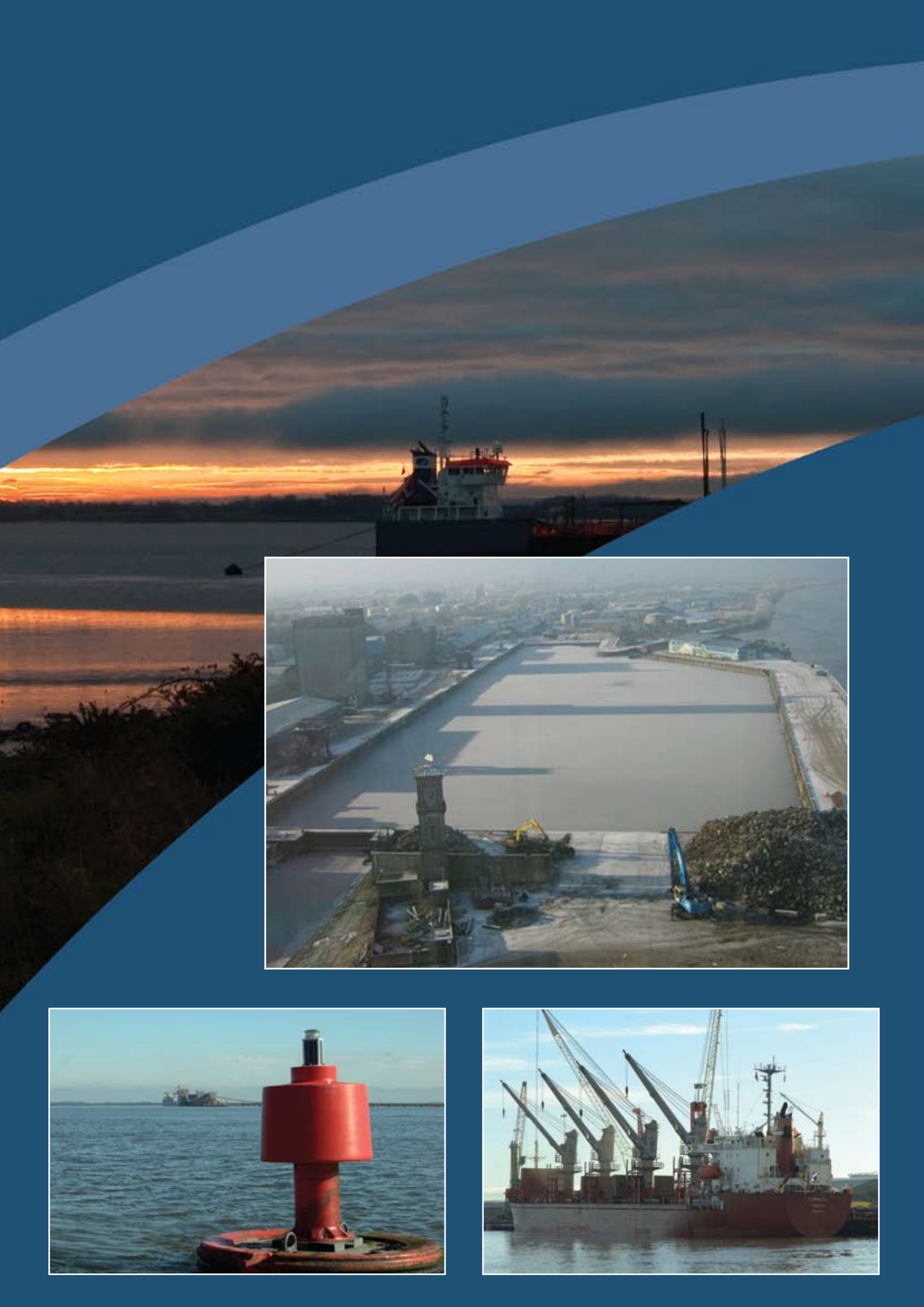




SHANNON FOYNES PORT COMPANY

Annual Report 2009
and Consolidated Financial Statements
(A company limited by shares) and its subsidiary undertakings



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

Annual Report and Financial Statements 2009

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

Directors and Other Information

Board

K. McGuinness - Chairperson
M. Adams
J. Carr
E. Jennings
P. Keane
R. McInerney
D. Naughton
K. O'Hanlon
G. Reidy
R. Sadlier
J. Treacy
P. Keating

Secretary and Registered Office

F. Lynch
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 |
| M. Morrissey | Commercial Manager |
| F. Lynch | Administration Manager |
| A. Coghlan | Harbour Master |
| J. Carlton | Engineering and Port Services Manager |
| E. Stanley | Financial Accountant |

Solicitors

Harrison O'Dowd
98 Henry Street
Limerick

Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

Bankers

Allied Irish Bank Plc
Main Street
Foynes, Co. Limerick

Bank of Ireland
125 O'Connell Street
Limerick

Actuaries

Invesco Limited
4 South Bank
Crosses Green
Cork

SHANNON FOYNES PORT COMPANY (A COMPANY LIMITED BY SHARES) AND ITS 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 2009.

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 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 - 13.

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND ITS 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 18 shows the group's results for the year.

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 2009 are set out below. Unless indicated otherwise they served as directors for the entire year.

K. McGuinness - Chairperson
M. Adams
J. Carr
E. Jennings
P. Keane
R. McInerney
D. Naughton
K. O'Hanlon
G. Reidy
R. Sadlier
J. Treacy
P. Keating (Appointed 18 March 2010)

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND ITS 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 2008 and 31 December 2009.

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 19th March 2010.

On behalf of the Board

Kay Mc Guinness

Director

Richard Sadlier

Director

Date: 19th March 2010

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

CHAIRPERSONS' STATEMENT

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

Activities

Shannon Foynes Port Company maintained its position as Ireland's largest bulk port company in terms of tonnage throughput in 2009, although cargo throughput of 7.6 million tonnes was down by 30% on the previous year. The most significant declines in cargo were experienced at privately owned terminals, with an average reduction of 34% year on year, while that through the Company's own facilities fell by an average of 14%. The last quarter saw a significant upswing in traffic through most terminals, giving cause for optimism of a growth in volume for 2010. The operating profit before financing costs, loss on disposal of assets and exceptional items, was €1.956 million which was down by 7% on 2008. After the above costs, the Company had a profit attributable to the Shareholder of approximately €0.182 million.

Noteworthy achievements in 2009 included:

- An increased operating margin from 19.3% in 2008 to 20.6%
- The Board established a dedicated sub-committee to focus on marketing and business development which meets regularly to review possible future business streams
- The Company continued to make substantial progress in promoting development of shipping related activity in the wider Estuary, including forging close relationships with other state and related development agencies, and the establishment of a dedicated website, www.shannonestuary.ie, to highlight the attractions of the area
- Significant progress was achieved towards realising the objectives of the Strategic Plan 2009 – 2013.
- The Company is on course to approve the 2010-2014 Strategic Plan and present to Departments of Transport & Finance by due date.

Corporate Governance

Shannon Foynes Port Company is committed to the Code of practice for the Governance of State Bodies. A compliance review was undertaken in early 2008 on the company's compliance with Code of practice for the Governance of State Bodies where areas for improvement were identified. Significant steps were taken during 2008 and 2009 towards ensuring that the Company was compliant with the Code and Shannon Foynes Port Company is committed to full compliance. Follow-up reviews were 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 almost all areas. Areas of part compliance were attributable to timing and will be resolved in the immediate future, while any non compliance arose from the finalising of the Chief Executive's contract.

The Board has established a Risk Committee, comprising the entire Board, and deals with risk management as 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. Dick Sadlier.

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

CHAIRPERSONS' STATEMENT

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 ISO9000 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 was subsequently agreed by the Board in 2009. 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. The 2009/2010 Internal Audit Programme was amended and updated in December 2009 and approved by the Board in January 2010.

All systems are also subject to external 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.

Capital Investment

Capital additions during 2009 were €0.701 million. The most significant expenditure (€0.568 million) related to the purchase of a new hopper. The Company has identified areas of infrastructural deficiencies and is engaged in pre-planning studies in relation to these.

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. A bonus payment was made to the Chief Executive Officer during the year.

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 Company has prepared funding proposals for relevant defined benefit schemes which will see these schemes fully funded by 2024. These proposals, with the approval of the Trustees, will be presented to the Pensions Board prior to the deadline for submissions of 30 June 2010.

On 18th March 2010, Pat Keating was appointed Chief Executive Officer, retrospective to 5th June 2008.

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

CHAIRPERSONS' STATEMENT

The future

The Company intends to invest €1.464 million in fixed assets in 2010.

I wish to thank my fellow Directors for their continuing work on behalf of the company throughout the year. I thank those Directors who have served on the Company's Audit, Remuneration, Marketing and Business Development Committees. On behalf of the Board I would also like to thank the management and staff for their efforts and co-operation during 2009 in supporting the direction being provided by the Board.

Kay McGuinness
Chairperson
Shannon Foynes Port Company

**SHANNON FOYNES PORT COMPANY
(A COMPANY LIMITED BY SHARES) AND ITS 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 31 December 2009, the Board has taken steps to ensure an appropriate control environment is in place by;

- Clearly defining management responsibilities;
- 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 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 materialising;
 - 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
- 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.
- Continued certification of the ISO 9000 Quality Assurance Standard;

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

CORPORATE GOVERNANCE REPORT

- 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 2009 – 2010 was 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 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 31 December 2009, management have conducted a review of the effectiveness of the system of internal financial controls. In addition, Internal Audit conducted a follow-up of the issues that were identified from their reviews of the Internal Financial Control in 2007 and 2008.

Kay McGuinness
Chairperson
Shannon Foynes Port Company

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

BUSINESS AND OPERATING REVIEW

2009 Operating Review

One of the few good points to be noted about 2009 is that it is now consigned to history, a view, I am sure, shared by many businesses due to the economic hardship imposed, across all sectors, and as reflected by the collapse in GDP of minus 7.5%. We did record a robust financial performance relative to the recessionary environment and I am pleased to report that we remained in profit after incurring significant once off rationalisation costs.

This time last year we were projecting a difficult 2009 but not to the extent recorded and it is fair to say all economic commentators were aghast at the collapse in global and domestic demand. The ensuing recession hit with a ferocity that caught almost all with surprise and no sector remained unscathed although as predicted the fast moving goods sector and all associated sectors driven by consumer demand did fair particularly bad. In such circumstances where the fall in industrial, investment and consumer demand lead to revenue implosion the focus on cost and cashflow management became the order of the day for most businesses. Likewise our management focus was on preserving the latter areas and I believe this approach has proved successful as evidenced by the Company remaining profitable, albeit at a modest level during 2009.

Tonnage throughput declined by 30% during 2009, however, this translated to a much lower fall in turnover of 12.7%. Turnover declines were more modest due to cargo mix and associated marginal revenue characteristics. Our larger independently owned terminals were significantly affected by the global downturn in industrial output and the consequent sharp fall in demand for supply chain related materials particularly in quarter two. Furthermore the double digit decline in Ireland's industrial demand for electricity had a significant impact on the inputs for the energy sector serviced by the Company. Our own general cargo terminals performed much better with Foynes recording a 9.5% decline in tonnages. While negative and unacceptable in the medium to long term this performance reflects well when compared with some of the other commercial ports where, I understand, the national average decline was in the region of 20% with declines as high as 40% recorded in some instances.

I believe our own directly managed terminals are benefiting from the much increased flexibility offered to customers in recent times together with our significant investment in cranes, hoppers and warehousing over the past several years. There are still initiatives we want to pursue to increase our competitiveness and we will be pursuing these in conjunction with the port users during 2010 and beyond. As mentioned most of our trade sectors were sluggish particularly the break bulk market with its reliance on the construction industry supplying products such as steel, timber and cement products. The agri-sector returned a mixed performance with strong growth in animal feeds throughput of 20% offset somewhat by the retrenchment in national fertiliser sales.

It is noted that the fall in tonnages reflects negative macro-economic forces and I am happy to report that we either maintained market share or in some cases grew market share in our core areas. This is evidenced by the relative robust performance of the Foynes terminal when compared to the general terminals of some of the other ports.

Our business structure, consistent with the utility sector is highly capitalised with a fixed cost dominated cost base. In such a model a significant fall in turnover, in our case 12.7% in 2009, could have a detrimental effect on the bottom line without proactive intervention. As mentioned earlier, we achieved considerable success in reducing fixed costs whereby the operating cost base was reduced by €706k (11%) resulting in the Company achieving a gross margin of 42%, just 1% off the 2008 gross margin, it is worth noting that the 2008 margin was the highest ever recorded by the Company. Administration costs were reduced by €535k or 21% with payroll costs reducing by 8% consisting of a mixture of pay cuts and headcount reduction. These cost reductions greatly increase ongoing business sustainability and will provide a platform for growth once external economic conditions improve.

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

BUSINESS AND OPERATING REVIEW

ECB rates cuts did have a positive effect although were somewhat diluted by our policy of fixing a high proportion of debt. The aforementioned together with significant debt pay down of €1m resulted in our interest charge decreasing by €150k.

Operating Profit at €2.0m (2008: €2.1m) reflects the focus and success made on managing the cost base when account is taken of the adverse economic environment as shown by the €1.4m fall in turnover together with our utility style operating structure. We see more of the same for 2010 with short term revenue growth opportunities reliant on uplift in business sentiment which in itself is highly reliant on consumer demand. It is widely accepted that a shift in demand will not materialise until consumer savings (currently 12% of GDP) begins to fall.

Capital Expenditure

We invested €701k in 2009, primarily in a new mobile hopper, bringing our investment in infrastructure to €17m in the last six years. During 2009 we continued to advance our port capacity planning with considerable progress made on feasibility studies toward future provision of quay infrastructure. Our objective is to complete all feasibility and pre-planning requirements by the end of 2010. Given the lead times involved, up to 7 years on average, in providing such infrastructure and the strategic national importance of sufficient port capacity it is imperative the statutory consent process is streamlined. We believe that, in order to facilitate the aforementioned, the foreshore process should parallel the planning process.

With regard to capital expenditure during 2010 we intend upgrading our fire fighting capabilities at Foynes where we have already completed procurement. We have committed €1.5m for total capital investment in 2010.

Long term creditors

Consistent with cost reductions implemented during the year cashflows generated from operations improved by €800k to €2.7m with liquidity returning to positive territory for the first time in a number of years. As mentioned earlier we reduced long term debt by €1m during the period to €15m. Our debt gearing at 50% is consistent for a capital intensive utility business such as ours and interest cover is in excess of five times EBITA.

Section 24 of the Social Welfare (Miscellaneous Provisions) Act 2008 provides that a funding proposal may be extended beyond three years at the discretion of the Pension Board. The company successfully applied to avail of this provision and it is envisaged the scheme trustees will submit in early 2010 a funding proposal taking advantage of these welcome legislative amendments. We are confident that the funding proposal being recommended by the Company and schemes trustees will fulfil the dual objectives of honouring the schemes obligations while minimising corporate cashflow impacts.

With regard to current year pension performance, we did experience some pullback on the asset mayhem experienced last year with asset return in the region of 10%. However our deficit did increase by 600k to €12.8m net of deferred tax. It is noted that the increase was solely due to material change in actuarial assumptions used concerning increased mortality rates. The change in mortality assumption lead to a €2m increase in scheme obligations but this increase was substantially mitigated by asset growth and changes within scheme membership.

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

BUSINESS AND OPERATING REVIEW

Years Ahead

We made considerable progress toward the implementation of many of the objectives identified in our strategic development plan during 2009. This process continues in 2010 with a primary objective to substantially promote the natural attributes of the Shannon Estuary. In this regard, IDA Ireland, Sustainable Energy Ireland, Shannon Development and ourselves have come together to promote and market the Shannon Estuary as Europe's Ocean Energy Hub, promoting the deepwater port of Foynes, the large serviced industrial site at Askeaton, the Kerry Deep Water Zone (90 hectares of state owned zoned industrial land) and the naturally occurring deep water sites on the estuary as a base for assembly and maintenance. The medium to long term future development of the Estuary is extremely promising in terms of building this energy hub in both the renewable and traditional power sectors. In this regard two global providers are already in situ with the ESB at Moneypoint and Endesa at Tarbert with a third, Shannon LNG, at an advanced stage with planning permission in place for the new gas terminal at Ballylongford.

We have ambitious plans to enhance the quay infrastructure at our own facilities and as stated we have significant feasibility and pre-planning work completed. It is also noted the AFSC terminal at Foynes is due to commence operations during the latter half of 2010 and we look forward to the opportunities this €30m 80,000m³ privately funded facility offers.

We are actively participating in the consultation process formulating the various local authority development plans together with the mid west area strategic plan. Our objectives in these consultations are to promote the strategic recognition of the port, the port connectivity and zoning requirements, the Shannon Estuary as an ocean energy hub and the need for clarity between development and conservation policy & objectives.

Finally we have made considerable progress toward embedding a formal risk management system throughout the company and continue to make progress in benchmarking ourselves against industry formal standards in areas such as health and safety and environmental controls.

Acknowledgments

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

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 2009, 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 notes on pages 16 to 37 which have been prepared under the accounting policies set out on pages 16 and 17.

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 2009. 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.

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.

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

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 2009 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 – 2009 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' Report on pages 3 to 5 is consistent with the financial statements.

The net assets of the group as stated in the Balance Sheet, on page 20, 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 2009 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.

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

Date: 19th March 2010

**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 2009 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.

| | 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 ITS 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 not discounted.

k) Pensions

The parent company operates four defined benefit pension schemes. Due to deficits in all of the schemes the parent company is currently paying pensions out of current revenue. No contributions are being made to the three legacy Shannon Estuary Port Company Pension Schemes. Contributions are being accrued to the legacy Foynes Port Company pension scheme.

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 2009

| | Note | 2009 € | 2008 € |
|--|-------|------------------|------------------|
| Turnover | 1(a) | 9,496,787 | 10,877,368 |
| Operational Costs | 1(b) | (5,464,147) | (6,170,413) |
| Gross Profit | | 4,032,640 | 4,706,955 |
| Administration Expenses | 1(b) | (2,047,891) | (2,582,925) |
| Amortisation of Goodwill | 12 | (29,204) | (29,204) |
| Operating Profit | | 1,955,545 | 2,094,826 |
| Exceptional Items | 3 | (259,693) | 231,021 |
| Interest Payable and Similar Charges | 4 | (667,781) | (817,312) |
| Interest Receivable and Similar Income | | 276 | 1,148 |
| Other Financing Cost | 25(a) | (821,000) | (575,000) |
| (Loss)/Profit on Sale of Fixed Assets | | (25,328) | 3,999 |
| Profit on Ordinary Activities before Taxation | 5 | 182,019 | 938,682 |
| Taxation on Profit on Ordinary Activities | 6 | - | - |
| Profit Attributable to the Shareholder | 21 | 182,019 | 938,682 |

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 19th March 2010 and signed on its behalf by;

Kay Mc Guinness
Director

Richard Sadlier
Director

The notes on pages 24 – 37 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 2009

| | Note | 2009 € | 2008 € |
|--|-------|-------------------------|---------------------------|
| Profit for the year | | 182,019 | 938,682 |
| Actuarial return less expected return on Pension scheme assets | 25(a) | 367,000 | (2,628,000) |
| Experience gains/(losses) arising on the Pension Scheme's Liabilities | 25(a) | 955,000 | (238,000) |
| Changes in assumptions underlying the present value of the schemes liabilities | 25(a) | (1,921,000) | 220,000 |
| Deferred Tax related to Actuarial Loss | | 74,875 | 330,750 |
| TOTAL RECOGNISED LOSSES | | <u>(342,106)</u> | <u>(1,376,568)</u> |

The notes on pages 24 – 37 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 2009

| | Note | 2009 € | 2008 € |
|---|-------|-------------------|-------------------|
| Fixed Assets | | | |
| Tangible Assets | 8(a) | 49,828,289 | 51,066,123 |
| Financial Assets | 9 | 2,539 | 2,539 |
| Intangible Assets | 12 | 313,630 | 342,834 |
| | | 50,144,458 | 51,411,496 |
| Current Assets | | | |
| Debtors | 13 | 2,326,472 | 2,683,586 |
| Cash and Bank Balances | | 639,020 | 220,720 |
| | | 2,965,492 | 2,904,306 |
| Creditors (Amounts falling due within one year) | 14 | (2,797,697) | (2,994,756) |
| Net Current Assets / (Liabilities) | | 167,795 | (90,450) |
| Total Assets | | 50,312,253 | 51,321,046 |
| Creditors (amounts falling due after more than one year) | 15 | (14,825,239) | (15,808,126) |
| Provision for Liabilities and Charges | 25(a) | (12,859,875) | (12,250,875) |
| Deferred Income | 18 | (6,176,834) | (6,469,634) |
| Net Assets | | 16,450,305 | 16,792,411 |
| Capital and Reserves | | | |
| Called Up Share Capital | 19 | 22,187,359 | 22,187,359 |
| Capital Injection | 20 | 4,916,921 | 4,916,921 |
| (Loss) Carried Forward | 21 | (10,653,975) | (10,311,869) |
| Equity Shareholders Funds | 22 | 16,450,305 | 16,792,411 |

Approved by the Board of Directors on 19th March 2010 and signed on its behalf by;

Kay Mc Guinness
Director

Richard Sadlier
Director

The notes on pages 24 – 37 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 2009

| | Note | 2009 € | 2008 € |
|---|-------|--------------------------|--------------------------|
| Fixed Assets | | | |
| Tangible Assets | 8(b) | 49,801,876 | 51,027,981 |
| Financial Assets | 9 | 1,070,142 | 1,070,142 |
| | | <u>50,872,018</u> | <u>52,098,123</u> |
| Current Assets | | | |
| Debtors | 13 | 2,150,150 | 2,560,427 |
| Cash and Bank Balances | | 613,006 | 26,543 |
| | | <u>2,763,156</u> | <u>2,586,970</u> |
| Creditors (Amounts falling due within one year) | 14 | (2,781,290) | (2,978,609) |
| Net Current (Liabilities) | | <u>(18,134)</u> | <u>(391,639)</u> |
| Total Assets | | 50,853,884 | 51,706,484 |
| Creditors (amounts falling due after more than one year) | 15 | (14,825,239) | (15,808,126) |
| Provision for Liabilities and Charges | 25(a) | (12,859,875) | (12,250,875) |
| Deferred Income | 18 | (6,176,834) | (6,469,634) |
| Net Assets | | <u>16,991,936</u> | <u>17,177,849</u> |
| Capital and Reserves | | | |
| Called Up Share Capital | 19 | 22,187,359 | 22,187,359 |
| Capital Injection | 20 | 5,457,046 | 5,457,046 |
| (Loss) Carried Forward | | (10,652,469) | (10,466,556) |
| Equity Shareholders Funds | | <u>16,991,936</u> | <u>17,177,849</u> |

Approved by the Board of Directors on 19th March 2010 and signed on its behalf by;

Kay Mc Guinness
Director

Richard Sadlier
Director

The notes on pages 24 – 37 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 2009

| | Note | 2009 € | 2008 € |
|---|------|----------------|----------------|
| Net Cash Inflow from Operating Activities | A | 2,652,778 | 1,842,305 |
| Returns on Investments and Servicing of Finance | B | (687,012) | (800,606) |
| Taxation | | - | - |
| Capital Expenditure and Financial Investment | C | (363,736) | (1,757,496) |
| Financing | D | (987,981) | 1,659,646 |
| Increase in Cash In Period | | 614,049 | 943,849 |

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

| | 2009 € | 2008 € |
|---|------------------|------------------|
| Increase in Cash in the period | 614,049 | 943,849 |
| Medium and Long Term Loans | 956,213 | (1,796,530) |
| Lease Finance received net of Capital Elements paid | 31,768 | 136,883 |
| | 1,602,030 | (715,798) |

ANALYSIS OF CLOSING NET (DEBT) AT 31 DECEMBER

| | Opening Net (Debt) at 31 December 2008 € | Cash Flow € | Closing Net (Debt) at 31 December 2009 € |
|----------------------------------|--|-------------------|--|
| Cash and bank balances | 220,720 | 418,300 | 639,020 |
| Overdrafts and loans | (1,787,757) | 195,749 | (1,592,008) |
| Debt falling due within one year | (1,567,037) | 614,049 | (952,988) |
| Debt falling due after one year | (15,769,944) | 956,213 | (14,813,731) |
| Finance leases | (69,950) | 31,768 | (38,182) |
| | (17,406,931) | 1,602,030 | (15,804,901) |

The notes on pages 24 – 37 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 2009

| | | | |
|----------|--|-------------------------|---------------------------|
| A | Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities | 2009 | 2008 |
| | | € | € |
| | Operating Profit | 1,955,545 | 2,094,826 |
| | Depreciation Charges | 1,913,311 | 1,970,564 |
| | Amortisation of Goodwill | 29,204 | 29,204 |
| | Grant Amortisation | (292,800) | (292,800) |
| | Decrease in Debtors | 20,046 | 446,593 |
| | Increase/(Decrease) in Creditors | 23,290 | (2,048,103) |
| | Exceptional Items | (259,693) | 231,021 |
| | (Decrease) in provision for Liabilities and Charges | (736,125) | (589,000) |
| | Net Cash Inflow from Operating Activities | <u>2,652,778</u> | <u>1,842,305</u> |
| B | Returns on Investment and Service of Finance | 2009 | 2008 |
| | | € | € |
| | Interest Paid | (687,288) | (801,754) |
| | Interest Received | 276 | 1,148 |
| | | <u>(687,012)</u> | <u>(800,606)</u> |
| C | Capital Expenditure and Financial Investment | 2009 | 2008 |
| | | € | € |
| | Payments to Acquire Tangible Fixed Assets | (363,736) | (1,763,996) |
| | Sale of Tangible Fixed Assets | - | 6,500 |
| | | <u>(363,736)</u> | <u>(1,757,496)</u> |
| D | Financing | 2009 | 2008 |
| | | € | € |
| | Medium and Long Term Loans | (956,213) | 1,796,529 |
| | Lease Finance Paid Net of Capital Elements Paid | (31,768) | (136,883) |
| | | <u>(987,981)</u> | <u>1,659,646</u> |

The notes on pages 24 – 37 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

| | | | |
|----------|--|--------------------|--------------------|
| 1 | Analysis of Turnover and Operational Administration Expenses | 2009 | 2008 |
| | (a) Turnover | € | € |
| | Ship and Cargo Dues | 5,528,410 | 6,108,029 |
| | Stevedoring | 1,051,773 | 1,426,832 |
| | Other Operating Income | 2,916,604 | 3,342,507 |
| | | <u>9,496,787</u> | <u>10,877,368</u> |
| | (b) Operational and Administration Expenses | 2009 | 2008 |
| | | € | € |
| | Operating and Maintenance | (3,723,842) | (4,384,742) |
| | Dredging | (171,530) | (162,157) |
| | Depreciation | (1,861,575) | (1,916,314) |
| | Grant Amortisation | 292,800 | 292,800 |
| | Total Operational Costs | <u>(5,464,147)</u> | <u>(6,170,413)</u> |
| | Administration and Other | <u>(2,047,891)</u> | <u>(2,582,925)</u> |
| 2 | Employment Information | 2009 | 2008 |
| | The Group Costs incurred in respect of Employees were: | € | € |
| | Wages and Salaries | 2,744,757 | 2,956,553 |
| | Social Welfare Costs | 257,792 | 284,226 |
| | Pension Costs | 455,184 | 506,950 |
| | | <u>3,457,733</u> | <u>3,747,729</u> |
| | The average number of staff employed by the company during the financial year amounted to: | | |
| | | 2009 | 2008 |
| | | Number | Number |
| | Operational | 35 | 37 |
| | Administration | 11 | 11 |
| | | <u>46</u> | <u>48</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | | |
|---|-------------------------|-------------------------|
| 3 Exceptional Items | 2009 | 2008 |
| | € | € |
| Rationalisation and Legal provisions | <u>(259,693)</u> | <u>231,021</u> |
| 4 Interest Payable and Similar Charges | | |
| | 2009 | 2008 |
| | € | € |
| On Bank Borrowings: | | |
| - interest payable on bank loans and overdrafts wholly repayable after five years | (640,515) | (786,917) |
| - interest payable on other loans wholly repayable after five years | (24,251) | (21,775) |
| - on finance lease agreements | (3,015) | (8,620) |
| | <u>(667,781)</u> | <u>(817,312)</u> |
| 5 Profit on Ordinary Activities Before Taxation | | |
| | 2009 | 2008 |
| | € | € |
| Profit on Ordinary Activities is stated after charging/(crediting): | | |
| Directors Fees | | |
| K McGuinness – Chairman, Appointed 25 th September 2008 | 13,067 | 3,730 |
| K MacSweeney – Chairperson, Resigned 12 June 2008 | - | 6,294 |
| M Adams - Appointed 25th September 2008 | 8,400 | 2,398 |
| S Bugler - Resigned 12th June 2008 | - | 4,046 |
| J Carr - Appointed 25th September 2008 | 8,400 | 2,398 |
| J Dundon - Resigned 12th June 2008 | - | 4,046 |
| J Griffin - Resigned 12th June 2008 | - | 4,046 |
| E Jennings - Resigned 12th June 2008, Appointed 25th September 2008 | 8,400 | 6,444 |
| P Keane | 8,400 | 9,000 |
| R McInerney - Resigned 12th June 2008, Appointed 25th September 2008 | 8,400 | 6,444 |
| D Naughton | 8,400 | 9,000 |
| K O'Hanlon | 8,400 | 9,000 |
| G Reidy | 8,400 | 9,000 |
| R Sadlier- Appointed 25th September 2008 | 8,400 | 2,398 |
| J Treacy | 8,400 | 9,000 |
| P. Keating – Appointed 18th March 2010 | - | - |
| | <u>97,067</u> | <u>87,244</u> |
| Expenses paid to members of the Board | | |
| Travel Expenses | 11,561 | 23,309 |
| Subsistence | 556 | 3,816 |
| | <u>12,117</u> | <u>27,125</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| 5 Profit on Ordinary Activities Before Taxation (<i>continued</i>) | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Chief Executive Remuneration for Management Services | | |
| Salary | 140,732 | 142,056 |
| Bonus | 20,253 | 28,933 |
| Employer's Pension Contribution | 55,183 | 35,514 |
| | <u>216,168</u> | <u>206,503</u> |

An amount of €10,000 included in the employers pension contribution paid in 2009 was in respect of 2008.

| | 2009 | 2008 |
|---|------------------|------------------|
| | € | € |
| Auditors Remuneration | 21,000 | 21,000 |
| Depreciation | 1,913,311 | 1,970,564 |
| Amortisation of Intangible Fixed Assets | 29,204 | 29,204 |
| Amortisation of Capital Grants | <u>(292,800)</u> | <u>(292,800)</u> |

| 6 Tax on Profit on Ordinary Activities | 2009 | 2008 |
|---|-------------|-------------|
| | € | € |
| Current Tax: | | |
| Irish Corporation Tax on Profit for the year | - | - |
| Adjustments in respect of prior years | - | - |
| Current tax credit for the year | <u>-</u> | <u>-</u> |
| Deferred Tax: | | |
| Origination and Reversal of Timing Difference | - | - |
| | <u>-</u> | <u>-</u> |

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/(Loss) 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)

| 6 | Tax on Profit on Ordinary Activities (<i>continued</i>) | 2009 | 2008 |
|---|---|-------------|-------------|
| | | € | € |
| | Profit on Ordinary Activities before Tax | 182,019 | 938,682 |
| | | <hr/> | <hr/> |
| | Profit on Ordinary Activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2008: 12.5%) | 22,753 | 117,335 |
| | Effects of: | | |
| | Disallowable Expenses by the rate of tax | (106,858) | (85,647) |
| | Excess depreciation over capital allowances by the rate of tax | 135,942 | 155,514 |
| | Interest income by rate of tax | 35 | 144 |
| | Losses by the rate of tax | (51,872) | (187,346) |
| | | <hr/> | <hr/> |
| | Current Tax Credit for the year | - | - |
| | | <hr/> | <hr/> |

7 Profit Attributable to Shannon Foynes Port Company

A profit of €338,210 (2008: €988,620) attributable to the shareholders of Shannon Foynes Port Company (a company limited by shares) has been dealt with 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 |
|------------------------------------|---------------------------|-----------------|----------------------|-------------------|--|---------------------|-------------------|
| | € | € | € | € | € | € | € |
| Cost | | | | | | | |
| At 31 December 2008 | 34,476,624 | 1,240,479 | 12,295,216 | 310,507 | 473,587 | 14,751,146 | 63,547,559 |
| Additions | - | 19,800 | 635,520 | 5,183 | 40,302 | - | 700,805 |
| Disposals | - | - | (1,380) | (36,500) | (101,921) | (29,959) | (169,760) |
| At 31 December 2009 | 34,476,624 | 1,260,279 | 12,929,356 | 279,190 | 411,968 | 14,721,187 | 64,078,604 |
| Depreciation | | | | | | | |
| At 31 December 2008 | 5,025,496 | 1,002,784 | 4,588,000 | 133,383 | 390,480 | 1,341,293 | 12,481,436 |
| Charge for year | 717,233 | 88,841 | 701,386 | 57,018 | 52,456 | 296,377 | 1,913,311 |
| Disposals | - | - | (1,380) | (36,500) | (100,480) | (6,072) | (144,432) |
| At 31 December 2009 | 5,742,729 | 1,091,625 | 5,288,006 | 153,901 | 342,456 | 1,631,598 | 14,250,315 |
| Net Book Value | | | | | | | |
| At 31 December 2009 | 28,733,895 | 168,654 | 7,641,350 | 125,289 | 69,512 | 13,089,589 | 49,828,289 |
| At 31 December 2008 | 29,451,128 | 237,695 | 7,707,216 | 177,124 | 83,107 | 13,409,853 | 51,066,123 |

Included in the NBV above are the following amounts in respect of motor vehicles and plant and machinery held under finance leases.

| | 2009 | 2008 |
|--------------------------------------|--------|---------|
| | € | € |
| Net book value amount at 31 December | 23,742 | 113,581 |
| Depreciation charge for the year | 90,396 | 132,035 |

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 Equipment | | Land & Buildings € | Total € |
|------------------------------------|--------------------------------|----------------------|---------------------------|------------------------|--|------------|--------------------------|------------|
| | | | | | Office € | € | | |
| Cost | | | | | | | | |
| At 31 December 2008 | 34,476,624 | 1,240,479 | 11,800,980 | 310,507 | 422,017 | 14,737,152 | 62,987,759 | |
| Additions | - | 19,800 | 635,520 | 5,183 | 40,302 | - | 700,805 | |
| Disposals | - | - | (1,380) | (36,500) | (101,921) | (29,959) | (169,760) | |
| At 31 December 2009 | 34,476,624 | 1,260,279 | 12,435,120 | 279,190 | 360,398 | 14,707,193 | 63,518,804 | |
| Depreciation | | | | | | | | |
| At 31 December 2008 | 5,025,496 | 1,002,784 | 4,120,947 | 133,383 | 347,732 | 1,329,436 | 11,959,778 | |
| Charge for year | 717,233 | 88,841 | 690,391 | 57,018 | 51,737 | 296,362 | 1,901,582 | |
| Disposals | - | - | (1,380) | (36,500) | (100,480) | (6,072) | (144,432) | |
| At 31 December 2009 | 5,742,729 | 1,091,625 | 4,809,958 | 153,901 | 298,989 | 1,619,726 | 13,716,928 | |
| Net Book Value | | | | | | | | |
| At 31 December 2009 | 28,733,895 | 168,654 | 7,625,162 | 125,289 | 61,409 | 13,087,467 | 49,801,876 | |
| At 31 December 2008 | 29,451,128 | 237,695 | 7,680,033 | 177,124 | 74,285 | 13,407,716 | 51,027,981 | |

Included in the NBV above are amounts in respect of motor vehicles and plant and machinery held under finance leases.

| | | |
|--------------------------------------|-----------|-----------|
| Net book value amount at 31 December | 2009 € | 2008 € |
| Depreciation charge for the year | 17,742 | 100,381 |
| | 83,196 | 124,835 |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| 9 | Financial Fixed Assets | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
|---|---|--------------------|----------------------|--------------------|----------------------|
| | 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% | 3 Ordinary Shares of €1.269738 | Mill House, Foynes, Co. Limerick. |

| 11 | Other Investments at Cost | Group 2009 & 2008 | Company 2009 & 2008 |
|----|---------------------------|----------------------|------------------------|
| | Prize Bonds | <u>2,539</u> | <u>2,539</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | | |
|-----------|--|-----------------------------|
| 12 | Intangible Fixed Assets – Group | Goodwill € |
| | Cost | |
| | At 31 December 2008 | 586,789 |
| | At 31 December 2009 | <u>586,789</u> |
| | Amortisation | |
| | At 31 December 2008 | 243,955 |
| | Charge for year | 29,204 |
| | At 31 December 2009 | <u>273,159</u> |
| | Net Book Value | |
| | At 31 December 2009 | 313,630 |
| | At 31 December 2008 | <u>342,834</u> |

| | | | | | |
|-----------|--------------------------------------|---|---|---|---|
| 13 | Debtors | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
| | Trade Debtors | 1,861,143 | 1,604,919 | 1,966,874 | 1,586,257 |
| | Value Added Tax Receivable | 35,980 | 27,651 | 25,110 | 14,362 |
| | Other Debtors and Prepayments | 429,349 | 429,349 | 691,602 | 691,602 |
| | Amounts owed by Subsidiary Companies | - | 88,231 | - | 268,206 |
| | | <u>2,326,472</u> | <u>2,150,150</u> | <u>2,683,586</u> | <u>2,560,427</u> |

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

| | | | | | |
|-----------|--|---|---|---|---|
| 14 | Creditors | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
| | Government Loans (Note 16) | 46,498 | 46,498 | 46,498 | 46,498 |
| | Bank Loans (Note 16) | 1,428,195 | 1,428,195 | 1,291,935 | 1,291,935 |
| | Bank Overdraft (Note 16) | 117,316 | 117,316 | 449,324 | 449,324 |
| | Trade Creditors | 118,915 | 116,880 | 114,013 | 113,380 |
| | Other Taxes and PRSI | 108,850 | 102,992 | 154,345 | 148,427 |
| | Net Obligations under Finance Leases (Note 17) | 26,675 | 26,675 | 31,768 | 30,702 |
| | Other Creditors and Accruals | 951,248 | 942,734 | 906,873 | 898,343 |
| | | <u>2,797,697</u> | <u>2,781,290</u> | <u>2,994,756</u> | <u>2,978,609</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 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
|----|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Bank Borrowings (Note 16) | 14,720,997 | 14,720,997 | 15,655,378 | 15,655,378 |
| | Government Loans (Note 16) | 92,735 | 92,735 | 114,566 | 114,566 |
| | Net Obligations under Finance Leases (Note 17) | 11,507 | 11,507 | 38,182 | 38,182 |
| | | <u>14,825,239</u> | <u>14,825,239</u> | <u>15,808,126</u> | <u>15,808,126</u> |
| 16 | Bank Borrowings, Overdrafts and Government Loans | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
| | Analysis of bank borrowings, overdrafts and Government loans payable: | | | | |
| | - within one year | 1,592,009 | 1,592,009 | 1,787,757 | 1,787,757 |
| | - between one and two years | 1,474,692 | 1,474,692 | 1,338,432 | 1,338,432 |
| | - between two and five years | 4,314,654 | 4,314,654 | 4,336,485 | 4,336,485 |
| | - over five years | 9,024,386 | 9,024,386 | 10,095,027 | 10,095,027 |
| | | <u>16,405,741</u> | <u>16,405,741</u> | <u>17,557,701</u> | <u>17,557,701</u> |
| 17 | Finance Leases | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
| | Net obligations under finance leases are analysed as follows: payable within 1 year | 26,675 | 26,675 | 31,768 | 30,702 |
| | - payable within one and two years | 11,507 | 11,507 | 26,675 | 26,675 |
| | - payable between two and five years | - | - | 11,507 | 11,507 |
| | | <u>38,182</u> | <u>38,182</u> | <u>69,950</u> | <u>68,884</u> |
| 18 | Deferred Income – Group and Company | | | | € |
| | Capital Grants | | | | |
| | At 31 December 2008 | | | | 6,469,634 |
| | Received during year | | | | - |
| | Amortised during the year | | | | <u>(292,800)</u> |
| | At 31 December 2009 | | | | <u>6,176,834</u> |
| | Total Deferred Income at 31 December 2009 | | | | <u>6,176,834</u> |
| | Total Deferred Income at 31 December 2008 | | | | <u>6,469,634</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | | | | | |
|-----------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 19 | Share Capital – Company | | | 2009 | 2008 |
| | Authorised | | | € | € |
| | 31,500,000 Ordinary Shares of €1.25 each | | | 39,375,000 | 39,375,000 |
| | | | | <u> </u> | <u> </u> |
| | Allotted, Called Up and Fully Paid | | | | |
| | 17,749,900 Ordinary Shares of €1.25 each | | | 22,187,359 | 22,187,359 |
| | | | | <u> </u> | <u> </u> |
| | | | | | |
| 20 | Capital Injection | Group | Company | Group | Company |
| | | 2009 | 2009 | 2008 | 2008 |
| | | € | € | € | € |
| | At 1 January | 4,916,921 | 5,457,046 | 4,916,921 | 5,457,046 |
| | Share Capital Issued during the year | - | - | - | - |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | At 31 December | 4,916,921 | 5,457,046 | 4,916,921 | 5,457,046 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The shareholder subscribed €3,809,214 in cash for Ordinary Shares of €1.269738 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.

| | | |
|-----------|--|-----------------------------|
| 21 | (Loss) Carried Forward | Group |
| | | € |
| | At 31 December 2008 | (10,311,869) |
| | Profit for the year | 182,019 |
| | Other recognised (losses) | (599,000) |
| | Deferred Tax related to actuarial loss | 74,875 |
| | | <u> </u> |
| | At 31 December 2009 | (10,653,975) |
| | | <u> </u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | | |
|-----------|--|--------------------------|
| 22 | Reconciliation of Movements in Equity Shareholders' Funds | Group € |
| | At 31 December 2008 | 16,792,411 |
| | Profit for the year | 182,019 |
| | Other recognised (losses) | (599,000) |
| | Deferred Tax related to actuarial loss | 74,875 |
| | At 31 December 2009 | <u>16,450,305</u> |

| | | | | | |
|-----------|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| 23 | Financial Commitments | Group 2009 € | Company 2009 € | Group 2008 € | Company 2008 € |
| | Financial Commitments | | | | |
| | - commitments approved but not contracted for | 901,000 | 901,000 | 1,849,000 | 1,849,000 |
| | - committed | 601,000 | 601,000 | 145,000 | 145,000 |
| | | <u>1,502,000</u> | <u>1,502,000</u> | <u>1,994,000</u> | <u>1,994,000</u> |

24 Retirement Benefits

- (a)** The group operates four defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €14,698,000 on these schemes at 31 December 2009. 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 €16,450,305 and the group loss carried forward in the amount of €10,653,975.

The most recent valuations were at 31 December 2009 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 four defined benefit schemes. Full actuarial valuations were carried out at 31 December 2009 for Financial Reporting Standard 17 disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

| | 2009 | 2008 | 2007 |
|--------------------------------------|-------------|-------------|-------------|
| Rate of increase in salaries | 3.0% | 4.0% | 4.0% |
| Rate of increase in pension payments | 3.0% | 3.0% | 3.0% |
| Discount rate | 5.5% | 5.6% | 5.5% |
| Inflation assumption | 2.0% | 2.0% | 2.25% |

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

| | Long-Term Rate of return Expected at 31 December 2009 | Market Value 31 December 2009 | Long-Term Rate of return Expected at 31 December 2008 | Market Value 31 December 2008 | Long-Term Rate of return Expected at 31 December 2007 | Market Value 31 December 2006 |
|----------------|--|--|--|--|--|--|
| | 2009 | €'000 | 2008 | €'000 | 2007 | €'000 |
| Equities | 7.25% | 3,916 | 6.9% | 2,919 | 7.50% | 5,106 |
| Fixed interest | 4.25% | 2,396 | 3.9% | 2,627 | 4.50% | 2,434 |
| Property | 6.25% | 217 | 5.9% | 308 | 6.50% | 458 |
| Cash | 2.0% | 1,512 | 2.0% | 1,651 | 3.50% | 1,546 |
| Other | - | - | - | - | - | - |
| | | <u>8,041</u> | | <u>7,505</u> | | <u>9,544</u> |

25 Retirement Benefits Continued

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

The following amounts at 31 December 2009 were measured in accordance with the requirements of Financial Reporting Standard 17:

| | 2009 | 2008 | 2007 |
|---|-----------------|-----------------|----------------|
| | €'000 | €'000 | €'000 |
| Total market value of assets | 8,041 | 7,505 | 9,544 |
| Present value of the (liabilities) of the schemes | (22,739) | (21,506) | (20,915) |
| (Deficit) in the schemes | (14,697) | (14,001) | (11,371) |
| Related deferred tax asset | 1,837 | 1,750 | 1,421 |
| Net Pension (Liability) | <u>(12,860)</u> | <u>(12,251)</u> | <u>(9,950)</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following amounts would have been recognised in the performance statements for the years ended 31 December 2009 and 31 December 2008 under the requirements of FRS 17.

| | 2009 | 2008 |
|---|--------------|----------------|
| | €'000 | €'000 |
| Operating Profit | | |
| Current Service Cost | <u>325</u> | <u>373</u> |
| Other finance (cost) | | |
| Expected rate of return on pension schemes' assets | 356 | 550 |
| Interest on pension schemes' liabilities | (1,177) | (1,125) |
| | <u>(821)</u> | <u>(575)</u> |
| Statement of total recognised gains and losses: | | |
| Actual return less expected return on pension schemes' assets | 367 | (2,628) |
| Experience losses arising on the schemes' liabilities | 955 | (238) |
| Changes in assumptions underlying the present value of the schemes' liabilities | (1,921) | 220 |
| | <u>(599)</u> | <u>(2,646)</u> |
| Actuarial (loss) recognised in the statement of total recognised gains and losses | <u>(599)</u> | <u>(2,646)</u> |

25 Retirement Benefits Continued

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

| | 2009 | 2008 |
|---|-----------------|-----------------|
| | €'000 | €'000 |
| Movement in (deficit) during the year: | | |
| (Deficit) in schemes at 31 December | | |
| Movement in year | (14,001) | (11,371) |
| Current service cost | (325) | (373) |
| Contributions paid | 1,049 | 964 |
| Other finance cost | (821) | (575) |
| Actuarial (loss) | (599) | (2,646) |
| (Deficit) in schemes at 31 December | <u>(14,697)</u> | <u>(14,001)</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | 2009 | 2008 |
|--|--------------|--------------|
| Experience gains and losses for the year ended 31 December | €'000 | €'000 |
| Difference between the expected and actual return on schemes' assets | 367 | (2,628) |
| Percentage of schemes' assets | (4.6%) | (35%) |
| Experience gains/(losses) on schemes' liabilities | 955 | (238) |
| Percentage of schemes' liabilities | 4.2% | (1.1%) |
| Total recognised in statement of total recognised gains and losses | (598) | (2,646) |
| Percentage of the present value of the schemes' liabilities | (2.6%) | (12.3%) |

26 Ultimate controlling party

The ultimate controlling party of the company is the Minister for Transport.

27 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 €139,232 from certain government and semi-state bodies. Interest of €24,250 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 2009.

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.

28 Contingent Liabilities

Group and Company

The parent company has given a guarantee in the sum of €19,046 (2008: €19,046) in respect of borrowings of the subsidiary company.

29 Approval of Financial Statements

The financial statements were approved by the Board of Directors on the 19th March 2010.





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