

**SHANNON FOYNES PORT COMPANY**  
**(A company limited by shares)**  
**and its subsidiary undertakings**

**Annual Report and Consolidated**  
**Financial Statements**

**Year Ended 31 December 2012**

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**Annual Report and Financial Statements 2012**

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**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**Directors and Other Information**

**Board**

M. Collins (Chairperson)  
P. Cleary  
M. Finucane  
C. Henry  
E. Jennings  
P. Keating  
J. Treacy

**Secretary and Registered Office**

E. Stanley  
Harbour Office  
Foynes  
Co Limerick

Registered Number: 332414

**Independent Auditors**

Grant Thornton  
Chartered Accountants & Registered Auditors  
Mill House  
Henry Street  
Limerick

**Management**

P. Keating	Chief Executive Officer
J. Carlton	Port Services Manager
M. Morrissey	Commercial Manager
E. Stanley	Financial Controller & Secretary

**Solicitors**

Harrison O'Dowd  
98 Henry Street  
Limerick

Philip Lee Solicitors  
7-8 Wilton Terrace  
Dublin 2

Matheson Ormsby Prentice  
70 Sir John Rogersons Quay  
Dublin 2

Connolly Sellors Geraghty  
7 Glentworth Street,  
Limerick

**Bankers**

Allied Irish Bank Plc  
Main Street  
Foynes, Co. Limerick

Bank of Ireland  
125 O'Connell Street  
Limerick

Rabobank Ireland Plc  
Charlemont Place  
Dublin 2

**Actuaries**

Invesco Limited  
4 South Bank  
Crosses Green  
Cork

**SHANNON FOYNES PORT COMPANY  
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**DIRECTORS' REPORT**

The Directors have pleasure in submitting their Annual Report to the Shareholders together with the Audited Consolidated Financial Statements for the year ended 31 December 2012.

**Directors' Responsibilities for Financial Statements**

Irish Company Law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period. In preparing those 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963-2012, and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Books of Account**

The measures taken by the directors to secure compliance with the company's and the group's obligations to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at Mill House, Foynes, Co Limerick.

**Corporate Governance**

The company is committed to the Code of Practice for the governance of state bodies. It has appointed internal auditors as part of this process. A separate report on corporate governance is set out in pages 9 - 10.

**Prompt Payment of Accounts Act, 1997**

It is the policy of the company and the group to comply in all material respects with the terms of the Prompt Payment of Accounts Act, 1997.

**Principal Activities**

The business purpose of the group is to facilitate the flow of goods and attendant tracking information throughout the Shannon Estuary. With this purpose in mind, the group provides the infrastructure, facilities, services and accommodation necessary to cater for the efficient transfer of goods between land and sea transport. Revenue in connection with the provision of these facilities is generated from vessel and goods dues, stevedoring, rent and the ancillary services provided.

**Review of the Business**

A detailed review of the group's operations is set out on pages 11 - 14.

**SHANNON FOYNES PORT COMPANY**  
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**DIRECTORS' REPORT (CONTINUED)**

**Future Developments**

The strategy of the group is aimed at developing its activities in the Shannon Estuary and this will continue in the coming years.

**Post Balance Sheet Events**

The Board has formally approved the purchase of land at Foynes which was subsequently acquired following the satisfactory completion of contracts. This purchase which is strategic to the future of Foynes port has been financed from own cash resources.

**Results and Dividends**

The consolidated profit and loss account on page 19 shows the group's results for the year.

As sufficient distributable reserves do not exist, the directors do not recommend the payment of a dividend.

**Capital Injection**

This represented the difference between the net book value of assets taken over on Vesting Day (17 September 2000) and the issued share capital at that time.

The shareholder subscribed €3,809,214 for ordinary shares of €1.269738 each during the year ended 2001. Shares were allotted in respect of this sum during the year ending 31 December 2002 as follows:

3,047,371 Ordinary Shares of €1.25 each

In addition 11,246,513 Ordinary Shares of €1.25 each were issued out of the capital injection as at 31 December 2001.

**Directors**

The names of the persons who were directors at any time during the year ended 31 December 2012 are set out below. Unless indicated otherwise they served as directors for the entire year.

M. Collins

P. Keating

P. Cleary – Appointed 5<sup>th</sup> December

M. Finucane – Appointed 5<sup>th</sup> April

C. Henry – Appointed 5<sup>th</sup> April

E. Jennings – Appointed 16<sup>th</sup> January

P. Keane – Resigned 26<sup>th</sup> March

D. Naughton – Resigned 26<sup>th</sup> March

K. O'Hanlon – Resigned 26<sup>th</sup> March

G. Reidy – Resigned 28<sup>th</sup> August

J. Treacy – Resigned 28<sup>th</sup> August, appointed 29<sup>th</sup> August

**SHANNON FOYNES PORT COMPANY  
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**DIRECTORS' REPORT (CONTINUED)**

**Directors and Secretary's Interests**

The directors and secretary have no beneficial interests, including family interests, in the share capital of the company or its subsidiary companies at 31 December 2011 and 31 December 2012.

**Research and Development**

The group is committed to Research and Development to the benefit of the customer and the environment.

**Subsidiaries**

The information required by Section 158(4) of the Companies Act 1963 is provided in note 10 to the financial statements.

**Auditors**

Grant Thornton were re-appointed as auditors during the year in accordance with Section 160(2) of the Companies Act, 1963.

**Approval of Financial Statements**

The financial statements were approved by the directors on 8 April 2013.

**On behalf of the Board**

**Michael Collins**

**Director**

**Edmund Jennings**

**Director**

**Date: 8 April 2013**

**SHANNON FOYNES PORT COMPANY**  
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**CHAIRPERSONS' STATEMENT**

I am pleased to present the annual report for Shannon Foynes Port Company.

**Activities**

Operationally, it was another very successful year for Shannon Foynes Port Company which maintained its position as Ireland's largest bulk port company in terms of tonnage throughput in 2012. Cargo throughput of 10.3 million tonnes was up by 1.8% on the previous year. Whilst increases in cargo were primarily experienced at single user terminals, with an average increase of 2.8% year on year, our primary general cargo terminal at Foynes buoyed by a very strong final quarter to 2012 recorded a 3.8% increase in tonnages. Decreases in petroleum and aviation fuels at Limerick and Shannon respectively, lead to an overall average decline of 2.7% at multi user terminals. The operating profit before financing costs, profit on disposal of assets and taxation was €3.062 million which was a record operating performance for the Company and up by 6.6% on 2011. After financing costs and net disposal proceeds, the Company had a profit attributable to the Shareholder of approximately €2.025 million.

Noteworthy achievements in 2012 included:

- An increased operating margin from 28.2% in 2011 to 30.2%.
- The Company maintained its focus on cost control with operating and administrative costs decreasing by 3.1 % since 2011 and 19.6% since 2008.
- The Shannon Foynes Port Company Master Plan Vision 2041 was progressed to the final stakeholder consultation phase which was subsequently carried out in January 2013. Following consultation the Plan was formally adopted by the Board and launched on February 22<sup>nd</sup> 2013.
- The Company continued to forge close relationships with other state and related development agencies illustrated by its active role on the Steering Group of the Shannon Integrated Framework Plan which was adopted by the Group on the 19<sup>th</sup> November 2012.
- The Board of Directors approved the Company Capital Development Program 2013-2022 which identifies capital and infrastructure requirements over the period whether development, replacement or rehabilitative (both commercial and non-commercial) in nature.
- The Company developed and published a Corporate Social Responsibility Policy outlining its commitment to the development of modern and efficient systems and recognising good Corporate Social Responsibility to be of equal importance to other prime business considerations.
- Significant progress was achieved towards realising the objectives of the Strategic Plan 2012 – 2016.
- The Company is on course to approve the 2013-2017 Strategic Plan and present it to the Departments of Transport and Finance by the due date.

**Capital Investment**

Capital Additions were €0.638 million in the year. The most significant amount relates to the upgrade of the company VTS System. The existing system was fourteen years old and in terms of such equipment, was fast becoming obsolete. €335k was capitalised in 2012 to completely upgrade the system whilst reducing running and maintenance costs in the future. Failure to invest would have resulted in our current VTS capabilities becoming redundant resulting in our inability to accept large vessels during bad weather periods.

€180k was invested in infrastructure, €125k relating to the redesign and development of the Eastern Entrance to Foynes Port.

I confirm compliance with the Guidelines for the Appraisal and Management of Capital Expenditure Proposals.

**SHANNON FOYNES PORT COMPANY  
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**CHAIRPERSONS' STATEMENT (CONTINUED)**

**Corporate Governance**

Shannon Foynes Port Company saw in 2012, a number of Directors retire, the appointment of new Directors and the reappointment of two Directors.

Shannon Foynes Port Company remains committed to full compliance to the *Code of Practice for the Governance of State Bodies*. A compliance review was undertaken in early 2008 with follow-up reviews carried out in January 2009 and again in February 2010 in light of the updated *Code of Practice* issued in June 2009. These reviews established that the Company was compliant in all areas of the Code as at 2010. Further review's was carried out by Management for 2011 and 2012 which found that the Company was again compliant in all areas.

The Board's Risk Management Committee met on three occasions during 2012 under the Chairmanship of Joe Treacy. The purpose of the Risk Management Committee is to ensure the development and implementation of the company's Risk Management Policy; to ensure that appropriate procedures are in place to identify, assess and manage risk; to monitor the management team's implementation of those procedures, and to report to the Board as necessary. Following a review of Committee memberships, Michael Finucane was appointed Chairman of the Committee from the 14<sup>th</sup> December 2012. Risk management continues to be an agenda item at all Board Meetings.

The Board aims, through executive management, to operate a system of internal financial controls which mitigate against key financial and business risks and is also in compliance with the corporate governance guidelines. The system of controls was monitored on behalf of the Board by the Audit Committee, under the chairmanship of Mr. Edmund Jennings.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the management within Shannon Foynes Port Company who develop and maintain the financial control framework, through its ISO9001 quality assurance standard; the Internal Auditor, the Audit Committee which oversees the work of Internal Audit and comments made by the External Auditor in their management letter.

Shannon Foynes Port Company has outsourced its Internal Audit function. The work of internal audit is agreed in consultation with management and the Audit Committee and is subsequently agreed by the Board. The Internal Audit Service provider operates in accordance with the Framework Codes of Best Practice set out in the *Code of Practice on the Governance of State Bodies* and reports directly to the Audit Committee. The Internal Auditor reports to and presents its work to the Audit Committee. The Internal Audit reports presented to the Audit Committee reflects the Internal Auditor's opinion on the adequacy of the controls that have been reviewed. Deloitte acted as Internal Auditors from 2008 through to 2012 and completed the agreed programme of work from the 2012 Internal Audit Plan as approved by the Board on 16<sup>th</sup> December 2011 in full during the year. Following a successful procurement process, PricewaterhouseCoopers were appointed Internal Auditors for an initial three year period from December 2012.

Other key systems are also subject to audit. Based on these systems and procedures being in place, I confirm that the Company conforms to the Corporate Governance Guidelines and to the Codes of Conduct issued by the Department.



**SHANNON FOYNES PORT COMPANY  
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**CHAIRPERSONS' STATEMENT (CONTINUED)**

**Remuneration**

Shannon Foynes Port Company complies with the Government Guidelines on the payment of Directors' fees and on the Government policy on the pay of the Chief Executive and all State Body employees.

**Statutory Compliance**

To the best of my knowledge and belief all the statutory requirements of the Company have been complied with.

**Developments since year-end**

The Board has formally approved the purchase of land at Foynes which was subsequently acquired following the satisfactory completion of contracts. This purchase which is strategic to the future of Foynes port has been financed from own cash resources.

**The future**

In addition to the land purchase noted above, the Company intends to invest €1.2 million in fixed assets in 2013. The Board is fully committed to delivering on the strategic vision as outlined in the Shannon Foynes Master Plan and to that end, will be actively pursuing the implementation of all key deliverables identified in the Plan.

I wish to thank my fellow Directors for their continuing work on behalf of the company throughout the year. I welcome Mr. Padraig Cleary, Mr. Michael Finucane and Mr. Conal Henry as new members of the Board and Mr. Edmund Jennings and Mr. Joe Treacy who have been reappointed. I acknowledge with thanks the work done by former members who are no longer Directors. On behalf of the Board I would like to thank the management and staff for their efforts and co-operation during 2012 in supporting the direction being provided by the Board.

**Michael Collins**  
**Chairperson**  
**Shannon Foynes Port Company**  
**Date: 8 April 2013**

**SHANNON FOYNES PORT COMPANY  
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CORPORATE GOVERNANCE REPORT**

**Responsibility for System of Internal Financial Control**

On behalf of the Board of Directors of Shannon Foynes Port Company I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

**Key Control Procedures**

During the year ended 31 December 2012, the Board has taken steps to ensure an appropriate control environment is in place by;

- Clearly defining management responsibilities with the services of qualified personnel having been secured and with duties properly allocated among them, segregating duties where practicable;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Having a comprehensive budgeting system with an annual budget which is reviewed by the Audit Committee and approved by the Board. Providing monthly reports to the Board monitoring performance against Budget and identifying any material variances which occur;
- Providing training to new and existing members of the Board of Directors on their roles and responsibilities;
- The Audit Committee undertaking their roles and responsibilities during the period under review;
- Performance of a review of Corporate Governance within the Company;
- Developing and establishing a Risk Management Policy to identify and evaluate key business risks by:
  - Identifying the nature of the key business risks facing the organisation;
  - Evaluating the impact and likelihood of the gross risks materializing;
  - Identifying the controls in place to mitigate the gross risks;
  - Re-evaluating the risks taking into account the controls in place to identify if the inherent risk is at an acceptable/manageable level;
  - Identifying a risk owner for each Business Risk identified;
  - Identifying further strategies where required to manage the key risks;
  - Regular review and update of Business Risks process
  - Risk Management is a standing agenda item at all scheduled meetings of the Board
- Establishing procedures whereby employees of the Company may, in confidence, raise concern about possible irregularities in financial reporting or other matters, and for ensuring meaningful follow-up of matters raised in this way.

**SHANNON FOYNES PORT COMPANY  
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CORPORATE GOVERNANCE REPORT (CONTINUED)**

- Continued certification of the ISO 9001 Quality Assurance Standard and achievement of OHSAS 18001, an internationally recognised standard for health and safety management, certification during 2012.
- Shannon Foynes Port Company has outsourced its Internal Audit function. The work of internal audit is agreed in consultation with management and the Audit Committee. Deloitte have acted as Internal Auditors from 2008 through to 2012. The Internal Audit Programme for 2012 was recommended to the Board by the Audit Committee at the Board Meeting of 16th December 2011 and was subsequently carried out in full. The Internal Audit Service Provider operates in accordance with the Framework Codes of Best Practice set out in the Code of Practice on the Governance of State Bodies and reports directly to the Audit Committee. The Internal Auditor reports to and presents its work to the Audit Committee. The Internal Audit reports presented to the Audit Committee reflect the Internal Auditor's opinion on the adequacy of the controls that have been reviewed. Following a successful procurement process, PricewaterhouseCoopers were appointed Internal Auditors for an initial three year period from December 2012.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the management within Shannon Foynes Port Company who develop and maintain the financial control framework, the Internal Auditor, the Audit Committee which oversees the work of Internal Audit and comments made by the External Auditor in their management letter.

In the year ended 31 December 2012, management have conducted a review of the effectiveness of the system of internal financial controls. This review was presented to the Audit Committee who in turn recommended it to the Board.

**Michael Collins**  
**Chairperson**  
**Shannon Foynes Port Company**  
**Date 8 April 2013**

**SHANNON FOYNES PORT COMPANY**  
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**BUSINESS AND OPERATING REVIEW**

**Operating Review**

2012 was another very successful year for Shannon Foynes Port Company. 2012 results show improvement in key operating financial performance indicators with Operating Profit significantly ahead of that posted in 2011. As stated in the Chairpersons' statement tonnage throughput surpassed 10m tons representing a year on year growth of 2.0%. Accordingly, SFPC throughput has now returned to levels last seen in 2008 suggesting that there is more life in the economy than one is generally led to believe. At the time of writing GNP figures for 2012 are not available but commentators are now suggesting that the economy grew by around 2% of GNP, indicating that Ireland is again one of the better performers in the Eurozone. Notably though imports, which form the lion's share of SFPC's tonnage throughput only grew by 0.6% during 2012 indicating that our tonnage performance was relatively robust when benchmarked against national activity.

The main drivers underpinning our 2012 tonnage performance relate to the agricultural and energy sectors. The well documented bad weather of 2012 impacted positively with animal feed imports particularly strong during Q4. Likewise, the on-going restructuring in the domestic fuels distribution market has also had significant positive impact. In terms of energy generation price relativities on global commodity markets continue to move in a favourable direction bolstering tonnage imports as did the importation by the National Oil Reserve Agency of strategic inventories at its recently commissioned 140k ton national strategic deepwater storage facility on Tarbert Island. Indicators at the time of writing are that the investment sector stabilised during 2012, however, there is now very little activity in the construction sector and hence related bulk and break bulk trades for that sector continue to underperform.

With regard to the financials, SFPC again recorded a very robust financial performance and while turnover remained unchanged at €10.1m, operating profit increased to over €3m (2011:€2.9m) for the first time reflecting a year on year increase of 6.6%. Given that turnover remained static this increase in profitability has been driven by increased efficiencies in the business as reflected by the increase in operating margin to 30.2% (2011: 28.2%). This increase in margin results from our continued focus on both revenue maximisation and cost control and represents a fivefold increase in margin when compared to 2006 levels. At €7m (2011: €7.3m) operating and administration costs are historically at their lowest levels and at current throughput and operating parameters, we believe that real costs levels will flatten out. We believe we are now resourced at a level sufficient to provide competitive efficient services to our customers but with regard to the competitive position of the port generally, there are certain indirect service areas that remain uncompetitive when benchmarked against peer ports and we intend to address these in the short term.

While we are reporting strong bottom line profits the Company is faced with substantial obligations in terms of pension liabilities, debt servicing requirements, its capital investment program and more onerous requirement from its shareholder in the form of increased dividend payments. Therefore, it is essential that we maintain the upward trend in profitability reported in recent years in order to satisfy these obligations in the future. Indeed after taking these obligations to account during 2012 the Company generated a marginal net cash flow of just €22k.

As previously reported our Balance Sheet continues to move to a position of strength reflecting the improved operating performance of recent years as evidenced by liquidity and gearing levels not attained for some time. There are substantial funding requirements identified in the capital investment program underlying our recently launched 30 year Masterplan, Vision 2041 and the challenge is therefore to increase free cash flow. The two main areas that we will employ to address this challenge are the projected increases from revenues sources identified in Vision 2041 and by submitting, in the short term, a pension funding proposal to address the pension deficits.

**SHANNON FOYNES PORT COMPANY**  
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**BUSINESS AND OPERATING REVIEW (CONTINUED)**

**Long-term Creditors**

Debt has reduced to €13.3m from its 2008 peak of €17.6m notwithstanding the significant investment expenditure of €5.8m incurred from 2008 to date. The Company remains committed to investing in its infrastructure over the short, medium to long-term as demonstrated in its Masterplan, Vision 2041. Additionally, the solid operating performance of recent years has allowed it to maintain the trend of debt reduction as reflected by much improved gearing of 35% (2011:40%). With regard to long term pension obligations, net deficit reduced during the year by circa €1.3m on the back of substantially increased employer contributions, improved asset performance and changes to actuarial assumptions. As mentioned we are currently preparing a funding proposal consistent with the new funding standard framework finalised by the Pensions Board during 2012. This funding proposal will attempt to address the pension deficit over the long term and accordingly will address the underlying liabilities as aggressively as allowed under the funding framework. This approach is necessary given the capital requirements identified in the Company's Capital Investment Program in order to enable future business growth and meet shareholder dividend demands.

**Capital Expenditure**

Minister Leo Varadkar officially launched our 30 year Masterplan, Vision 2041, on 22 February 2013. We believe this plan to be realistic, attainable and ambitious whereby it has identified substantial capacity requirements to facilitate future growth. Much of this capacity can be rolled out piecemeal over the plan period and will be driven by tonnage demand. Additionally, Vision 2041 is closely aligned with the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary, which is a spatial plan supported by the planning and environmental authorities and identifies several new deepwater sites (20m+) such as Foynes Island for marine related industries including the provision of deepwater berthage. We look forward to working with all stakeholders toward the implementation of Vision 2041 and note that it includes the development of both internal infrastructure (funded by SFPC) such as provision of new quays and external connectivity infrastructure (funded by third parties). Significant projects identified in Vision 2041 to be delivered in the short to medium term include the East Jetty Infill at Foynes which will cost in the region of €12m and the reinstatement of the Limerick-Foynes rail line. Both these projects are the subject of a funding application under the 2013 Ten-t tender call.

Capital expenditure incurred during the year is as outlined in the Financial Statements.

**Environment**

The Board and management are committed to the continual improvement of its environmental, health and safety management systems (EHS). Significant progress was made during 2012 with the Company gaining OHSAS 18001 accreditation and my thanks are extended to all staff who were instrumental in gaining this standard. Continued consolidation and integration of EHS systems will be supported by our intention to gain accreditation to the Ecoports PERs standard during 2013. During 2012 we made significant investment in this area and have budgeted considerable expenditure in 2013 to further enhance our EHS resources.

**SHANNON FOYNES PORT COMPANY  
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**BUSINESS AND OPERATING REVIEW (CONTINUED)**

**The Future**

As mentioned, Vision 2041 was recently launched by the Minister for Transport, Tourism and Sport. Vision 2041 is structured around the main geographical areas of the Shannon Estuary, Foynes Port and Limerick Docks. It has taken account and is consistent with the outputs of the Shannon Integrated Framework Plan. Vision 2041 identifies many exciting opportunities such as the projected doubling of annual trade from 10m tons today to 20m tons by 2041. Improved accessibility for trade together with better integration of the ports with the urban fabric so that the communities and ports can operate in harmony are equally important targets of Vision 2041. This growth in trade will bring its own challenges but we are confident that these can and will be successfully managed. Vision 2041 identifies the key actions needed to achieve the targets such as;

- The provision of a new deepwater berth (circa 20m draft) at Foynes and the continued expansion of existing infrastructure at Foynes in order to capitalise on the trend toward larger vessels
- The promotion of the nine strategic deep water sites identified in the SIFP for marine related investment
- The reinstatement of the Limerick to Foynes rail line
- The Upgrading of the N69
- The attainment of land zoning to facilitate port expansion
- The diversification of noncore assets at Limerick by promoting a themed designation such as the Marine Energy Park
- Effective utilisation of existing assets will be a key component in future land strategy and in planning the expansion of Port infrastructure
- Improving the visual appearance of Limerick Docks and Foynes Port as well as enhancing our relationship with local communities by introducing various public awareness initiatives

The implementation of Vision 2041 while guided by SFPC will require stakeholder involvement and support. We are confident that resulting from the extensive consultations undertaken during its preparation that all stakeholders are equally excited and committed to assisting where possible the implementation of Vision 2041. Vision 2041 is intended to be a dynamic plan and periodic reviews will be facilitated in order for it to evolve in line with changing circumstances.

Notwithstanding the many opportunities identified in Vision 2041 there are also some significant threats that could mitigate against its successful implementation. These were outlined in previous annual reports and include the following;

- The foreshore process remains archaic and unfit for purpose, we note and welcome the current consultation initiated by the foreshore division but progress in modernising the system is much too slow and there is strong evidence that Ireland Inc is losing substantial investment as a result. The aim this time last year was for a Foreshore Bill to be at draft stage in 2012.

**SHANNON FOYNES PORT COMPANY  
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**BUSINESS AND OPERATING REVIEW (CONTINUED)**

- The Shannon Estuary pSPA designation. The review process for this designation, to which SFPC has objected to, appears to be stalled. Given the implications of this designation we have completed a report demonstrating that alternative approaches exist that are consistent with the Natura Directives but, importantly, allow future development to take place. We again urge that the relevant Minister, the NPWS and the Department officials consider this report and note the methodology advocated therein has been widely adopted and accepted in other areas of Ireland, UK and Europe.
- The Shannon Estuary is particularly suited to large scale energy related projects. Indeed the SIFP recognises this fact under its energy development theme based on the deepwater potential of the Estuary and the shore side grid infrastructure already in place. The types of energy projects envisaged under Vision 2041 and the SIFP will be more than likely subject to the CER regulatory process. Accordingly, due to the likely regional and national importance of these projects the CER consents process should be as transparent, efficient and investor friendly as possible. An inefficient process costs time, money and invariably increases the risk that a project will not proceed. We respectfully request that the regulators review their systems and benchmark them against international best practice in order to improve Ireland Inc's competitive standing in the foreign direct investment space.

Finally, with the government having successfully concluded restructuring deals on the country's debt and with economic activity expected to be amongst the best in the Eurozone for 2013, the ongoing calls for austerity should dissipate allowing for a return to confidence in the domestic economy. SFPC is now well positioned to take advantage of an economic revival and has mapped out a clear roadmap for growth in Vision 2041 by inter alia realising the potential afforded by the deepwater advantage of the Shannon Estuary. Equally we are committed to providing competitively priced services to our customers in all areas of port operations and we will continue to address those areas that remain uncompetitive in 2013.

**Acknowledgements**

I would like to sincerely thank all our employees for their hard work and dedication during the year with their contribution being very much appreciated.

I wish to thank the Chairperson and Directors for their guidance and assistance to me and the management team during the year. I also extend my gratitude and appreciation to the staff in the Marine Transport Section of the Department of Transport for their assistance during the year.

Finally I would like to thank our customers for their support during the year and look forward to their continued support ahead.

**Pat Keating  
Chief Executive Officer  
Shannon Foynes Port Company  
Date: 8 April 2013**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

We have audited the financial statements of Shannon Foynes Port Co Limited for the year ended 31 December 2012, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Company and the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of Accounting Policies therein.

**Respective responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

This report is made solely to the company's shareholders, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts 1963 to 2012. We also report to you whether in our opinion proper books of account have been kept by the company whether at the balance sheet date there exists a financial situation requiring the convening of an extraordinary general meeting of the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and its profit and loss account are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. We have also read the Chairpersons' Statement, the Corporate Governance Report and the Business and Operating Review and we are satisfied that they are consistent with the financial statements. Our responsibilities do not extend to any other information.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies made in the Directors' Report reflects the Company's compliance with Para 13.1 (iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS  
(CONTINUED)**

**Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company and of the Group's affairs as at 31 December 2012 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts 1963 – 2012 and the European Communities, (Companies Group Accounts) Regulations 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account. In our opinion the information given in the Directors' is consistent with the financial statements.

The net assets of the group as stated in the Balance Sheet, are more than half of the amount of its called up share capital and in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which, under Section 40(1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the company.

**Damian Gleeson  
For and on behalf of  
Grant Thornton  
Chartered Accountants & Registered Auditors  
Mill House  
Henry Street  
Limerick**

**Date: 8 April 2013**

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The financial statements are presented in Euro.

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**b) Basis of Consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings.

**c) Goodwill**

Goodwill represents the excess of the fair value of the acquisition cost over the fair value of the net assets acquired and is being written off to the profit and loss account over 20 years.

**d) Turnover**

Turnover represents the value of goods and services at invoiced value, exclusive of value added tax and trade discounts.

**e) Tangible Fixed Assets**

The cost of tangible fixed assets includes directly attributable costs, including appropriate commissioning costs. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates which are estimated to write off tangible fixed assets by the end of their expected useful lives. It the Company's policy not to revalue fixed assets.

	<b>Annual Rate</b>
<b>Straight Line Basis</b>	
Docks, Quays and Works	2-15%
Buildings	2-50%
Plant & Machinery	5-25%
Fixture & Fittings and Office Equipment	20-33.33%
Motor Vehicles	20%
River Lights	10%
Leased Plant & Equipment	14-25%
Leasehold Improvements	10%
Land is not depreciated	

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**ACCOUNTING POLICIES (CONTINUED)**

- f) Government and European Union Grants**  
Capital grants received are treated as deferred income and credited to the profit and loss account by instalments on a basis consistent with the relevant depreciation policy. Revenue grants are credited to the profit and loss account to offset the matching expenditure.
- g) Research and Development**  
All expenditure on research and development is written off as incurred.
- h) Dredging**  
The cost of routine or maintenance dredging projects is charged to the profit and loss account as incurred. Other dredging expenditure is capitalised and written off over its economic life.
- i) Deferred Taxation**  
Deferred taxation is provided on 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 profits/ (losses) as computed for tax purposes and profits/ (losses) as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.
- Deferred tax is measured at the tax rates that are expected to apply in the years 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. Deferred taxation is not discounted.
- j) Pensions**  
The parent company operates three defined benefit pension schemes. All are legacy schemes and closed to new entrants. Although all of the schemes remain in deficit, the parent company is currently paying contributions to the Shannon Estuary Ports Company Superannuation Plan and the Foynes Port Company Pension Scheme at levels agreed with the Trustees of the schemes.

The company provides for the deficits in the schemes in accordance with FRS 17.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT & LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2012**

	Note	2012 €	2011 €
Turnover	1(a)	10,124,862	10,146,927
Operational Costs	1(b)	(5,214,348)	(5,333,207)
<b>Gross Profit</b>		<b>4,910,514</b>	<b>4,813,720</b>
Administration Expenses	1(b)	(1,818,787)	(1,926,552)
Amortisation of Goodwill	12	(29,204)	(29,204)
<b>Operating Profit</b>		<b>3,062,523</b>	<b>2,857,964</b>
Exceptional Items	3	-	201,233
Interest Payable and Similar Charges	4	(525,542)	(575,559)
Interest Receivable and Similar Income		90,554	29,434
Other Financing Cost	24(a)	(606,000)	(664,000)
Profit on Sale of Fixed Assets		698	1,111,397
<b>Profit on Ordinary Activities before Taxation</b>	5	<b>2,022,233</b>	<b>2,960,469</b>
Taxation on Profit on Ordinary Activities	6	2,896	(232,074)
<b>Profit Attributable to the Shareholder</b>	20	<b>2,025,129</b>	<b>2,728,395</b>

All the figures relate to continuing operations.

There were no recognised gains or losses other than those dealt with in the profit and loss account.

**Note on Historical Cost Profits**

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year on an historical cost basis and the corresponding amounts stated above.

Approved by the Board of Directors on 8 April 2013 and signed on its behalf by;

**Michael Collins**  
**Director**

**Edmund Jennings**  
**Director**

The notes on pages 25 – 38 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**  
**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**31 DECEMBER 2012**

	<b>Note</b>	<b>2012</b> <b>€</b>	<b>2011</b> <b>€</b>
Profit for the year		2,025,129	2,728,395
Actuarial return less expected return on Pension scheme assets	24(a)	660,000	(656,000)
Experience gains rising on the Pension Scheme's Liabilities	24(a)	604,000	642,000
Changes in assumptions underlying the present value of the schemes liabilities	24(a)	(948,000)	205,000
Deferred Tax related to Actuarial Loss		(39,500)	(23,875)
<b>TOTAL RECOGNISED GAINS</b>		<b>2,301,629</b>	<b>2,895,520</b>

The notes on pages 25 – 38 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2012**

	Note	2012 €	2011 €
<b>Fixed Assets</b>			
Tangible Assets	8(a)	46,609,682	47,691,416
Financial Assets	9	2,539	2,539
Intangible Assets	12	226,018	255,222
		<u>46,838,239</u>	<u>47,949,177</u>
<b>Current Assets</b>			
Debtors	13	2,869,803	2,389,168
Cash and Bank Balances		4,191,317	3,794,084
		<u>7,061,120</u>	<u>6,183,252</u>
<b>Creditors</b> (Amounts falling due within one year)	14	(2,455,784)	(1,869,668)
<b>Net Current Assets</b>		<u><b>4,605,336</b></u>	<u><b>4,313,584</b></u>
<b>Total Assets</b>		51,443,575	52,262,761
<b>Creditors</b> (Amounts falling due after more than one year)	15	(12,089,237)	(13,577,627)
<b>Provision for Liabilities and Charges</b>	24(a)	(9,656,500)	(10,996,125)
<b>Deferred Income</b>	17	(5,298,434)	(5,591,234)
<b>Net Assets</b>		<u><b>24,399,404</b></u>	<u><b>22,097,775</b></u>
<b>Capital and Reserves</b>			
Called Up Share Capital	18	22,187,359	22,187,359
Capital Injection	19	4,916,921	4,916,921
(Loss) Carried Forward	20	(2,704,876)	(5,006,505)
<b>Equity Shareholders Funds</b>	21	<u><b>24,399,404</b></u>	<u><b>22,097,775</b></u>

Approved by the Board of Directors on 8 April 2013 and signed on its behalf by;

**Michael Collins**  
**Director**

**Edmund Jennings**  
**Director**

The notes on pages 25 – 38 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**COMPANY BALANCE SHEET**  
**31 DECEMBER 2012**

	Note	2012 €	2011 €
<b>Fixed Assets</b>			
Tangible Assets	8(b)	46,597,456	47,676,996
Financial Assets	9	1,070,142	1,070,142
		<u>47,667,598</u>	<u>48,747,138</u>
<b>Current Assets</b>			
Debtors	13	2,909,236	2,532,383
Cash and Bank Balances		4,033,945	3,464,880
		<u>6,943,181</u>	<u>5,997,263</u>
<b>Creditors</b> (Amounts falling due within one year)	14	(2,419,554)	(1,858,944)
<b>Net Current Assets</b>		<u><b>4,523,627</b></u>	<u><b>4,138,319</b></u>
<b>Total Assets</b>		52,191,225	52,885,457
<b>Creditors</b> (Amounts falling due after more than one year)	15	(12,089,237)	(13,577,627)
<b>Provision for Liabilities and Charges</b>	24(a)	(9,656,500)	(10,996,125)
<b>Deferred Income</b>	17	(5,298,434)	(5,591,234)
<b>Net Assets</b>		<u><b>25,147,054</b></u>	<u><b>22,720,471</b></u>
<b>Capital and Reserves</b>			
Called Up Share Capital	18	22,187,359	22,187,359
Capital Injection	19	5,457,046	5,457,046
(Loss) Carried Forward		(2,497,351)	(4,923,934)
<b>Equity Shareholders Funds</b>		<u><b>25,147,054</b></u>	<u><b>22,720,471</b></u>

Approved by the Board of Directors on 8 April 2013 and signed on its behalf by;

**Michael Collins**  
**Director**

**Edmund Jennings**  
**Director**

The notes on pages 25 – 38 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASHFLOW STATEMENT**  
**31 DECEMBER 2012**

	Note	2012 €	2011 €
Net Cash Inflow from Operating Activities	A	2,560,296	4,238,894
Returns on Investments and Servicing of Finance	B	(436,861)	(560,303)
Taxation		2,896	(232,074)
Capital Expenditure and Financial Investment	C	(616,276)	364,086
Financing	D	(1,488,390)	(334,061)
<b>Increase in Cash in the Period</b>		<b><u>21,665</u></b>	<b><u>3,476,542</u></b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)**

	2012 €	2011 €
Increase in Cash in the period	21,665	3,476,542
Medium and Long Term Loans	1,488,390	322,553
Lease Finance received net of Capital Elements paid	-	11,507
	<b><u>1,510,055</u></b>	<b><u>3,810,602</u></b>

**ANALYSIS OF CLOSING NET (DEBT) AT 31 DECEMBER**

	Opening Net (Debt) at 31 December 2011 €	Cash Flow €	Closing Net (Debt) at 31 December 2012 €
Cash and bank balances	3,794,084	397,233	4,191,317
Overdrafts and loans	(880,884)	(375,568)	(1,256,452)
Debt falling due within one year	2,913,200	21,665	2,934,865
Debt falling due after one year	(13,577,627)	1,488,390	(12,089,237)
	<b><u>(10,664,427)</u></b>	<b><u>1,510,055</u></b>	<b><u>(9,154,372)</u></b>

The notes on pages 25 – 38 form part of these audited financial statements.



**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASHFLOW STATEMENT (CONTINUED)**  
**31 DECEMBER 2012**

<b>A</b>	<b>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b>	<b>2012</b> €	<b>2011</b> €
	Operating Profit	3,062,523	2,857,964
	Depreciation Charges	1,710,102	1,709,957
	Amortisation of Goodwill	29,204	29,204
	Grant Amortisation	(292,800)	(292,800)
	(Increase) /Decrease in Debtors	(494,026)	598,622
	(Decrease) in Creditors	214,418	(107,660)
	Exceptional Items	-	201,233
	(Decrease) in provision for Liabilities and Charges	(1,669,125)	(757,626)
	<b>Net Cash Inflow from Operating Activities</b>	<b>2,560,296</b>	<b>4,238,894</b>
<b>B</b>	<b>Returns on Investment and Service of Finance</b>	<b>2012</b> €	<b>2011</b> €
	Interest Paid	(529,412)	(574,380)
	Interest Received	92,550	14,077
		<b>(436,861)</b>	<b>(560,303)</b>
<b>C</b>	<b>Capital Expenditure and Financial Investment</b>	<b>2012</b> €	<b>2011</b> €
	Payments to Acquire Tangible Fixed Assets	(626,376)	(819,374)
	Sale of Tangible Fixed Assets	10,100	1,183,460
		<b>(616,276)</b>	<b>364,086</b>
<b>D</b>	<b>Financing</b>	<b>2012</b> €	<b>2011</b> €
	Medium and Long Term Loans	(1,488,390)	(322,554)
	Lease Finance Paid Net of Capital Elements Paid	-	(11,507)
		<b>(1,488,390)</b>	<b>(334,061)</b>

The notes on pages 25 – 38 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>1</b>	<b>Analysis of Turnover and Operational Administration Expenses</b>	<b>2012</b>	<b>2011</b>
	<b>(a) Turnover</b>	<b>€</b>	<b>€</b>
	Ship and Cargo Dues	6,530,100	6,396,136
	Stevedoring	829,131	974,037
	Other Operating Income	2,765,631	2,776,754
		<u>10,124,862</u>	<u>10,146,927</u>
	<b>(b) Operational and Administration Expenses</b>	<b>2012</b>	<b>2011</b>
		<b>€</b>	<b>€</b>
	Operating and Maintenance	(3,632,392)	(3,770,807)
	Dredging	(192,448)	(181,126)
	Depreciation	(1,682,308)	(1,674,074)
	Grant Amortisation	292,800	292,800
		<u>(5,214,348)</u>	<u>(5,333,207)</u>
	Total Operational Costs	<u>(5,214,348)</u>	<u>(5,333,207)</u>
	Administration and Other	<u>(1,818,787)</u>	<u>(1,926,552)</u>
<b>2</b>	<b>Employment Information</b>	<b>2012</b>	<b>2011</b>
	The Group Costs incurred in respect of Employees were:	<b>€</b>	<b>€</b>
	Wages and Salaries	2,455,028	2,686,213
	Social Welfare Costs	249,973	236,991
	Pension Costs	323,347	382,497
		<u>3,028,348</u>	<u>3,305,701</u>
	The average number of staff employed by the company during the financial year amounted to:	<b>2012</b>	<b>2011</b>
		<b>Number</b>	<b>Number</b>
	Operational	29	31
	Administration	11	11
		<u>40</u>	<u>42</u>
<b>3</b>	<b>Exceptional Items</b>	<b>2012</b>	<b>2011</b>
		<b>€</b>	<b>€</b>
	Legal Provisions and Rationalisation	-	201,233

The release of the exceptional items to the profit and loss account in the year ended 31 December 2011 was as a result of over provisions in previous years.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 Interest Payable and Similar Charges**

	2012	2011
	€	€
On Bank Borrowings:		
- interest payable on bank loans and overdrafts wholly repayable after five years	(518,449)	(563,993)
- interest payable on other loans wholly repayable after five years	(7,093)	(11,428)
- on finance lease agreements	-	(138)
	<b>(525,542)</b>	<b>(575,559)</b>

**5 Profit on Ordinary Activities Before Taxation**

	2012	2011
	€	€

Profit on Ordinary Activities is stated after charging:

**Directors Fees**

M Collins – Chairperson	12,600	-
M Adams – Resigned 24 <sup>th</sup> Sept 2011	-	5,933
J Carr – Resigned 24 <sup>th</sup> Sept 2011	-	5,933
P Cleary	675	-
C Henry	6,075	-
M Finucane	-	-
E Jennings	7,763	7,571
P Keane	2,025	8,100
K McGuinness – Resigned 30 <sup>th</sup> Dec 2011	-	11,777
R McInerney – Resigned 24 <sup>th</sup> Sept 2011	-	5,933
D Naughton	2,025	8,100
K O'Hanlon	2,025	8,100
G Reidy	5,400	8,100
R Sadlier - Resigned 24 <sup>th</sup> Sept 2011	-	5,933
J Treacy	5,400	8,100
P. Keating	8,100	8,100
	<b>52,088</b>	<b>91,680</b>

	2012	2011
	€	€
<b>Expenses paid to members of the Board</b>		
Travel Expenses	3,789	11,841
Subsistence	67	529
	<b>3,856</b>	<b>12,370</b>

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>5 Profit on Ordinary Activities Before Taxation (<i>continued</i>)</b>	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
<b>Chief Executive Remuneration for Management Services</b>		
Salary	117,500	117,500
Employer's Pension Contribution and other emoluments	60,500	60,500
	<hr/>	<hr/>
	<b>178,000</b>	<b>178,000</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Auditors Remuneration	19,000	20,000
Depreciation	1,710,102	1,709,957
Amortisation of Intangible Fixed Assets	29,204	29,204
Amortisation of Capital Grants	(292,800)	(292,800)
	<hr/>	<hr/>
<b>6 Tax on Profit on Ordinary Activities</b>	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Current Tax:		
Irish Corporation Tax on Profit for the year	-	-
Adjustments in respect of prior years	(2,896)	-
	<hr/>	<hr/>
Current tax credit for the year	-	-
Deferred Tax:		
Origination and Reversal of Timing Difference	-	-
Capital Gains Tax	-	232,074
	<hr/>	<hr/>
	<b>(2,896)</b>	<b>232,074</b>
	<hr/> <hr/>	<hr/> <hr/>

The current tax credit for the year is lower than the current credit that would result from applying the standard rate of Irish Corporation Tax to Profit on Ordinary Activities. The differences are explained below:

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>6 Tax on Profit on Ordinary Activities (<i>continued</i>)</b>	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Profit on Ordinary Activities before Tax	2,022,233	2,960,469
	<u>                    </u>	<u>                    </u>
Profit on Ordinary Activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2011: 12.5%)	252,779	370,059
Effects of:		
Expense adjustments by the rate of tax	(274,752)	(256,799)
Excess depreciation over capital allowances by the rate of tax	100,274	105,655
Interest income by rate of tax	(11,319)	(3,680)
Capital Gains Tax	-	232,074
Overprovision in prior period	(2,896)	-
Losses forward by the rate of tax	(66,982)	(215,235)
	<u>                    </u>	<u>                    </u>
Current Tax Credit for the year	(2,896)	232,074
	<u>                    </u>	<u>                    </u>

**7 Profit Attributable to Shannon Foynes Port Company**

A profit of €2,150,083 (2011: €2,771,245) attributable to the shareholders of Shannon Foynes Port Company (a company limited by shares) has been recorded in the financial statements of that company.

A separate profit and loss account has not been prepared for the parent company because the conditions laid down in Section 3(2) of the Companies (Amendment) Act 1986 have been complied with.

SHANNON FOYNES PORT COMPANY (A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8(a) Tangible Fixed Assets – Group	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
<b>Cost</b>							
At 31 December 2011	35,605,550	1,302,924	12,962,297	197,963	450,323	14,746,100	65,265,157
Additions	179,633	381,794	11,962	28,000	36,383	-	637,772
Disposals	-	(37,069)	(1)	(29,500)	(22,226)	-	(88,796)
At 31 December 2012	<u>35,785,183</u>	<u>1,647,649</u>	<u>12,974,258</u>	<u>196,463</u>	<u>464,480</u>	<u>14,746,100</u>	<u>65,814,133</u>
<b>Depreciation</b>							
At 31 December 2011	7,205,032	1,166,156	6,473,893	109,439	396,955	2,222,266	17,573,741
Charge for year	748,347	60,777	544,482	36,084	28,275	292,137	1,710,102
Disposals	-	(35,533)	-	(21,633)	(22,226)	-	(79,392)
At 31 December 2012	<u>7,953,379</u>	<u>1,191,400</u>	<u>7,018,375</u>	<u>123,890</u>	<u>403,004</u>	<u>2,514,403</u>	<u>19,204,451</u>
<b>Net Book Value</b>							
At 31 December 2012	<u>27,831,804</u>	<u>456,249</u>	<u>5,955,883</u>	<u>72,573</u>	<u>61,476</u>	<u>12,231,697</u>	<u>46,609,682</u>
At 31 December 2011	<u>28,400,518</u>	<u>136,768</u>	<u>6,488,404</u>	<u>88,524</u>	<u>53,368</u>	<u>12,523,834</u>	<u>47,691,416</u>

SHANNON FOYNES PORT COMPANY (A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8(b) Tangible Fixed Assets Company	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
<b>Cost</b>							
At 31 December 2011	35,605,550	1,302,924	12,468,061	197,963	398,753	14,732,106	64,705,357
Additions	179,633	381,794	11,962	28,000	36,383	-	637,772
Disposals	-	(37,069)	(1)	(29,500)	(22,226)	-	(88,796)
At 31 December 2012	<u>35,785,183</u>	<u>1,647,649</u>	<u>12,480,022</u>	<u>196,463</u>	<u>412,910</u>	<u>14,732,106</u>	<u>65,254,333</u>
<b>Depreciation</b>							
At 31 December 2011	7,205,032	1,166,156	5,984,999	109,439	352,365	2,210,370	17,028,361
Charge for year	748,347	60,777	542,781	36,084	27,793	292,126	1,707,908
Disposals	-	(35,533)	-	(21,633)	(22,226)	-	(79,392)
At 31 December 2012	<u>7,953,379</u>	<u>1,191,400</u>	<u>6,527,780</u>	<u>123,890</u>	<u>357,932</u>	<u>2,502,496</u>	<u>18,656,877</u>
<b>Net Book Value</b>							
At 31 December 2012	<u>27,831,804</u>	<u>456,249</u>	<u>5,952,242</u>	<u>72,573</u>	<u>54,978</u>	<u>12,229,610</u>	<u>46,597,456</u>
At 31 December 2011	<u>28,400,518</u>	<u>136,768</u>	<u>6,483,062</u>	<u>88,524</u>	<u>46,388</u>	<u>12,521,736</u>	<u>47,676,996</u>

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>9</b>	<b>Financial Fixed Assets</b>	<b>Group 2012 €</b>	<b>Company 2012 €</b>	<b>Group 2011 €</b>	<b>Company 2011 €</b>
	Investment in subsidiary undertakings at cost (note 10)	-	343,852	-	343,852
	Other investment at cost (note 11)	2,539	2,539	2,539	2,539
	Long term loan due from subsidiary company (note 10)	-	723,751	-	723,751
		<u>2,539</u>	<u>1,070,142</u>	<u>2,539</u>	<u>1,070,142</u>

**10 Subsidiary Undertakings**

Details of the subsidiaries, which are incorporated and carry on their business in the Republic of Ireland, are as follows:

Name of Subsidiary	Nature of Business	Group Holding %	Number and Class of Shares held	Address of Registered Office
Limerick Cargo Handling Limited	Stevedoring	100%	13 Ordinary Shares of €1.269738	Mill House, Foynes, Co. Limerick.

<b>11</b>	<b>Other Investments at Cost</b>	<b>Group 2012 &amp; 2011</b>	<b>Company 2012 &amp; 2011</b>
	Prize Bonds	<u>2,539</u>	<u>2,539</u>



**SHANNON FOYNES PORT COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>12</b>	<b>Intangible Fixed Assets – Group</b>	<b>Goodwill</b>
		<b>€</b>
	<b>Cost</b>	
	At 31 December 2011	586,789
	At 31 December 2012	<u>586,789</u>
	<b>Amortisation</b>	
	At 31 December 2011	331,567
	Charge for year	29,204
	At 31 December 2012	<u>360,771</u>
	<b>Net Book Value</b>	
	<b>At 31 December 2012</b>	<b>226,018</b>
	At 31 December 2011	<u>255,222</u>

<b>13</b>	<b>Debtors</b>	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
		<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
	Trade Debtors	2,028,351	1,812,951	1,454,435	1,332,908
	Value Added Tax Receivable	5,713	506	47,009	42,595
	Other Debtors and Prepayments	815,027	815,027	887,724	887,724
	Amounts owed by Subsidiary Companies	-	260,040	-	269,156
	Corporation Tax Receivable	20,712	20,712	-	-
		<u>2,869,803</u>	<u>2,909,236</u>	<u>2,389,168</u>	<u>2,532,383</u>

The amount due from Subsidiary Companies is unsecured, interest free and has no fixed repayment schedule.

<b>14</b>	<b>Creditors</b>	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
		<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
	Government Loans ( <b>Note 16</b> )	27,631	27,631	37,610	37,610
	Bank Loans ( <b>Note 16</b> )	1,228,821	1,228,821	838,446	838,446
	Bank Overdraft ( <b>Note 16</b> )	-	-	4,828	4,828
	Trade Creditors	295,025	271,296	161,704	159,757
	Other Taxes and PRSI	117,078	109,796	133,162	127,796
	Other Creditors and Accruals	787,229	782,010	693,918	690,507
		<u>2,455,784</u>	<u>2,419,554</u>	<u>1,869,668</u>	<u>1,858,944</u>

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

15	Creditors (amounts falling due after more than one year)	Group 2012 €	Company 2012 €	Group 2011 €	Company 2011 €
	Bank Borrowings (Note 16)	12,081,533	12,081,533	13,541,163	13,541,163
	Government Loans (Note 16)	7,704	7,704	36,464	36,464
		<u>12,089,237</u>	<u>12,089,237</u>	<u>13,577,627</u>	<u>13,577,627</u>
16	Bank Borrowings, Overdrafts and Government Loans	Group 2012 €	Company 2012 €	Group 2011 €	Company 2011 €
	Analysis of bank borrowings, overdrafts and Government loans payable:				
	- within one year	1,256,452	1,256,452	880,884	880,884
	- between one and two years	1,283,274	1,283,274	871,194	871,194
	- between two and five years	3,998,337	3,998,337	2,686,158	2,686,158
	- over five years	6,807,626	6,807,626	10,020,275	10,020,275
		<u>13,345,689</u>	<u>13,345,689</u>	<u>14,458,511</u>	<u>14,458,511</u>
17	<b>Deferred Income – Group and Company</b>				€
	<b>Capital Grants</b>				
	At 31 December 2011				5,591,234
	Amortised during the year				(292,800)
					<u>5,298,434</u>
	At 31 December 2012				<u>5,298,434</u>
	<b>Total Deferred Income at 31 December 2012</b>				<u><u>5,298,434</u></u>
	Total Deferred Income at 31 December 2011				<u>5,591,234</u>

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>18</b>	<b>Share Capital – Company Authorised</b>		<b>2012</b> €	<b>2011</b> €
	31,500,000 Ordinary Shares of €1.25 each		39,375,000	39,375,000
			<u>                    </u>	<u>                    </u>
	<b>Allotted, Called Up and Fully Paid</b>			
	17,749,900 Ordinary Shares of €1.25 each		22,187,359	22,187,359
			<u>                    </u>	<u>                    </u>
<b>19</b>	<b>Capital Injection</b>	<b>Group 2012 €</b>	<b>Company 2012 €</b>	<b>Group 2011 €</b>
	At 1 January	4,916,921	5,457,046	4,916,921
		<u>                    </u>	<u>                    </u>	<u>                    </u>
	<b>At 31 December</b>	<b>4,916,921</b>	<b>5,457,046</b>	<b>4,916,921</b>
		<u>                    </u>	<u>                    </u>	<u>                    </u>

The shareholder subscribed €3,809,214 in cash for Ordinary Shares of €1.25 each during the year ended 2001. Shares were allotted in respect of this sum during year ending 31 December 2002 as follows:

3,047,371 Ordinary Shares of €1.25 each

In addition 11,246,513 Ordinary Shares of €1.25 each were issued out of the capital injection as at 31 December 2001.

<b>20</b>	<b>(Loss) Carried Forward</b>		<b>Group €</b>
	<b>At 31 December 2011</b>		<b>(5,006,505)</b>
	Profit for the year		2,025,129
	Other recognised gains		316,000
	Deferred Tax related to actuarial loss		(39,500)
			<u>                    </u>
	<b>At 31 December 2012</b>		<b>(2,704,876)</b>
			<u>                    </u>

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>21</b>	<b>Reconciliation of Movements in Equity Shareholders' Funds</b>	<b>Group €</b>
	<b>At 31 December 2011</b>	<b>22,097,775</b>
	Profit for the year	2,025,129
	Other recognised gains	316,000
	Deferred Tax related to actuarial loss	(39,500)
	<b>At 31 December 2012</b>	<b><u>24,399,404</u></b>

<b>22</b>	<b>Financial Commitments</b>	<b>Group 2012 €</b>	<b>Company 2012 €</b>	<b>Group 2011 €</b>	<b>Company 2011 €</b>
	Financial Commitments				
	- commitments approved but not contracted for	2,839,900	2,839,900	1,714,975	1,714,975
	- committed	17,050	17,050	85,250	85,250
		<b><u>2,856,950</u></b>	<b><u>2,856,950</u></b>	<b><u>1,800,225</u></b>	<b><u>1,800,225</u></b>

Included in the above figures is the proposed acquisition of lands at Foynes. Post year end the Board has formally approved the purchase of this land which was subsequently acquired following the satisfactory completion of contracts. This purchase which is strategic to the future of Foynes port has been financed from own cash resources.

**23 Retirement Benefits**

- (a)** The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €11,036,000 on these schemes at 31 December 2012. The total deficit has been fully provided for net of the related deferred tax asset in the financial statements and is therefore reflected in the group net assets in the amount of €24,399,404 and the group loss carried forward in the amount of €2,704,876.

The most recent valuations were at 31 December 2012 and are available for inspection by the scheme members but not for public inspection.

The intention of the group is that, over time, the schemes should be fully funded and that they should meet the funding requirement set by Section 41(3) of the Harbours Act, 1996 by the appropriate date as determined by the Minister for Transport following consultation with the parent company.

**SHANNON FOYNES PORT COMPANY**  
**(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**(b) Financial Reporting Standard 17 ‘Retirement Benefits’ Disclosures**

The company operates three defined benefit schemes. Full actuarial valuations were carried out at 31 December 2012 for Financial Reporting Standard 17 disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Rate of increase in salaries	2.0%	2.0%	2.0%	3.0%
Rates of increase in pension payments	0.0%/3.0%	1.0%/3.0%	1.5%/3.0%	3.0%
		%		
Discount rate	4.0%	5.0%	5.4%	5.5%
Inflation assumption	2.0%	2.0%	2.0%	2.0%

The assets in the scheme and the expected rates of return were:

	<b>Long-Term Rate of return Expected at 31 December 2012</b>	<b>Market Value 31 December 2012</b>	<b>Long-Term Rate of return Expected at 31 December 2011</b>	<b>Market Value 31 December 2011</b>	<b>Long-Term Rate of return Expected at 31 December 2010</b>	<b>Market Value 31 December 2010</b>	<b>Long-Term Rate of return Expected at 31 December 2009</b>	<b>Market Value 31 December 2009</b>
	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>
Equities	7.3%	4,436	7.3%	3,867	7.0%	4,528	7.25%	3,916
Fixed interest	3.0%	3,036	3.9%	2,539	3.9%	2,403	4.25%	2,396
Property	6.3%	150	6.3%	217	6.0%	245	6.25%	217
Cash	1.5%	1,179	1.5%	1,142	1.5%	1,286	2.0%	1,512
		<u>8,801</u>		<u>7,765</u>		<u>8,462</u>		<u>8,041</u>

**24 Retirement Benefits Continued**

**(a) Financial Reporting Standard 17 ‘Retirement Benefits’ Disclosures Continued**

The following amounts at 31 December 2012 were measured in accordance with the requirements of Financial Reporting Standard 17:

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>	<b>€’000</b>
Total market value of assets	8,801	7,765	8,462	8,041
Present value of the (liabilities) of the schemes	(19,837)	(20,332)	(21,327)	(22,738)
(Deficit) in the schemes	(11,036)	(12,567)	(12,865)	(14,697)
Related deferred tax asset	1,379	1,571	1,608	1,837
Net Pension (Liability)	<u>(9,657)</u>	<u>(10,996)</u>	<u>(11,257)</u>	<u>(12,860)</u>

**SHANNON FOYNES PORT COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The following amounts would have been recognised in the performance statements for the years ended 31 December 2012 and 31 December 2011 under the requirements of FRS 17.

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>Operating Profit</b>		
Current Service Cost	190	270
Settlement Gain	(167)	-
	<hr/>	<hr/>
<b>Other finance (cost)</b>		
Expected rate of return on pension schemes' assets	365	446
Interest on pension schemes' liabilities	(971)	(1,110)
	<hr/>	<hr/>
	<b>(606)</b>	<b>(664)</b>
	<hr/>	<hr/>
<b>Statement of total recognised gains and losses:</b>		
Actual return less expected return on pension schemes' assets	660	(656)
Experience losses arising on the schemes' liabilities	604	642
Changes in assumptions underlying the present value of the schemes' liabilities	(948)	205
	<hr/>	<hr/>
Actuarial gain recognised in the statement of total recognised gains and losses	<b>316</b>	<b>191</b>
	<hr/>	<hr/>

**24 Retirement Benefits Continued**

**(b) Financial Reporting Standard 17 'Retirement Benefits' Disclosures Continued**

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>Movement in (deficit) during the year:</b>		
(Deficit) in schemes at 31 December		
Movement in year	(12,567)	(12,865)
Current service cost	(190)	(270)
Contributions paid	1,844	1,041
Settlement gain	167	-
Other finance cost	(606)	(664)
Actuarial gain	316	191
	<hr/>	<hr/>
<b>(Deficit) in schemes at 31 December</b>	<b>(11,036)</b>	<b>(12,567)</b>
	<hr/>	<hr/>

**SHANNON FOYNES PORT COMPANY  
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>Experience gains and losses for the year ended 31 December</b>		
Difference between the expected and actual return on schemes' assets	660	(656)
Percentage of schemes' assets	7.5%	(8.5%)
Experience gains on schemes' liabilities	604	642
Percentage of schemes' liabilities	3.0%	3.2%
Total recognised in statement of total recognised gains and losses	316	191
Percentage of the present value of the schemes' liabilities	1.6%	0.9%

**25 Ultimate controlling party**

The ultimate controlling party of the company is the Minister for Transport, Tourism and Sport.

**26 Related Party Transactions**

- (i) The company in the normal course of its business trades with certain government and semi-state bodies. The company also has loans of €35,335 from certain government and semi-state bodies. Interest of €7,093 has been charged on these loans during the year.
- (ii) There are no other contracts or arrangements of significance in relation to the business of the company in which any director had an interest in, as defined within the Companies Act 1990 at any time during the year ended 31 December 2012.

The company has availed of the exemption in FRS No. 8 "Related Party Transactions" which permit a qualifying subsidiary of any undertakings not to disclose details of transactions between group entities that are eliminated on consolidation.

**27 Contingent Liabilities**

**Group and Company**

The parent company has given a guarantee in the sum of €19,046 (2011: €19,046) in respect of borrowings of the subsidiary company.

**Company**

Foynes Port Company Pension Scheme and Shannon Estuary Ports Company Superannuation Plan hold a charge each of €900,000 on lands owned by Shannon Foynes Port Company at Corcanree, County Limerick. These charges were created on 22 September 2011.

**28 Approval of Financial Statements**

The financial statements were approved by the Board of Directors on 8 April 2013.