

# Shannon Foynes

## PORT COMPANY

IRELANDS PREMIER DEEP WATER FACILITIES



# 2018 ANNUAL REPORT

and Consolidated Financial Statements

Shannon Foynes Port Company & its subsidiary undertakings

## SFPC Bi-Annual COMPASS Schools Competition

*'Transforming the Waves of the Shannon Estuary -  
Developing Alternative Energy Opportunities'*



2018 / 2019 Competition Winner's : The Working Waves Team from Laurel Hill Secondary School

## 2018 Annual Energy Report

In 2018 SFPC consumed:

- 578.254 MWH of electricity
- 4042.98 MWH of mineral oil fuels

Actions Undertaken in 2018:

- Lighting: Continuation of 5year port lighting upgrade plan – €18,000 invested in 2018 for Port Cluster & Road LED Lighting.
- Vehicles: Budget allocation for fleet upgrade planned for 2018 got pushed out to 2019 - Procurement currently exploring electric & hybrid options.
- Office Building: Energy efficiency – upgrade possibility to coincide with planned extension to Mill House. Project temporarily paused due to budgetary requirements. Expected to be back on line 2023.
- Energy Awareness: Continual engagement with supervisors & staff regarding energy efficiency and possible areas of improvement and saving.

Actions Planned for 2019:

- Lighting: Continuation of 5 year port lighting upgrade plan – €21,000 allocated for 2019.
- Company Vehicles: Procurement currently exploring Hybrid & Electric options to form part of 2019 planned fleet upgrade.
- Charging Point: Installation of an electric car charging point within our facility (pending procurement of an electric vehicle).
- Energy Awareness: Commitment to conduct Energy Efficiency Workshops/Talks with staff - Promoting involvement & awareness.
- Renewable Energy: Investigate & explore the possibility of incorporating renewable energy sources into current and/or future developments – i.e.: Solar Panels, Wind Turbine, Water Harvesting, etc.

**SHANNON FOYNES PORT COMPANY**  
and its subsidiary undertakings

**Annual Report and Consolidated  
Financial Statements**

**Year Ended 31 December 2018**

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

**Annual Report and Financial Statements 2018**

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SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
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**Directors and Other Information**

**Board**

D. McGarry  
 J. Coleman (Appointed 5th February 2019)  
 M. Finucane  
 C. Henry  
 E. Jennings  
 P. Keating  
 J. Spring (Appointed 5th February 2019)  
 T. Treacy

**Secretary and Registered Office**

E. Stanley  
 Harbour Office  
 Foynes  
 Co Limerick

Registered Number: 332414

**Independent Auditors**

Grant Thornton  
 Chartered Accountants & Statutory Audit Firm  
 Mill House  
 Henry Street  
 Limerick

**Management**

P. Keating	Chief Executive Officer
J. Carlton	Port Services Manager
S. McGowan	Business Development 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

**Actuaries**

Invesco Limited  
 4 South Bank  
 Crosses Green  
 Cork

**SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT**

**Governance Statement and 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 2018.

**Governance**

The Board of Shannon Foynes Port Company was established under the Harbours Act 1996. The Board is accountable to the Minister for Transport, Tourism & Sport and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of Shannon Foynes Port Company are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of Shannon Foynes Port Company.

**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.

**Accounting Records**

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act, 2014 with regard to the keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the company's business address at Mill House, Foynes, Co Limerick.

**Board Responsibilities**

The work and responsibilities of the Board are set out in the Board Terms of Reference which also contain the matters specifically reserved for Board decision.

The purpose of the Board of Directors is:

- to act as custodians for, and to maximise the value of, the assets of Shannon Foynes Port Company (SFPC)
- to direct the strategy and operations of SFPC
- to act in the best interests of SFPC and its stakeholders at all times;
- to ensure that good corporate governance is always practiced within SFPC and to manage risk appropriately.

Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of SFPC, subject to the objectives set by Government and all statutory obligations. The Board of Shannon Foynes Port Company delegates authorities and responsibilities to management to ensure the orderly, efficient and effective running of Company affairs.

**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.

**SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)**

**Review of the Business**

A detailed review of the group's operations is set out on pages 17 - 21.

**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 33 shows the group's results for the year.

The company paid a dividend in the year 2018 in the amount of €300,000

**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.

**Research and Development**

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

**Subsidiary**

Details of the subsidiary of Shannon Foynes Port Company is set out in note 11 to the financial statements.

**Statement of Relevant Audit Information**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Grant Thornton, continue in office in accordance with section 383(2) of the Companies Act 2014.

**SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)**

**Board Structure & Key Personnel Changes**

In accordance with section 326 and section 329 of the Companies Act 2014, the director's that served at any time during the financial year and the directors' and secretary's interest in the shares of the company and the group undertakings and the movements therein during the financial year ended 31 December 2018 were as follows:

D. McGarry Chairperson (Appointed for a 5 year term, 6th December 2017)  
 P. Keating, CEO  
 M. Finucane (Reappointed for a 3 year term, 4th April 2017)  
 C. Henry (Reappointed for a 3 year term, 4th April 2017)  
 E. Jennings (Reappointed for a 5 year term, 24th July 2015)  
 T. Treacy (Appointed for a 5 year term, 17th January 2018)

The directors and secretary have no beneficial interests, including family interests, in the share capital of the company or its subsidiary company at 31 December 2017 and 31 December 2018.

The Board has established two committees, as follows:

- **Audit and Risk Committee (ARC):** comprises four non-executive Board members. The Board of Shannon Foynes Port Company has established an Audit and Risk Committee to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board's assurance needs and reviewing the reliability and integrity of these assurances. The role of the Audit & Risk Committee is advisory in nature and does not release the Board of Directors from their responsibilities. The Audit & Risk Committee is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Conal Henry (Chairperson), Michael Finucane, Edmund Jennings and Tom Treacy. There were 3 meetings of the Audit & Risk Committee in 2018.

- **Remuneration Committee:** comprises four non-executive Board members. The members of this committee are: David McGarry (Chairperson), Michael Finucane, Conal Henry and Edmund Jennings. There were 4 meetings of the Remuneration Committee in 2018.

**SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)**

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Board and Committee meetings for 2018 is set out below including the fees and expenses received by each member:

	<b>Board</b>	<b>Audit &amp; Risk Committee</b>	<b>Remuneration</b>	<b>Fees 2018 €</b>	<b>Expenses 2018 €</b>
Number of Meetings	9	3	4		
David McGarry	9		4	12,600	4,222
Michael Finucane	8	3	4	8,100	194
Conal Henry	8	3	3	8,100	
Edmund Jennings	8	3	3	8,100	261
Pat Keating	9			8,100	
Tom Treacy	9	2		7,756	279
				<b>52,756</b>	<b>4,956</b>

**Key Personnel Changes**

Martin Morrissey, Commercial Manager, deceased 7th July 2018.

Sean McGowan was appointed Business Development Manager with effect from 11<sup>th</sup> December 2017.

Tom Treacy was appointed as Director for a five year term with effect from 17<sup>th</sup> January 2018.

**Disclosures Required by Code of Practice for the Governance of State Bodies (2016)**

The Board is responsible for ensuring that Shannon Foynes Port Company has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

**Employee Short-Term Benefits Breakdown**

Employees' short-term benefits in excess of €50,000 are categorised into the following bands:

<b>Range</b>	<b>Number of Employees</b>		
<b>From</b>	<b>To</b>	<b>2018</b>	<b>2017</b>
€50,000 -	€75,000	13	14
€75,001 -	€100,000	9	5
€100,001 -	€125,000	4	4
€125,001 -	€150,000	3	3
€150,001 -	€175,000	0	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)**

**Consultancy Costs**

Consultancy costs invoiced and received in the period include the cost of external advice to management and exclude certain outsourced 'business-as-usual' functions

	2018	2017
	€	€
Legal Advice	72,265	294,325
Financial, Internal Audit & Compliance Certification	62,267	80,076
PR & Marketing	34,703	15,760
HR, Recruitment & Pensions	33,812	54,297
Engineering & Design	1,166,132	1,280,198
Planning	278,589	167,446
Other	7,028	26,328
<b>Total Consultancy Costs</b>	<b>1,654,796</b>	<b>1,918,430</b>
Consultancy Costs Capitalised	1,188,263	1,466,557
Consultancy Costs invoiced and received to the Income & Expenditure and Retained Revenue Reserves	466,533	451,873
<b>Total</b>	<b>1,654,796</b>	<b>1,918,430</b>

**Legal Costs and Settlements**

The Table below provides a breakdown of amounts of invoiced and received expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by Shannon Foynes Port Company which is disclosed in Consultancy costs above.

	2018	2017
	€	€
Legal Fees - Legal Proceedings	-	173,225
Conciliation and arbitration payments	366,725	171,249
	<b>366,725</b>	<b>344,474</b>

SHANNON FOYNES PORT COMPANY  
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**GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)**

**Travel and Subsistence Expenditure**

Travel and subsistence expenditure is categorised as follows:

	2018	2017
	€	€
Domestic		
Board	4,956	975
Employees	70,045	79,740
International		
Board	-	498
Employees	10,952	14,956
<b>Total</b>	<b>85,593</b>	<b>96,169</b>

**Hospitality Expenditure**

The Income and Expenditure Account includes the following hospitality expenditure:

	2018	2017
	€	€
Staff Hospitality	21,016	12,412
Third Party Hospitality	9,905	400
	<b>30,921</b>	<b>12,812</b>

**Statement of Compliance**

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure Compliance with the Code. Shannon Foynes Port Company was in full compliance with the Code of Practice for the Governance of State Bodies for 2018.

This statement was approved by the board on 29 March 2019 and signed on its behalf by:

**Pat Keating**  
 Director

**David McGarry**  
 Director

**SHANNON FOYNES PORT COMPANY  
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**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company for the financial year end date of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This statement was approved by the board on 29 March 2019 and signed on its behalf by:

**Pat Keating**  
 Director

**David McGarry**  
 Director

**SHANNON FOYNES PORT COMPANY  
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**STATEMENT ON INTERNAL CONTROL**

**Acknowledgement**

On behalf of Shannon Foynes Port Company (SFPC), I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

**Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Shannon Foynes Port Company for the full year ended 31 December 2018 and up to the date of approval of the financial statements. A review and statement confirming the effectiveness of internal control was presented to the Audit & Risk Committee on the 22nd February 2019.

**Risk Management and the Control Environment**

Shannon Foynes Port Company have developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. This policy is communicated to all staff who work within Shannon Foynes Port Company. The Risk Management system is designed to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

The Board of Shannon Foynes Port Company have overall responsibility for risk management including determining the nature and extent of significant risks that it is willing to accept in pursuit of its strategic and operational objectives

Shannon Foynes Port Company has established an Audit & Risk Committee comprising four non-executive Board members to support the Board in their responsibilities for issues of risk, control and corporate governance. This committee is advisory in nature and does not release the Board of Directors from their responsibilities. The Audit & Risk Committee met three times in 2018. I am satisfied that the Audit & Risk Committee fully discharged its role within the meetings held during the year.

During the year ended 31st December 2018, 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 & Risk 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

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**STATEMENT ON INTERNAL CONTROL (CONTINUED)**

- Establishing systems aimed at ensuring the security of the information and communication technology systems,
- The Audit Committee undertaking their role and responsibilities during the period under review;
- Performance of a review of Corporate Governance within the Company;
- 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 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 & Risk Committee. The Internal Audit Programme for 2018 was recommended to the Board by the Audit & Risk 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 & Risk 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.

SFPC have a Risk Management Framework which provides a consistent approach across the organisation to risk management and mitigation. It ensures risks are consistently identified, evaluated, measured, managed, monitored and reported. Risks are evaluated and prioritised based on the potential severity of impact and likelihood of occurrence. SFPC operate an in-house risk audit function which is resourced and conducts a programme of work agreed with the Executive.

In determining principal risks and uncertainties, factors such as the external environment, internal and external stakeholder engagement and the companies risk management approach are key considerations.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff 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

**SHANNON FOYNES PORT COMPANY  
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**STATEMENT ON INTERNAL CONTROL (CONTINUED)**

**Principal Risks and Uncertainties**

Risks registered on the company risk register are divided into three risk tiers of principal, moderate and other.

As part of assigned duties the SFPC Audit & Risk Committee have carried out a suitable assessment of principal risks facing the company and presented a report to the Board summarising findings and any significant changes.

	<b>Principal Risk: Description &amp; Mitigation Measures</b>
<b>Corporate</b>	Government must continue to support the Company in external infrastructural requirements and regulation into the future. To achieve this SFPC will continue to build relationships and request the support of government departments particularly the Department of Transport through dialog with Ministers & Department Officials, the support of trade bodies such as Irish Ports Association and IBEC & regular contact with local authorities to promote objectives of the Strategic Integrated Framework Plan (SIFP) for the Shannon estuary and Shannon Foynes Port Company Masterplan Vision 2041.
<b>Commercial</b>	SFPC recognise that a number of macroeconomic and/or sectoral changes could potentially lead to the loss of major customers. SFPC implement controls to include medium to long term marketing activities, assessing alternative business options and working with other agencies to support port development and promotion.
<b>Health &amp; Safety</b>	Due to the inherent nature of operations within a port environment heavy lift operations remain a key risk area. SFPC implement operational controls to include statutory inspection and regular visual inspection of equipment, maintenance of lifting registers, competency of operators and maintenance staff and planned maintenance programs to ensure equipment is operated and maintained in line with manufactures guidelines. These controls act to reduce the risk of incident and/or loss.
<b>Environmental</b>	Oil Pollution due to an incident involving a vessel on water could have a negative on the environment. To mitigate this SFPC have an approved "Guide to Port entry" to assist the Master of each vessel when entering port limits. Ships entering port limits are required to have certificates confirming suitability, evidence of periodic surveys to ensure they comply with international regulations including overboard discharges, oily water separators and insurance to cover the cost of an environmental incident. SFPC are members of SEAPT where access to oil pollution response equipment and resources is provided to assist in responding to on water oil pollution incidents.
<b>Technical &amp; Port Services</b>	Due to the inherent nature of working in the hold of a ship SFPC implement a number of controls to reduce the risk of incident and/or injury. Controls include safe system of work plans, authorised permit to enter, documented and tested rescue plans, suitable communication methods and safe access and egress. Works are planned and organised in accordance with best practice and staff are suitably trained, competent and resourced to implement controls agreed.

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**STATEMENT ON INTERNAL CONTROL (CONTINUED)**

**Ongoing Monitoring and Review**

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- Maintenance of a comprehensive risk register where key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Maintenance a program of audits to include a risk audit program resourced by company employees, an internal audit program resourced by Board approved external provider and certification audit programs designed to meet the requirements of ISO 9001:2015 & OHSAS 18001:2007.
- In accordance with the Audit & Risk Terms of Reference Management present a program of documented information to the Audit & Risk Committee.
- Reporting arrangements have been established at all levels where responsibility for financial and operational management has been assigned, and
- There are regular reviews by Management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

**Procurement**

I confirm that Shannon Foynes Port Company has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 Shannon Foynes Port Company complied with those procedures.

The Board has fully satisfied itself that the requirements for public procurement are adhered to and to be fully conversant with the current value thresholds for the application of EU and national procurement rules. The Board is fully satisfied that procurement policies and procedures have been developed and published to all staff and it is also satisfied that procedures are in place to detect non-compliance with these procurement procedures.

**Review of Effectiveness**

I confirm that Shannon Foynes Port Company has procedures to monitor the effectiveness of its risk management and control procedures. The Board's monitoring and review of the effectiveness of the system of internal control including internal financial control is informed by the work of the management within Shannon Foynes Port Company who develop and maintain the 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.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2018.

**Internal Control Issues**

No weaknesses in internal control to include any material losses or frauds were identified in relation to 2018 that require disclosure in the financial statements.

**David McGarry**  
 Chairperson  
 Shannon Foynes Port Company  
 Date: 29 March 2019

**SHANNON FOYNES PORT COMPANY  
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**CHAIRPERSON'S STATEMENT**

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

**Activities**

2018 yet again proved to be a very successful year for Shannon Foynes Port Company. Indeed, the company posted record profitability levels with profit before taxation exceeding €4.3million for the first time in the history of the Company. Operating performance is also noted as a historic high with EBITDA at €6.8million exceeding all previous highs as at end of 2018. Overall Company tonnage throughput for 2018 of 10.7million tonnes does experience a decline of some 623k or 5.5% of that recorded in the prior year. This reduction can be solely attributed to privately managed terminals with directly managed terminals continuing to perform exceptionally well and showing a highly impressive 11.7% annual growth for 2018. This is the sixth year in succession that general cargo terminals have increased year on year. Tonnages at directly managed terminals for 2018 are some 50% higher at end 2018 than at end 2013, five years previous. With both the individual terminals of Foynes and Limerick experiencing historic high throughputs for full year 2018, total tonnages at directly managed terminals exceed previous historically high tonnage levels experienced during 2006 by 11.2%. The company's overall revenue has increased by 4.9%. Cargo & Ship Dues at directly managed terminals are some 10.6% positive to prior year with increases occurring at all terminals. Revenues from handling activities also witnessed strong positive growth arising from historic throughput performance at Foynes and Limerick. This growth achieved in ship, cargo and handling activities is offset somewhat by revenues from privately managed terminals which were lower year on year principally arising from decreased throughput at Moneypoint. The significant growth in directly managed terminals over the recent years illustrated by the 50% growth in tonnages over a five year period incur additional costs increases with a total operating and administration costs increase of 6.9% noted in the current year. Despite the increases in cost base, total operating and administration costs have increased by just 10% over a ten year period since 2008 despite a 34.8% increase in revenues over the same period. The impact of the above are a 2.6% increase in the company's EBITDA now at €6.8million and a historic high for the company. Despite a 0.6% reduction in operating profit arising from increasing depreciation charges, operating profits in the period remain exceptionally strong at €4.8million and some, €1.2million or 34% higher than that of 2014, some 4 years previous. The company maintained its competitive operating position by reporting an operating margin of 32.5% exceeding a 30% operating margin for the seventh consecutive year. After financing costs and taxation charge, the Company had a profit attributable to the Shareholder of approximately €3.929 million.

**Capital Investment**

Capital Additions were €1,671k in the year. Some of the principal capital investments incurred during 2018 are noted as follows, €710k of construction works in progress relating to the ongoing development works at Foynes. This €23m development consists of constructing a new 117m quay to join the East and West Jetties, infill behind berth 5 and provision of access, utilities and flood mitigation on the recently acquired 38 hectares for developing a port related industrial park. All preliminary design and associated environmental and marine site investigation works have now been completed with ABP having granted planning on the 28th of December last for the next phases of this development. This project qualifies for Ten-T funding under the 2017 CEF Transport Blending Call and as previously reported this application has been approved for funding by the EU for up to 20% of qualifying expenditures. In addition, €643k was invested in the remediation of a site at Limerick Dock for relocation of scrap metal operations. The works incurred are improvement works to the sites surface water drainage infrastructure.

The detailed design process and associated reports commissioned by SFPC for the reinstatement of the Foynes-Limerick Rail Line were completed at the end of 2018. This culminates an almost four-year program that included scoping, preliminary design, environment assessments, rail safety assessment, and detailed design. This 40km stretch of rail from Limerick to Foynes is now set to be "shovel ready" for freight purposes only with reinstatement works projected to take between 12 to 18 months. The completion of detailed design allows the project to progress to tender for works phase with Shannon Foynes Port Company committed to facilitating this project, once a viable long-term contract is in place.

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

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**CHAIRPERSON'S STATEMENT (CONTINUED)**

**Corporate Governance**

Shannon Foynes Port Company saw following Employee Director Elections an Employee Director been appointed to the Board by the Minister on the 17th January 2018. With a further two appointments made to the Board by the Minister at February 2019, the Board is currently fully constituted at eight members.

2018 saw significant progress achieved towards realising the objectives of the Strategic Plan 2018– 2022. The Company is on course to approve the 2019-2023 Strategic Plan and present it to the Departments of Transport and Finance by the due date.

Shannon Foynes Port Company remains committed to compliance to the Code of Practice for the Governance of State Bodies. The Statement of Internal Control on pages 10 to 13, acknowledges the Board's responsibility for ensuring that an effective system of internal control is maintained and operated whilst the Governance Statement and Directors' Report on pages 3 to 8 details the required Annual Report disclosures arising from the Code.

**Dividend**

The excellent performance of recent years ensures that SFPC continues to declare and pay dividends to the Exchequer. 2018 saw a payment to the Exchequer of €300,000 some three times higher than that of the company's first dividend payment three years previous. We are confident that the quantum of the dividend proposed to be paid in the current year will again exceed the prior year return.

**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 5 Year Strategic Plan 2019-2023, capital expenditures totalling €41.9million over the five year period. Of this, it has identified and detailed capital requirements of €8.9million for its 2019 Annual Budget. 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 72% consistent with Vision 2041's mid to high average growth scenario.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**CHAIRPERSON'S STATEMENT (CONTINUED)**

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

- Regarding the Foynes Port Development Program, 2018 while quiet on the works front was a busy year in progressing the consents required for Phase II of the investment program. A planning application was lodged with An Bord Pleanála in April 2018 via the Strategic Infrastructure Development process and the application was duly awarded planning consent on the 28th of December 2018. Consequently, 2019 will see the commencement of the underlying works relating to this planning consent. These works are substantial in nature representing the largest civil projects Shannon Foynes Port Company has undertaken. We have already been approved for CEF funding for these works and anticipate that all eligible works will be completed by end of 2023.
- The Board welcomes the progress being made on the Limerick to Foynes Road Scheme but stresses that the delivery of this Scheme is becoming more and more urgent. Encouragingly, the Limerick to Foynes Road Upgrade Scheme has been included in both the NPF and associated Project Ireland 2040 launched by government in 2018. We understand that the design team will lodge a planning application in June 2019 with An Bord Pleanála. Due to the critical path nature of this Scheme in relation to the Port's development phase we cannot state enough the urgency of the timely completion of this Road Scheme.
- Vision 2041 contains two clear objectives for the future of Ted Russel Docks and associated land. The first was to promote and maintain the working port and the second was to achieve a commercial return on its non-core assets. In order to meaningfully progress these interrelated objectives, we completed the Limerick Framework Development Strategy (LFDS) which was successfully launched during March 2018. Since its launch we have procured Savills as property advisors on a multi-annual basis. Savills commenced their engagement in October 2018 are on track to complete their initial phase, the Implementation Strategy for the Limerick Docklands Economic Park by end of Q1 2019.
- While there are obvious economic threats arising from Brexit, we believe it also presents opportunity. Brexit is a disruptor and has forced the freight sector, including its policy makers, to review current systems and traffic paths. To this end, we will remain active in examining new opportunities for SFPC with regards to changing freight sector dynamics. Regarding LNG, the dependence on Ireland's gas supply from the UK is well documented. That the UK could become a "third country" in the EU context has massive ramifications for our future gas supplies. Additionally, the uncertainty created in terms of the scale of tariffs cannot be ignored either thus strongly reviving the case for an LNG terminal such as that proposed at Ballylongford.

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 Minister for Transport, Tourism & Sport, Mr Shane Ross, T.D and his departmental officials for their continued support to the Company during the past year. Finally, I would like to thank the management and staff for their efforts and co-operation during 2018 in supporting the direction being provided by the Board.

**David McGarry**  
 Chairperson  
 Shannon Foynes Port Company  
 Date: 29 March 2019

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018****BUSINESS AND OPERATING REVIEW****Operating Review**

Operating performance delivered in 2018 topped all previous highs. 2018 performance continues the trend of the last number of years with Turnover, EBITA and PBT all recording year on year increases to €14.7m (2017: €14.0m), €6.8m (2017: €6.7m) and €4.35m (2017: €4.29m) respectively. This 2018 performance is noteworthy in that it comes immediately on the back of the previous historic highs set in each of 2015, 2016 and 2017.

The underlying drivers of this year's performance relates to impressive tonnage growth at our own general cargo multi user terminals. For example, Foynes recorded growth of over 19% year on year with Limerick retaining its historical high tonnage throughputs of recent years. While both these terminals enabled P&L growth, they were mitigated to an extent by contraction at the privately-owned terminals. Consequently, overall tonnage in the Shannon Estuary declined to 10.7m tons (2017:11.3m). As mentioned, this contraction was confined to the private terminals where US sanctions, which at time of writing are removed, impacted negatively on alumina production and in addition, maintenance requirements negatively impacted coal throughputs for electricity generation.

With regard to the terminals at Foynes and Limerick, agricultural, energy and construction trades were particularly strong. Throughputs at these terminals now surpass tonnages at the height of the Celtic tiger by over 11% and are set for continued strong growth in the foreseeable. Limerick is emerging as a key export terminal for indigenous industry with exports representing over 60% of its throughput by a number of diverse local companies. Significantly, we are now tracking the mid to high growth scenarios projected in our Masterplan, Vision 2041, and it is imperative that its capacity enhancements continue to be implemented, particularly for the Foynes terminal. Notably, to date we have not experienced any Brexit related impacts on our trading performance at our own general cargo terminals.

As mentioned, the Company delivered a very robust 2018 financial performance whereby EBITA, profit on ordinary activities before taxation and profit attributable to the shareholder are all now tracking record levels. While operating profit and operating margin are also trending record highs there was some slippage during 2018. The primary impacts on current margin relate to higher depreciation charges due to our intensive capital investment program. This impact should correct over the short term as demand meets capacity. Changes in cargo and terminal mix have also impacted 2018 margin. Despite the reduction in operating margin, operating profits in the year remain exceptionally strong and at €4.7million are €1.2million or 34% higher than that of 2014, just 4 years previous.

This trading performance reflects the success attained in increasing revenues and managing costs whereby, for example, margin at the height of the celtic tiger was a mere 5.5%.

While the business is now consistently generating healthy profits, there are many substantial demands on cash flow such as the extensive Investment Program underpinning Vision 2041, the onerous pension funding requirement and the existing debt funding requirement. Accordingly, it is vital that we continue to grow revenues and most importantly, continue to stringently control costs so that we can build on recent success.

We remain confident that by focusing on continual improvement, across all areas, the projections outlined in Vision 2041 will be attained and importantly the capacity requirements identified therein will be delivered on. Since 2011 (the base year of Vision 2041) tonnage at our general cargo terminals have increased by just over 72% and we expect that tonnage throughput will continue to trend upward in the coming years in line with the mid to high scenario projected in Vision 2041.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018****BUSINESS AND OPERATING REVIEW (CONTINUED)****Capacity Planning & Funding**

Due to the consistent delivery over the last number of years of strong operating and financial results our balance sheet continues to expand and strengthen. For example, over the 10 year period from 2008 to 2018, net assets have increased by 243% to €40.8m (2008: €16.8m) with annual net operating cashflow increasing by 320% to €5.9m in 2018 (2008: €1.8m). This strength of performance has enabled the Company implement its ambitious Investment Program underpinning Vision 2041.

Due to the increased tonnage throughput projected in Vision 2041, additional capacity is required. In this regard, the ongoing roll-out of our Investment Program is essential. Following on from the completion of Phase 1 at a cost of €12m in 2016 we received planning permission for the follow-on Phases, II to IV, in December 2018. These Phases consist of new quay construction of 117m to join the East and West Jetties, infilling for associated quay set down together with the development of the recently acquired 38 hectares site at Foynes as a port business park. The latter includes the raising of this land by circa 2m for flood mitigation purposes. Construction on this multi annual project will commence in 2019.

Funding for the aforementioned is in place and will be sourced from our own reserves, bank debt and the EU Ten-t program. As mentioned, 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. Importantly, our investment plans are supported by the EU's CEF/Ten-t program whereby we have already gained approval for up to €7.5m in EU grant funding. Importantly the EU Commission views SFPC as a core corridor port in the European context as further demonstrated by its formal Proposal passed in June 2018 extending the alignment of the NSMED Corridor to include SFPC.

Our pension deficit decreased during 2018 to €7.9m (2017: €8.1m) with the recent poor performance in the global capital markets negatively impacting on underlying pension asset performance. Nevertheless, the Board is on course to again propose an increased dividend out of accumulated distributable revenue reserves in accordance with its approved Dividend Policy.

Capital investment during 2018 is as outlined in the financial statements.

**Environment**

The Board and management is committed to the continual improvement of its environmental, health and safety management systems (EHS). Environmental management is now fully integrated into and forms significant part of our management system. As in prior years we made significant investment in environmental infrastructure during 2018, particularly at Limerick, and continue to budget further resources in 2019 with regard to the purchase of dust suppression plant at Foynes. These existing and planned resources will further sustain and enhance our EHS systems.

SFPC supports the environmental Working Group set up by the Steering Group of the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary. During 2017 and 2018, the Working Group completed a habitat mapping project, to include bird surveys, of the prioritised deep-water sites in the SIFP. We look forward to further collaboration with this Working Group in 2019.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**BUSINESS AND OPERATING REVIEW (CONTINUED)**

**The Future**

SFPC is one of the foremost economic drivers for the Mid-West Region. Its economic impact was quantified and published in the 2016 W2 economic impact assessment, the highlights of the economic assessment noted that;

- The annual economic impact of all SFPC port related activity was €1.9 billion.
- A total of 3,648 FTE's are supported generating €192.7 million in annual employment income among companies engaged with SFPC.
- The value of trade handled through SFPC for 2015 was €8.5 billion.
- The commercial activity of customers of SFPC resulted in €347.2 million of annual expenditure in the regional economy on non-labour goods and services.
- Projected capital expenditure over the course of Vision 2041 is calculated at €1.8 billion that will support over 22,000 FTE's in the region and stimulate a further €1.09 billion between indirect and induced expenditure.

SFPC's harbour, the Shannon Estuary is a unique natural resource 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.

To capture this potential, we have taken a collaborative and holistic approach in 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.

Significant progress was made during 2018 on some of the more significant deliverables required for the implementation of our plans as follows;

- Urgent completion of the Limerick to Foynes road scheme: this time last year a planning application for this Scheme was expected to be published during H1 2018. We now understand that a planning application will be formally lodged with An Bord Pleanála in June 2019. This Road Scheme is included in the National Planning Framework (NPF) with funding committed to in the associated National Development Plan (NDP) published in February 2018. This Road is critically important for the planned development of the Port. It will also enhance the national supply chain by creating a seamless connection to Ireland's deepest water port on the western side of the national motorway network, thereby perfectly counter balancing Dublin and the greater Dublin area.
- Reinstatement of the Limerick to Foynes rail line for freight use: All necessary preliminaries including environmental, safety and detailed design are substantially completed with the project being at essentially shovel ready state. Reinstatement costs to date have been co-funded by SFPC and the EU's Connecting Europe Facility with Irish Rail commissioned to project manage the project. Consistent with Vision 2041 we are actively pursuing the viable reinstatement of this rail line.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**BUSINESS AND OPERATING REVIEW (CONTINUED)**

- Recognition of SFPC as a port of international and national significance: Substantial progress made with Government's NPF and NDP fully endorsing SFPC as a key national strategic asset. In addition, the NPF referenced the SIFP as an exemplar on how land and marine planning can be achieved in a multi-agency environment such as the Shannon Estuary. Consistent with the NPF, the Southern Assembly has fully endorsed the significant role of SFPC in its draft Regional Spatial and Economic Strategy published in early 2019. As mentioned previously, The EU also reaffirmed and upgraded its support for SFPC as a core European port with the passing of its formal Proposal to extend the NSMED Core Corridor to include SFPC.
- Provision by SFPC of new port capacity: As mentioned SFPC will be commencing construction for Phases II to IV of its Foynes Development Program in 2019 having received planning permission in December 2018.
- Promote the development of the deep water Strategic Development Locations identified in the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary: The SIFP designated SDL site at Ballylongford was put on the market in 2018 with Shannon LNG emerging the frontrunner to acquire the entire 390 hectare site. Due to the expiration of the original planning permission, Shannon LNG applied for and was granted a five year planning extension by ABP. However, a judicial review ensued concerning this extension resulting in the court referring certain questions to EUCJ. Consequently, at time of writing the Court decision remains outstanding.

It is well documented that this is a very important strategic project for Shannon Foynes Port Company, copper fastening the Shannon Estuary's role as an important energy hub for the country. From a national perspective it is equally important as it would provide further competition in the national gas market while at the same time strongly enhancing national security of supply. Concerns are now prevalent that our national planning system is not nimble enough as designated national strategic infrastructure investments are beset with huge uncertainty and significant delays at consenting stage. These time delays and uncertainty translate manifest in potentially making Ireland an unattractive place to invest.

- Limerick Docklands Framework Strategy (LDFS): During the year we successfully launched the LDFS in the Bannatyne Mills building. The core objectives of this exciting Strategy are to retain the working port on its 15-hectare footprint with the balance of our Limerick Docklands estate of 30 hectares, promoted for port or non-port related commercial activity. The LDFS is a very exciting framework that has the potential to deliver a significant new diversified revenue stream for the Port over the medium to long term and create significant new employment for Limerick City. During the year we procured Savills to provide the necessary implementation guidance over the short, medium and long term. We intend to lodge a planning application during the latter part of 2019 for the refurbishment of the 40,000 sq. ft Bannatyne Mills which will be the first major project of the LDFS.

Concerning Brexit, to date we have not experienced any material impact, however, how events unravel over the next few months will ultimately determine its effect. With or without Brexit we are of the view that the mindset of how freight moves in Ireland has to change. Transport bottlenecks around the GDA are clear evidence of this. Planned capacity enhancements at Shannon Foynes Port Company in tandem with the completion of the Limerick to Foynes Road Scheme and the reinstatement of the 40km rail line from Limerick to Foynes could offer a partial solution to this national problem. In this regard, Brexit could be seen as a catalyst to change whereby Shannon Foynes Port Company can play a much larger role in the movement of freight than heretofore.

SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

**BUSINESS AND OPERATING REVIEW (CONTINUED)**

As we continue to surpass historical performance all key objectives identified in Vision 2041 are well underway toward implementation within their prescribed timelines. It is also very comforting to note that key relevant stakeholders, such as the Government, in the NPF and the NDP and the EU, in its CEF regulation, explicitly supports and endorses our future plans. Accordingly, we can look forward to developing a sustainable world class port facility that will contribute handsomely to the national and regional economies in terms of employment and economic wellbeing in the years ahead.

**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 and support during the year. Specifically, I would like to acknowledge their support concerning the EU's decision to extend the NSMED Corridor and their support on the progression of the Limerick to Foynes Road Scheme.

Finally, I would like to thank our customers for their business during the year and we look forward to working with them in the years ahead.

**Pat Keating**  
Chief Executive Officer  
Shannon Foynes Port Company  
Date: 29 March 2019

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

**Opinion**

We have audited the financial statements of Shannon Foynes Port Company, which comprise the Statement of comprehensive income, the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 December 2018, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. (Generally Accepted Accounting Practice in Ireland).

In our opinion, Shannon Foynes Port Company's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the company as at 31 December 2018 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS (CONTINUED)  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**Other information**

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Matters on which we are required to report by the Companies Act, 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

**Matters on which we are required to report by exception**

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
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 FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**Responsibilities of the management and those charged with governance for the financial statements**

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

**Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY  
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FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Denise O'Connell FCA**  
For and on behalf of  
**GRANT THORNTON**  
Chartered Accountants  
Statutory Audit Firm  
Limerick

**Date: 29 March 2019**

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**ACCOUNTING POLICIES**

**1. General information**

These financial statements comprising the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cashflow Statement and related notes constitute the financial statements of Shannon Foynes Port Company and its Subsidiary Undertakings for the financial year ended 31 December 2018.

Shannon Foynes Port Company is a designated activity company, incorporated in the Republic of Ireland. By virtue of Section 1446 Companies Act 2014 the company is not required to include the word "DAC" in its name. The registered office and principal place of business of the company is Mill House, Foynes, Co. Limerick.

The nature of the company's operations and its principal activities are set out in the Governance Statement and Directors' Report on pages 3 to 8.

**2. Accounting Policies**

**2.1. Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)", and with the Companies Acts, 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 1).

The group financial statements consolidate the financial statements of Shannon Foynes Port Company and all its subsidiary undertakings drawn up to 31 December each year.

The parent company has taken advantage of section 304 of the Companies Act 2014 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit before tax for the year was €3,976,256 (2017: €4,050,820).

The financial statements are presented in Euro (€).

The following principal accounting policies have been applied:

**2.2. Basis of Consolidation**

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

**2.3. Statement of compliance**

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

**2.4. Going concern**

After reviewing the group's projections and financial support provided, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**ACCOUNTING POLICIES (CONTINUED)**

**2.5. Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.6. 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The depreciation rates applied are as follows:

	<b>Rate (Years)</b>
<b>Straight Line Basis</b>	
Docks, Quays and Works	7-50
Buildings	2-50
Plant & Machinery	4-20
Fixture & Fittings and Office Equipment	3-5
Motor Vehicles	5
River Lights	10
Leased Plant & Equipment	4-7
Leasehold Improvements	10

Land is not depreciated

Construction in progress is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**ACCOUNTING POLICIES (CONTINUED)**

**2.7. Investments in subsidiary**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

**2.8. Intangible fixed assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the development so that it will be available for use or sale.
- The intention to complete the development work and use or sell it.
- The ability to use the development work or sell it.
- How the development work will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the work and use or sell it.
- The ability to measure reliably the expenditure attributable to the development work.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight line method. Goodwill is amortised over 5 years. Development costs are depreciated over 10 years.

If there is an indication that there has been a significant change in amortisation rate of residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets.

**2.9. Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**ACCOUNTING POLICIES (CONTINUED)**

**2.10. Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**2.12. 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.

**2.13. Government and European Union Grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

**2.14. Interest Income**

Interest income is recognised in the Profit and loss account in the year in which it is earned.

**2.15. Borrowing Costs**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

**2.16. Finance Costs**

Finance costs are charged to the Profit and loss account over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.17. Research and Development**

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

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**ACCOUNTING POLICIES (CONTINUED)**

**2.18. 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.

**2.19. Current and Deferred Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.20. 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.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

ACCOUNTING POLICIES (CONTINUED)

**2.21. Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

ACCOUNTING POLICIES (CONTINUED)

**2.22. Dividends**

Equity dividends are recognised when they become legally payable.

**2.23. Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.24. Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED PROFIT & LOSS ACCOUNT  
 YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Turnover	2(a)	14,660,856	13,980,326
Operational Costs	2(b)	(7,177,144)	(6,737,520)
<b>Gross Profit</b>		<b>7,483,712</b>	<b>7,242,806</b>
Administration Expenses	2(b)	(2,671,951)	(2,415,509)
Amortisation of Intangible Assets	12(a)	(46,004)	(33,522)
<b>Operating Profit</b>		<b>4,765,757</b>	<b>4,793,775</b>
Interest Payable and Similar Charges	4	(271,443)	(337,734)
Interest Receivable and Similar Income		-	1,668
Other Financing Cost	26(b)	(149,000)	(167,000)
Profit on Sale of Fixed Assets		9,133	-
<b>Profit on Ordinary Activities before Taxation</b>	6	<b>4,354,447</b>	<b>4,290,709</b>
Taxation on Profit on Ordinary Activities	7	(425,647)	(384,425)
<b>Profit Attributable to the Shareholder</b>		<b>3,928,800</b>	<b>3,906,284</b>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 31 DECEMBER 2018

	Note	2018 €	2017 €
Profit for the year		3,928,800	3,906,284
Actuarial return less expected return on Pension scheme assets	26(b)	(494,000)	384,000
Experience gains rising on the Pension Scheme's Liabilities	26(b)	33,000	251,000
Changes in assumptions underlying the present value of the schemes liabilities	26(b)	-	290,000
Deferred Tax related to Actuarial Loss		57,625	(115,625)
<b>TOTAL RECOGNISED GAINS</b>		<b>3,525,425</b>	<b>4,715,659</b>

The notes on pages 40 – 57 form part of these audited financial statements.

The notes on pages 40 – 57 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

**CONSOLIDATED BALANCE SHEET**  
 31 DECEMBER 2018

	Note	2018 €	2017 €
<b>Fixed Assets</b>			
Tangible Assets	10(a)	58,288,136	58,986,280
Financial Assets	11	2,539	2,539
Intangible Assets	12(a)	1,518,844	1,136,408
		<u>59,809,519</u>	<u>60,125,227</u>
<b>Current Assets</b>			
Debtors	13	4,123,444	4,153,655
Cash and Bank Balances	14	4,573,276	3,760,465
		<u>8,696,720</u>	<u>7,914,120</u>
<b>Creditors</b> (Amounts falling due within one year)	15	(3,102,664)	(3,909,745)
<b>Net Current Assets</b>		<u>5,594,056</u>	<u>4,004,375</u>
<b>Total Assets</b>		<b>65,403,575</b>	<b>64,129,602</b>
<b>Creditors</b> (Amounts falling due after more than one year)	16	(8,950,442)	(10,766,011)
<b>Provision for Liabilities and Charges</b>	26(b)	(7,884,625)	(8,114,750)
<b>Deferred Income</b>	19	(5,945,931)	(5,851,689)
<b>Deferred Tax</b>	20	(1,830,421)	(1,830,421)
<b>Net Assets</b>		<u>40,792,156</u>	<u>37,566,731</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	22	22,187,359	22,187,359
Capital Injection	23	4,916,921	4,916,921
Profit Carried Forward		13,687,876	10,462,451
<b>Equity Shareholders Funds</b>		<u>40,792,156</u>	<u>37,566,731</u>

The Financial Statements were approved by the Board of Directors on 29 March 2019 and signed on its behalf by;

**Pat Keating**  
 Director

**David McGarry**  
 Director

The notes on pages 40 – 57 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

**COMPANY BALANCE SHEET**  
 31 DECEMBER 2018

	Note	2018 €	2017 €
<b>Fixed Assets</b>			
Tangible Assets	10(b)	58,091,221	58,788,261
Financial Assets	11	1,070,142	1,070,142
Intangible assets	12(b)	1,485,322	1,069,364
		<u>60,646,685</u>	<u>60,927,767</u>
<b>Current Assets</b>			
Debtors	13	4,107,573	3,765,508
Cash and Bank Balances	14	3,587,397	3,513,149
		<u>7,694,970</u>	<u>7,278,657</u>
<b>Creditors</b> (Amounts falling due within one year)	15	(3,055,611)	(3,867,670)
<b>Net Current Assets</b>		<u>4,639,359</u>	<u>3,410,987</u>
<b>Total Assets</b>		<b>65,286,044</b>	<b>64,338,754</b>
<b>Creditors</b> (Amounts falling due after more than one year)	16	(8,950,442)	(10,766,011)
<b>Provision for Liabilities and Charges</b>	26(b)	(7,884,625)	(8,114,750)
<b>Deferred Income</b>	19	(5,945,931)	(5,851,689)
<b>Deferred Taxation</b>	20	(1,830,421)	(1,830,421)
<b>Net Assets</b>		<u>40,674,625</u>	<u>37,775,883</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	22	22,187,359	22,187,359
Capital Injection	23	5,457,046	5,457,046
Profit Carried Forward		13,030,220	10,131,478
<b>Equity Shareholders Funds</b>		<u>40,674,625</u>	<u>37,775,883</u>

The Financial Statements were approved by the Board of Directors on 29 March 2019 and signed on its behalf by;

**Pat Keating**  
 Director

**David McGarry**  
 Director

The notes on pages 40 – 57 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 31 DECEMBER 2018

As at 31 December 2018	Capital Injection €	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2018	4,916,921	22,187,359	10,462,451	37,566,731
Profit for the year	-	-	3,928,800	3,928,800
Dividends: Equity capital	-	-	(300,000)	(300,000)
Other recognised losses	-	-	(461,000)	(461,000)
Deferred tax related to actuarial loss	-	-	57,625	57,625
<b>At 31 December 2018</b>	<b><u>4,916,921</u></b>	<b><u>22,187,359</u></b>	<b><u>13,687,876</u></b>	<b><u>40,792,156</u></b>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

COMPANY STATEMENT OF CHANGES IN EQUITY  
 31 DECEMBER 2018

As at 31 December 2018	Capital Injection €	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2018	5,457,046	22,187,359	10,131,478	37,775,883
Profit for the year	-	-	3,602,117	3,602,117
Dividends: Equity capital	-	-	(300,000)	(300,000)
Other recognised losses	-	-	(461,000)	(461,000)
Deferred tax related to actuarial loss	-	-	57,625	57,625
<b>At 31 December 2018</b>	<b><u>5,457,046</u></b>	<b><u>22,187,359</u></b>	<b><u>13,030,220</u></b>	<b><u>40,674,625</u></b>

The notes on pages 40 – 57 form part of these audited financial statements.

The notes on pages 40 – 57 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED CASHFLOW STATEMENT  
 31 DECEMBER 2018

	2018	2017
	€	€
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,928,800	3,906,284
Adjustments for:		
Depreciation Charges	2,368,914	2,173,138
Taxation	425,647	384,425
Interest paid	271,443	337,739
Interest received	-	(1,668)
Financing cost	149,000	167,000
Profit on sale of fixed assets	(9,133)	-
Amortisation of Goodwill	46,004	33,522
Grant Amortisation	(334,890)	(328,000)
(Increase) in Debtors	402,737	(513,717)
(Decrease)/Increase in Creditors	(548,499)	354,601
(Decrease) in provision for Liabilities and Charges	(782,500)	(842,500)
	<hr/>	<hr/>
<b>Net Cash Generated from Operating Activities</b>	5,917,523	5,670,824
Corporation tax	(358,528)	(670,359)
	<hr/>	<hr/>
	<b>5,558,995</b>	<b>5,000,465</b>
<b>Cash flows from investing activities</b>		
Payments to Acquire Tangible Fixed Assets	(2,119,359)	(5,843,068)
Payments to Acquire Intangible Fixed Assets	(428,440)	(678,908)
Sale of Tangible Fixed Assets	9,253	-
Grant received	429,132	-
Dividend paid	(300,000)	(250,000)
	<hr/>	<hr/>
	<b>(2,409,414)</b>	<b>(6,771,976)</b>
<b>Cash flows financing activities</b>		
Medium and Long Term Loans	(1,933,559)	(1,416,306)
Lease Finance paid net of Capital Elements paid	(124,615)	(119,288)
Interest Paid	(278,596)	(345,287)
Interest Received	-	2,683
	<hr/>	<hr/>
	<b>(2,336,770)</b>	<b>(1,878,198)</b>
Net increase / (decrease) in cash and cash equivalents	812,811	(3,649,709)
Cash and cash equivalents at beginning of year	3,760,465	7,410,174
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	<b>4,573,276</b>	<b>3,760,465</b>
	<hr/>	<hr/>
Cash at bank and in hand	4,573,276	3,760,465

The notes on pages 40 – 57 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

**1 Judgements in applying accounting policies and key sources of estimation uncertainty**

**Going Concern**

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

**Useful Lives of Tangible Assets**

Long-lived assets comprising primarily of property, fixtures and fittings, and equipment represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of Tangible Fixed Assets at the financial year end was €58,288,136 (2017: €58,986,280).

**Impairment of Trade Debtors' considerations**

Adequate amount of allowance is made and provided for specific and groups of accounts where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Company's relationship with its contracting parties, contracting parties' current credit status, average age of accounts, settlement experience and historical loss experience. The total amount of impairment against trade debtors is €NIL (2017: €NIL).

**Development Expenditure**

The Company has incurred significant expenditure in respect of development works undertaken in the reinstatement of the freight rail line between Limerick and Foynes. Additional details are set out in note 12. These costs have been capitalised on the basis of the Company's strategy to reinstate the rail line, as supported by the Department of Transport, Tourism and Sport, the National Development Plan and relevant European funding agencies. Article 41 of the guidelines for the development of the trans-European transport network notes that Core Ports of which Shannon Foynes is recognised shall be connected with the railway and road infrastructure of the trans-European transport network by 31 December 2030. While the Company is confident that the rail line will be reinstated through a potential joint venture arrangement, there is an element of uncertainty until a commercial agreement with an appropriate partner can be put in place. In the unlikely event that a joint venture partner cannot be identified or a suitable agreement entered into, then this expenditure could be subject to impairment.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<b>2</b>	<b>Analysis of Turnover and Operational Administration</b>	<b>2018</b>	<b>2017</b>
	<b>Expenses</b>	<b>€</b>	<b>€</b>
	<b>(a) Turnover</b>		
	Ship and Cargo Dues	8,045,323	7,964,758
	Stevedoring	2,375,557	2,137,387
	Other Operating Income	4,239,976	3,878,181
		<u>14,660,856</u>	<u>13,980,326</u>
	All turnover arose in the Republic of Ireland.		
	<b>(b) Operational and Administration Expenses</b>	<b>2018</b>	<b>2017</b>
		<b>€</b>	<b>€</b>
	Operating and Maintenance	(4,765,052)	(4,718,669)
	Dredging	(431,267)	(222,208)
	Depreciation	(2,315,715)	(2,124,643)
	Grant Amortisation	334,890	328,000
	Total Operational Costs	<u>(7,177,144)</u>	<u>(6,737,520)</u>
	Administration and Other	<u>(2,671,951)</u>	<u>(2,415,509)</u>
<b>3</b>	<b>Employment Information</b>		
	The Group Costs incurred in respect of Employees were:		
	<b>Aggregate Employee Benefits</b>	<b>2018</b>	<b>2017</b>
		<b>€</b>	<b>€</b>
	Staff short-term benefits	2,955,889	2,752,771
	Post-employment benefits	494,025	498,828
	Employer's contribution to social welfare	344,370	318,841
		<u>3,794,284</u>	<u>3,570,440</u>
	<b>Staff Short-Term Benefits</b>	<b>€</b>	<b>€</b>
	Salary	2,486,448	2,318,490
	Overtime	175,926	152,686
	Performance related payments	178,880	170,923
	Allowance & non-monetary benefits	114,635	110,672
		<u>2,955,889</u>	<u>2,752,771</u>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Employment Information (Continued)**

Key management personnel in Shannon Foynes Port Company consists of the members of the Board, the Chief Executive Officer, and members of the Senior Management Team. The total value of employee benefits for key management personnel is set out below:

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Salaries and Short Term employee benefits	645,389	612,765
Post Employment Benefits	87,038	96,044
	<u>732,427</u>	<u>708,809</u>

The key management personnel excluding non executive directors are members of the Company risk benefit scheme. Post employment benefits above do not include the value of risk benefits of death in service, resultant depends pension and income continuance.

The total number of staff employed (WTE) at year end was 43 (2017:40)

Capitalised employee costs during the financial year amounted to €Nil (2017: €Nil)

**Remuneration in respect of Directors**

Directors' emoluments for the year are disclosed separately in note 5 to the financial statements.

**4 Interest Payable and Similar Charges**

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
On Bank Borrowings:		
-interest payable on bank loans and overdrafts wholly repayable after five years	254,633	270,784
-interest payable on bank loans wholly repayable within five years	9,485	54,298
-interest payable on finance lease arrangement	7,325	12,652
	<u>271,443</u>	<u>337,734</u>

**5 Directors' Remuneration**

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
<b>Directors Fees</b>		
D McGarry	12,600	903
C Henry	8,100	8,100
M. Finucane	8,100	8,100
E Jennings	8,100	8,100
P Keating	8,100	8,100
T Treacy	7,756	-
J Treacy	-	5,400
	<u>52,756</u>	<u>38,703</u>

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

5 **Directors' Remuneration (Continued)**

	€	€
<b>Expenses paid to members of the Board</b>		
Travel Expenses	4,956	1,473
	<u>2018</u>	<u>2017</u>
	€	€
<b>Chief Executive Remuneration for Management Services</b>		
Salary	117,500	117,500
Employer's Pension Contribution and other emoluments	60,500	60,500
	<u>178,000</u>	<u>178,000</u>

Other than the amounts disclosed in the table above, any further required disclosures in Section 305 and 306 of the Companies Act 2014 are €nil for both the current financial year and the preceding financial year.

6 **Profit on Ordinary Activities Before Taxation**

	2018 €	2017 €
Depreciation	2,368,914	2,173,138
Auditor fees	18,000	18,000
Amortisation of Intangible Fixed Assets	46,004	33,522
Amortisation of Capital Grants	<u>(334,890)</u>	<u>(328,000)</u>

7 **Tax on Profit on Ordinary Activities**

	2018 €	2017 €
<b>Current Tax:</b>		
Irish Corporation Tax on Profit for the year	425,647	384,425
<b>Deferred Tax:</b>		
Origination and Reversal of Timing Difference	-	-
	<u>425,647</u>	<u>384,425</u>
Profit on Ordinary Activities before Tax	<u>4,354,447</u>	<u>4,290,709</u>

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

7 **Tax on Profit on Ordinary Activities (Continued)**

The tax assessed for the financial year is lower than (2017 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%). The differences are explained below:

Profit on Ordinary Activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2017: 12.5%)	544,306	536,339
Effects of:		
Expense adjustments by the rate of tax	(121,956)	(215,804)
Excess depreciation over capital allowances by the rate of tax	(7,901)	(28,725)
Interest income by rate of tax	3	(209)
Income by the higher rate of tax	11,195	92,824
Losses forward by the rate of tax	-	-
	<u>425,647</u>	<u>384,425</u>
<b>Current Tax Credit for the year</b>		

8 **Dividends**

	2018 €	2017 €
Paid during the year	300,000	250,000
	<u>-</u>	<u>-</u>
Declared post year end		

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

A profit before tax of €€3,976,256 (2017: €4,050,820) 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 304 of the Companies Act 2014 have been complied with.



SHANNON FOYNES PORT COMPANY AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10(a) Tangible Fixed Assets – Group	Construction in Progress €	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Office Equipment €	Land & Buildings €	Total €
<b>Cost</b>								
At 1 January 2018	533,310	50,044,306	2,016,317	15,782,307	209,856	643,481	17,408,219	86,637,796
Additions	710,359	89,104	53,902	92,773	35,891	37,836	651,025	1,670,890
Disposals	-	-	-	(53,394)	-	(8,787)	-	(62,181)
At 31 December 2018	1,243,669	50,133,410	2,070,219	15,821,686	245,747	672,530	18,059,244	88,246,505
<b>Depreciation</b>								
At 1 January 2018	-	12,203,877	1,674,552	8,893,682	126,530	504,415	4,248,460	27,651,516
Charge for year	-	1,046,245	114,782	748,958	37,278	54,086	367,565	2,368,914
Disposals	-	-	-	(53,274)	-	(8,787)	-	(62,061)
At 31 December 2018	-	13,250,122	1,789,334	9,589,366	163,808	549,714	4,616,025	29,958,369
<b>Net Book Value</b>								
At 31 December 2018	1,243,669	36,883,288	280,885	6,232,320	81,939	122,816	13,443,219	58,288,136
At 31 December 2017	533,310	37,840,429	341,765	6,888,625	83,326	139,066	13,159,759	58,986,280

SHANNON FOYNES PORT COMPANY AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10(b) Tangible Fixed Assets – Company	Construction in Progress €	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Office Equipment €	Land & Buildings €	Total €
<b>Cost</b>								
At 1 January 2018	533,310	50,044,306	2,016,317	15,426,092	209,855	588,360	17,199,385	86,017,625
Additions	710,359	89,104	53,902	92,773	35,891	37,836	651,025	1,670,890
Disposals	-	-	-	(20,000)	-	(8,787)	-	(28,787)
At 31 December 2018	1,243,669	50,133,410	2,070,219	15,498,865	245,746	617,409	17,850,410	87,659,728
<b>Depreciation</b>								
At 1 January 2018	-	12,203,877	1,674,552	8,537,985	126,531	451,908	4,234,511	27,229,364
Charge for year	-	1,046,245	114,782	748,866	37,278	53,199	367,560	2,367,930
Disposals	-	-	-	(20,000)	-	(8,787)	-	(28,787)
At 31 December 2018	-	13,250,122	1,789,334	9,266,851	163,809	496,320	4,602,071	29,568,507
<b>Net Book Value</b>								
At 31 December 2018	1,243,669	36,883,288	280,885	6,232,014	81,937	121,089	13,248,339	58,091,221
At 31 December 2017	533,310	37,840,429	341,765	6,888,107	83,324	136,452	12,964,874	58,788,261

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

11 Financial Fixed Assets	Group	Company	Group	Company
	2018	2018	2017	2017
	€	€	€	€
Investment in subsidiary undertakings at cost	-	1,067,603	-	1,067,603
Other investment at cost	2,539	2,539	2,539	2,539
	<u>2,539</u>	<u>1,070,142</u>	<u>2,539</u>	<u>1,070,142</u>

**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	Stevedoring	100%	13 Ordinary Shares of €1.269738	Mill House, Foynes, Co. Limerick.

**Other Investments at Cost**

Other Investments at Cost	Group	Company
	2018 & 2017	2018 & 2017
	€	€
Prize Bonds	2,539	2,539
	<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 their carrying value.

**SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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

12(a) Intangible Fixed Assets – Group	Development	Goodwill	Total
	€	€	€
<b>Cost</b>			
At 1 January 2018	1,069,364	586,789	1,656,153
Additions	428,440	-	428,440
At 31 December 2018	<u>1,497,804</u>	<u>586,789</u>	<u>2,084,593</u>
<b>Amortisation</b>			
At 1 January 2018	-	519,745	519,745
Charge for year	12,482	33,522	46,004
At 31 December 2018	<u>12,482</u>	<u>553,267</u>	<u>565,749</u>
<b>Net Book Value</b>			
At 31 December 2018	<u>1,485,322</u>	<u>33,522</u>	<u>1,518,844</u>
At 31 December 2017	<u>1,069,364</u>	<u>67,044</u>	<u>1,136,408</u>

12(b) Intangible Fixed Assets – Company	Development	Total
	€	€
<b>Cost</b>		
At 1 January 2018	1,069,364	1,069,364
Additions	428,440	428,440
At 31 December 2018	<u>1,497,804</u>	<u>1,497,804</u>
<b>Amortisation</b>		
At 1 January 2018	-	-
Charge for the year	12,482	12,482
At 31 December 2018	<u>12,482</u>	<u>12,482</u>
<b>Net Book Value</b>		
At 31 December 2018	<u>1,485,322</u>	<u>1,485,322</u>
At 31 December 2017	<u>1,069,364</u>	<u>1,069,364</u>

Development expenditure relates to detailed design survey and site investigation works and associated costs in respect of the reinstatement of the freight rail line between Limerick and Foynes.

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Debtors	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Trade Debtors	2,401,431	1,858,083	2,489,683	1,907,412
Value Added Tax Receivable	153,382	135,221	302,266	288,694
Other Debtors and Prepayments	1,568,631	1,568,631	1,285,942	1,285,942
Amounts owed by Subsidiary Companies	-	545,638	-	194,775
Corporation Tax Recoverable	-	-	75,764	88,685
	<u>4,123,444</u>	<u>4,107,573</u>	<u>4,153,655</u>	<u>3,765,508</u>

An impairment loss of €NIL (2017: €NIL) was recognised against trade debtors.

14 Cash and cash equivalents	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Cash and bank balances	4,573,276	3,587,397	3,760,465	3,513,149
	<u>4,573,276</u>	<u>3,587,397</u>	<u>3,760,465</u>	<u>3,513,149</u>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Creditors	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Bank Loans (Note 17)	1,626,162	1,626,162	1,531,443	1,531,443
Bank Overdraft (Note 17)	-	-	320,625	320,625
Trade Creditors	215,830	215,045	651,064	650,785
VAT Payable	-	-	-	-
Corporation tax	41,221	24,040	-	-
Other Taxes and PRSI	242,673	225,995	186,563	170,208
Net Obligations under Finance Lease	107,915	107,915	124,615	124,615
Other Creditors and Accruals	868,863	856,454	1,095,435	1,069,994
	<u>3,102,664</u>	<u>3,055,611</u>	<u>3,909,745</u>	<u>3,867,670</u>

The company has various borrowing facilities with Allied Irish Bank and Bank of Ireland and its total bank borrowings at 31 December 2018 were €10,576,602 (2017: €12,510,162). The loans are subject to a range of fixed and variable interest rates based on EURIBOR and the applicable margin as negotiated with lenders. The loans have various maturity dates and are repayable in annual instalments, with the exception of one loan, with a balance at 31 December 2018 of €5,715,651 (2017: €6,123,026), which has a final lump sum payment on maturity.

16 Creditors (amounts falling due after more than one year)	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Bank Borrowings (Note 17)	8,950,442	8,950,442	10,658,094	10,658,094
Net Obligations under Finance Leases (Note 18)	-	-	107,917	107,917
	<u>8,950,442</u>	<u>8,950,442</u>	<u>10,766,011</u>	<u>10,766,011</u>

17 Bank Borrowings	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Analysis of bank borrowings payable:				
- within one year	1,626,159	1,626,159	1,852,068	1,852,068
- between one and two years	1,615,335	1,615,335	1,577,239	1,577,239
- between two and five years	7,323,859	7,323,859	8,490,532	8,490,532
- over five years	11,249	11,249	590,322	590,322
	<u>10,576,602</u>	<u>10,576,602</u>	<u>12,510,162</u>	<u>12,510,162</u>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Finance Leases	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Net obligations under finance leases are analysed as follows				
- within one year	107,915	107,915	124,615	124,615
- between one and two years			107,917	107,917
	<u>107,915</u>	<u>107,915</u>	<u>232,532</u>	<u>232,532</u>

19 Deferred Income – Group and Company

**Capital Grants**

At 1 January 2018

Received during the year

Amortised during the year

**At 31 December 2018**

€

5,851,689

429,132

(334,890)

5,945,931

20 Deferred Tax

The movement in the deferred tax provided for at 12.5% (2017: 12.5%) during the year was:

	2018 €	2017 €
At the beginning of the year	1,830,421	1,830,421
Charge during the year	-	-
	<u>1,830,421</u>	<u>1,830,421</u>

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

	2018 €	2017 €
Excess of taxation allowances over depreciation on fixed assets	1,830,421	1,830,421
	<u>1,830,421</u>	<u>1,830,421</u>

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

21 Financial instruments	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
<b>Financial assets</b>				
Financial assets measured at amortised cost	6,977,246	7,061,259	6,252,687	6,688,017
	<u>6,977,246</u>	<u>7,061,259</u>	<u>7,061,259</u>	<u>6,688,017</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	11,702,517	12,217,748	14,256,661	14,230,941
	<u>11,702,517</u>	<u>12,217,748</u>	<u>14,256,661</u>	<u>14,230,941</u>

Financial assets measured at amortised cost comprise of financial fixed assets, cash and bank balances, trade debtors and amounts owed by subsidiary companies.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, corporation tax payable, other creditors and accruals and amounts owed to subsidiary companies.

22 Share Capital – Company  
 Authorised

31,500,000 Ordinary Shares of €1.25 each

**Allotted, Called Up and Fully Paid**

17,749,900 Ordinary Shares of €1.25 each

	2018 €	2017 €
31,500,000 Ordinary Shares of €1.25 each	39,375,000	39,375,000
<b>Allotted, Called Up and Fully Paid</b>		
17,749,900 Ordinary Shares of €1.25 each	<u>22,187,359</u>	<u>22,187,359</u>

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

23 Capital Injection	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
At 1 January	4,916,921	5,457,046	4,916,921	5,457,046
<b>At 31 December</b>	<b>4,916,921</b>	<b>5,457,046</b>	<b>4,916,921</b>	<b>5,457,046</b>

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.

**24 Reserves**

**Called up share capital** – represents the nominal value of shares that have been issued.

**Capital injection** – represents the allotment of shares issued in 2001.

**Profit and loss account** – includes all current and prior period retained profits and losses.

25 Financial Commitments	Group 2018 €	Company 2018 €	Group 2017 €	Company 2017 €
Financial Commitments				
- commitments approved but not contracted for	6,794,496	6,794,496	3,666,250	3,666,250
- committed	3,579,643	3,579,643	3,734,793	3,734,793
	<b>10,374,139</b>	<b>10,374,139</b>	<b>7,401,043</b>	<b>7,401,043</b>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**26 Retirement Benefits**

(a) The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €9,011,000 on these schemes at 31 December 2018.

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 €40,792,156 and the group profit carried forward in the amount of €3,928,804.

The most recent valuations were at 31 December 2018 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.

(b) **Financial Reporting Standard 102 'Employee Benefits' Disclosures**

The company operates three defined benefit schemes. Full actuarial valuations were carried out at 31 December 2018 for disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	2018	2017	2016	2015
Rate of increase in salaries	2.00%	2.00%	2.0%	2.0%
Rates of increase in pension payments	0.0%/3.0%	0.0%/3.0%	0.0%/3.0%	0.0%/3.0%
Discount rate	1.7%	1.7%	1.6%	2.1%
Inflation assumption	1.5%	1.7%	1.7%	1.7%

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

	Market Value 31 December 2018 €'000	Market Value 31 December 2017 €'000	Market Value 31 December 2016 €'000	Market Value 31 December 2015 €'000
Equities	5,926	6,203	5,736	5,730
Fixed interest	4,837	4,518	4,457	4,001
Property	-	-	-	84
Alternatives	-	351	374	-
Cash	825	811	784	660
	<b>11,588</b>	<b>11,883</b>	<b>11,351</b>	<b>10,475</b>

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

26 Retirement Benefits (continued)

(b) Financial Reporting Standard 102 'Employee Benefits' Disclosures Continued

The following amounts at 31 December 2018 were measured in accordance with the requirements of FRS 102:

	2018 €'000	2017 €'000	2016 €'000	2015 €'000
Total market value of assets	11,588	11,883	11,351	10,475
Present value of the (liabilities) of the schemes	(20,599)	(21,157)	(22,322)	(22,043)
(Deficit) in the schemes	(9,011)	(9,274)	(10,971)	(11,568)
Related deferred tax asset	1,126	1,159	1,371	1,446
Net Pension (Liability)	<u>(7,885)</u>	<u>(8,115)</u>	<u>(9,600)</u>	<u>(10,122)</u>

The following amounts would have been recognised in the performance statements for the years ended 31 December 2018 and 31 December 2017 under the requirements of FRS 102.

	2018 €'000	2017 €'000
<b>Operating Profit</b>		
Current Service Cost	186	204
	<u>186</u>	<u>204</u>
Expected rate of return on pension schemes' assets	202	181
Interest on pension schemes' liabilities	(351)	(348)
	<u>(149)</u>	<u>(167)</u>
<b>Statement of total recognised gains and losses:</b>		
Actual return less expected return on pension schemes' assets	(494)	384
Experience losses arising on the schemes' liabilities	33	251
Changes in assumptions underlying the present value of the schemes' liabilities	-	290
	<u>(461)</u>	<u>925</u>
Actuarial (loss) recognised in the statement of total recognised gains and losses	<u>(461)</u>	<u>925</u>

SHANNON FOYNES PORT COMPANY  
 AND ITS SUBSIDIARY UNDERTAKINGS  
 FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 Retirement Benefits (continued)

(b) Financial Reporting Standard 102 'Employee Benefits' Disclosures Continued

	2018 €'000	2017 €'000
<b>Movement in (deficit) during the year:</b>		
(Deficit) in schemes at 31 December		
Movement in year	(9,274)	(10,971)
Current service cost	(186)	(204)
Contributions paid	1,059	1,143
Settlement gain	-	-
Other finance cost	(149)	(167)
Actuarial gain	(461)	925
<b>(Deficit) in schemes at 31 December</b>	<u>(9,011)</u>	<u>(9,274)</u>

	2018 €'000	2017 €'000
<b>Experience gains and losses for the year ended 31 December</b>		
Difference between the expected and actual return on schemes' assets	(494)	384
Percentage of schemes' assets	(4.26%)	3.2%
Experience gains on schemes' liabilities	33	251
Percentage of schemes' liabilities	0.16%	1.19%
Total recognised in statement of total recognised gains and losses	(461)	(925)
Percentage of the present value of the schemes' liabilities	(5.12%)	(9.9%)

SHANNON FOYNES PORT COMPANY  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 **Ultimate controlling party**

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

28 **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 2014 at any time during the year ended 31 December 2018.

The company has availed of the exemption under FRS 102, Section 33 which permit a qualifying subsidiary of any undertakings not to disclose details of transactions between group entities that are eliminated on consolidation.

29 **Capital Commitments**

The company has entered into a compulsory purchase order for the acquisition of lands at Durnish, Foynes, Co. Limerick. The compensation value has not been determined at the date of signing of the financial statements.

30 **Contingent Liabilities**

**Company**

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

The company is party to an ongoing legal case with an employee, the outcome of which has not yet been determined at the date of signing the financial statements. Management are unable to reliably estimate the outcome of the case at this stage, and so are unable to include a reliable estimate of the liability to be recorded.

The company is party to an ongoing arbitration case, the outcome of which has not yet been determined at the date of signing the financial statements. Management are unable to reliably estimate the outcome of the arbitration at this stage.

31 **Approval of Financial Statements**

The financial statements were approved by the Board of Directors on 29 March 2019.



Photographs by  
Capt. Hugh Conlon, (SFPC) & Ciarán Cunningham.



For further information:

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**Shannon Foynes**  
PORT COMPANY