

# IRISH GREYHOUND BOARD

10 September 2010



Mr Colm McCarthy  
Chair Review group  
State Assets and Liabilities  
Department of finance  
Upper Merrion Street  
Dublin 2.

Dear Mr McCarthy,

In response to your letter addressed to the Chairman of Bord na gCon dated 23<sup>rd</sup> of July then I am happy to submit the following information for your review. Been mindful of the significant scope of the exercise you are performing I will keep our submittal short and concise whilst ensuring you get the information requested to understand the value of the Greyhound Industry to Ireland.

## Key Facts:

- In consideration of the potential for asset disposals in Bord na gCon the relevant value of net assets as at 31<sup>st</sup> December 2009 comes to €40.5M. (see attached)
- The Net Book Value of Fixed Assets included in the Net Asset figure above comes to €62.3M with the breakdown being:
  - €30.2M Freehold Land & Buildings
  - €26.6M Leasehold Buildings
  - €5.3M Totalisator, Track and Other Equipment
  - €0.2M Motor Vehicles
- Of the assets listed above €45.6M of the Land and Buildings are used as security for borrowings and are therefore encumbered assets. Of the remaining assets, market value is significantly less than stated net book value due to their specific nature to the greyhound industry. The assets would have little or no use outside the industry.
- The Greyhound Industry is responsible for nearly 11,000 direct and indirect jobs and over €500M in local economic turnover.
- The Industry will receive €11.8M from the Horse and Greyhound fund in 2010. Of this €11.8M Bord na gCon will return close to €5.0M in TAX, VAT and other indirect returns whilst over €6M comes directly from the bookmaker industry via a levy on off course betting. Consequently the Greyhound industry with its very significant levels of employment is delivered virtually free to central tax payers. This is a key significant point to understand.
- Most of this employment is rural based which if lost will never be recovered.

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- Due to the implementation of operations acumen and commercial expertise approaches garnered from the private sector Bord na gCon has dramatically improved its overall business efficiency. This has resulted in a reduction of 30% (€72.6M in 2007 to €55.8M in 2009) in Operating and Administration costs since 2007. Our labour costs alone have been reduced by 24.5% via the implementation of technology and new work approaches. This profile is at odds with the picture that the national media like to create about organizations similar to ourselves and we will continue to focus on operational efficiency by continuing to be lean and efficient.
- In 2009 nearly €7.0M was raised by many sporting, educational and social organization by the use of our facilities. Thus we provide a significant outlet for people to raise money which otherwise would needed to be provided by government funds.

### Summary:

We are of the very strong view that we deliver enormous value for money to the Irish economy and the sale of our assets would not be in congruence with the aim of maintaining and building on national employment. We provide nearly 11,000 jobs virtually tax free to central taxpayers. We are presently in discussion with other countries about leveraging our significant Intellectual Property so that similar industries would be created in other countries. This fact and also our employment levels alone shows that with the State providing the legal framework that drives the Horse and Greyhound fund that this is an industry that we need to sustain and grow to deliver more value to the Irish economy.

Kind Regards

  
Adrian Neilan

CEO Bord na gCon

Potential for Asset Disposals

Entity **Bord na gCon**  
Period: **y/e 31/12/09**

	<b>EUR</b>
	<u>Consolidated</u>
Consolidation Reserves	38,700
Fixed Assets	62,275,935
Financial Assets	5,951
	<u>62,320,586</u>
Stock	88,039
Debtors	1,849,571
Cash & Bank	686,664
	<u>2,624,274</u>
Creditors	<u>(7,587,583)</u>
Current Assets/(Liabilities)	<u>(4,963,309)</u>
Total Assets less Current liabilities	57,357,277
Creditors greater than 1 year	(13,400,984)
Net Pension Asset/(Liability)	(3,418,000)
Provisions	-
	<u>40,538,293</u>
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Accounting period: y/e 31/12/09  
 Subject: Fixed Assets Schedule - Bord na gCon

	Freehold Land & Buildings	Leasehold Buildings	Totalisator Track & Other Equipment	Motor Vehicles	TOTAL
<b>NET BOOK VALUE</b>					
<b>31/12/2009</b>					
Cork	964,420	-	335,337	-	1,299,757
Galway	-	5,314,718	288,057	-	5,602,775
Harold's X	8,023,005	-	236,204	-	8,259,209
Mullingar	3,183,055	-	387,271	-	3,570,326
Limerick	5,791,463	2,387,853	115,259	-	8,294,575
Shel Park	91,546	15,113,419	888,569	-	16,093,534
Tracee	-	2,573,398	341,671	-	2,915,069
Waterford	5,236,024	-	250,180	-	5,486,204
Youghal	-	470,149	81,309	-	551,458
Abargrove	5,879,364	-	-	-	5,879,364
Clonmel	551,032	-	671,030	-	1,222,062
BNG	464,884	785,654	1,731,266	119,798	3,101,602
	<u>30,184,793</u>	<u>26,645,191</u>	<u>5,326,153</u>	<u>119,798</u>	<u>62,275,935</u>

freehold/leasehold land and buildings used as security for borrowings  
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**List of Possible Asset Disposals**

- None
- land and building are used as securities on the Boards borrowings.
- other assets have limited or no use outside of the industry.

**Assess how use/disposition of such assets can help restore growth etc**

By continuing to be used in current state to maintain and develop the greyhound industry in Ireland.

**Limitation on use of such assets**

Assets are carried at net book value which may not equate to market value. These assets are pledged as security against the banks borrowings with Allied Irish Bank.