



Ms Margaret Falsey
Committee Secretariat
Committee of Public Accounts
Leinster House,
Dublin 2.

Dear Ms Falsey

I refer further to you recent correspondence regarding the Irish Greyhound Board appearance before the Public Accounts Committee meeting.

Following that meeting I am enclosing copies of the following information:

1. A note on the business plan for the disposal of assets as set out in the Indecon Report
2. A note on the cost of using external bodies for validation of procedures and processes in light of the Indecon report
3. A note on the sale of Shelbourne Park
4. A note on the membership of the internal audit committee prior to the recruitment of a CFO in the period 2008 to 2012.
5. A note on the correspondence dated August 2013 received regarding expenditure on travel, promotion, and entertainment outlining exactly how the money was spent and to include a copy of the response from IGB

I trust this meets the requirements of the Committee.

Regards



Geraldine Larkin
Chief Executive

January 29th 2015

1. A note on the business plan for the disposal of assets as set out in the Indecon Report

The disposal of assets was an accepted requirement under the capital development plan surrounding the stadium development and IGB head offices located at Greenpark, Limerick. Outside of the sale of the old stadium located at the Markets Field (€1.5m) other planned sales did not materialise due to the decline in property values experienced since 2008.

The current asset disposal strategy is designed to reduce IGB gearing levels to a level appropriate to the business levels of the IGB therefore allowing the IGB to function effectively so to regulate and develop the industry. The current strategy was agreed by the IGB following the recommendations by Indecon International Economic Consultants¹.

The objective of the IGB asset disposal strategy is to consider assets - both core and non-core - for disposal in order to maximise the value of the assets in light of current market conditions while minimising disruption to racing activities. Maximum value of any assets owned by the IGB being considered for sale will depend on quality of title held and zoning associated with each chosen site. In considering the proposed asset disposal strategy IGB conducted a preliminary review of the title of all assets and their related zoning. While the majority of IGB lands are held under freehold titles a number are held subject to long leaseholds and sporting leases. However a body of works remains to be completed by the IGB before the sale of any chosen asset is approved. Such work includes:

- i. Obtaining the appropriate zoning to ensure maximum value is obtained from any asset sale
- ii. Ensure there is correct marketable legal title available prior to any sale process
- iii. Tender and select an national auctioneering firm to advise and conduct the sale processes

The IGB is planning to sell the following non core assets as part of its response to the Indecon report.

1. Sale of former IGB Headquarters, Henry Street, Limerick. - This building has been on the market since 2010. Interest in this property has increased significantly and IGB would remain hopefully that a sale can be concluded within 2015.
2. Meelick lands: These lands (Circa 16 acres zoned agricultural use) should be placed on the market following the appointment of an auctioneering firm.
3. Certain lands adjacent to Cork Stadium: Part of this site is currently subject to a compulsory purchase order therefore the timing of sale will be dependent on conclusion of this matter along with advices from sales agents on the optimum use for the remaining lands
4. Unused office accommodation located within the IGB stadia network.

It is expected some sales will materialise by the end of 2015.

In addition and as part of the core asset disposal recommended within the Indecon report, Harold's Cross Stadium has been included as part of the asset disposal programme. The IGB decision to sell was predicted on

- a) There being two stadia in Dublin, and these stadia are within two miles of each other.
- b) Shelbourne Park has sufficient capacity to accommodate the current 5 night racing schedule currently being held in both venues. Against that, the IGB also recognises that

¹ Indecon were commissioned by Department of Agriculture Food & the Marine to prepare a report on a "Review of certain matters relating to Bord na gCon" published July 7th 2014.

any change to racing operations would impact on the Dublin Greyhound owners and breeders.

- c) IGB accept that there is capacity to accommodate stakeholders and generate savings by consolidation of Shelbourne and Harold's Cross operations.
- d) The proceeds from the sale of Harold's Cross would assist in reducing bank borrowings to a level appropriate to the IGB business model.

Utilisation of Proceeds

IGB's bank holds the title of seven stadia as security for the bank facilities made available to the IGB. Therefore utilisation of proceeds from the sale of fixed assets will be subject to their agreement. It would be envisaged that sales of fixed assets will be primarily used to permanently retire bank debt. IGB are aware of their obligations under the Code of Corporate Governance for Semi State bodies and will ensure any sales process will be in compliance with this code.

Summary:

The IGB are currently in the process of progressing zoning and title issues to ensure optimum value is obtained from each asset.

IGB will engage with all stakeholders affected by any proposed sale to ensure that concerns regarding the continuation of racing facilities are addressed.

Sales of other assets not previously listed will remain under consideration and will be influenced by the viability of track operations in terms of continued financial support and measurement against key performance metrics.

2. A note on the cost of using external bodies for validation of procedures and processes in light of the Indecon report

The services of Deloitte and Touché have been used to advise on the IGB operating model since the publication of the Indecon report.

This firm also advise the IGB on the ongoing work associated with the restructure of IGB bank borrowings, which forms part of the total fee. In total an amount of €17,756.83 including VAT, was invoiced by this firm for services throughout the year.

No other accountancy firm was engaged by the IGB relating to the reply on Indecon.

DTZ was engaged at the request of Indecon in March 2014 to review the valuation of Harold's Cross. The cost of their fees, including VAT was €5,842.50.

3. A note on the sale of Shelbourne Park

The IGB disposed of 1.5 acres at Shelbourne Park in 2001 for a total consideration of €8.3 million. This site had been approved planning for 101 apartments. An extract from 2001 Annual Report is attached for further clarification surrounding this point.

4. A note on the membership of the internal audit committee prior to the recruitment of a CFO in the period 2008 to 2012.

The following was the membership of the audit committee prior to the appointment of the CFO on January 30th 2012:

2008

Tony Mc Kenna	Chairman	Attended 6 out of 7 meetings
Frank O'Connell		Attended 6 out of 7 meetings
Teresa Wall		Attended 6 out of 7 meetings
Padraig Feeney (Retired April 2008)		Attended 2 out of 3 meetings
Tim Gilbert (Appointed April 2008)		Attended 4 out of 4 meetings

2009

Tony Mc Kenna	Chairman	Attended 4 out of 4 meetings
Frank O'Connell (Passed away in Aug 09)		Attended 1 out of 1 meeting
Teresa Wall		Attended 3 out of 4 meetings
Tim Gilbert		Attended 4 out of 4 meetings

2010

Tony Mc Kenna	Chairman	Attended 4 out of 4 meetings
Teresa Wall		Attended 4 out of 4 meetings
Tim Gilbert		Attended 4 out of 4 meetings

2011

Tony Mc Kenna (Retired Nov 11)	Chairman	Attended 3 out of 3 meetings
Teresa Wall		Attended 4 out of 4 meetings
Tim Gilbert		Attended 4 out of 4 meetings

2012

Teresa Wall (Appointed Jan 12)	Chairperson	Attended 6 out of 6 meetings
Tim Gilbert		Attended 6 out of 6 meetings
Mattie Murphy	(Appointed Jan 12)	Attended 6 out of 6 meetings

5. A note on the correspondence dated August 2013 received regarding expenditure on travel, promotion, and entertainment outlining exactly how the money was spent and to include a copy of the response from IGB

The correspondence related to an amount of €541,231 which was incurred on travel, promotion and entertainment in 2011. The following workings prepared in response to this correspondence detail the expenditure totalling €448,783 incurred by cost centres within the IGB.

Expense Type	CEO	Admin staff	Lab			Tote	Welfare	Board	Sudsidary Companies	Total
			Internal Audit	Testing & Governance	Race Management					
Car allowance		11,782	10,000	10,000		10,000	7,500			49,282
Motor service & repairs	4,736	1,733	-	11,446						17,915
Fuel Costs	10,090	12,265	4,593	29,788		2,853	3,707			63,296
Hotels	1,642	3,342	697	75		70		489		6,315
Overseas	1,766	-		280		1,318		582		3,946
Meals & Entertainment	4,463	4,202	132	180		85	200			9,262
Subsistence	1,946	7,966	1,705	10,436	6,842	8,882		19,994		57,771
Vouched travel expenses	1,663	18,778	10	15,072	53,532	900		51,994	99,047	240,996
Total	26,306	60,068	17,137	77,277	60,374	24,108	11,407	73,059	99,047	448,783

In addition an amount of €92,448 is included in the total amount of €541, 231 relating to Control Committee members fees and expenses.

Foreword - Paschal Taggart
Chairman Bord na gCon

2001 Annual Report

The Board disposed of 1.5 acres at Shelbourne Park which had approved planning for 101 apartments for €8.3m (£6.5m). Shelbourne Park Phase 2 development was completed during 2002. It is now the flagship of greyhound racing in Europe and attracts in excess of 2,500 patrons each Saturday night. Both Mullingar €3.36m (£2.65m) and Newbridge €2.53 (£2m) developments were completed during 2001. The average totalisator betting at these tracks has grown in excess of 294% and 263% respectively. Both are a testament to the long term commitment to the industry by the private owners of these tracks. A €3.17m (£2.5m) development was commenced at Kilcohan Park, Waterford, and is due for completion in Autumn 2002.

Lifford Greyhound Race Company Ltd. was purchased by the Duffy family in 2001 and the Board has committed €5.2m (£4.1m) to the total cost of the €8.8m facility. Planning permission has also been received for a €5m (£4m) stadium at the Showgrounds in Galway which will commence in Summer 2002. Plans are in progress to re-open a greyhound racing track at Clonmel. The Board has secured €12.7m funding from AIB to expedite its development programme. The repayment of this liability will be met by Board revenues and by future Government funding.

The introduction of Inter-track betting was a major step forward during 2001. The satellite transmission of Dublin racing to provincial tracks has boosted attendances and is expected to add €2m to totalisator betting in its first full year operation. Testing of the International Totalisator Systems Protocol (ITSP), enabling joint venture partners Euro Off-track to interface betting pools from the US and elsewhere in the world with the Dublin totalisator pools is now complete. Totalisator betting into the Dublin pools via the Euro Off-track website commenced in April 2001 and the live broadcast of Dublin racing to the US is expected to commence in the second half of 2001.

A greater degree of uniformity of our product has been achieved through the facilities development programme. Our business is now a premier night time entertainment sport. The public profile of our business has been expanded through the weekly Greyhound View programme which is now part of both TG4 and Sky digital service. The 'Late Late Show' greyhound has created a phenomenal interest and following amongst people who have had no previous association with greyhound racing.