

SHANNON FOYNES PORT COMPANY
(A company limited by shares)
and it's subsidiary undertakings

Annual Report and Consolidated
Financial Statements

Year Ended 31 December 2014

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

Annual Report and Financial Statements 2014

Table of Contents	Page
Directors' and Other Information	2
Directors' Report	3-5
Chairpersons' Statement	6-9
Corporate Governance Report	10-11
Business and Operating Review	12-15
Independent Auditors' Report	16-17
Accounting Policies	18-19
Consolidated Profit & Loss Account	20
Consolidated Statement of Total Recognised Gains & Losses	21
Consolidated Balance Sheet	22
Company Balance Sheet	23
Consolidated Cashflow Statement	24-25
Notes to the Financial Statements	26-39

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

Directors and Other Information

Board

M. Collins (Chairperson)
P. Cleary
M. Finucane
C. Henry
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

Bankers

Allied Irish Bank Plc
The Square
Newcastlewest
Co. Limerick

Allied Irish Bank Plc
106/108 O'Connell St
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
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

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 2014.

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, 1963-2009, 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 10 - 11.

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 12 - 15.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

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

There have been no significant events affecting the group since the year end.

Results and Dividends

The consolidated profit and loss account on page 20 shows the group's results for the year.

As for the first time sufficient distributable reserves exist, the Directors propose the payment of a dividend consistent with the Board approved Dividend Policy and in line with that projected in its 5 Year Strategic Plan 2014-2018.

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 2014 are set out below. Unless indicated otherwise they served as directors for the entire year.

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

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

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 2013 and 31 December 2014.

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 9 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 27th March 2015.

On behalf of the Board

Michael Collins
Director

Conal Henry
Director

Date: 27th March 2015

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

CHAIRMAN'S STATEMENT

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

Activities

Shannon Foynes Port Company oversaw another very successful year and maintained its position as Ireland's largest bulk port company in terms of tonnage throughput in 2014. Overall tonnage throughput for 2014 again exceeds 10 million tonnes. At 10.2 million tonnes, 2014 is 284k tonnes adverse to 2013. This decline is exclusively related to privately owned terminals with a 381k or 4.5% decline noted. This decrease is somewhat offset by continued growth in directly managed terminals where tonnages increased by 97k tonnes or 4.9% in the year. This is the second year in succession that directly managed terminals have increased year on year and tonnages at directly managed terminals now exceed 2 million tonnes for the first time since 2007. The company's overall revenue has declined by €608k or 5.1%. Adverse throughput variances at privately owned terminals as noted above and the recording of a non-recurring compensation payment in 2013 account for the fall in revenues. Continued focus on efficiencies and strong cost management ensure that both operating and administration costs remain consistent with prior year despite the increased activity at directly managed general cargo terminals. Total operating & administration costs have now declined by over 13% or approx. €1.1 million since 2008. The impact of the above revenue fall in 2014 is a 14% decline in the company's Operating Profit which now stands at €3.6million. It should be noted that 2013 was very much an exceptional year and as noted earlier was buoyed by the receipt of a non-recurring compensation payment. 2014 operating profit significantly exceeds the previous year 2012 results which at that time were also historic performance results for the company by €489k or 16%. After financing costs and a non cash deferred taxation charge, the Company had a profit attributable to the Shareholder of approximately €2.864 million a historic high eclipsing that of 2013.

Noteworthy achievements in 2014 included:

- The excellent performance of the current and recent prior years ensure that the Company's balance sheet for the first time since inception contains distributable reserves and as such will now be in a position to provide for a dividend out of 2014 results in line with that indicated by the 5 Year Strategic Plan 2014-2018.
- The company maintained its competitive operating position by reporting an operating margin of 31.6% exceeding a 30% operating margin for the third consecutive year.
- The company invested in a material handling crane for Ted Russell Dock, Limerick to enable operating efficiency and handling of increased throughput at the terminal which shows a 25.3% year on year increase.
- Procurement process completed during 2014 to reclaim and infill approximately 1.3 hectares of foreshore directly behind berth 6 of the east jetty at Foynes, a key deliverable as identified in Vision 2041. Contract award has been approved by the Board at December 2014 with Works having commenced in January 2015 with a 12 month works programme envisaged.
- Kemmy Business School at the University of Limerick were engaged to conduct market led research on a Review of Global Seaborne Trade to assist and support the Board in the Strategic Development of the Estuary as a whole.
- The Company continued to forge close relationships with other state and related development agencies illustrated by its active role on the Marketing and Environmental sub committees of the Shannon Integrated Framework Plan.
- COMPASS, the Shannon Foynes Port Company Schools Competition for transition year students was successfully launched during 2014 with its inaugural final held in February 2015 with the Minister for Education in attendance.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

CHAIRMAN'S STATEMENT

- Significant progress was achieved towards realising the objectives of the Strategic Plan 2014 – 2018.
- The Company is on course to approve the 2015-2019 Strategic Plan and present it to the Departments of Transport and Finance by the due date.

Corporate Governance

Shannon Foynes Port Company saw no changes to the composition of its Board during 2014. However with the retirement of a Director at January 2015, the Board has been temporarily reduced to six members as it awaits appointments.

Shannon Foynes Port Company remains committed to full compliance to the *Code of Practice for the Governance of State Bodies*. Management continues to annually review compliance and the 2014 review found that the Company was again compliant in all areas.

The Board's Risk Management Committee met during 2014 under the Chairmanship of Mr. Michael Finucane. 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. 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 during 2014. Following the resignation of Mr. Jennings from the Board in January 2015, Mr. Conal Henry was appointed by the Board to Chair the Committee with Mr. Pdraig Cleary appointed to the Committee.

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. PricewaterhouseCoopers the appointed Internal Auditors completed the agreed programme of work from the 2014 Internal Audit Plan as approved by the Audit Committee on the 24th February 2014.

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
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

CHAIRMAN'S STATEMENT

Capital Investment

Capital Additions were €1.343 million in the year. The most significant spend item was the purchase of a Liebherr material handling crane for Limerick Dock at a cost of €592k. Land & Building additions of €306k include the purchase of a tenants leasehold right to a property on the Dock Road, significant flood defence works at both Foynes & Limerick and fire regulation upgrades to the Pilot Station at Cappa. Docks & Quays Expenditure of €284k includes access improvements to the Eastern entrance at Foynes, enhanced landscaping at both Foynes & Limerick and environmental waste management bunds at Foynes and Limerick.

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

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

No significant developments are noted

The future

The Company has identified through its Board approved Capital Development Program 2014-2023, capital expenditure totalling €48.5million. The Board is fully committed to delivering on the strategic vision as outlined in the Shannon Foynes Master Plan Vision 2041 and to that end, will be actively pursuing the implementation of all key deliverables identified in the Plan. Whilst it is early days in the Vision 2041 plan period we are very much on track to achieve its growth projections. Since 2011 (the base year of Vision 2041) tonnage at our general cargo terminals have increased by 14% consistent with Vision 2041's mid to high average growth scenario.

We continue to make significant progress on many of the key deliverables of Vision 2041, some such as the east jetty infill have been outlined as above and I would also note the following progress on other key items:

- SFPC and Irish Rail are completing all necessary preliminary works associated with the reopening of the Limerick to Foynes rail line for freight traffic. Phase 1 of the preliminary works has been completed in 2014 and Irish Rail has now been engaged to complete the second phase of the preliminary works. Phase 2 of the works concerns feasibility and consists of further assessment of technical, engineering and operational aspects of the project. The feasibility study for the rail reinstatement has been extended to include a Rail Freight Hub. A funding application for this Feasibility Study has been made to the 2014 Connecting Europe Facility (CEF) Funding Call.

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

CHAIRMAN'S STATEMENT

- We continue to fully engage with the N69 road upgrade. Limerick Authority and NRA commenced in April the planning and design of the Foynes to Limerick Road Improvement Scheme-N69. Consultants have been appointed and are currently completing the constraints study which will inform the route option process. The identification of a number of route corridor options has recently been published and is subject to public consultation. A preferred route corridor will be selected and a preliminary design developed following this consultation. The company's position remains firm on the urgent need for an upgraded N69 on a prioritised basis which would recognise the individual bottlenecks on the route.
- Strategic Estuary Development remains a key objective for the Board and is now a standing agenda item at all Board meetings. Based on the recommendations arising from the research carried out by the Kemmy Business School the Board approved further research and analysis to assist in the continued recognition and positioning of the Shannon Estuary as Irelands premier deepwater resource for future maritime investment.

I wish to thank my fellow Directors for their continuing work on behalf of the company throughout the year. On behalf of the Board I would like to thank the management and staff for their efforts and co-operation during 2014 in supporting the direction being provided by the Board.

Michael Collins
Chairperson
Shannon Foynes Port Company
27th March 2015

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

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 31st December 2014, 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 role and responsibilities;
- The Audit Committee undertaking their role 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
(A COMPANY LIMITED BY SHARES) AND ITS SUBSIDIARY UNDERTAKINGS**

CORPORATE GOVERNANCE REPORT

- Shannon Foynes Port Company operates and maintains quality management systems to comply with internationally recognised standards OHSAS 18001 & ISO9001. Successful maintenance of international standards enables the organisation to maintain a level of control over, and knowledge of, relevant hazards resulting from normal operations and abnormal situations with an overall objective to improving performance and preventing accidents and/or incidents in the workplace.
- 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. The Internal Audit Programme for 2014 was recommended to the Board by the Audit Committee 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.

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 31st December 2014, 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 27th March 2015

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

BUSINESS AND OPERATING REVIEW

Operating Review

I am delighted to report a robust operating and trading performance for 2014. Bottom line profitability increased to €2.864m (2013: €2.825m), the highest level in the Company's history. Reflecting certain once off events and marginally reduced throughputs at the privately owned terminals gross profit and operating profit declined on previous year, however profitability at operating level remains at historically high levels and we are confident that over the medium term operating profit will continue to trend upwards.

Notwithstanding the benign weather conditions of 2014 applying downward pressure on many of our high volume trades our general cargo terminals recorded year on year throughput increases of 5%. Accordingly, we are particularly satisfied with trading performance for the year at these terminals. Whilst national market tonnages are not published at time of writing these terminals appear to have gained market share and also capitalised on the growing national economy reflected by GDP growth of over 4% for 2014. Limerick Docks performed particularly well during the year with tonnage increases across almost all cargo types.

As stated operating profit margin at 32% continues to remain at historically high levels albeit there was some slippage when compared with 2013. It is noted that this slippage was primarily driven by one off revenue contraction and importantly we are satisfied that costs remain under control. Year on year revenues decreased to €11.2m (2013: €11.8m) for reasons already outlined above, however performance at our directly managed terminals improved both in terms of turnover growth and operating margin. We expect that tonnage throughput will continue to trend upward in the coming years and note that growth at our general cargo terminals is in line with the mid to high scenario projected in Vision 2041. Tonnage throughput at all terminals on the Shannon Estuary at 10.2 million tons is now 90% of those recorded in the peak year of 2006.

Given the fixed nature of our business year on year costs remained in line and we are satisfied that, given the expansive nature of our operations, our cost base is at the optimal level. With regard to port competitiveness, the successful implementation of several multi-annual initiatives concluded during the year with the result that our third party service providers are now delivering maximum value to our customers. We are grateful to all who participated in these initiatives and while reductions in some areas were necessary the Port is now in a very strong competitive position to enter a new phase of growth. Initiatives such as the dock labour rationalisation at Foynes, for example, lead to greater flexibilities enabling unparalleled working time options to customers. The combination of these initiatives together with the implementation of our planned investment program will provide the capacity needed to satisfy the future growth in tonnage projected in Vision 2041.

While the business is now consistently generating healthy profits there are many substantial demands on cash flow such as the very extensive Investment Program underpinning Vision 2041, the very onerous pension funding requirement and the existing debt funding requirement. Accordingly, it is vital that we grow revenues and most importantly continue to stringently control costs so that we can build on recent success. We are confident that by continuing to focus on continual improvement, in all areas, the projections outlined in Vision 2041 will be attained and importantly the capacity requirements identified therein will be delivered on.

Whilst it is early days in the Vision 2041 plan period we are very much on track to achieve its growth projections. Since 2011 (the base year of Vision 2041) tonnage at our general cargo terminals have increased by 25%.

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

Our balance sheet continues to strengthen with sufficient liquidity and gearing continuing to improve. As stated previously, Phase 1 in our Investment Program will be rolled out in 2015 leading to increased gearing in the short term but to levels well within the capacity of the business to manage. Our pension deficit increased during 2014 due to a revision of the pension actuarial assumptions mainly due to the contraction of bond yields manifesting in the discount rate reducing to 1.95% from 3.30%. This revision is reflective of low yields globally and of the EU's long awaited QE program. The total effect of changes in actuarial pension assumptions is a €1m hit to reserves for 2014. Nevertheless, and for the first time in the history of the Company, the Board is on course to propose a dividend out of accumulated distributable revenue reserves in accordance with its 2014 approved Dividend Policy.

Capital Investment & Funding

Capital investment during 2014 is as outlined in the financial statements.

In relation to our Board approved Investment Program, a contract for Phase 1 was awarded in December 2014. This Phase costing €12m consists of inter alia the construction of 235 metres of sheet piled wall and the reclamation of 14,000m² for open quay storage. Later phases include Phases 2 and 3 and will be completed over the next seven to eight years. All phases together with other ancillary investment will result in an uninterrupted 850m quay front at Foynes together with an additional five hectares of open quay set down area. Funding for this Investment Program is substantially in place and will be sourced from our own reserves, bank debt and the EU Ten-t program. We are satisfied that existing debt together with new debt will be well within the financial capacity of the business and indeed much of our existing debt will be fully repaid over the short to medium term.

With regard to our defined benefit pension schemes their respective deficits increased last year. This increase substantially related to changes in the actuarial valuation assumptions primarily concerning the discount rate required by actuarial regulation to track yield on the bond markets.

Environment

The Board and management are committed to the continual improvement of its environmental, health and safety management systems (EHS). Environmental management is now fully integrated into and forms a significant part of our management system. As in prior years we made significant investment in environmental infrastructure during 2014 and continue to budget further resources in 2015 to further enhance our EHS systems. In addition, we received PERS accreditation in 2014, the port sector specific environmental management standard administered by the European Seaports Organisation.

The environmental Working Group set up by the Steering Group of the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary during 2014 recommended that a habitat mapping, including bird surveys, of the prioritised deep water sites in the SIFP would be commenced during 2015. SFPC fully supports this recommendation and will co-fund this exercise along with other members of the SIFP Steering Group.

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

The Future

The Shannon Estuary is a very unique resource for Ireland Inc. as it is the only waterbody in Ireland and one of the few across Europe that can facilitate the largest ships. With new ship builds trending ever larger this advantage is now becoming much more relevant than heretofore. Accordingly, there exists real potential to develop the Estuary as a maritime deep sea hub which could facilitate the key sectors of the national economy such as energy, agriculture and industrial to name some. The consequent inward investment and job creation that could be generated together with aligning the other key assets of the region such as the university sector and Shannon Airport offer a real solution for regional development counterbalancing the Greater Dublin area. In the first instance, and to lay the ground to capture this potential we have taken a collaborative and holistic approach to developing our strategic plans as demonstrated in our own 30 year Masterplan Vision 2041 and our active participation in the SIFP. Since the launch of these Plans in 2013, many of their key objectives have commenced implementation.

One of our key objectives in the Vision 2041 plan period is to double annual throughput from 10m tons to 20m tons. In order to achieve this goal new deep water berthage and upgraded hinterland connections are paramount along with substantial investment in large ancillary equipment and infrastructure. As stated the socio-economic benefits could be substantial in the national and regional context whereby we estimate several thousand new direct and indirect jobs can be created. For example it is estimated that Shannon Foynes Port Company supports up to three thousand direct and indirect jobs today with a capacity of 10m tons per annum.

Some of the more significant deliverables of 2014 include;

- Commencement of the €12m phase 1 of our €50m multi-phase investment program for the inner port area at Foynes port. This phase includes the construction of over 250m of sheet piled quay wall and the reclamation of 14,000m² for open quay storage on the East Jetty
- Having concluded a scoping study for the reinstatement of the 43km rail line from Limerick to Foynes in early 2014 and based on its favourable findings we appointed Irish Rail to commence a feasibility study in 2014. It is expected that this Feasibility Study will be completed in early 2015. At the time of writing much of the heavy vegetation is being removed from the rail line enabling the completion of all site investigation and survey works. The Feasibility Study examines the case for reinstatement of the existing line and the construction of a rail freight hub at Foynes port.
- Limerick City & County Council have commenced the Foynes to Limerick Road Improvement Scheme. This Scheme recognises that SFPC is designated a Core Port under EU legislation (Ten-T) which requires a high quality road to be provided between the port at Foynes and the Core transport network in Limerick. Currently route options are open to public consultation with the preferred route due to be selected in Q4 2015 with the next steps of design and environmental assessment to take place in 2016 as well as the commencement of the statutory planning process.

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

- Clare Co Council varied its County Development Plan with the SIFP recommendations including the zoning of the lands adjoining the specified deep-water sites at Cahercon and Moneypoint. At time of writing Limerick City & County Council have commenced the variation of their Development Plans to incorporate the SIFP recommendations to zone additional lands at Foynes port for maritime related development. Kerry County Council advised they will commence the relevant variation process to their County Development Plan shortly.
- We will build on the market research commissioned from UL's Kemmy Business School during 2014 with further market specific research to commence in 2015.

Finally, Shannon Foynes Port Company continues to surpass historical performance and we believe the future to be very promising. The return to growth in the economy, the focus of European and national strategic policy toward the future development of Tier 1 ports, the existing and potential for new deep water terminals in the Shannon Estuary together with the existing experience of facilitating vessels from capesize to coasters will ensure that we remain attractive to private sector investment and that we will continue to build on our reputation as one of the key economic drivers in the national and mid-west regional economy and hence deliver substantial value for our shareholders.

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 Chairman 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, Tourism & Sport for their assistance during the year.

Pat Keating
Chief Executive Officer
Shannon Foynes Port Company
Date 27th March 2015

**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 Company and its subsidiary for the year ended 31 December 2014 which include Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACTS 1963 TO 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company 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 2014 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 parent company.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Mill House
Henry Street
Limerick

DAMIAN GLEESON
For and on behalf of
GRANT THORNTON
Chartered Accountants
& Registered Auditor

27th March 2015

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S 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 2013 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 Financial Reporting Council.

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's the Company's policy not to revalue fixed assets.

	Annual Rate
Straight Line Basis	
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 IT'S SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

f) Leases

Under transactions where the group is a lessee of assets, the accounting policy is dependent upon the classification of underlying leases as either finance leases or operating leases. Under finance leases the related assets are treated as fixed assets and depreciated in accordance with the group's depreciation policy. The total finance charge under finance leases is allocated to accounting periods over the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. Charges under operating leases are charged to the profit and loss account on a straight line basis over the period of the respective leases.

g) 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.

h) Research and Development

All expenditure on research and development is written off as incurred.

i) 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.

j) 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 discounted as appropriate..

k) 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 2014

	Note	2014 €	2013 €
Turnover	1(a)	11,246,158	11,854,465
Operational Costs	1(b)	(5,616,199)	(5,611,557)
Gross Profit		5,629,959	6,242,908
Administration Expenses	1(b)	(2,049,308)	(2,065,028)
Amortisation of Goodwill	11	(29,204)	(29,204)
Operating Profit		3,551,447	4,148,676
Interest Payable and Similar Charges	3	(323,297)	(432,793)
Interest Receivable and Similar Income		42,630	40,557
Other Financing Cost	24(b)	(355,000)	(376,000)
Profit on Sale of Fixed Assets		20,561	3,275
Profit on Ordinary Activities before Taxation	4	2,936,341	3,383,715
Taxation on Profit on Ordinary Activities	5	(72,579)	(558,718)
Profit Attributable to the Shareholder	21	2,863,762	2,824,997

All the figures relate to continuing operations.

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 27th March 2015 and signed on its behalf by;

Michael Collins
Director

Conal Henry
Director

The notes on pages 26 – 39 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
31 DECEMBER 2014

	Note	2014 €	2013 €
Profit for the year		2,863,762	2,824,997
Actuarial return less expected return on Pension scheme assets	24(b)	696,000	78,000
Experience (losses)/gains arising on the Pension Scheme's Liabilities	24(b)	(197,000)	253,000
Changes in assumptions underlying the present value of the schemes liabilities	24(b)	(1,536,000)	(1,812,000)
Deferred Tax related to Actuarial Loss		129,625	185,126
TOTAL RECOGNISED GAINS		<u>1,956,387</u>	<u>1,529,123</u>

The notes on pages 26 – 39 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 2014

	Note	2014 €	2013 €
Fixed Assets			
Tangible Assets	7(a)	46,682,887	47,150,524
Financial Assets	8	2,539	2,539
Intangible Assets	11	167,610	196,814
		<u>46,853,036</u>	<u>47,349,877</u>
Current Assets			
Debtors	12	3,344,373	2,638,436
Cash and Bank Balances		6,094,016	4,834,062
		<u>9,438,389</u>	<u>7,472,498</u>
Creditors (Amounts falling due within one year)	13	(2,857,880)	(2,486,871)
Net Current Assets		<u>6,580,509</u>	<u>4,985,627</u>
Total Assets		53,433,545	52,335,504
Creditors (Amounts falling due after more than one year)	14	(9,617,500)	(10,658,500)
Provision for Liabilities and Charges	24(a)	(10,593,625)	(10,184,125)
Deferred Income	17	(4,712,834)	(5,005,634)
Deferred Tax	18	(624,672)	(558,718)
Net Assets		<u>27,884,914</u>	<u>25,928,527</u>
Capital and Reserves			
Called Up Share Capital	19	22,187,359	22,187,359
Capital Injection	20	4,916,921	4,916,921
Profit/(Loss) Carried Forward	21	780,634	(1,175,753)
Equity Shareholders Funds	22	<u>27,884,914</u>	<u>25,928,527</u>

Approved by the Board of Directors on 27th March 2015 and signed on its behalf by;

Michael Collins
Director

Conal Henry
Director

The notes on pages 26 – 39 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 2014

	Note	2014 €	2013 €
Fixed Assets			
Tangible Assets	7(b)	46,485,338	47,140,054
Financial Assets	8	1,070,142	1,070,142
		<u>47,555,480</u>	<u>48,210,196</u>
Current Assets			
Debtors	12	3,197,139	2,856,234
Cash and Bank Balances		6,094,016	4,410,376
		<u>9,291,155</u>	<u>7,266,610</u>
Creditors (Amounts falling due within one year)	13	(2,758,621)	(2,462,141)
Net Current Assets		<u>6,532,534</u>	<u>4,804,469</u>
Total Assets		54,088,014	53,014,665
Creditors (Amounts falling due after more than one year)	14	(9,617,500)	(10,658,500)
Provision for Liabilities and Charges	23(b)	(10,593,625)	(10,184,125)
Deferred Income	17	(4,712,834)	(5,005,634)
Deferred Taxation	18	(624,672)	(558,718)
Net Assets		<u>28,539,383</u>	<u>26,607,688</u>
Capital and Reserves			
Called Up Share Capital	19	22,187,359	22,187,359
Capital Injection	20	5,457,046	5,457,046
Profit/(Loss) Carried Forward		894,978	(1,036,717)
Equity Shareholders Funds		<u>28,539,383</u>	<u>26,607,668</u>

Approved by the Board of Directors on 27th March 2015 and signed on its behalf by;

Michael Collins
Director

Conal Henry
Director

The notes on pages 26 – 39 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 2014

	Note	2014 €	2013 €
Net Cash Inflow from Operating Activities	A	4,184,991	5,142,120
Returns on Investments and Servicing of Finance	B	(299,354)	(393,783)
Taxation		(72,579)	(558,718)
Capital Expenditure and Financial Investment	C	(1,748,069)	(2,256,499)
Financing	D	(932,368)	(1,430,737)
Increase in Cash in the Period		<u>1,132,621</u>	<u>502,383</u>

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

	2014 €	2013 €
Increase in Cash in the period	1,132,621	502,383
Medium and Long Term Loans	1,506,779	1,430,737
Lease Finance received net of Capital Elements paid	(574,412)	-
	<u>2,064,988</u>	<u>1,933,120</u>

ANALYSIS OF CLOSING NET (DEBT) AT 31 DECEMBER 2014

	Opening Net (Debt) at 1 January 2014 €	Cash Flow €	Closing Net (Debt) at 31 December 2014 €
Cash and bank balances	4,834,062	1,259,954	6,094,016
Overdrafts and loans	(1,396,814)	(127,333)	(1,524,147)
Debt falling due within one year	3,437,248	1,132,621	4,569,869
Debt falling due after one year	(10,658,500)	1,506,779	(9,151,721)
Finance leases	-	(574,412)	(574,412)
	<u>(7,221,252)</u>	<u>2,064,988</u>	<u>(5,156,264)</u>

The notes on pages 26 – 39 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASHFLOW STATEMENT (CONTINUED)
31 DECEMBER 2014

A	Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities	2014 €	2013 €
	Operating Profit	3,551,447	4,148,676
	Depreciation Charges	1,809,825	1,769,941
	Amortisation of Goodwill	29,204	29,204
	Grant Amortisation	(292,800)	(292,800)
	(Increase) /Decrease in Debtors	(279,495)	166,998
	Increase/(Decrease) in Creditors	143,072	(94,367)
	(Decrease) in provision for Liabilities and Charges	(776,262)	(585,532)
	Net Cash Inflow from Operating Activities	4,184,991	5,142,120
B	Returns on Investment and Service of Finance	2014 €	2013 €
	Interest Paid	(341,984)	(447,701)
	Interest Received	42,630	53,918
		(299,354)	(393,783)
C	Capital Expenditure and Financial Investment	2014 €	2013 €
	Payments to Acquire Tangible Fixed Assets	(1,769,231)	(2,288,296)
	Sale of Tangible Fixed Assets	21,162	31,797
		(1,748,069)	(2,256,499)
D	Financing	2014 €	2013 €
	Medium and Long Term Loans	(1,506,780)	(1,430,737)
	Lease Finance paid net of Capital Elements paid	574,412	-
		(932,368)	(1,430,737)

The notes on pages 26 – 39 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

1	Analysis of Turnover and Operational Administration Expenses	2014	2013
	(a) Turnover	€	€
	Ship and Cargo Dues	6,681,337	7,309,268
	Stevedoring	1,301,643	1,308,796
	Other Operating Income	3,263,178	3,236,401
		<u>11,246,158</u>	<u>11,854,465</u>
	(b) Operational and Administration Expenses	2014	2013
		€	€
	Operating and Maintenance	(3,963,848)	(3,985,303)
	Dredging	(167,227)	(175,741)
	Depreciation	(1,777,924)	(1,743,313)
	Grant Amortisation	292,800	292,800
	Total Operational Costs	<u>(5,616,199)</u>	<u>(5,611,557)</u>
	Administration and Other	<u>(2,049,308)</u>	<u>(2,065,028)</u>
2	Employment Information	2014	2013
	The Group Costs incurred in respect of Employees were:	€	€
	Wages and Salaries	2,479,302	2,476,966
	Social Welfare Costs	267,145	258,024
	Pension Costs	371,344	335,545
		<u>3,117,791</u>	<u>3,070,535</u>
	The average number of staff employed by the company during the financial year amounted to:		
		2014	2013
		Number	Number
	Operational	29	29
	Administration	11	11
		<u>40</u>	<u>40</u>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Interest Payable and Similar Charges

	2014	2013
	€	€
On Bank Borrowings:		
-interest payable on bank loans and overdrafts wholly repayable after five years	292,292	430,317
-interest payable on bank loans wholly repayable within five years	26,214	-
-interest payable on other loans wholly repayable within one year	289	2,476
-interest payable on finance lease arrangement	4,502	-
	323,297	432,793
	323,297	432,793

4 Profit on Ordinary Activities Before Taxation

	2014	2013
	€	€
Profit on Ordinary Activities is stated after charging:		
Directors Fees		
M Collins – Chairperson	12,600	12,600
P Cleary	8,100	8,100
C Henry	8,100	8,100
M. Finucane	8,100	8,100
E Jennings	8,100	8,100
P. Keating	8,100	8,100
J Treacy	8,100	10,800
	61,200	63,900
	61,200	63,900

	2014	2013
	€	€
Expenses paid to members of the Board		
Travel Expenses	2,479	4,154
Subsistence	133	107
	2,612	4,261
	2,612	4,261

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Profit on Ordinary Activities Before Taxation (<i>continued</i>)	2014	2013
	€	€
Chief Executive Remuneration for Management Services		
Salary	117,500	117,500
Employer's Pension Contribution and other emoluments	60,500	60,500
	<hr/>	<hr/>
	178,000	178,000
	<hr/> <hr/>	<hr/> <hr/>
	2014	2013
	€	€
Auditors Remuneration	19,000	19,000
Depreciation	1,809,825	1,769,941
Amortisation of Intangible Fixed Assets	29,204	29,204
Amortisation of Capital Grants	(292,800)	(292,800)
	<hr/> <hr/>	<hr/> <hr/>
5 Tax on Profit on Ordinary Activities	2014	2013
	€	€
Current Tax:		
Irish Corporation Tax on Profit for the year	6,625	-
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Current tax credit for the year	-	-
Deferred Tax:	-	-
Origination and Reversal of Timing Difference	65,954	558,718
	<hr/>	<hr/>
	72,579	558,718
	<hr/> <hr/>	<hr/> <hr/>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Tax on Profit on Ordinary Activities (<i>continued</i>)	2014	2013
	€	€
Profit on Ordinary Activities before Tax	2,936,341	3,383,715
	<hr/>	<hr/>
Profit on Ordinary Activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2013: 12.5%)	367,043	422,964
Effects of:		
Expense adjustments by the rate of tax	(195,221)	(79,817)
Excess depreciation over capital allowances by the rate of tax	1,953	(158,309)
Interest income by rate of tax	10,658	(5,070)
Overprovision in prior period	(4,033)	-
Losses forward by the rate of tax	(173,775)	(179,768)
	<hr/>	<hr/>
Current Tax Credit for the year	6,625	-
	<hr/>	<hr/>

6 Profit Attributable to Shannon Foynes Port Company

A profit of €2,837,109 (2013: €2,755,512) 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 IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7(a) Tangible Fixed Assets – Group	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
Cost							
At 1 January 2014	35,855,127	1,721,644	13,008,946	179,562	468,013	16,825,911	68,059,203
Additions	284,379	43,905	592,000	43,567	72,641	306,298	1,342,790
Disposals	-	-	(526,673)	(26,683)	(66,900)	-	(620,256)
At 31 December 2014	<u>36,139,506</u>	<u>1,765,549</u>	<u>13,074,273</u>	<u>196,446</u>	<u>473,754</u>	<u>17,132,209</u>	<u>68,781,737</u>
Depreciation							
At 1 January 2014	8,710,222	1,273,763	7,561,345	93,384	425,322	2,844,643	20,908,679
Charge for year	768,688	86,994	545,287	29,869	35,700	343,287	1,809,825
Disposals	-	-	(526,207)	(26,683)	(66,764)	-	(619,654)
At 31 December 2014	<u>9,478,910</u>	<u>1,360,757</u>	<u>7,580,425</u>	<u>96,570</u>	<u>394,258</u>	<u>3,187,930</u>	<u>22,098,850</u>
Net Book Value							
At 31 December 2014	<u>26,660,596</u>	<u>404,792</u>	<u>5,493,848</u>	<u>99,876</u>	<u>79,496</u>	<u>13,944,279</u>	<u>46,682,887</u>
At 31 December 2013	<u>27,144,905</u>	<u>447,881</u>	<u>5,447,601</u>	<u>86,178</u>	<u>42,691</u>	<u>13,981,268</u>	<u>47,150,524</u>

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7(b) Tangible Fixed Assets - Company	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
Cost							
At 1 January 2014	35,855,127	1,721,644	12,514,710	179,562	416,443	16,811,917	67,499,403
Additions	284,379	43,905	592,000	43,567	69,741	115,091	1,148,683
Disposals	-	-	(388,652)	(26,683)	(64,706)	-	(480,041)
At 31 December 2014	<u>36,139,506</u>	<u>1,765,549</u>	<u>12,718,058</u>	<u>196,446</u>	<u>421,478</u>	<u>16,927,008</u>	<u>68,168,045</u>
Depreciation							
At 1 January 2014	8,710,222	1,273,763	7,069,428	93,384	379,825	2,832,727	20,359,349
Charge for year	768,688	86,994	544,534	29,869	31,901	341,275	1,803,261
Disposals	-	-	(388,650)	(26,683)	(64,570)	-	(479,903)
At 31 December 2014	<u>9,478,910</u>	<u>1,360,757</u>	<u>7,225,312</u>	<u>96,570</u>	<u>347,156</u>	<u>3,174,002</u>	<u>21,682,707</u>
Net Book Value							
At 31 December 2014	<u>26,660,596</u>	<u>404,792</u>	<u>5,492,746</u>	<u>99,876</u>	<u>74,322</u>	<u>13,753,006</u>	<u>46,485,338</u>
At 31 December 2013	<u>27,144,905</u>	<u>477,881</u>	<u>5,445,282</u>	<u>86,178</u>	<u>36,618</u>	<u>13,979,190</u>	<u>47,140,054</u>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8	Financial Fixed Assets	Group	Company	Group	Company
		2014	2014	2013	2013
		€	€	€	€
	Investment in subsidiary undertakings at cost (note 9)	-	343,852	-	343,852
	Other investment at cost (note 10)	2,539	2,539	2,539	2,539
	Long term loan due from subsidiary company	-	723,751	-	723,751
		<u>2,539</u>	<u>1,070,142</u>	<u>2,539</u>	<u>1,070,142</u>

9 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.

10	Other Investments at Cost	Group	Company
		2014 & 2013	2014 & 2013
		€	€
	Prize Bonds	<u>2,539</u>	<u>2,539</u>

In the opinion of the directors the value of the investments stated above are not less than there carrying value.

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11	Intangible Fixed Assets – Group	Goodwill
		€
	Cost	
	At 1 January 2014	586,789
	At 31 December 2014	586,789
	Amortisation	
	At 1 January 2014	389,975
	Charge for year	29,204
	At 31 December 2014	419,179
	Net Book Value	
	At 31 December 2014	167,610
	At 31 December 2013	196,814

12	Debtors	Group	Company	Group	Company
		2014	2014	2013	2013
		€	€	€	€
	Trade Debtors	2,192,688	1,794,385	1,983,258	1,650,866
	Value Added Tax Receivable	26,502	-	10,097	5,417
	Other Debtors and Prepayments	1,125,183	1,125,183	635,455	635,455
	Amounts owed by Subsidiary Companies	-	277,571	-	554,870
	Corporation Tax Receivable	-	-	9,626	9,626
		3,344,373	3,197,139	2,638,436	2,856,234
		3,344,373	3,197,139	2,638,436	2,856,234

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

13	Creditors	Group	Company	Group	Company
		2014	2014	2013	2013
		€	€	€	€
	Government Loans (Note 15)	-	-	7,314	7,314
	Bank Loans (Note 15)	1,464,960	1,464,960	1,367,205	1,367,205
	Bank Overdraft (Note 15)	59,187	-	22,295	22,295
	Trade Creditors	252,163	229,924	298,240	284,866
	Value Added Tax Payable	14,291	14,291	-	-
	Other Taxes and PRSI	164,659	151,953	135,634	128,011
	Net Obligations under Finance Lease	108,633	108,633	-	-
	Other Creditors and Accruals	793,987	788,860	656,183	652,450
		2,857,880	2,758,621	2,486,871	2,462,141
		2,857,880	2,758,621	2,486,871	2,462,141

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14	Creditors (amounts falling due after more than one year)	Group 2014 €	Company 2014 €	Group 2013 €	Company 2013 €
	Bank Borrowings (Note 15)	9,151,721	9,151,721	10,658,500	10,658,500
	Net Obligations under Finance Leases (Note 15)	465,779	465,779	-	-
		<u>9,617,500</u>	<u>9,617,500</u>	<u>10,658,500</u>	<u>10,658,500</u>
15	Bank Borrowings, Overdrafts and Government Loans	Group 2014 €	Company 2014 €	Group 2013 €	Company 2013 €
	Analysis of bank borrowings, overdrafts and Government loans payable:				
	- within one year	1,524,147	1,464,960	1,396,814	1,396,814
	- between one and two years	1,490,357	1,490,357	1,401,500	1,401,500
	- between two and five years	3,658,609	3,658,609	4,006,740	4,006,740
	- over five years	4,002,755	4,002,755	5,250,261	5,250,261
		<u>10,675,868</u>	<u>10,616,681</u>	<u>12,055,315</u>	<u>12,055,315</u>
16	Finance Leases	Group 2014 €	Company 2014 €	Group 2013 €	Company 2013 €
	Net obligations under finance leases are analysed as follows				
	- within one year	108,633	108,633	-	-
	- between one and two years	113,961	113,961	-	-
	- between two and five years	351,818	351,818	-	-
		<u>574,412</u>	<u>574,412</u>	<u>-</u>	<u>-</u>
17	Deferred Income – Group and Company				€
	Capital Grants				
	At 1 January 2014				5,005,634
	Amortised during the year				(292,800)
	At 31 December 2014				<u>4,712,834</u>
	Total Deferred Income at 31 December 2014				<u>4,712,834</u>
	Total Deferred Income at 31 December 2013				<u>5,005,634</u>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Deferred Tax

The movement in the deferred tax provision during the year was:

	2014 €	2013 €
At the beginning of the year	558,718	-
Charge during the year	65,954	558,718
	624,672	558,718

The provision for deferred tax consists of the tax effect of timing differences in respect of:

	2014 €	2013 €
Excess of taxation allowances over depreciation on fixed assets	624,672	558,718
	624,672	558,718

**19 Share Capital – Company
Authorised**

	2014 €	2013 €
31,500,000 Ordinary Shares of €1.25 each	39,375,000	39,375,000
Allotted, Called Up and Fully Paid		
17,749,900 Ordinary Shares of €1.25 each	22,187,359	22,187,359

20 Capital Injection

	Group 2014 €	Company 2014 €	Group 2013 €	Company 2013 €
At 1 January	4,916,921	5,457,046	4,916,921	5,457,046
At 31 December	4,916,921	5,457,046	4,916,921	5,457,046

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21	Profit/(Loss) Carried Forward			Group	€
	At 1 January 2014			(1,175,753)	
	Profit for the year			2,863,762	
	Other recognised losses			(1,037,000)	
	Deferred Tax related to actuarial loss			129,625	
	At 31 December 2014			780,634	
				780,634	
22	Reconciliation of Movements in Equity Shareholders' Funds			Group	€
	At 1 January 2014			25,928,527	
	Profit for the year			2,863,762	
	Other recognised losses			(1,037,000)	
	Deferred Tax related to actuarial loss			129,625	
	At 31 December 2014			27,884,914	
				27,884,914	
23	Financial Commitments	Group	Company	Group	Company
		2014	2014	2013	2013
		€	€	€	€
	Financial Commitments				
	- commitments approved but not contracted for	13,460,868	13,460,868	10,182,300	10,182,300
	- committed	350,000	350,000	40,000	40,000
		13,810,868	13,810,868	10,222,300	10,222,300
		13,810,868	13,810,868	10,222,300	10,222,300

24 Retirement Benefits

- (a) The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €12,107,000 on these schemes at 31 December 2014.

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 €27,884,914 and the group profit carried forward in the amount of €780,634.

The most recent valuations were at 31 December 2014 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 IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 Retirement Benefits 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 2014 for Financial Reporting Standard 17 disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	2014	2013	2012	2011
Rate of increase in salaries	2.0%	2.0%	2.0%	2.0%
Rates of increase in pension payments	0.0%/3.0%	0.0%/3.0%	0.0%/3.0%	1.0%/3.0%
Discount rate	1.95%	3.3%	4.0%	5.0%
Inflation assumption	1.75%	2.0%	2.0%	2.0%

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

	Long-Term Rate of return Expected at 31 December 2014	Market Value 31 December 2014	Long-Term Rate of return Expected at 31 December 2013	Market Value 31 December 2013	Long-Term Rate of return Expected at 31 December 2012	Market Value 31 December 2012	Long-Term Rate of return Expected at 31 December 2011	Market Value 31 December 2011
	€'000		€'000		€'000		€'000	
Equities	5.25%	4,340	6.75%	3,627	7.3%	4,436	7.3%	3,867
Fixed interest	1.8%	3,909	3.0%	3,106	3.0%	3,036	3.9%	2,539
Property	4.25%	308	5.75%	234	6.3%	150	6.3%	217
Alternatives	4.25%	267	4.75%	1,426	-	-	-	-
Cash	1%	1,437	1%	1,098	1.5%	1,179	1.5%	1,142
		<u>10,261</u>		<u>9,491</u>		<u>8,801</u>		<u>7,765</u>

The following amounts at 31 December 2014 were measured in accordance with the requirements of Financial Reporting Standard 17:

	2014	2013	2012	2011
	€'000	€'000	€'000	€'000
Total market value of assets	10,261	9,491	8,801	7,765
Present value of the (liabilities) of the schemes	(22,368)	(21,130)	(19,837)	(20,332)
(Deficit) in the schemes	<u>(12,107)</u>	<u>(11,639)</u>	<u>(11,036)</u>	<u>(12,567)</u>
Related deferred tax asset	1,513	1,455	1,379	1,571
Net Pension (Liability)	<u>(10,594)</u>	<u>(10,184)</u>	<u>(9,657)</u>	<u>(10,996)</u>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 Retirement Benefits Continued

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

The following amounts would have been recognised in the performance statements for the years ended 31 December 2014 and 31 December 2013 under the requirements of FRS 17.

	2014	2013
	€'000	€'000
Operating Profit		
Current Service Cost	190	159
	<u>190</u>	<u>159</u>
Expected rate of return on pension schemes' assets	320	394
Interest on pension schemes' liabilities	(675)	(770)
	<u>(355)</u>	<u>(376)</u>
Statement of total recognised gains and losses:		
Actual return less expected return on pension schemes' assets	696	78
Experience losses arising on the schemes' liabilities	(197)	253
Changes in assumptions underlying the present value of the schemes' liabilities	(1,536)	(1,812)
Actuarial (loss) recognised in the statement of total recognised gains and losses	<u>(1,037)</u>	<u>(1,481)</u>
	2014	2013
	€'000	€'000
Movement in (deficit) during the year:		
(Deficit) in schemes at 31 December		
Movement in year	(11,639)	(11,036)
Current service cost	(190)	(159)
Contributions paid	1,114	1,413
Settlement gain	-	-
Other finance cost	(355)	(376)
Actuarial gain	(1,037)	(1,481)
(Deficit) in schemes at 31 December	<u>(12,107)</u>	<u>(11,639)</u>

SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND IT'S SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2014	2013
Experience gains and losses for the year ended 31 December	€'000	€'000
Difference between the expected and actual return on schemes' assets	696	78
Percentage of schemes' assets	6.8%	0.8%
Experience gains on schemes' liabilities	(197)	253
Percentage of schemes' liabilities	(0.9%)	1.2%
Total recognised in statement of total recognised gains and losses	(1,037)	(1,481)
Percentage of the present value of the schemes' liabilities	(4.6%)	(7.0%)

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 has no loans from certain government and semi-state bodies.
- (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 2014.

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 (2013: €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 2013.

28 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 27th March 2015.