financial year, determined in accordance with Irish GAAP, is a loss after tax of €4,357,000 (2014: profit of €47,443,000) and a retained loss of €15,528,000 (2014: retained profit of €42,180,000).

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

GROUP BALANCE SHEET

AS AT 25 MARCH 2015

	Note	25 March 2015 €'000	26 March 2014 €'000
Fixed Assets			
Intangible assets	7	**36,189**	30,071
Tangible assets	8	**350,866**	315,654
Investment properties	9	**25,400**	9,000
Financial assets	10	**3,559**	2,166
		416,014	356,891
Current Assets			
Stocks	11	**101,481**	91,678
Debtors	12	**85,742**	78,278
Cash at bank and in hand		**96,369**	173,250
		283,592	343,206
Creditors - amounts falling due within one year	13	**(136,514)**	(175,442)
Net current assets		**147,078**	167,764
Total assets less current liabilities		**563,092**	524,655
Creditors - amounts falling due after more than one year	14	**(213,541)**	(214,113)
Provisions for liabilities	17	**(68,461)**	(59,902)
Net assets before pension funds assets and liabilities		**281,090**	250,640
Pension fund in a net asset position	24	**0**	2,966
Pension funds in a net liability position	24	**(59,539)**	(41,159)
Net assets after pension funds assets and liabilities		**221,551**	212,447
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Revaluation reserve	9	**14,068**	-
Profit and loss account		**123,382**	128,140
Equity shareholders' funds		**222,213**	212,903
Minority shareholders' interests:			
Equity interests	19	**(662)**	(456)
		221,551	212,447

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

COMPANY BALANCE SHEET

AS AT 25 MARCH 2015

	Note	25 March 2015 €'000	26 March 2014 €'000
Fixed Assets			
Tangible assets	8	**12,492**	6,438
Financial assets	10	**88,257**	88,246
		100,749	94,684
Current Assets			
Debtors - amounts falling due after more than one year	12	**315,780**	262,581
Debtors - amounts falling due within one year	12	**33,794**	63,338
Cash at bank and in hand		**59,922**	158,903
		409,496	484,822
Creditors - amounts falling due within one year	13	**(166,328)**	(220,808)
Net current assets		**243,168**	264,014
Total assets less current liabilities		**343,917**	358,698
Creditors - amounts falling due after more than one year	14	**(203,248)**	(203,197)
Provisions for liabilities	17	**(9,366)**	(8,922)
Net assets before pension fund liabilities		**131,303**	146,579
Pension fund liabilities	25	**(4,746)**	(4,494)
Net assets after pension fund liabilities		**126,557**	142,085
Capital and Reserves			
Called-up share capital	18	**82,804**	82,804
Share premium	18	**1,959**	1,959
Profit and loss account		**41,794**	57,322
Equity shareholders' funds		**126,557**	142,085

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 25 MARCH 2015

	Note	25 March 2015 €'000	26 March 2014 €'000
Net cash inflow from operating activities	20(a)	**89,061**	47,448
Returns on investments and servicing of finance	20(b)	**(13,661)**	(10,073)
Tax paid		**(10,765)**	(3,834)
Capital expenditure and financial investment	20(b)	**(113,703)**	(86,250)
Acquisitions and disposals of subsidiary undertakings	20(b)	**0**	2,961
Equity dividends paid to shareholders	3	**(11,171)**	(5,263)
Net cash outflow before use of liquid resources and financing		**(60,239)**	(55,011)
Financing	20(b)	**(40,714)**	(19,577)
Decrease in cash		**(100,953)**	(74,588)

Reconciliation of Net Cash Flow to Movement in Net Debt

Decrease in cash during the year	20(c)	**(100,953)**	(74,588)
Decrease in debt financing	20(b)	**40,714**	19,577
Change in net debt resulting from cash flows		**(60,239)**	(55,011)
Change from non-cash movements	20(c)	**(162)**	(161)
Net debt at beginning of the financial year		**(72,207)**	(17,035)
Net debt at end of the financial year		**(132,608)**	(72,207)

On behalf of the Board:

John Horgan
Chairman

Mike Quinn
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies and estimation techniques

1.1 Consolidation

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

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

1.2 Reporting entity

Bord na Móna plc (the "Company") is a company domiciled in Ireland. The consolidated financial statements of the Company as at and for the year ended 25 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in joint ventures.

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been consistently applied by all Group entities. There were no new standards adopted during the year.

1.3 Basis of preparation and statement of compliance

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

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

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

- investment property is measured at fair value; and
- the defined benefit plan liability is recognised as plan assets less the present value of the defined benefit plan obligations.

1.4 Functional and presentation currency

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

1.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interest and any components of equity. Any resulting gain or loss is recognised in the profit and loss account.

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

1.6 Business combinations

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

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interests. Any resulting gain or loss is recognised in the profit and loss account.

1.7 Discontinued operations

Discontinued operation is an operation of the reporting entity that are sold or terminated and that satisfy all of the following conditions:

- the sale or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
- if a termination, the former activities have ceased permanently;the sale or termination has a material effect on the nature and focus of the reporting entity's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular market (whether class of business or geographical) or from a material reduction in turnover in the reporting entity's continuing markets, and
- the assets, liabilities results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all of these conditions are classified as continuing. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and statement of total recognised gains & losses is re-presented as if the operation had been discontinued from the start of the comparative year.

1.8 Joint ventures

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

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

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

1.9 Turnover

Sale of goods and services

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

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be measured reliably, there is no continuing managerial involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

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

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

Long-term contracts

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

Rental income

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

Deferred revenue and accrued revenue

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

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

1.10 Exceptional items

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.11 Foreign currencies

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

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

1.12 Derivative financial instruments

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

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

1.13 Emissions 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 profit and loss account 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.

Granted:

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

1.14 Tangible fixed assets

Recognition and measurement

Freehold land, other than peatland, is measured at cost less any accumulated impairment losses. Peatland and all other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

When parts of an item of tangible fixed asset have different useful lives, then they are accounted for as separate items (major components) and depreciated separately.

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

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

Depletion and depreciation
Tangible fixed assets are depreciated from the date that they are available for use or, in respect of assets in the course of construction, from the date that the asset is completed and ready for use.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.18 Classification of financial instruments issued by the Group

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

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

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

1.19 Research and development costs

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

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

1.20 Grants

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

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

1.21 Stocks, work in progress and long term contracts

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

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

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

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

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

1.22 Trade debtors

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

1.23 Cash

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

1.24 Borrowings

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

1.25 Leases

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

1.26 Provisions

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

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

The amount of a provision is reviewed each year and amended as appropriate. Where the corresponding entry to the recognition of the provision was to capitalise it into a related asset, any changes to the amount of the provision arising from changes in the amount or timing of cash flows or the discount rate are capitalised into the relevant assets and depreciated prospectively.

Environmental reinstatement provision

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

Landfill restoration provision

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

Provision for generating assets and manufacturing plants closure

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

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

Self insurance provisions

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

Legal provisions

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

Warranty provision

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

Redundancy provision

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.27 Pensions and post retirement benefits
The Group has both defined benefit and defined contribution pension arrangements.

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

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

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

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

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

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

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

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

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

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

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

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

1.29 Share capital
Ordinary shares are classified as equity.

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

1.31 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

(a) Pension scheme assets and liabilities

The actuarial valuation of pensions is based on assumptions regarding inflation, discount rates, the expected return on plan assets, salary increases, increases in pension payments and mortality rates. The assumptions adopted by the Group at 25 March 2015 are outlined in Note 25 to the financial statements and have been determined with assistance from the Group's actuarial advisors.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the 'balance of cost' defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 25 March 2015, 100% of the pension scheme deficit on the RWESS and GESS schemes has been recognised in the financial statements.

(b) Impairment of assets including goodwill

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

The Group's resource recovery business is continuing to operate in challenging and highly competitive economic conditions and in a changing regulatory environment. The determination of the value in use requires application of an appropriate weighted average cost of capital and assessment of a long-term growth rate for the sector. The potential impact on the recoverable amount of changes in these key assumptions is set-out in Note 7 to the financial statements.

(c) Carrying value of power plants

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

(d) Environmental obligations

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

1.32 New GAAP

In late 2012 and early 2013 the Financial Reporting Council in the UK issued a suite of standards that replace existing UK and Irish Accounting Standards ("Old UK GAAP" and "Old Irish GAAP"). Entities that are currently required by applicable law and regulation to apply EU endorsed International Financial Reporting Standards ("EU-IFRS") will continue to do so. Other entities, subject to eligibility, will be able to choose to prepare their financial statements in accordance with EU-IFRS, FRS 101 – Reduced Disclosure Framework, FRS 102 – The Reporting Standard applicable in the UK and Republic of Ireland, or the Financial Reporting Standard for Smaller Entities ("New GAAP"). The mandatory effective date for moving to New GAAP is accounting periods commencing on or after 1 January 2015, although early adoption is permitted.

The Group is currently considering its accounting options and assessing the impact of the change in GAAP on the Group including its accounting and risk management systems, hedging strategies, remuneration arrangements and loan covenants.

Consistent with prior years, the 2015 financial statements are prepared under Old UK /Irish GAAP. The financial statements for the year ended 30 March 2016 will be prepared under the selected "New GAAP" with comparatives restated as appropriate.

1.33 Accounting year

The financial year ends on the last Wednesday in March. These financial statements cover the 52-week period 27 March 2014 to 25 March 2015 (prior year: 52-week period 28 March 2013 to 26 March 2014).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. Segmental Information

	2015 Total Gross	2015 Less Inter Group	2015 Continuing	2015 Dis-continued	2015 Total Operations	2014 Total Gross	2014 Less Inter Group	2014 Continuing	2014 Dis-continued	2014 Total Operations
Continuing operations	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover [1]										
Powergen	**100,480**	**(1,715)**	**98,765**	**0**	**98,765**	77,635	(439)	77,196	0	77,196
Feedstock	**146,406**	**(65,709)**	**80,697**	**0**	**80,697**	142,142	(63,933)	78,209	0	78,209
Resource Recovery	**82,320**	**(387)**	**81,933**	**0**	**81,933**	80,730	(433)	80,297	0	80,297
Consumer and Professional	**143,742**	**0**	**143,742**	**0**	**143,742**	187,936	(10,597)	177,339	0	177,339
Anua-Environmental and other [3]	**12,693**	**(447)**	**1,584**	**10,662**	**12,246**	14,268	(511)	161	13,596	13,757
	485,641	**(68,258)**				502,711	(75,913)			
Net third party turnover			**406,721**	**10,662**	**417,383**			413,202	13,596	426,798
Cost of sales			**(272,430)**	**(9,725)**	**(282,155)**			(287,082)	(10,396)	(297,478)
Gross profit			**134,291**	**937**	**135,228**			126,120	3,200	129,320
Distribution costs			**(30,541)**	**(1,353)**	**(31,894)**			(30,320)	(1,460)	(31,780)
Administration expenses [2]			**(48,668)**	**(2,741)**	**(51,409)**			(44,244)	(3,041)	(47,285)
Other income			**500**	**0**	**500**			0	0	0
Operating profit [3]			**55,582**	**(3,157)**	**52,425**			51,556	(1,301)	50,255

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

[2] Administration expenses include:

(i) following the appraisal of certain of the Group's businesses, the Group conducted valuation reviews of its assets, in accordance with the Group's accounting policies. This process resulted in an impairment charge against goodwill of €nil (Note 7) (2014: €205,000) and an impairment charge against tangible assets of €190,000 (Note 8) (2014: €208,000).

(ii) a charge for reorganisation and redundancy costs of €172,000 (2014: €797,000).

A valuation of investment properties was carried out as at 25 March 2015 and resulted in a revaluation upwards of €14,505,000 (2014 a revaluation gain of €1,250,000) of which €14,068,000 is credited to the statement of total recognised gains and losses and €437,000 is offset against administration expenses as it represents the reversal of previous impairment charges recognised in administration expenses in the profit and loss account.

[3] Discontinued operations - During the financial year the Group undertook a strategic review of the Anua-Environmental operations in Ireland, United Kingdom and United States. Arising from that review, the directors made a decision to arrange for the orderly wind-up of the operations in the three business units. The financial impact of the termination of the business was a charge of €4,637,000 which comprised of a provision for redundancy costs of €1,639,000, a write down of Inventory and Receivables to recoverable amounts of €2,176,000, an impairment of fixed assets of €190,000 and a provision against onerous contracts of €632,000. The termination completed after the balance sheet date.

2. Segmental Information (continued)

	2015 €'000	2014 €'000
Profit before taxation is arrived at after charging/(crediting)		
Auditors' remuneration[1]		
Statutory audit of Group financial statements	**305**	265
Other assurance services	**10**	4
Tax advisory services	**136**	160
Other non-audit services	**47**	27

In addition, expenses of €15,000 were reimbursed to the auditor during the year (2014: €15,000).

	2015 €'000	2014 €'000
Operating lease rentals		
Plant and machinery	**1,649**	1,299
Land and buildings	**465**	1,038
Staff costs:		
Wages and salaries	**96,842**	99,654
Social welfare costs	**10,216**	10,702
Pension costs	**2,374**	3,552
Redundancy costs	**172**	797
	109,604	114,705
Staff costs capitalised	**(808)**	(1,446)
Net staff costs	**108,796**	113,259
Depreciation (Note 8)	**45,065**	40,562
Impairment of tangible assets (Note 8)	**190**	208
Profit on disposal of peatlands	**75**	0
Profit on disposal of other fixed assets	**100**	173
Amortisation of intangible assets (Note 7)	**2,450**	2,338
Impairment of intangible assets (Note 7)	**0**	205
(Revaluation gain) on investment property (Note 9)	**(437)**	(1,250)
Research and business development expenditure	**5,489**	4,007
Capital grants amortised (Note 16)	**(1,608)**	(1,453)
Loss on disposal of business operation (Note 25)	**0**	(9)

Number of employees	2015	2014
Average numbers employed		
Manufacturing and production	**1,438**	1,520
Administration	**561**	541
	1,999	2,061
Peak employment	**2,336**	2,401

[1] During the year, the Company obtained audit services from KPMG at a cost of €10,000 (2014: €10,000).

The Group also incurred an actuarial loss on its pension schemes of €28,056,000 (2014: actuarial gain €12,553,000) which was recognised in the Group statement of total recognised gains and losses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3. Dividends

	2015 €'000	2014 €'000
To the Minister for Finance	**10,612**	5,000
To Bord na Móna ESOP Trustee Limited	**559**	263
	11,171	5,263

The Company paid a dividend of €0.1713 (2014: €0.0807) per share during the year. The total dividend payment for the year was €11,171,000 (2014: €5,263,000).

4. Directors' remuneration

	Fees €'000	Salary €'000	Performance related pay €'000	Company contributions to pension schemes €'000	Taxable benefits €'000	Total €'000
Executive directors						
Mike Quinn	0	48	0	13	4	65
Gabriel D'Arcy	7	135	0	34	12	188
Year ended 25 March 2015	**7**	**183**	**0**	**47**	**16**	**253**
Year ended 26 March 2014	13	231	0	58	20	322

Mr. Gabriel D'Arcy resigned in October 2014 and Mr. Mike Quinn was appointed at the start of January 2015.

	Fees €'000	Other remuneration[1] €'000	Company contributions to pension €'000	Total €'000
Directors - Worker Participation				
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 25 March 2015	**39**	**420**	**29**	**488**
Directors appointed in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988 (4) - 26 March 2014	50	438	35	523
Non executive Directors				
Other non executive directors (7) - 25 March 2015	**85**	**0**	**0**	**85**
Other non executive directors (7) - 26 March 2014	86	0	0	86

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

The total remuneration paid to Directors during the year was €826,000 (2014: €931,000) made up of fees of €131,000 (2014: €149,000) and other remuneration of €695,000 (2014: €782,000).

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

5. Finance (charges)/income

	2015 €'000	2014 €'000
(a) Interest receivable and similar income		
Interest receivable	**261**	2,675
(b) Interest payable and similar charges		
Bank overdraft	**(114)**	(7)
Unsecured loan notes	**(13,336)**	(15,298)
Amortisation of issue costs	**(187)**	(161)
Net interest payable	**(13,637)**	(15,466)
Less capitalised interest [1]	**3,062**	2,412
	(10,575)	(13,054)
(c) Other finance income and charges		
Other finance income - pension schemes (Note 24)	**1,355**	1,089
Financing charges on provisions (Note 17)	**(1,203)**	(991)
	152	98
Finance charges, net	**(10,162)**	(10,281)

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Taxation

	2015 €'000	2014 €'000
(a) Amounts recognised in profit or loss account		
Taxation based on the profit for the year:		
Irish corporation tax		
Current tax for the year	**5,358**	7,315
Adjustments in respect of prior years	**156**	156
	5,514	7,471
Foreign taxation		
Current tax for the year	**3**	5
	3	5
Total current tax (see note below)	**5,517**	7,476
Deferred tax - origination and reversal of timing differences (Note 17)	**1,275**	(1,022)
Tax on profit on ordinary activities	**6,792**	6,454

	2015 €'000	2014 €'000
(b) Reconciliation of effective tax rate		
Factors affecting corporation tax charge for the year		
Profit before taxation	**37,244**	39,914
Standard rate of corporation tax for the year	**12.50%**	12.50%
Profit before taxation multiplied by standard rate	**4,654**	4,989
Effects of:		
Expenses not deductible for tax purposes	**681**	266
Expenses not yet deductible for tax purposes	**944**	1,011
Depreciation and amortisation (less than)/in excess of capital allowances	**(1,771)**	254
Ineligible depreciation	**1,032**	1,006
Revaluation gain on investment property	**(31)**	(130)
Amortisation of intangible assets	**303**	292
Impairment of intangible assets	**1**	28
Taxation rate differences	**(15)**	(6)
Pension contribution relief in excess of pension cost charge	**(437)**	(390)
Adjustments in respect of prior years	**156**	156
	5,517	7,476

7. Intangible assets

THE GROUP	Goodwill 2015 €'000	Other intangibles 2015 €'000	Assets in course of construction 2015 €'000	Total 2015 €'000	Goodwill 2014 €'000	Other intangibles 2014 €'000	Assets in course of construction 2014 €'000	Total 2014 €'000
COST								
At beginning of the financial year	**66,897**	**11,282**	**11,118**	**89,297**	66,889	7,858	1,269	76,016
Reclassification	**(3,242)**	**3,242**	**0**	**0**	0	0	0	0
Additions	**141**	**7,751**	**3,593**	**11,485**	0	3,424	9,849	13,273
Transfers out of assets under construction	**0**	**14,711**	**(14,711)**	**0**	0	0	0	0
Settlement of Emission Allowances	**0**	**(2,902)**	**0**	**(2,902)**	0	0	0	0
Exchange adjustment	**0**	**0**	**0**	**0**	8	0	0	8
At end of the financial year	**63,796**	**34,084**	**0**	**97,880**	66,897	11,282	11,118	89,297
AMORTISATION AND IMPAIRMENTS								
At beginning of the financial year	**54,754**	**4,472**	**0**	**59,226**	52,585	4,093	0	56,678
Reclassification	**(2,725)**	**2,725**	**0**	**0**	0	0	0	0
Charge for year	**1,026**	**1,424**	**0**	**2,450**	1,959	379	0	2,338
Impairment (Note 2)	**0**	**0**	**0**	**0**	205	0	0	205
Exchange adjustment	**0**	**15**	**0**	**15**	5	0	0	5
At end of the financial year	**53,055**	**8,636**	**0**	**61,691**	54,754	4,472	0	59,226
NET BOOK AMOUNTS								
At beginning of the financial year	**12,143**	**6,810**	**11,118**	**30,071**	14,304	3,765	1,269	19,338
At end of the financial year	**10,741**	**25,448**	**0**	**36,189**	12,143	6,810	11,118	30,071

Reclassification - During the year customer lists were reclassified from goodwill to other intangibles.

Assets in course of construction represent grid connection and sub-stations costs that became operational during the year and are now included in other intangible assets.

The carrying value of goodwill of €10,741,000 (2014: €12,143,000) is represented by goodwill in the Powergen business of €5,345,000 (2014: €5,781,000) and goodwill in the Resource Recovery business of €5,396,000 (2014: €6,362,000) .

During the year the group acquired three customer lists within its waste collection business as a bolt-on to its existing operations.

Also during the year the group acquired the minority interest holding in Renewable Energy Ireland Limited. The excess of the consideration over the carrying value of the net assets is recorded as purchased goodwill.

In accordance with the Group's accounting policies, the Group has tested the carrying value of goodwill for impairment. The recoverable amounts of each of the identified cash generating units (CGU) were estimated based on a value in use calculation using cash flow projections based on the five year financial plans as approved by the Board. Cash flows beyond five years are extrapolated based on a perpetuity growth rate of 2.0% (2014: 2.0%) and a pre tax weighted average cost of capital range of 8.1% to 10.3% (2014: 9.0%) which are consistent with the Group's expectation for market development and growth in market share where applicable. Based on these reviews there was an impairment charge of €nil (2014: €205,000) (in the Anua-Environmental business) of the carrying value of goodwill which was recognised in administration expenses.

8. Tangible assets

(i) THE GROUP	Bogland, Drainage & Production Buildings €'000	Landfill €'000	Railways, Plant & Machinery €'000	Generating Assets €'000	Freehold land, Administration & Research Buildings €'000	Assets in course of construction €'000	Total €'000
AT COST							
At beginning of the financial year	133,459	35,222	249,346	159,946	17,651	114,562	710,186
Reclassification	0	0	(4,465)	4,465	0	0	0
Additions at cost[1]	2,100	1,696	7,307	3,224	2,908	63,000	80,235
Disposals/retirements[2]	0	0	(1,394)	(117)	0	0	(1,511)
Transfers out of assets under construction	87	1,961	1,618	160,994	0	(164,660)	0
Exchange adjustment	0	0	162	0	290	0	452
At end of the financial year	**135,646**	**38,879**	**252,574**	**328,512**	**20,849**	**12,902**	**789,362**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At beginning of the financial year	100,249	23,858	195,413	64,077	10,935	0	394,532
Reclassification	0	0	(188)	188	0	0	0
Charge for year	8,487	5,581	14,403	16,099	495	0	45,065
Impairment (Note 2)[3]	0	0	157	0	33	0	190
Disposals/retirements[2]	0	0	(1,338)	(117)	0	0	(1,455)
Exchange adjustment	0	0	111	0	53	0	164
At end of the financial year	**108,736**	**29,439**	**208,558**	**80,247**	**11,516**	**0**	**438,496**
NET BOOK VALUE							
At beginning of the financial year	33,210	11,364	53,933	95,869	6,716	114,562	315,654
At end of the financial year	**26,910**	**9,440**	**44,016**	**248,265**	**9,333**	**12,902**	**350,866**

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

[1] Additions include:
(i) a sum of €5,349,000 (2014: €5,383,000) in respect of decommissioning and restoration assets (Note 17).

(ii) Capitalised borrowing costs of €3,062,000 (2014: €2,412,000) in respect of assets in the course of construction during the year (Note 5). The rate of interest applied was 7.3% (2014: 7.3%).

(iii) transfers from assets in course of construction includes the transfer of completed wind farms with a cost of €160,994,000 which became operational during the year. The balance at year end represents partly constructed engineered landfill cells, the design and build of financial systems and in-house machinery construction.

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

[3] In accordance with the provisions of FRS 15 - 'Tangible Fixed Assets' the Group conducted impairment reviews of the Group's tangible assets. This process resulted in an impairment charge of €190,000 in the Anua-Environmental business based on the decision to close the business (2014: €208,000).

8. Tangible assets (continued)

(ii) THE COMPANY	Bogland, Drainage & Production Buildings €'000	Railways, Plant & Machinery €'000	Freehold land, Administration & Research Buildings €'000	Asset in course of construction €'000	Total €'000
AT COST					
At beginning of the financial year	559	11,896	6,204	2,466	21,125
Additions at cost	0	167	708	5,867	6,742
Disposals	0	(129)	0	0	(129)
At end of the financial year	**559**	**11,934**	**6,912**	**8,333**	**27,738**
ACCUMULATED DEPRECIATION					
At beginning of the financial year	0	10,766	3,921	0	14,687
Charge for year	0	467	221	0	688
Disposals	0	(129)	0	0	(129)
At end of the financial year	**0**	**11,104**	**4,142**	**0**	**15,246**
NET BOOK VALUE					
At beginning of the financial year	559	1,130	2,283	2,466	6,438
At end of the financial year	**559**	**830**	**2,770**	**8,333**	**12,492**

9. Investment property

	2015 €'000	2014 €'000
At beginning of the financial year	**9,000**	7,750
Additions at cost	**1,895**	0
Revaluation gain during the year, credited to the statement of total recognised gains and losses	**14,068**	0
Revaluation gain during the year, credited to the profit and loss account	**437**	1,250
At end of the financial year	**25,400**	9,000

The investment property is stated at market value as at 25 March 2015. Market value means 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

The valuation of the Group's freehold interest in the investment property was a directors' valuation having regard to external professional valuation advice. The valuation was carried out as at 25 March 2015 and resulted in a revaluation gain of €14,505,000 (2014: a revaluation gain of €1,250,000) of which €14,068,000 is credited to the statement of total recognised gains and losses and €437,000 is offset against administration expenses (Note 2) as it represents the reversal of previous impairment charges recognised in administration expenses in the profit and loss account.

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

The tax that would be payable on a sale of the property for €25,400,000 is €411,000.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10. Financial assets

THE GROUP	2015 €'000	2014 €'000
Joint Venture - Oweninny Power Limited		
At beginning of the financial year	**2,166**	976
Investment during the year	**1,775**	1,250
Group share of loss	**(382)**	(60)
At end of the financial year	**3,559**	2,166
Share of gross assets	**4,842**	3,275
Share of gross liabilities	**(1,283)**	(1,109)
Share of net assets	**3,559**	2,166
Cumulative Losses	**(1,734)**	(1,212)
Loan	**5,268**	3,353
Share Capital	**25**	25
	3,559	2,166

Share of net assets

The following transactions were carried out with the joint venture:	2015 €'000	2014 €'000
(a) Purchase of services	**211**	197
(b) Loans advanced	**1,775**	1,250
(c) Interest receivable	**363**	68
(d) Amount receivable from the joint venture at year end was	**129**	115

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

At the balance sheet date the Group had a commitment to provide additional funding of €750,000 (2014: €750,000) to fund the development of the wind farm.

	Subsidiary undertakings			
THE COMPANY	Unlisted shares €'000	Convertible loan stock €'000	Loans €'000	Total €'000
At beginning of the financial year	0	480	87,766	88,246
Acquired during year	11	0	0	11
At end of the financial year	**11**	**480**	**87,766**	**88,257**

During the year the company acquired share capital in Treasury Limited (€10,000) and Resource Recovery Limited (€1,000). At 25 March 2015 the Company reviewed the carrying value of the loans of €87,766,000 and there was no impairment on the loans (2014: € nil).

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

10. Financial assets (continued)

The principal subsidiary and joint venture companies in the Group at 25 March 2015 are as follows:

Subsidiary company	Business	Registered office	Shareholding
Bord na Móna Energy Limited[1]	Production and sale of milled peat	Newbridge, Co Kildare	100
Bord na Móna Allen Peat Limited	Production and sale of milled peat	Newbridge, Co Kildare	100
Bord Na Mona Powergen Limited1	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
Renewable Energy Ireland Limited	Power Generation	Newbridge, Co Kildare	100
Mountlucas Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100
Mountlucas Supply Company Limited	Business, wholesale distribution of electricity	Newbridge, Co Kildare	100
Bruckana Wind Farm Limited	Power Generation	Newbridge, Co Kildare	100
Bruckana Supply Company Limited	Business, wholesale distribution of electricity	Newbridge, Co Kildare	100
Bord na Móna Fuels Limited[1]	Production, sale and distribution of solid fuels	Newbridge, Co Kildare	100
BnM Fuels Limited	Production, sale and distribution of solid fuels	Newbridge, Co Kildare	100
Suttons Limited	Dormant	Newbridge, Co Kildare	100
Bord na Móna Horticulture Limited[1]	Production and sale of horticultural products	Newbridge, Co Kildare	100
Bord na Móna Environmental Limited[1]	Production, sale and installation of environmental products.	Newbridge, Co Kildare	100
Bord na Móna Environmental Products (UK) Limited	Sale and installation of environmental products	Bridgewater, Somerset, England	100
Bord na Móna Environmental Products US Inc.	Sale and installation of environmental products	Delaware, U.S.A.	100
Bord na Móna Resource Recovery Limited1	Resource recovery and recycling company	Newbridge, Co Kildare	100
Bord na Móna Property Limited[1]	Property holding company	Newbridge, Co Kildare	100
Bord na Móna Treasury Limited[1]	Treasury Holdings	Newbridge, Co Kildare	100
Derryarkin Sand and Gravel Limited[1]	Extraction and sale of sand and gravel	Newbridge, Co Kildare	55

Joint venture company			
Oweninny Power Limited	Power generation	St. Stephen's Green, Dublin 2	50

Pursuant to the provisions of Section 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.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. Stocks

	THE GROUP 2015 €'000	THE GROUP 2014 €'000
Raw materials	**22,003**	25,396
Work in progress	**23**	16
Finished goods	**74,009**	60,729
Maintenance spares	**5,446**	5,537
	101,481	91,678

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

12. Debtors

	THE GROUP 2015 €'000	THE GROUP 2014 €'000	THE COMPANY 2015 €'000	THE COMPANY 2014 €'000
Trade debtors	**57,194**	55,646	**91**	108
Accrued revenue	**18,133**	13,723	**0**	0
Amounts due from Group companies	**0**	0	**345,922**	323,137
Amount owed by joint venture undertaking	**129**	141	**0**	26
Value-added tax	**15**	0	**541**	125
Corporation tax	**1,295**	299	**0**	0
Deferred tax (Note 17(e))	**2,685**	1,948	**960**	588
Prepayments	**3,256**	3,585	**1,409**	1,177
Other debtors	**3,035**	2,936	**651**	758
	85,742	78,278	**349,574**	325,919
Amounts fall due as follows:				
- within one year	**85,691**	78,024	**33,794**	63,338
- after more than one year	**51**	254	**315,780**	262,581
	85,742	78,278	**349,574**	325,919

Debtors after more than one year in the Company represent loans advanced to subsidiary companies which will be repaid from cash generated by the businesses. The Company reviewed the recoverability of the loans advanced to subsidiaries and impaired the loans by €nil (2014: €nil).

13. Creditors - amounts falling due within one year

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Loans (Note 15)	**990**	41,593	**0**	40,603
Bank overdrafts (Note 15)	**24,739**	667	**22,542**	110,159
Capital grants (Note 16)	**1,839**	1,700	**247**	247
Trade creditors	**59,233**	84,017	**3,628**	2,024
Deferred revenue	**17,277**	14,065	**131**	130
Accruals	**19,525**	16,650	**9,308**	6,687
Other creditors	**6,680**	6,050	**462**	483
Amounts due to Group companies	**0**	0	**127,570**	58,128
Creditors in respect of taxation and social welfare (see below)	**6,231**	10,700	**2,440**	2,347
	136,514	175,442	**166,328**	220,808
Creditors in respect of taxation and social welfare comprise:				
Income tax deducted under PAYE	**1,265**	1,320	**1,233**	1,305
Pay-related social insurance	**943**	956	**914**	937
Corporation tax	**750**	5,002	**0**	0
Value-added tax	**2,943**	3,273	**0**	0
Other taxes	**330**	149	**293**	105
	6,231	10,700	**2,440**	2,347

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€'000	€'000	€'000	€'000
Unsecured loan notes (Note 15)	**203,248**	203,197	**203,248**	203,197
Capital grants (Note 16)	**10,293**	10,916	**0**	0
	213,541	214,113	**203,248**	203,197

15. Bank loans, overdrafts and unsecured loan notes

THE GROUP	Within One Year €'000	Between One and Two Years €'000	Between Two and Five Years €'000	After more than Five Years €'000	Total €'000
Convertible loan notes (Note 20(c))	990	0	0	0	990
Overdrafts	667	0	0	0	667
Unsecured loan notes[1]	40,603	0	147,634	55,563	243,800
At 26 March 2014	**42,260**	**0**	**147,634**	**55,563**	**245,457**
Convertible loan notes (Note 20(c))	990	0	0	0	990
Overdrafts	24,739	0	0	0	24,739
Unsecured loan notes[1]	0	64,757	138,491	0	203,248
At 25 March 2015	**25,729**	**64,757**	**138,491**	**0**	**228,977**
THE COMPANY					
Overdrafts[2]	110,159	0	0	0	110,159
Unsecured loan notes[1]	40,603	0	147,634	55,563	243,800
At 26 March 2014	**150,762**	**0**	**147,634**	**55,563**	**353,959**
Overdrafts[2]	22,542	0	0	0	22,542
Unsecured loan notes[1]	0	64,757	138,491	0	203,248
At 25 March 2015	**22,542**	**64,757**	**138,491**	**0**	**225,790**

THE GROUP

Fixed rate debt US Private Placement 22 June 2006

[1] Net of unsecured loan note capitalised issue costs. At the balance sheet date the carrying amount of capitalised issue costs was €352,000 (2014: €514,000).

On 25 March 2015 the Group had US$273,000,000 (€203,599,956 equivalent) fixed rate debt arising from two US private placement transactions, which were completed on 22 June 2006 (US$125,000,000 : €97,885,670) and 6 August 2009 (US$148,000,000 : €105,714,286). In order to fully hedge the associated US Dollar exchange rate exposures and convert the underlying interest rates to fixed, the Group entered into a number of cross currency swaps to match the maturity profile of the unsecured loan notes.

Fair value of the financial instruments:

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties other than in a forced liquidation or sale. The fair value of the cross currency swaps at 25 March 2015 was an asset of €48,882,012 (2014: liability €6,891,635). In accordance with the Group's accounting policies, the fair value of derivative financial instruments is not recognised in the balance sheet. The unsecured loan notes are carried in the balance sheet at the hedged rate.

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

16. Deferred income - capital grants

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	€'000	€'000	**€'000**	€'000
At beginning of the financial year	**12,616**	12,132	**247**	0
Received during the year	**1,124**	1,937	**0**	247
Amortised during the year (Note 2)	**(1,608)**	(1,453)	**0**	0
At end of the financial year	**12,132**	12,616	**247**	247
Amounts due as follows:				
- within one year (Note 13)	**1,839**	1,700	**247**	247
- after more than one year (Note 14)	**10,293**	10,916	**0**	0
	12,132	12,616	**247**	247

17. Provisions for liabilities

THE GROUP	Environmental Reinstatement €'000	Reorganisation & Redundancy €'000	Insurance €'000	Other €'000	Deferred Tax excluding deferred tax on pension deficit €'000	Total €'000
At beginning of the financial year	43,054	459	6,747	2,497	7,145	59,902
Charge to the profit and loss account	922	1,815	1,850	1,118	3,010	8,715
Credit to the profit and loss account	(235)	(4)	(534)	(121)	(1,435)	(2,329)
Financing charge (Note 5)	1,203	0	0	0	0	1,203
Capitalised during the year	5,349	0	0	0	0	5,349
Utilised during the year	(2,384)	(804)	(864)	(327)	0	(4,379)
At end of the financial year	47,909	1,466	7,199	3,167	8,720	68,461
Amounts due as follows:						
- within one year	8,035	1,466	800	3,167	846	14,314
- after more than one year	39,874	0	6,399	0	7,874	54,147
	47,909	1,466	7,199	3,167	8,720	68,461

THE COMPANY	Environmental Reinstatement €'000	Reorganisation & Redundancy €'000	Insurance €'000	Other €'000	Deferred Tax excluding deferred tax on pension deficit €'000	Total €'000
At beginning of the financial year	2,175	0	6,747	0	0	8,922
Charge to the profit and loss account	0	111	1,850	0	0	1,961
Credit to the profit and loss account	0	0	(534)	0	0	(534)
Utilised during the year	(8)	(111)	(864)	0	0	(983)
At end of the financial year	2,167	0	7,199	0	0	9,366
Amounts due as follows:						
- within one year	2,167	0	800	0	0	2,967
- after more than one year	0	0	6,399	0	0	6,399
	2,167	0	7,199	0	0	9,366

17. Provisions for liabilities(continued)

(a) Environmental Reinstatement

Environmental reinstatement costs include:

(i) Costs that will be incurred at the end of the economic lives of the peatlands. Under FRS 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for these costs when the circumstances occur giving rise to the obligation under the Group's Integrated Pollution Prevention Control licence to decommission and reinstate the peatlands post peat production. The provision of €18,044,000 as at 25 March 2015 represents the present value of the expected future costs of decommissioning and reinstatement. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(ii) Environmental provisions of €9,229,000 recognised in accordance with FRS 12 in respect of the Group's assessment of environmental liabilities in relation to (i) the AES site which was in existence prior to the Group's acquisition of the business in May 2007; (ii) a new facility taken under lease in the previous financial year and (iii) environmental obligations under existing waste licences. The provisions are based on the Group's estimate of the present value of future remediation costs, based on advice received from third party environmental experts.

(iii) The cost of maintaining the landfill facility post closure (2028) and the cost of capping existing engineered cells in use. The Group's estimate of minimum unavoidable costs measured at present value amount to €13,252,000 at 25 March 2015. 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.

(iv) Certain other environmental restoration costs of €2,167,000 are recognised in accordance with the provisions of FRS 12, being the Group's estimate of waste removal and waste management costs associated with certain of its lands. These costs may be impacted by a number of factors including changes in legislation and technology. These estimates are reviewed annually based on advice from third party environmental experts.

(v) A provision of €4,097,000 is made for power stations and wind-farm closure/decommissioning costs based on the present value of the current estimate of the costs of closure/decommissioning of generating stations at the end of their useful economic lives. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(vi) A provision of €1,120,000 is made for plant closure costs based on the present value of the current estimate of the costs of closure of briquette and horticulture compost plants at the end of their useful economic lives. The costs are provided on a discounted basis and a financing charge is included in the profit and loss account and added to the provision each year.

(b) Reorganisation and Redundancy

A provision for reorganisation and redundancy costs is recognised when a constructive obligation exists. The provision represents the Directors' best estimate of the cost of these measures and it is expected to be used within the next year.

(c) Insurance

The insurance provision relates to employer's, public and product liability claims covered under the Group's self-insurance policy. This provision is determined on completion of a case by case assessment. The provision includes a sum for incidents incurred but not reported at the balance sheet date.

(d) Other

Other provisions include various anticipated warranty, refundable deposits and other costs.

17. Provisions for liabilities(continued)

(e) Deferred Tax

The deferred tax provision is comprised of:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	€'000	€'000	**€'000**	€'000
Accelerated capital allowances	**8,685**	6,767	**(105)**	(173)
General provisions	**(2,015)**	(1,449)	**(382)**	(415)
Unutilised tax losses	**(635)**	(121)	**(473)**	0
Total Undiscounted provision for deferred tax	**6,035**	5,197	**(960)**	(588)
Pension asset - deferred tax liability (Note 24)	**0**	424		
Pension liability - deferred tax asset (Note 24)	**(7,828)**	(5,238)		
Deferred tax liability/(asset) including that relating to pension deficit	**(1,793)**	383		
The movement on deferred tax during the year was as follows:				
At the beginning of the financial year	**383**	(140)	**(588)**	(309)
Deferred tax charge / (credit) in the profit and loss account excluding charge related to pensions[1]	**838**	(1,414)	**(372)**	(279)
Deferred tax charge in the profit and loss account related to pensions	**437**	392	**0**	0
Net deferred tax charge / (credit) in the profit and loss account (Note 6)	**1,275**	(1,022)	**(372)**	(279)
Deferred tax on pension liability in statement of total recognised gains and losses	**(3,451)**	1,545	**0**	0
At the end of the financial year	**(1,793)**	383	**(960)**	(588)
Deferred tax provision	**8,720**	7,145	**0**	0
Deferred tax asset (Note 12)	**(2,685)**	(1,948)	**(960)**	(588)
Deferred tax liability related to pension fund asset (Note 24)	**0**	424	**0**	0
Deferred tax asset related to pension fund liability (Note 24)	**(7,828)**	(5,238)	**0**	0
	(1,793)	383	**(960)**	(588)

[1]The deferred tax charge of €838,000 to the profit and loss account is an increase in deferred tax assets in debtors of €737,000 to €2,685,000 and an increase in the deferred tax provision of €1,575,000 to €8,720,000.

At 25 March 2015 the Group had other potential deferred tax assets amounting to €3,662,000 (2014: €2,064,000). These assets relate to unutilised losses and are unrecognised due to uncertainty over recoverability.

18. Share capital and Share Premium

	2015	2014
	€'000	€'000
Authorised		
300,000,000 ordinary shares of €1.27 each	**380,921**	380,921

	2015	2014
	Share Capital & Share Premium	Share Capital & Share Premium
Allotted and fully paid	**€'000**	€'000
At beginning of the financial year	**84,763**	84,763
At end of the financial year	**84,763**	84,763

At 25 March 2015 the total number of ordinary shares allotted and fully paid was 65,212,638 (March 2014: 65,212,638).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. Minority shareholders' interest

	Equity interests €'000
At 26 March 2014	(456)
Share of profit for the financial year	30
Acquisition of minority interest	(98)
Dividend paid	(138)
At 25 March 2015	**(662)**

During the year the Group acquired the minority interest holding in Renewable Energy Ireland Limited.

20. Amounts included in cash flow statement

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

	2015 €'000	2014 €'000
Operating profit	**52,425**	50,255
Depreciation of tangible assets (note 8)	**45,065**	40,562
Impairment of tangible assets (note 8)	**190**	208
Amortisation of intangible assets (note 7)	**2,450**	2,338
Impairment of intangible assets (note 7)	**0**	205
(Revaluation gain)/impairment of investment property (note 9)	**(437)**	(1,250)
Loss on disposal of subsidiary undertaking (Note 21)	**0**	9
Profit on sale of fixed assets	**(175)**	(173)
Adjustment for emission allowance cost included in operating profit	**2,902**	0
Amortisation of capital grants	**(1,608)**	(1,453)
Difference between provisioning charges and payments	**2,219**	(81)
Difference between pension charge and cash contributions	**(1,743)**	(2,067)
Increase in stocks	**(9,803)**	(36,713)
Increase in debtors	**(7,314)**	(8,857)
(Decrease)/increase in creditors	**4,890**	4,465
NET CASH INFLOW FROM OPERATING ACTIVITIES	**89,061**	47,448

20. Amounts included in cash flow statement (continued)

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

	2015 €'000	2014 €'000
Returns on investments and servicing of finance		
Interest paid	**(13,893)**	(15,533)
Interest received	**370**	5,460
Dividends paid to minority shareholders in subsidiary undertaking	**(138)**	0
NET CASH OUTFLOW	**(13,661)**	(10,073)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	**(101,798)**	(74,138)
Proceeds from disposal of fixed assets	**231**	474
Payments to acquire intangible fixed assets	**(11,485)**	(13,273)
Capital grants received (note 16)	**1,124**	1,937
Investment in joint venture (note 10)	**(1,775)**	(1,250)
NET CASH OUTFLOW	**(113,703)**	(86,250)
Acquisitions and disposals		
Disposal of subsidiary undertakings (Note 25)	**0**	2,961
NET CASH INFLOW	**0**	2,961
Financing		
Repayment of unsecured loan notes	**(40,714)**	(19,577)
NET CASH OUTFLOW	**(40,714)**	(19,577)

(c) 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 (Note 15)	(243,800)	40,714	(162)	(203,248)
Convertible loan note (Note 15)	(990)	0	0	(990)
Overdrafts	(667)	(24,072)	0	(24,739)
Cash	173,250	(76,881)	0	96,369
Net debt	**(72,207)**	**(60,239)**	**(162)**	**(132,608)**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. Capital commitments

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

THE GROUP	2015 €'000	2014 €'000
Tangible asset commitment	**21,328**	55,363
	21,328	55,363
THE COMPANY		
Tangible asset commitment	**8,206**	863
	8,206	863

The Group has entered into contracts on biomass handling infrastructure and the build of financial systems and reporting applications.

22. Operating lease commitments

At 25 March 2015 the Group had annual commitments under non-revocable operating leases expiring as follows

THE GROUP On operating leases which expire:	Land and Buildings 2015 €'000	Plant and Machinery 2015 €'000	Land and Buildings 2014 €'000	Plant and Machinery 2014 €'000
Within one year	**11**	**696**	78	601
Within one to five years	**116**	**917**	236	1,409
After five years	**283**	**0**	687	0
	410	**1,613**	1,001	2,010

THE COMPANY On operating leases which expire:	Plant and Machinery 2015 €'000	Plant and Machinery 2014 €'000
Within one year	**44**	9
Within one to five years	**109**	184
	153	193

23. 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.

24. Pension schemes

(i) Defined benefit schemes

(a) Description of the Bord na Móna Pension schemes

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

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

Bord na Móna plc had awarded unfunded pension benefits to certain retired employees including former managing directors and their dependants. The future cost of funding these pensions is recognised in the balance sheet at €4,746,000 based on an actuarial valuation at 25 March 2015 (March 2014: €4,494,000).

(b) Actuarial valuations and funding position of schemes

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

The most recent valuations for the GESS and RWESS schemes are dated 31 March 2014 and the BnM Fuels scheme valuation is dated 1 April 2012. In the actuarial valuations it was assumed that the schemes' investments will earn a real rate of investment return of 2.75% above the rate of wage inflation. In the latest actuarial valuations the market value of the schemes' investments was €281.9 million.

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

(i) a deficit of €40.6 million on the GESS scheme
(ii) a deficit of €4.8 million on the RWESS scheme
(iii) a deficit of €2.5 million on the BnM Fuels scheme

At March 2014 after allowing for expected future increases in earnings and pensions in payment, the valuations indicated that the actuarial value of total scheme assets was sufficient to cover 71% and 97% of the benefits that had accrued to the members of the GESS and RWESS schemes respectively at the valuation dates. These actuarial valuations are available for inspection by members of the schemes but not for public inspection. In relation to the BnM Fuels scheme the actuarial value of total scheme assets was sufficient to cover 74% of the benefits that had accrued to members at the valuation date.

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

A funding proposal to address the RWESS scheme benefits was approved by the Board and shareholders and active members during the 2010 financial year. The revised funding arrangement required the active members to increase their contribution rate by 1.5% of their pensionable salary. The Group agreed to match the active members contributions. The approved terms of the revised funding proposals include the provision of increased benefits for members under the N200, which provided for improved benefits for members whose uplifted pensionable salary falls below a threshold multiple of the State pension. The other terms of the restructuring arrangements included a cap on pensionable salaries and the closure of the scheme to new entrants. The increased benefits provided to those active members, effective from 1 January 2010, accrue over future service from 1 January 2010 until the sixtieth birthday of each member. The present value of the estimated cost at 25 March 2015 was €8,300,000 and the Group will meet the capital cost by way of fixed annual capital payments by 30 June over a period of no more than twelve years.

A funding proposal to address the GESS scheme deficit was approved by the Board, shareholders, active members and the Pension Board in May 2015, post the balance sheet date. The changes to the GESS scheme are not accounted for in the current financial year as it represents a non-adjusting post balance sheet event. The revised funding arrangement requires a number of changes to the scheme, namely: a three year pensionable salary freeze until 2016, a pensionable salary cap until 2023, a Section 50 cut to the order of 10% to deferred members' benefits, a Section 50 adjustment to pensions-in-payments in line with 2013 priority order legislation and the scheme remains open to future accrual. In addition to the scheme changes, the Group will make payments of €36 million over an eight year period, with the first payment of €10.2 million made in May 2015.

A funding proposal to address the BnM Fuels pension deficit was approved by the Board, shareholders and active members during the 2014 financial year. The proposal consists of (i) closure of the scheme to future accrual with effect from June 2013 and the cessation of employee contributions and (ii) employer contributions for the period up to December 2023 for which an additional liability of €1,479,800 is recognised in accruals. Under the proposal, employer contributions have been agreed that reasonably satisfy the Funding Standard and the Funding Standard Reserve by December 2023.

24. Pension schemes (continued)

(c) FRS 17 'Retirement Benefits'

For the purposes of FRS 17 the actuarial valuations of the defined benefit schemes were updated to 25 March 2015 by a qualified independent actuary. A full actuarial valuation of the unfunded pensions was completed by a qualified independent actuary at 25 March 2015.

The Turf Development Acts 1946 to 1998 and the rules governing the Bord na Móna GESS and RWESS pension schemes lay down in considerable detail the benefits that are to be provided to members. They also stipulate the shared contributions to be paid by both Bord na Móna and the contributing members. This does not conform to the "balance of cost" defined benefit approach. For the purposes of reporting in accordance with Financial Reporting Standard 17 at 25 March 2015, 100% of the pension scheme deficits on the GESS and BnM Fuels defined benefit schemes have been recognised in the financial statements. The RWESS defined benefit scheme had a deficit and the Group has accounted for its share of the pension scheme deficit on a 50:50 basis between members and the Group. As 100% of the current service cost and finance costs were charged to the profit and loss account in the past, this amount has been reflected in the statement of recognised gains and losses during the year ended 25 March 2015 as noted below.

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

The amounts recognised in the Balance Sheet are as follows:

	25 March 2015 €'000	26 March 2014 €'000
Fair value of the schemes' assets	**321,974**	284,006
Present value of schemes' liabilities and unfunded pensions liabilities	**(389,341)**	(323,623)
Members' share of surplus on RWESS scheme	**0**	(3,390)
Revised present value of schemes' liabilities and unfunded pension liabilities	**(389,341)**	(327,013)
Pension deficit	**(67,367)**	(43,007)
Related net deferred tax asset (Note 17(e))	**7,828**	4,814
Net pension deficit	**(59,539)**	(38,193)
The net pension deficit is comprised as follows:		
Pension asset	**0**	3,390
Related net deferred tax liability (Note 17(e))	**0**	(424)
Pension asset net of deferred tax as per Group balance sheet	**0**	2,966
Pension deficit	**(67,367)**	(46,397)
Related net deferred tax asset (Note 17(e))	**7,828**	5,238
Pension deficit net of deferred tax as per Group balance sheet	**(59,539)**	(41,159)
Net pension deficit	**(59,539)**	(38,193)

The amounts recognised in the Profit and Loss Account are as follows:	25 March 2015 €'000	26 March 2014 €'000
Analysis of the amount charged to operating profit		
Current service cost	**(2,308)**	(2,944)
Curtailment gain	**0**	132
	(2,308)	(2,812)
Analysis of the amount credited to other finance income		
Expected return on schemes' assets	**11,035**	11,004
Interest on schemes' liabilities	**(9,680)**	(9,915)
Net return on finance income (Note 5)	**1,355**	1,089
Total profit and loss account charge	**(953)**	(1,723)
Actual return on schemes' assets	**43,487**	17,164

24. Pension schemes (continued)

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

	25 March 2015 €'000	26 March 2014 €'000
Actual return less expected return on schemes' assets	**32,452**	6,160
Experience gains arising on schemes' liabilities	**3,763**	6,611
Changes in assumptions underlying the present value of schemes' liabilities	**(67,661)**	3,172
Actuarial gain/(loss) recognised	**(31,446)**	15,943
Less members' share of movement on scheme surplus during the financial year	**3,390**	(3,390)
Actuarial gain/(loss) recognised by the Group	**(28,056)**	12,553

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 25 March 2015 is €88,642,000 (2014: €60,586,000 actuarial loss).

Balance Sheet as at 25 March 2015

Movement in schemes' assets and liabilities	Scheme Assets €'000	Scheme Liabilities €'000	Scheme Deficit €'000
At 27 March 2013	271,717	(330,411)	(58,694)
Service cost charged to the profit and loss account	0	(2,944)	(2,944)
Curtailment gain	0	132	132
Interest on scheme liabilities	0	(9,915)	(9,915)
Expected return on assets	11,004	0	11,004
Members' share of reduced pension surplus at start of year	0	(3,390)	(3,390)
Actual less expected return on assets	6,160	0	6,160
Experience gains on liabilities	0	6,611	6,611
Change in actuarial assumptions	0	3,171	3,171
Contributions by members	3,260	(3,260)	0
Employer's contributions paid	4,858	0	4,858
Benefits paid	(12,993)	12,993	0
At 26 March 2014	**284,006**	**(327,013)**	**(43,007)**
Service cost charged to the profit and loss account	0	(2,308)	(2,308)
Interest on scheme liabilities	0	(9,680)	(9,680)
Expected return on assets	11,035	0	11,035
Members' share of reduced pension surplus at start of year	0	3,390	3,390
Actual less expected return on assets	32,452	0	32,452
Experience gains on liabilities	0	3,763	3,763
Change in actuarial assumptions	0	(67,661)	(67,661)
Contributions by members	3,027	(3,027)	0
Employer's contributions paid	4,649	0	4,649
Benefits paid	(13,195)	13,195	0
At 25 March 2015	**321,974**	**(389,341)**	**(67,367)**

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

Expected contributions for the year to 30 March 2016 are €14,345,000.

24. Pension schemes (continued)

Risks and rewards arising from the assets

At 25 March 2015 the assets were invested in a diversified portfolio that consisted primarily of equity and debt securities, properties and cash. The fair value of the assets at year end was €321,974,000 (2014: €284,006,000). The fair value of the asset categories as a percentage of total schemes' assets were as follows:

	Mar'15 %	Mar'14 %
Equities	**31.3**	40.5
Bonds	**43.8**	47.3
Property	**5.4**	5.1
Cash	**18.5**	6.4
Alternatives	**1.0**	0.7
Total	**100**	100

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

Financial assumptions

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

	Mar'15	Mar'14
Rate of increase in salaries	**1.90%**	2.25%
Rate of increase in pensions in payment - RWESS scheme	**1.00%**	1.25%
Rate of increase in pensions in payment - GESS scheme	**0.00%**	0.00%
Discount rate	**1.25%**	3.00%
Revaluation assumption	**1.25%**	1.50%

Mortality assumptions

The mortality assumptions are based on standard tables reflecting typical pensioner mortality. The tables used are based on mortality rates in the year 2035 for all employees without allowance for additional improvements.

Retiring today	Mar'15	Mar'14
Males (RWESS)	**20.5**	20.5
Females (RWESS)	**23.4**	23.4
Males (Other)	**20.9**	22.7
Females (Other)	**23.5**	24.0

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

Retiring in 20 years	Mar'15	Mar'14
Males (RWESS)	**20.5**	20.5
Females (RWESS)	**23.4**	23.4
Males (Other)	**23.5**	25.0
Females (Other)	**25.6**	26.0

24. Pension schemes (continued)

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

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

	2015 €'000	2014 €'000	2013 €'000	2012 €'000	2011 €'000
Fair value of plan assets	**321,974**	284,006	271,717	251,169	240,225
Defined benefit present value of obligation	**(389,341)**	(327,013)	(330,411)	(296,560)	(254,012)
Pension deficit	**(67,367)**	(43,007)	(58,694)	(45,391)	(13,787)
Experience adjustments arising on:					
the schemes' liabilities	**3,763**	6,611	7,050	4,362	5,914
as a percentage of the schemes' liabilities at March	**1.0%**	2.0%	2.1%	1.5%	2.3%
the schemes' assets	**32,452**	6,160	10,898	(322)	(4,567)
as a percentage of the schemes' assets at March	**10.1%**	2.2%	4.0%	(0.1%)	(1.9%)

All scheme assets are stated to bid market values.

Company pension fund liability

	2015 €'000	2014 €'000
At the beginning of the financial year	**4,494**	4,688
Utilised during year	**(341)**	(338)
Charge to the Profit & Loss Account	**129**	135
Charge to the Statement of Total Recognised Gains and Losses	**464**	9
At the end of the financial year	**4,746**	4,494

Sensitivity analysis for principal assumptions used to measure scheme liabilities

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

Assumption	Change in Assumption	Present value of plan liabilities	Impact on plan liabilities	% Impact on plan liabilities
An increase in the discount rate	0.25%	375,341	(14,127)	(4%)
An increase in salary inflation	0.25%	393,179	3,838	1%
An increase in pension escalation	0.25%	399,900	10,179	3%

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

The Group made employer contributions payable under a defined contribution scheme in respect of certain employees. Contributions payable by the employer to the defined contribution schemes in the year to 25 March 2015 amounted to €1,074,000 (2014: €934,000) which were charged to the profit and loss account and €128,000 (2014: €108,000) was payable at year end.

In addition and in compliance with the provisions of the Pensions Act 1990 (as amended), Bord na Móna plc has appointed personal retirement savings accounts (PRSAs) providers. During the year to 25 March 2015 the Group contributed €204,000 (2014: €212,000) on behalf of it's employees. This was charged to the profit and loss account and €2,120 (2014: €2,205) was payable at year end.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25. Disposals

In the prior year ended 26 March 2014 the Group disposed of its entire holding in Suttons Oil Limited for a consideration, net of transaction costs (€60,000), of €3,216,000 resulting in a loss of €9,000. Details of the values of the assets and liabilities disposed of and the consideration received are set out below.

	2014 €'000
Tangible assets	305
Stocks	263
Debtors	2,601
Bank and Cash	255
Creditors	(199)
Net assets disposed of	3,225
The consideration was satisfied as follows:	
Cash consideration net of transaction costs	3,216
Loss on disposal of subsidiary	(9)

The gross costs of tangible assets disposed of was €2,548,000 and the accumulated depreciation was €2,243,000.

26. Related party transactions

Ownership of the Company: Bord na Móna plc is a majority state owned company. 95% of the issued share capital is held by the Minister for Finance (whose shares stand transferred to the Minister for Public Expenditure and Reform under the Minister's and Secretaries Act 2011). The other 5% is held by the employees of the Group.

Sales of goods, property and services to entities controlled by the Irish Government: In the ordinary course of its business the Group sold goods, property and provided services to entities controlled by the Irish Government, the principal of these being ESB. The Group operates a long-term agreement with ESB in relation to the sale of peat and provision of ancillary services to the power stations. Supply of these services in the year to 25 March 2015 amounted to €154.5 million (2014: €144.8 million) and amounts due from these entities to the Group at 25 March 2015 for these services amounted to €12.1 million (2014: €12.3 million).

From time to time the Group placed monies on deposit with financial institutions controlled by the State. The Group had placed monies on deposit of €18.1 million (2014: €15.0 million) with Allied Irish Banks plc at 25 March 2015.

27. Post balance sheet events

A funding proposal on the GESS deficit was agreed in May 2015 between the Board, active and deferred Members, Pensioners and the Pensions Board and subsequently received Ministerial consent as outlined in note 24. There have been no other events between the balance sheet date and the date on which the financial statements were approved by the Board, which would require disclosure and/or adjustment to the financial statements.

28. Board approval

The Board approved the financial statements on 25 June 2015.

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