



SHANNON FOYNES
PORT

Annual Report **2020**

AND CONSOLIDATED FINANCIAL STATEMENTS
SHANNON FOYNES PORT COMPANY
& ITS SUBSIDIARY UNDERTAKINGS

Total Final Consumption (TFC) for 2020

- 677251 kWh of electricity
- 1713444.8 kWh of mineral oils

Actions taken in 2020:

- Continuation of port lighting upgrades from traditional high energy units to carbon reducing LED.
- Established a Climate Action Sub Committee to guide and support green initiatives within the organisation.
- Aligned with Irelands national climate action objectives SFPC developed a company specific "Climate Action Plan" detailing current status and potential opportunities to improve in the foreseeable future.
- Commenced a review regarding the potential for solar PV installations on select port authority buildings.

Actions Planned for 2021:

- Commence BER review and improvement works at the companies Head Office, Mill House, Foynes, Co. Limerick
- Formalise plans to transition existing fleet of company vehicles from ICE to electric and/or other suitable carbon reducing alternative fuel options
- Continue feasibility studies regarding potential for solar PV installations on port buildings.
- Support an energy awareness campaign to promote and encourage "best practice" regarding the use of buildings, electrical equipment and reduction of waste generated as a result of activities.
- Install EV charging points at select locations within the Foynes & Ted Russel Docks facilities.

SHANNON FOYNES PORT COMPANY

**Annual Report and Consolidated
Financial Statements**

Year Ended 31 December 2020

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Annual Report and Consolidated Financial Statements 2020

Table of Contents	Page
Directors' and Other Information	2
Governance Statement and Directors' Report	3-9
Directors Responsibilities Statement	10
Statement on Internal Control	11-15
Chairpersons Statement	16-21
Business and Operating Review	22-27
Independent Auditors' Report	28-31
Accounting Policies	32-38
Consolidated Profit & Loss Account	39
Consolidated Statement of Comprehensive Income	40
Consolidated Balance Sheet	41
Company Balance Sheet	42
Consolidated Statement of Changes in Equity	43
Company Statement of Changes in Equity	44
Consolidated Cashflow Statement	45
Consolidated Analysis of Debt	46
Notes to the Financial Statements	47-64

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Directors and Other Information

Board

D. McGarry (Chairperson)
P. Keating (CEO)
J. Coleman
C. Henry (Resigned 4 April 2020, reappointed 15 April 2020)
D. O'Hara (Appointed 30 November 2020)
J. O'Keeffe (Appointed 30 November 2020)
J. Spring
T. Treacy

Solicitors

Harrison O'Dowd
Estuary House
Henry Street
Limerick

Philip Lee Solicitors
7-8 Wilton Terrace
Dublin 2

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

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

Management

P. Keating	Chief Executive Officer
J. Carlton	Port Services Manager
J. Hallissey	Head of Business Development
E. Stanley	Financial Controller & Secretary

Actuaries

Invesco Limited
4 South Bank
Crosses Green
Cork

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 2020.

Governance

The Board of Shannon Foynes Port Company was established under the Harbours Act 1996. The Board is accountable to the Minister for Transport 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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)

Review of the Business

A detailed review of the group's operations is set out on pages 22-27.

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 39 shows the group's results for the year.

Whilst given the uncertainty of the economic impact of the Covid-19 pandemic, no dividend was proposed or paid during 2020, the Board anticipates to be in a position to make provision for and payment of dividend in the coming year.

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 Foyne Port Company DAC is set out in note 12 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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 2020 were as follows:

D. McGarry Chairperson (Appointed for a 5 year term, 6 December 2017)
P. Keating, CEO
J. Coleman (Appointed for a 3 year term, 5 February 2019)
M. Finucane (Resigned 4 April 2020)
C. Henry (Resigned 4 April 2020, reappointed for a 1 year term, 15 April 2020)
E. Jennings (Resigned 23 July 2020)
D. O'Hara (Appointed for a 5 year term, 30 November 2020)
J. O'Keeffe (Appointed for a 5 year term, 30 November 2020)
J. Spring (Appointed for a 3 year term, 5 February 2019)
T. Treacy (Appointed for a 5 year term, 17 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 2019 and 31 December 2020.

The Board has established two committees, as follows:

- **Audit and Risk Committee (ARC):** comprises three 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), Judith Spring and Tom Treacy. There were 4 meetings of the Audit & Risk Committee in 2020.

- **Remuneration Committee:** comprises four non-executive Board members. The members of this committee are: David McGarry (Chairperson), John Coleman, Conal Henry and Judith Spring. The Remuneration Committee met on one occasion in 2020.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out below including the fees and expenses received by each member:

	Board	Audit & Risk Committee	Remuneration	Fees 2020 €	Expenses 2020 €
Number of meetings	9	4	1		
David McGarry	9		1	12,600	2,305
John Coleman	8		1	8,100	
Michael Finucane	2	2		2,114	143
Conal Henry	8	4	1	7,847	
Edmund Jennings	5	2	1	4,556	
Pat Keating	9			8,100	
Deirdre O'Hara	1			675	
Jane O'Keeffe	1			-	
Judith Spring	9	4	1	8,100	
Tom Treacy	8	3		8,100	
				<u>60,192</u>	<u>2,448</u>

Notes:

Appointed on the 30th November 2020, Deirdre O'Hara and Jane O'Keeffe were eligible to attend one Board Meeting only.

Resigning on the 3rd April 2020, Michael Finucane was eligible to attend two Board Meetings and two Audit & Risk Committee Meetings only.

Resigning on the 23rd July 2020, Edmund Jennings was eligible to attend five Board Meetings and two Audit & Risk Committee Meetings only.

Resigning on the 3rd April 2020 and being reappointed on the 15th April 2020, Conal Henry was not eligible to attend one Board Meeting.

One of the above listed Board Meetings was called at short notice as per Article 62 of the Company Constitution

Key Personnel Changes

Jerry Hallissey was appointed as Head of Business Development with effect from 1st February 2020.

Michael Finucane resigned as Director on the 3rd April 2020.

Edmund Jennings resigned as Director on the 23rd July 2020.

Conal Henry resigned as Director on the 3rd April 2020 and was reappointed as Director for a one year term with effect from the 15th April 2020.

Deirdre O'Hara was appointed as Director for a five year term with effect from the 30th November 2020.

Jane O'Keeffe was appointed as Director for a five year term with effect from the 30th November 2020.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)

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:

Range		Number of Employees	
From	To	2020	2019
€50,000	- €75,000	20	16
€75,001	- €100,000	7	8
€100,001	- €125,000	2	4
€125,001	- €150,000	4	3

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.

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

	2020	2019
	€	€
Legal Advice	46,231	60,666
Financial, Internal Audit & Compliance Certification	65,075	46,825
PR & Marketing	22,442	18,389
HR, Recruitment & Pensions	49,025	43,431
Engineering & Design	82,776	278,259
Planning	52,372	186,750
Other	91,975	56,143
Total Consultancy Costs	409,896	690,463
Consultancy costs capitalised	83,919	379,965
Consultancy costs invoiced and received, and recognised in the profit and loss account	325,977	310,498
Total	409,896	690,463

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)

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.

	2020	2019
	€	€
Legal Fees - Legal Proceedings	-	-
Conciliation and arbitration payments	-	-
	<u>-</u>	<u>-</u>

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2020	2019
	€	€
Domestic		
Board	2,448	6,680
Employees	46,044	84,112
International		
Board	-	-
Employees	-	9,821
Total	<u>48,492</u>	<u>100,613</u>

Hospitality Expenditure

The Profit and Loss Account includes the following hospitality expenditure:

	2020	2019
	€	€
Staff Hospitality	11,694	6,218
Third Party Hospitality	1,147	8,666
	<u>12,841</u>	<u>14,884</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GOVERNANCE STATEMENT & DIRECTORS' REPORT (CONTINUED)

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 2020.

This statement was approved by the board on 26 March 2021 and signed on its behalf by:

Pat Keating
Director

David McGarry
Director

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Irish company law requires the directors to prepare the Group and Company financial statements for each financial year. Under the law, the directors have elected to prepare the Group and Company financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group will continue in business.

The directors are responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the Board on 26 March 2021 and signed on its behalf by:

Pat Keating
Director

David McGarry
Director

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 meet principals associated with the hierarchy of control. While the methodology utilised will always strive to eliminate or substitute risk it is reasonable to accept that residual risk will remain and therefore controls put in place must reduce the risk to As Low As Reasonably Practicable (ALARP). 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 2020 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 19th February 2021.

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 currently comprising three 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 four times in 2020. 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 2020, 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;

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

STATEMENT ON INTERNAL CONTROL (CONTINUED)

- Providing training to new and existing members of the Board of Directors on their role and responsibilities;
- Establishing systems aimed at ensuring the security of the information and communication technology systems,
- The Audit & Risk 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.
- Operating and maintaining UKAS accredited integrated management systems (IMS) to comply with internationally recognised standards ISO9001:2015 (Quality), ISO 45001:2018 (Health & Safety) & PERS (Port Environmental Registration Scheme). System management is based on an integrated model and in line with the requirements assigned through the Code of Practice for the Governance of State Bodies 2016 risk management is central to maintaining successful operational control of the company and its systems.

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 2020 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 & Risk Committee. The Internal Audit reports presented to the Audit & Risk Committee reflect the Internal Auditor's opinion on the adequacy of the controls that have been reviewed.

Shannon Foynes Port Company 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. Shannon Foynes Port Company 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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

STATEMENT ON INTERNAL CONTROL (CONTINUED)

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 residual risk is ALARP;
- Identifying a risk owner for each risk identified;
- Identifying further strategies where required to manage the key risks;
- Regular review and update of the risk management process
- Risk Management is a standing agenda item at all scheduled meetings of the Board

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.

Principal Risk	Description & Mitigation Measures
Corporate	The Shannon Estuary is an immensely important asset and one of the most valuable natural resources in Ireland and the Mid-West Region in particular the fringe lands and the marine area both provide space and location for development, activities and opportunities to progress economic, social and environmental growth within the Region. SFPC accept that failure to receive statutory consents precludes economic development in the Estuary. The Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary is an inter-jurisdictional land and marine based framework plan to guide the future development and management of the Shannon Estuary. The SIFP sets out an overall strategy for the proper sustainable growth, development and environmental management of the Shannon Estuary Region.
Business Development	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.
Health & Safety	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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

STATEMENT ON INTERNAL CONTROL (CONTINUED)

Environmental	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.
Technical & Port Services	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.

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 (Quality), ISO 45001:2018 (Health & Safety) & PERS (Port Environmental Registration Scheme).
- 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 2020 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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

STATEMENT ON INTERNAL CONTROL (CONTINUED)

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 & Risk 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 2020.

Internal Control Issues

No weaknesses in internal control to include any material losses or frauds were identified in relation to 2020 that require disclosure in the financial statements.

David McGarry
Chairperson
Shannon Foynes Port Company
Date: 26 March 2021

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT

Introduction

I am pleased to present the 2020 annual report for Shannon Foynes Port Company. 2020 was a very challenging year unlike any in modern times where the impact of Covid-19 on the health of the population, the economy and communities across the globe and Ireland has been unprecedented.

From March 2020 and continuing to the time of writing now in March 2021, the Company has prioritised doing everything it can to play its part in delaying and minimising the impact of the Covid-19 illness pandemic. We are truly united and focused as a Company and as part of the community in trying to fight this pandemic to stay safe and well. Management and Board focus has concentrated on our response to Covid-19, ensuring that we have the procedures and controls in place, consistent with the public health advice and protocols issued by the Government and HSE, to mitigate its spread. All Covid-19 controls are now firmly embedded across the workplace. The Port is a designated essential service for the Country and has remained open and operational at all times. This has been absolutely vital so that production output continues and services are maintained in order to maintain employment income and consumer spending in the regional, national and global economy. By keeping the Port open and operational for the import and export of foods, fuel, agricultural commodities, construction and other materials which are essential for production and maintaining employment we will come through these difficult times. Operations are working smoothly with all employees fully committed to mitigating the public health risks arising from the virus. Currently, I am pleased to report we are providing operational service to our customers on a par with pre Covid-19 standards. To date our experience is that employees and Port users are fully co-operating with and adhering to the controls implemented which is a testament to the high standing of the Port.

Brexit remained in the background during much 2020 due to Covid-19. I am pleased to report it had little or no negative impact on the Port's performance. There has been no material disruption to trade since the end of 2020 when a last minute deal was agreed but the risks around Brexit will remain for some time, which the Board is conscious of and will be monitoring and mitigating where possible.

Our Strategy

The principal objects of the Company are set out in the Harbours Act 1996, stating we should “manage, control, operate and develop the harbour”, “provide facilities, services, accommodation and lands in the harbour for ships, goods and passengers”, “promote investment in the harbour”, “engage in business advantageous to the development of the harbour” and “utilise and manage the resources available in a manner consistent with the objects” of the Company.

Shannon Foynes Port has a clear strategic vision to deliver these objectives, which we outlined in the Shannon Foynes Master Plan Vision 2041 document, a 30-year plan. Our vision is to position the Port as a key economic driver by enhancing and leveraging its asset base to accommodate offshore and onshore investment within and adjacent to its harbour. The Company will champion the improvement of connecting road and rail infrastructure, so that customers can be offered improved, competitive and efficient services and will focus on the provision of services and infrastructure in a manner providing sufficient return on capital whilst safeguarding the sensitive environmental context within which it operates.

Vision 2041 sets out Port development strategy, which is summarized as (i) the expansion of Foynes Port, (ii) the proactive management of Limerick Port and (iii) the promotion of Shannon Estuary. The expansion of Foynes Port includes initiatives such as building additional berthage, accommodating large ships in the Port by developing infrastructure e.g. on Foynes Island, reinstating the rail connection to the Port and upgrading the N69 road from Limerick to Foynes. The proactive management of Limerick Port involves expanding its cargo throughput, promoting the berthage on the docks, building warehouses, developing its non-core assets such as the Bannatyne Mill and integrating the Docks into the City. The promotion of the Estuary involves promoting the deep sea harbour as a destination for ocean and wind-based energy, promoting the Estuary's various facilities and jetties, implementing a spatial strategy and protecting sites for marine industry.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT (CONTINUED)

Having passed the ten-year milestone since the launch of our Vision 2041 plan, we are very much on track to achieve its growth projections. I am pleased to note that since 2011, tonnages at our general cargo terminals of Foynes and Limerick have, despite the negative impact of Covid-19 during 2020, increased by 45% consistent with Vision 2041's growth projections.

During 2020, the Board developed its Five Year Strategic Plan 2021 – 2025, which is the short to medium plan to deliver our longer-term Vision 2041. In this plan, we have identified capital expenditures totaling €45.5million to develop our Port facilities. Of this, subject to the ongoing impacts of Covid-19, we plan to spend €12million in 2021 largely to develop Port infrastructure facilities to meet long term growth in demand.

The Port operates in line with 2013 National Ports Policy. The Port also operates in line with the 2013 Strategic Integrated Framework Plan for the Shannon Estuary, which is a maritime and spacial plan (land use development plan) for the Estuary. We also promote the development of Limerick Docklands in line with our 2016 Limerick Dockland Framework Strategy.

Briefly, I would also like to touch on trends and issues which are becoming more impactful year by year for the Port, and which are influencing the development of the Port and its performance. These are matters that the Board is focused on and is positioning the Company to be at the forefront of capturing the exciting strategic opportunities that will be presented in the future. Climate action momentum continues to build in favour of the Port. Due to its proximity to the Atlantic Ocean's wind and wave resources and its many other comparative advantages, the Port is very well positioned to facilitate coastal Atlantic offshore energy developments and was strongly supported in this by the sector during 2020. We continue to focus on and facilitate the positioning of the Port as a marshalling port for Atlantic offshore renewables. In addition, our objective to implement unitised services from Foynes remains a key objective. With the NPF forecasting population growth of over 1 million people by 2040 or 16% over today's population, associated freight demand will put enormous incremental pressure on the existing unitised supply chain in Ireland. The commencement of new services from/to Foynes will, on completion of the Foynes to Limerick Road Scheme, provide new unitised capacity to the national supply chain within two hours travel time of roughly 40% of the Country's unitised market. The Port therefore can play an increasing role in moving freight to Europe and beyond and help alleviate the transport congestion around Dublin and redistribute economic well-being throughout the Country.

Business Performance

The Board is pleased to report that the Company is performing well in line with our vision and mission for the Port.

Considering the many challenges that 2020 presented for the national and international economy, performance for the year at Port was encouraging and was resilient in its response to the Covid-19 pandemic. Operating profits whilst down on those of the previous year are ahead of the pre Covid-19 Budget due to cost restraint measures implemented which maintained profitability at budgeted levels. EBITDA for the year of €5.55million is some 5.1% positive to that of 2015 despite a 94% or 1.9million tonne decrease in throughput at the Moneypoint terminal over the period. Under performance to prior year can be solely attributed to reduced throughput at multi-user directly managed terminals adversely impacted by the Covid-19 pandemic.

Overall tonnage throughput in 2020 at the Port was 9.458million tonnes, down 1.9% or 185k tonnes compared to 2019. Covid-19 impacted throughput of cargoes such as liquid fuels including aviation fuel and construction cargoes. With the associated lockdowns restricting traffic movements and with no foreign tourists, transport fuels including aviation fuels reduced in 2020. The first national lockdown also saw the closing of construction and accordingly cement related cargoes were also significantly impacted. Despite Covid-19 impacted negatively in the year, tonnages at directly managed general cargo terminals remain robust and are 7% higher at end 2020 than at end 2015. Encouragingly, performance improved over the second half of the year. At the end

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT (CONTINUED)

of June, directly managed terminals recorded a 22% adverse variance to prior year. By year end, this percentage variances had been cut by 58% to 9.2% as noted above.

Our turnover for the year was €12.93million, a reduction of c. 7.6% on €13.99million in 2019. The above tonnage performances, are the primary drivers of Revenue mix with ship and cargoes dues adversely impacted by the declines noted above. Strong rental and set down incomes supported by strong cost restraint measures yielded savings to prior year of €493k on operating and administration costs, mitigated somewhat the port service revenue shortfalls to leave overall year to date operating profits adverse to prior year by €533k. Despite the adverse impacts of the Covid-19 pandemic, the Port was successful in achieving profitability targets set in its annual Budget 2020 and its Five Year Strategic Plan 2020-2024 with EBITA positive by €90k, EBIT positive by €146k and Profit before Taxation positive by €353k. After financing costs and taxation charge, the Port recorded a very satisfactory profit attributable to the Shareholder of approximately €2.614 million.

The Port is in a strong financial position with a balance sheet worth of €47million. We have made significant strides in reducing our net gearing ratios over the previous 10-15 years to ensure that debt levels are sustainable and to allow for future investment as required under Vision 2041. During 2020, for the first time since the establishment of the Port as State Port Company, the Port recorded a positive net cash position of €1million.

The Board believe the Port is in a position based on the underlying profitability, level of net debt and support of our banks to undertake the planned development at Foynes Port and to fully realise our capital development plans as set out in our latest Five Year Strategic Plan, 2021-2025.

Capital Investment

The Port is currently undertaking an ambitious €32m development of Foynes Port. This exciting 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 company lands (38 hectares) for developing a port related industrial park. 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. Construction works for the first phase, namely the construction of a new 117m quay to join the East and West Jetties is set to commence in Q2 of this year with all phases scheduled for completion by end of 2023.

2020 was a relatively quiet year on the capital works front, with a major focus for 2020 related to ensuring the Port remained open and functioning as safely and smoothly as possible in the face of the Covid-19 global pandemic. With regard to port development, due to social distancing requirements and other Covid-19 related restrictions, progress has been impacted.

We did however spend of €1.66million in the year. Some of the principal capital investments were the €746k investment in plant and machinery including the purchase of a new hopper and the retrofit of dust suppression to an existing hopper at Foynes Port. We also incurred €586k of construction works in progress relating to the ongoing development works at Foynes Port.

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

Corporate Governance

I am delighted to confirm the Board is currently fully constituted with eight members.

During 2020, the terms of appointment of two long serving directors, Mr. Michael Finucane and Mr. Edmund Jennings terminated. I would like on behalf of the Board to acknowledge their dedicated and meaningful contributions over their terms of appointment.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT (CONTINUED)

Two directors, Ms. Deirdre O'Hara and Dr Jane O'Keeffe, were appointed by Minister Ryan on the 30th November 2020 which has strengthened the Board back to full complement and is much appreciated.

The Board made significant progress on realising the objectives of the Strategic Plan 2020 - 2024. The Board is on course to approve the 2021 – 2025 Strategic Plan and present it to the Department of Transport and Department of Public Expenditure and Reform shortly.

The Board remains committed to compliance to the Code of Practice for the Governance of State Bodies. The Statement of Internal Control on pages 11 to 15 acknowledges the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. The Governance Statement and Directors' Report on pages 3 to 9 details the required Annual Report disclosures arising from the Code.

Dividend

Given the uncertainty of the economic impact of the Covid-19 pandemic, no dividend was proposed or paid during 2020. At the current time, the Board does however expect to be in a position to make provision for and payment of dividends in each of the five years of its 2021-2025 Strategic Plan.

Remuneration

The 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

I wish to confirm 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

In recent months, the Board has developed its Five-Year Strategic Plan 2021 – 2025. As I mentioned earlier, we identified capital expenditures totaling €45.5million in the Plan. Of this, we identified €12million for the 2021 Annual Budget. Assuming we don't experience a long term detrimental impact from Covid-19, the Board is 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. While we are monitoring the impact of Brexit on the Port, we are not expecting a material negative impact in 2021. In the last few months with the vaccine break throughs and roll out of the national and international vaccination programmes, there is welcome light at the end of the Covid-19 pandemic. We will continue to manage the impact of Covid-19 this year and next, and cautiously expect there will be an uplift in trade at the Port as the recovery in the broader economy later this year and in 2022 takes effect which will benefit the Port's performance. We will continue to keep a close eye on our Plan in the months ahead and amend as need be to align with the economic climate in the future and re-prioritise the key goals in the Plan, if required.

We continue to make significant progress on many of the key deliverables of Vision 2041, and as such would note the following progress on key strategic items:

- The Board welcomes the progress being made on the Limerick to Foynes Road Scheme. This is a critical connection urgently required in order for Shannon Foynes Port to realise the full potential of its growth projections illustrated in Vision 2041. The Limerick to Foynes Road Upgrade Scheme has been included in both the National Planning Framework and associated Project Ireland 2040 launched by Government in 2018. With formal planning notifications published in December 2019, the oral hearing

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT (CONTINUED)

commenced on the 8th February 2021. Although Transport Infrastructure Ireland and Limerick City & County Council were the applicant, the Port being a key stakeholder delivered a substantial body of evidence as an observer at the oral hearing including an independent assessment from Indecon with findings which are truly impressive highlighting the Port related economic losses of not completing this Scheme as ranging from €0.46 billion to €0.88 billion over the period to 2041. 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. Finally, the ongoing support of the Maritime Section of the Department of Transport is acknowledged and greatly appreciated.

- In line with the Government's Climate Action policy there is now a national focus on offshore wind energy development. The Programme for Government commits to produce a long term plan to take advantage of the potential of offshore energy on the Atlantic coast. The industry expects that initially there will be some developments in the Irish Sea but the development of floating platforms to harness the wind energy off the west coast is seen as the optimal solution. With regard to port side facilities, the sector has identified that deep water (10 - 11M), 400m of dedicated quay wall/ 50 acres of land, 50ton/sq. meter hardstanding at a minimum will be required. In addition, an adequate underlying supply chain and high voltage power connectivity will also be crucial. Consequently, the Shannon Estuary is emerging as the forerunner to service offshore windfarms to be located in the coastal Atlantic waters. Timelines for floating offshore wind generation are post 2030 with some considerable issues to be addressed before then such as the Irish consenting regime, port infrastructure, route to market and EU grid connectivity. We are publicising the capabilities, potential and ambitions of the Port with the industry and are gaining significant traction. With regard to Port infrastructure, we have commenced pre-planning for a new deep water berth at Foynes, which is a Strategic Development Location and preferred deep water site identified in the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary for future marine related development. In the first instance, our objective is to receive planning consent for new deep water berth. Accordingly, the pre-planning process has commenced with the completion of a scoping and feasibility study. We have further identified €4.4m for pre-planning costs in our Strategic Plan 2021-2025 for site investigation and ecology related surveys necessary to inform and compile the planning application for this deep water berth. Given the scale of this new opportunity, we believe a long-term plan is vital and a dedicated resource should be put in place to manage it.
- Regarding the promotion of the Government's Climate Action Plan, as noted above, the Port, which is already a major hub for the onshore wind sector, intends to further establish itself as the hub of choice for the offshore wind sector in relation to access to the Atlantic. There are also however many other initiatives in the Climate Action Plan that SFPC can contribute to, such as, for example, decarbonising the supply chain by establishing Foynes as a freight hub and by promoting modal shift from HGV to rail via the development of the Foynes to Limerick rail line. An almost four-year program has been completed that included scoping, preliminary design, environment assessments, structural assessments, rail safety assessment, detailed design and planning permissions where relevant. With the conclusion of these preliminaries this 40km stretch of rail from Limerick to Foynes is now ready for procurement for main works. Once procured, main reinstatement works are expected to take between 12 to 18 months.
- In respect to containerised traffic, heretofore practically all unitised trade moved east in Ireland by feeder vessels onto Europe for either door to door or transhipment. The Port is examining the case for new direct scheduled services to/from Foynes. These services from Foynes will enhance the supply chain by reducing cost, reducing transit times and importantly reducing carbon footprint. In addition, these new services will leverage off the much improved motorway network to/from Limerick (M7, M17, M18) and the soon to be upgraded Limerick to Foynes road.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CHAIRPERSON'S STATEMENT (CONTINUED)

- Vision 2041 states two clear objectives for the future of Ted Russell Docks and associated lands in Limerick Port. The first was to promote and maintain a working port and the second was to achieve a commercial return on its non-core assets. Two successful planning consents have been received in relation to the conversion of the Bannatyne Mill Building, a landmark listed beautiful Victorian mill building on the Dock Road to provide 40,000 square feet of high-quality commercial office space. This is the first major regeneration project planned for the Limerick Docklands non-core assets. The Port also received planning permission to construct quayside infrastructure facilitating Ireland's first floating data centre where the project promoter, Nautilus Technologies, plans to invest €35million in constructing a 10 MW data centre, the first of its kind in Europe.

Acknowledgements

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 Mr. Eamon Ryan TD, Minister for Transport and Minister for Environment, Climate and Communications, and his departmental officials for their continued co-operation with and support to the Company during the past year.

I would also like to thank and acknowledge the many stakeholders around the Port such as our customers, suppliers, regulators, business and local community who support us through good and bad times and whose support is vital to the success of the Port.

I would like to thank our CEO Mr. Pat Keating, the management team and staff for their hard work, motivation and co-operation during 2020 and focus on to delivering the plan for and potential of Shannon Foynes Port.

Finally, I would also like recognise the extraordinary teamwork very ably lead by our CEO together with the management team and staff and all of our Port users who have made a phenomenal effort to mitigate the impact of Covid-19 making a real difference to our health and our social and economic wellbeing for which we are extremely grateful.

David McGarry
Chairperson
Shannon Foynes Port Company
26 March 2021

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW

Operating Review

Covid19 impacted Company performance on a number of levels such as reduced tonnage throughput, delays to new business generation and the implementation of our investment program. During 2020 our focus was on adapting to new operational practices in order to ensure the health and safety of our employees and port users, while at the same time ensuring the port remained open. While the Port did remain open, compliance with Government and public health advices also affected the delivery of some projects in our investment program as well as impacting on the delivery of new business activities. However, the expected lifting of Covid restrictions in 2021 together with the projected relatively strong performance of the Irish economy, indicates that the worst is over and that there is cause for optimism as 2021 progresses. It is also appropriate to acknowledge the contribution of our workforce during the pandemic, many changes to procedures were required and our employees successfully adapted as evidenced by keeping the port open, maintaining service levels and importantly doing so in a safe fashion whereby not one workplace derived Covid19 case arose.

With regard to operating performance, some tonnage throughputs were directly impacted by the pandemic manifesting in an overall 1.9% year on year tonnage reduction. The underlying construction and transport sectors were most impacted by the associated lockdowns and restrictions. Consequently, demand decreased for liquid fuels including aviation fuels as well as cement and related cargoes. Our experience was that Q2 saw the largest negative impact on related cargoes with throughputs recovering quite strongly in Q4. For example, Q4 2020 exceeded Q4 2019 performance at our general cargo terminals of Foynes and Limerick by 10.1%. However not all cargoes experienced decreases with those associated with electricity generation and industrial materials seeing material increases albeit from relatively low bases.

Reflecting the financial impact of Covid19, turnover decreased by 7.6% to €12.9m (2019: €14.0m). Interestingly, with regard to the other major macro-economic shock, namely Brexit, it had little or no impact on 2020 performance. Importantly, the last minute Brexit deal brought certainty and was welcomed by the agricultural sector, which is an important sector for SFPC. However, it is clear from recent issues around the NI protocol that Brexit risks remain and it is currently unclear how these could evolve over time.

In addition to adapting to public health advices at the onset of Covid19 during Q1 2020, SFPC adopted robust cash management and cost control measures. Accordingly, costs were reduced as evidenced by returning EBITDA margin of 42.9% (2019: 43.3%) and reporting EBITDA of €5.6m (2019: €6.1m). Capital spending was also reviewed and deferred in certain instances. Given the aforementioned circumstances, we believe this is a solid performance, particularly in the contest of the fixed cost nature of port operations.

We are reporting an operating profit for 2020 of €3.3m (2019: €3.9m) and profit before tax of €3.1m (2019: €4.9m). It is noted that prior year profit before tax included a non-recurring profit on sale of fixed assets of €1.4m. As mentioned, the year on year remaining reduction on profitability is attributable to Covid19 impacts mitigated by finance cost reductions.

Furthermore, revenue from the port estate, particularly at Limerick and Foynes continue to perform strongly as evidenced by the year on year rental and set down increases during 2020. A positive consequence of our performance in recent years, including for 2020, is that we are now much less reliant on third party terminals for profit and cashflow generation.

We remain confident that there are significant opportunities to grow and expand the Port at the operating level. While 2020 was an outlier for obvious reasons, we have identified targeted areas that will drive revenue growth over the short medium and long term. In addition, we note the National Planning Framework projection of a 20% growth in population by 2040. This population growth will drive equivalent growth in national freight. Our general cargo terminals are well located and competitively placed to attract this projected growth.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW (CONTINUED)

Accordingly, we will continue to resource business development and will continue to invest in capacity enhancing infrastructure at Limerick and Foynes and on the Shannon Estuary to meet future demand.

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 future 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. In this regard Management remains strongly focussed on growing margin by growing volumes through Limerick and Foynes and by fully leveraging its improved shore side capacity and considerable land and storage assets.

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. Indeed, we are of the view that Vision 2041 projections could be considered conservative in light of projected population growth and climate action requirements. SFPC has a major role to play in the latter and is widely recognised by the offshore renewable sector as having significant comparative advantages. Since 2011 (the base year of Vision 2041) tonnage at our general cargo terminals, and accounting for the Covid19 2020 contraction, increased by 45%.

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 2010, net assets have increased by 245% to €47.0m (2010: €19.2m) with annual net operating cashflow increasing by over 180% over the same period. In addition, the Company, for the first time in its history, is in a net cash position (i.e., cash balances exceeding gross debt outstanding) resulting in gearing of just 13.4% as at 31 December 2020. This strength of performance has enabled the Company implement its ambitious Investment Program underpinning Vision 2041.

Due to the increased tonnage throughputs projected in Vision 2041, substantial 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 €11m 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 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. Procurement for the new quay construction of 117m is now complete and construction is planned to commence in H1 2021. However, at time of writing the related foreshore lease remains outstanding and construction cannot commence until this is in place.

As mentioned, SFPC has a significant role to play in assisting the country's transition to a low carbon economy. Our Capital Investment Program has been reviewed to ensure that the Port will have the necessary capacity in place to accommodate this transition, particularly with regard to offshore renewables and deep water berth capacity. This review demonstrates that our Capital Program is fit for purpose, however, due to the scale and wider socio-economic benefits of some planned projects, a review of port capacity funding at national level is warranted. With regard to the medium term, we are satisfied that debt levels will remain within the financial capacity of the business. In addition, 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. At the time of writing, we have made a further application for EU CEF funding under the 2021 reflow Call. The priority of the SFPC in the EU core transport network was recently demonstrated by the formal extension, effective 1 January 2021, of the alignment of the NSMED Core Corridor to include SFPC. This is an extremely positive development for SFPC which will assist with the progression and development of future port capacity.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW (CONTINUED)

Our pension deficit decreased during 2020 to €7.1m (2019: €7.6m). Scheme assets performed positively in line with market performance, unfortunately, actuarial assumptions around liability valuation more or less wiped these gains. Scheme liabilities stubbornly remain at the level they were at five years ago due to the prevailing low interest rates, despite the underlying schemes being closed to new entrants and Company contributions of over €5.2m since 2016.

At the time of its consideration and due to the significant uncertainty caused by Covid19, the Board considered it prudent not to pay a dividend for 2019. It is noted that the Board has provided for dividends in its current rolling five year strategic plan 2021-2025 in accordance with its approved Dividend Policy.

Capital investment during 2020 is as outlined in the financial statements.

Environment

The Board and management are committed to the continual improvement of its environmental, health and safety management systems (EHS). Environmental management is now fully integrated into and forms significant part of our management system. As in prior years, we are focussed on sustainable infrastructural investment and continue to budget further resources in 2021 in targeted areas such as dust suppression, energy conservation and road drainage. During 2020 the Company successfully transitioned from OHSAS 18001:2007 to ISO 45001:2018. In order to guide and manage our climate action obligations as directed by Government's climate action plan, the Company established an internal environmental steering group. This group is in the process of finalising a climate action plan, which will be implemented over the years ahead.

The Future

SFPC is one of the foremost economic drivers for the Mid-West Region. Its economic impact was quantified and published in the W2 economic impact assessment as supporting 3,648 full time jobs generating €193m in annual payroll. Annual trade handled by SFPC is valued at circa €8.5bn.

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 projections in the Vision 2041 plan period was that annual throughput would double to 20m tons by 2041. More recent changes in market dynamics driven by multiple diverse developments such as climate action requirements, Brexit, the Covid pandemic with associated trends of remote working, transition to online retail and the 20% population growth projected in the NPF, will all directly impact demand for port services and port infrastructural capacity. Accordingly, our original projections per Vision 2041 could be considered on the conservative side of the scale. In order to ensure that SFPC is positioned to meet projected market demand, growth is categorised under the following core classifications;

- Organic growth – increased trade from existing customer base across underlying sectors including the cruise sector
- Establishing the Shannon Estuary as an Offshore Renewable Energy (ORE) Hub for floating offshore wind energy

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW (CONTINUED)

- Establishing a Foynes logistics hub and global transshipment facility for intermodal/unitised cargoes to provide national supply chain capacity and providing potential to lower green house gas emissions in the transport sector.
- Facilitating alternative fuel transshipment/production (Hydrogen, Ammonia, LNG) on the Shannon Estuary to meet future maritime and land transport decarbonisation obligations
- Implementing the Limerick Docklands strategy to commercialise non-core assets, fund the port Capital Program and to assist in the regeneration of the Limerick Docklands

With regard to developing the Port as an ORE hub specialist geotechnical engineering consultancy Gavin & Doherty Geosolutions Ltd (GDG) completed a feasibility report which was published in December 2020. The report found that by capitalising on our unique wind resource and the SFPC deep-water port, potential existed to turn the State into an exporter of energy and generate unprecedented job creation in the process. The report estimates €12billion investment into the Shannon Estuary by 2050 under a medium growth scenario and without including export potential to other markets. The Report also states that;

“Offshore Floating Wind is rapidly expanding and therefore now is the time to capture the potential from this early-stage sector. Given the timelines to develop the required infrastructure, now is the time to commit the investment and ensure Ireland Inc. capitalises on the global opportunity as first movers in this exciting space. Shannon Foynes Port is the vehicle to maximise the benefits to Ireland Inc. from the floating wind market.”

In order to ensure the Port is properly resourced to meet the aforementioned market demand, it is essential that new deep water berthage and upgraded hinterland connections are constructed along with substantial investment in large ancillary port equipment and infrastructure. Future investment required in port capacity out to 2027 to enable SFPC meet projected demand is estimated at €350m. This port investment is a critical path investment to facilitate the €12bn supply chain investment identified by GDG. This level of port investment can be implemented however, it will require new more innovative and efficient funding models than are currently available to the Tier 1 ports.

While Covid19 impacted implementation of our Plans during 2020, nevertheless some progress was made on the more significant deliverables as follows;

- Urgent completion of the Limerick to Foynes road scheme: This Scheme is included in both the NPF and associated Project Ireland 2040. Oral hearings were completed in February 2021 and we understand a decision will be forthcoming over the next few months. The critical path nature of this Scheme in relation to the Port’s development phase and the urgency for its completion cannot be emphasised enough.
- Reinstatement of the Limerick to Foynes rail line for freight use: This is an important hinterland connection for the Port. While its capacity is limited, we have identified several strong niche opportunities for this line. We are working closely with Irish Rail on developing these. We also concur with and share the Minister’s views with regard to including this line as part of national rail freight infrastructure. This line can contribute in rebalancing the national supply chain.
- Consistent with the NPF and Project Ireland 2040, the EU has formally implemented the extension of the NSMED Core Corridor, effective from 1 January 2021, by including SFPC on the Corridor. This is very important for the timely delivery of future port infrastructure and for its funding.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW (CONTINUED)

- Provision by SFPC of new port capacity: As mentioned procurement for the next phase i.e., the new 117m jetty is completed with construction expected to commence during H1 2021. This phase is a constituent part of a larger €30m project consisting of the 117 metre jetty, 10,000 m² of new quay side set down and enabling works for 90 acres of port storage and warehouse facilities.
- Promote the development of the deep water Strategic Development Locations (SDL's) identified in the Strategic Integrated Framework Plan (SIFP) for the Shannon Estuary: These sites are essential to facilitate the development of a marshalling or staging port for the ORE sector. Recent announcement by the ESB and Equinor attest to this regarding their plans to develop 1,500MW of the Clare/Kerry coasts. SFPC is actively promoting these sites to ORE developers and associated supply chain providers. These sites adjoin deep water and have up to 1200 hectares of adjoining land zoned for associated supply chain activities. In addition, several of the sites are being promoting as part of our Cruise Shannon Estuary promotion.
- Limerick Docklands Framework Strategy (LDFS): The primary objectives of this exciting Strategy are to retain the working port on its 15-hectare footprint with the balance of our Limerick Docklands estate promoted for port or non-port related commercial activity. In 2019 planning consent was granted for refurbishment, for commercial office space, of the 40k ft² Bannatyne Mills building and to facilitate the Nautilus floating data centre. In order to further enable the commercialisation of its non-core assets, including to facilitate investment in the Bannatyne Mills building, the Board agreed to develop and progress an application for Ministerial consent in 2021 to establish a subsidiary company to best manage, promote and fund these assets. The upgrade of the junction at Dock Rd and Atlas Avenue to facilitate port traffic was also a core intervention required in the LDFS. We note that Limerick City and County Council recently completed a Part VIII planning application for this junction. We are advised that the necessary civil works, to upgrade the junction, will be completed during 2021. This is a very welcome development and we would like to acknowledge the support of LCCC in assisting with the implementation of the LDFS.

With regard to Brexit, to date we have experienced minor impact and with the last minute trade agreement addressing most concerns in the agricultural sector, its impact on our bulk cargoes is likely to be minimal. However, at time of writing, issues around the NI protocol are emerging and consequently it is clear Brexit risks will remain for some time to come. 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.

However, the energy sector, particularly with regard to security of gas supply, is directly impacted by Brexit. This is a national issue and confounded by our country's extensive reliance on electricity generation from gas. This issue has been clearly highlighted in the current Eirgrid consultation. We believe that the Shannon Estuary is well suited to provide appropriate gas importation facilities using latest vessel technology obviating the need for onshore storage and regassification facilities. These facilities developed in accordance with proper planning and sustainable development criteria could support and compliment the Atlantic's ORE resources. These developments are important for SFPC and demonstrate its potential as an enabler of sustainable energy generation for this country.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

BUSINESS AND OPERATING REVIEW (CONTINUED)

Acknowledgements

I would like to sincerely thank all our employees for their hard work and dedication during the year. The changes implemented by all to ensure the health and safety of colleagues and their families during the pandemic was and is commendable. The team spirit and collective will to get the job done was inspiring and is strongly appreciated.

I wish to thank the Chairperson and Directors for their guidance and assistance to me and the Management team during the year. I also extend my gratitude and appreciation to the staff in the Marine Transport Section of the Department of Transport for their assistance and support during the year. Specifically, I would like to acknowledge their ongoing support concerning Covid19 planning, EU Ten-T policy 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: 26 March 2021

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the financial statements of Shannon Foynes Port Company (the “Company”) and its subsidiaries (the “Group”), which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of cash flows and the Consolidated analysis of debt, for the financial year ended 31 December 2020, 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 group and the company as at 31 December 2020 and of the group 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 group and 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

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including Governance Statement and Director's Report, Directors Responsibility Statement, Statement on Internal Control, Chairpersons Statement, Business and Operating Review. 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.

We have nothing to report in this regard.

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 group and the parent 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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Responsibilities of 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 group and 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 group or company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group and 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 group and 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 group or 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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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.

Where the auditor is reporting on consolidated financial statements, the auditor's responsibilities re to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit, and the group auditor remains solely responsible for the audit opinion.

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: 26 March 2021

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cashflow Statement, the Consolidated Analysis of debt and related notes constitute the financial statements of Shannon Foynes Port Company and its Subsidiary Undertakings for the financial year ended 31 December 2020.

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 9.

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 Irish Statute comprising of 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 Group'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 €3,165,728 (2019: €3,586,876).

FRS102 allows certain disclosure exemptions and the company has taken advantage of the following exemptions for the company financial statements:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- From disclosing the company key management personnel compensation, as required by FRS102 paragraph 33.7, as the information is included within the consolidated financial statement disclosures.

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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

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.

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:

	Rate (Years)
Straight Line Basis	
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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets (Continued)

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.

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 and development costs are amortised 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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

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.

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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

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.

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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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.

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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

ACCOUNTING POLICIES (CONTINUED)

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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED PROFIT & LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2020**

	Note	2020 €	2019 €
Turnover	2(a)	12,932,427	13,991,635
Operational costs	2(b)	(6,804,149)	(7,055,467)
Gross profit		6,128,278	6,936,168
Administration expenses	2(b)	(2,633,759)	(2,874,997)
Amortisation of intangible assets	13(a)	(149,780)	(183,302)
Operating profit		3,344,739	3,877,869
Interest payable and similar charges	4	(174,440)	(205,859)
Other financing cost	26(b)	(82,000)	(143,000)
Profit on sale of fixed assets	10	2,146	1,359,461
Profit on ordinary activities before taxation	6	3,090,445	4,888,471
Taxation on profit on ordinary activities	7	(476,671)	(494,485)
Profit attributable to the shareholder		2,613,774	4,393,986

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2020**

	Note	2020 €	2019 €
Profit for the year		2,613,774	4,393,986
Actuarial return less expected return on Pension scheme assets	26(b)	726,000	2,094,000
Experience (loss) rising on the pension scheme's liabilities	26(b)	(119,000)	(230,000)
Changes in actuarial assumptions	26(b)	(708,000)	(2,366,000)
Deferred tax related to actuarial loss		12,625	62,750
TOTAL RECOGNISED GAINS		2,525,399	3,954,736

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2020**

	Note	2020 €	2019 €
Fixed assets			
Tangible assets	11(a)	56,615,988	57,413,410
Financial assets	12	2,539	2,539
Intangible assets	13(a)	1,185,762	1,335,542
		<u>57,804,289</u>	<u>58,751,491</u>
Current assets			
Debtors	14	4,523,518	5,635,117
Cash and bank balances	15	8,271,942	5,856,704
		<u>12,795,460</u>	<u>11,491,821</u>
Creditors (Amounts falling due within one year)	16	(3,134,426)	(3,145,931)
Net current assets		<u>9,661,034</u>	<u>8,345,890</u>
Total assets		67,465,323	67,097,381
Creditors (Amounts falling due after more than one year)	17	(5,637,241)	(7,307,954)
Provision for liabilities and charges	26(b)	(7,056,000)	(7,623,000)
Deferred income	19	(5,792,261)	(5,806,747)
Deferred tax	20	(2,057,515)	(1,962,772)
Net assets		<u>46,922,306</u>	<u>44,396,908</u>
Capital and reserves			
Called up share capital	22	22,187,375	22,187,375
Capital injection	23	4,916,921	4,916,921
Profit carried forward		19,818,010	17,292,612
Equity shareholders funds		<u>46,922,306</u>	<u>44,396,908</u>

The financial statements were approved by the Board of Directors on 26 March 2021 and signed on its behalf by;

Pat Keating
Director

David McGarry
Director

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**COMPANY BALANCE SHEET
31 DECEMBER 2020**

	Note	2020 €	2019 €
Fixed assets			
Tangible assets	11(b)	56,556,227	57,342,824
Financial assets	12	1,070,142	1,070,142
Intangible assets	13(b)	1,185,762	1,335,542
		<u>58,812,131</u>	<u>59,748,508</u>
Current assets			
Debtors	14	4,060,881	4,538,204
Cash and bank balances	15	6,491,318	4,492,321
		<u>10,552,199</u>	<u>9,030,525</u>
Creditors (Amounts falling due within one year)	16	(3,188,385)	(3,072,428)
Net current assets		<u>7,363,814</u>	<u>5,958,097</u>
Total assets		66,175,945	65,706,605
Creditors (Amounts falling due after more than one year)	17	(5,637,241)	(7,307,954)
Provision for liabilities and charges	26(b)	(7,056,000)	(7,623,000)
Deferred income	19	(5,792,261)	(5,806,747)
Deferred taxation	20	(2,057,515)	(1,962,772)
Net assets		<u>45,632,928</u>	<u>43,006,132</u>
Capital and reserves			
Called up share capital	22	22,187,375	22,187,375
Capital injection	23	5,457,046	5,457,046
Profit carried forward		17,988,507	15,361,711
Equity shareholders funds		<u>45,632,928</u>	<u>43,006,132</u>

The financial statements were approved by the Board of Directors on 26 March 2021 and signed on its behalf by;

Pat Keating
Director

David McGarry
Director

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2020**

	Capital injection €	Called up share capital €	Profit and loss account €	Equity attributable to owners of parent company	Total equity €
At 1 January 2019	4,916,921	22,187,375	13,687,876	40,792,172	40,792,172
Profit for the year	-	-	4,393,986	4,393,986	4,393,986
Dividends: Equity capital	-	-	(350,000)	(350,000)	(350,000)
Other recognised losses	-	-	(502,000)	(502,000)	(502,000)
Deferred tax related to actuarial loss	-	-	62,750	62,750	62,750
At 31 December 2019	4,916,921	22,187,375	17,292,612	44,396,908	44,396,908
Profit for the year	-	-	2,613,774	2,613,774	2,613,774
Other recognised losses	-	-	(101,000)	(101,000)	(101,000)
Deferred tax related to actuarial loss	-	-	12,625	12,625	12,625
At 31 December 2020	<u>4,916,921</u>	<u>22,187,375</u>	<u>19,818,010</u>	<u>46,922,306</u>	<u>46,922,306</u>

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**COMPANY STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2020**

	Capital injection €	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2019	5,457,046	22,187,375	13,030,220	40,674,641
Profit for the year	-	-	3,120,741	3,120,741
Dividends: Equity capital	-	-	(350,000)	(350,000)
Other recognised losses	-	-	(502,000)	(502,000)
Deferred tax related to actuarial loss	-	-	62,750	62,750
At 31 December 2019	5,457,046	22,187,375	15,361,711	43,006,132
Profit for the year	-	-	2,715,171	2,715,171
Other recognised losses	-	-	(101,000)	(101,000)
Deferred tax related to actuarial loss	-	-	12,625	12,625
At 31 December 2020	<u>5,457,046</u>	<u>22,187,375</u>	<u>17,988,507</u>	<u>45,632,928</u>

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED CASHFLOW STATEMENT
31 DECEMBER 2020**

	2020	2019
	€	€
Cash flows from operating activities		
Profit for the financial year	2,613,774	4,393,986
Adjustments for:		
Depreciation	2,448,075	2,395,628
Taxation	476,671	494,485
Interest paid	174,440	205,859
Financing cost	82,000	143,000
Profit on sale of fixed assets	(2,146)	(1,359,461)
Amortisation of intangible fixed assets	149,780	183,302
Grant Amortisation	(393,758)	(398,457)
Decrease/(Increase) in debtors	1,103,462	(1,403,937)
(Decrease)/ Increase in creditors	(25,633)	185,389
(Decrease) in provision for liabilities and charges	(737,375)	(843,875)
Net cash generated from operating activities	5,889,290	3,995,919
Corporation tax	(396,478)	(392,801)
	5,492,812	3,603,118
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(1,643,853)	(1,849,119)
Sale of tangible fixed assets	7,480	1,579,941
Grant received	379,272	259,273
Dividend paid	-	(350,000)
	(1,257,101)	(359,905)
Cash flows financing activities		
Medium and long term loans	(1,643,942)	(1,641,873)
Lease finance paid net of capital elements paid	-	(107,915)
Interest paid	(176,531)	(210,013)
	(1,820,473)	(1,959,801)
Net increase in cash and cash equivalents	2,415,238	1,283,412
Cash and cash equivalents at beginning of year	5,856,704	4,573,292
	<u>8,271,942</u>	<u>5,856,704</u>
Cash and cash equivalents at the end of year		
	8,271,942	5,856,704

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CONSOLIDATED ANALYSIS OF DEBT
31 DECEMBER 2020**

	At 1 January 2020	Cash flow	At 31 December 2020
			€
Cash at bank and in hand	5,856,704	2,415,238	8,271,942
Debt due within 1 year	(1,626,776)	(26,771)	(1,653,547)
Debt due after 1 year	(7,307,954)	1,670,713	(5,637,241)
	<u>(3,078,026)</u>	<u>4,059,180</u>	<u>981,154</u>

The notes on pages 47 – 64 form part of these audited financial statements.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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. Despite the ongoing Covid-19 international crisis and noting that the company is a designated essential service provider, 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 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 €56,615,988 (2019: €57,413,410).

Impairment of Trade Debtors' considerations

An allowance is made for specific balances 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 (2019: €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, 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.

Other liabilities, creditors, accruals and charges

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 but they have included in accruals an amount in respect of same. The timing and amount of the outcome is uncertain and is contingent on future events. Consequently, it is impracticable at this time to estimate whether or not any adjustments may need to be made to the amount currently included in accruals.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2	Analysis of Turnover and Operational Administration Expenses	2020	2019
		€	€
	(a) Turnover		
	Ship and Cargo Dues	6,745,262	7,287,055
	Stevedoring	1,762,262	2,085,227
	Other Operating Income	4,424,903	4,619,353
		<u>12,932,427</u>	<u>13,991,635</u>

All turnover arose in the Republic of Ireland.

	(b) Operational and Administration Expenses	2020	2019
		€	€
	Operating and Maintenance	(4,615,014)	(4,925,920)
	Dredging	(201,868)	(191,078)
	Depreciation	(2,381,025)	(2,336,926)
	Grant Amortisation	393,758	398,457
	Total Operational Costs	<u>(6,804,149)</u>	<u>(7,055,467)</u>
	Administration and Other	<u>(2,633,759)</u>	<u>(2,874,997)</u>

3 Employment Information

The Group Costs incurred in respect of Employees were:

Aggregate Employee Benefits	2020	2019
	€	€
Staff short-term benefits	3,511,337	3,443,859
Post-employment benefits	516,840	491,367
Employer's contribution to social welfare	362,062	355,078
	<u>4,390,239</u>	<u>4,290,304</u>
Staff Short-Term Benefits	€	€
Salary	3,094,853	2,985,279
Overtime	144,769	179,417
Performance related payments	180,594	171,793
Allowance & non-monetary benefits	91,121	107,370
	<u>3,511,337</u>	<u>3,443,859</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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:

	2020	2019
	€	€
Salaries and Short Term employee benefits	583,680	592,149
Post-Employment Benefits	76,050	75,303
	<u>659,730</u>	<u>667,452</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 52 (2019: 51)

Capitalised employee costs during the financial year amounted to €Nil (2019: €Nil)

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

4 Interest Payable and Similar Charges

	2020	2019
	€	€
On Bank Borrowings:		
-interest payable on bank loans and overdrafts wholly repayable after five years	174,440	203,824
-interest payable on finance lease arrangement	-	2,035
	<u>174,440</u>	<u>205,859</u>

5 Directors' Remuneration

	2020	2019
	€	€
Directors Fees		
D McGarry	12,600	12,600
C Henry	7,847	8,100
M. Finucane	2,114	8,100
E Jennings	4,556	8,100
P Keating	8,100	8,100
D O'Hara	675	-
J O'Keeffe	-	-
T Treacy	8,100	8,100
J Coleman	8,100	7,283
J Spring	8,100	7,283
	<u>60,192</u>	<u>67,666</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Directors' Remuneration (Continued)

	2020 €	2019 €
Expenses paid to members of the Board		
Travel & Subsistence Expenses	2,448	6,680
	<u>2,448</u>	<u>6,680</u>
	2020 €	2019 €
Chief Executive Remuneration for Management Services		
Salary	117,500	117,500
Employer's Pension Contribution and other emoluments	60,625	60,625
	<u>178,125</u>	<u>178,125</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

	2020 €	2019 €
Depreciation	2,448,075	2,395,628
Auditor fees	18,000	18,000
Amortisation of Intangible Fixed Assets	149,780	183,302
Amortisation of Capital Grants	<u>(393,758)</u>	<u>(398,457)</u>

7 Tax on Profit on Ordinary Activities

	2020 €	2019 €
Current Tax:		
Irish Corporation Tax on Profit for the year	381,928	362,134
Deferred Tax:		
Origination and Reversal of Timing Difference	94,743	132,351
	<u>476,671</u>	<u>494,485</u>
 Profit on Ordinary Activities before Tax	 <u>3,090,445</u>	 <u>4,888,471</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- 7 Tax on Profit on Ordinary Activities (Continued)**
The tax assessed for the financial year is higher than (2019 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2019 - 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% (2019: 12.5%)	386,316	611,059
Effects of:		
Expense adjustments by the rate of tax	(117,887)	(312,179)
Excess depreciation over capital allowances by the rate of tax	(16,616)	(19,466)
Under provision in the prior year	85,870	-
Income by the higher rate of tax	44,245	25,593
Deferred tax movement	94,743	132,351
Chargeable gain	-	57,127
Current Tax Credit for the year	476,671	494,485

8 Dividends	2020	2019
	€	€
Paid during the year	-	350,000
Declared post year end	-	-

9 Profit Attributable to Shannon Foynes Port Company

A profit before tax of €3,165,728 (2019: €3,586,876) 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.

10 Exceptional items	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
Profit on disposal of fixed assets	2,146	285,005	1,359,461	253,131
	2,146	285,005	1,359,461	253,131

The profit on disposal of fixed assets in 2020 primarily relates to the sale of a motor vehicle during the 2020 financial year (2019: sale of a property).

SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(a) Tangible Fixed Assets – Group

	Construction in Progress	Docks, Quays And Works	River Lights	Plant & Machinery	Motor Vehicles	Fixtures, Fittings and Office Equipment	Land & Buildings	Total
	€	€	€	€	€	€	€	€
Cost								
At 1 January 2020	1,350,004	51,240,106	2,113,267	15,934,802	305,977	730,310	17,985,106	89,659,572
Additions	585,505	194,974	-	745,683	89,587	29,259	10,978	1,655,986
Disposals	-	-	-	(1,586)	(32,000)	(5,675)	-	(39,261)
At 31 December 2020	1,935,509	51,435,080	2,113,267	16,678,899	363,564	753,894	17,996,084	91,276,297
Depreciation								
At 1 January 2020	-	14,316,398	1,863,236	10,340,970	121,304	592,675	5,011,579	32,246,162
Charge for year	-	1,083,107	66,665	759,686	60,588	67,226	410,803	2,448,075
Disposals	-	-	-	(1,586)	(26,667)	(5,675)	-	(33,928)
At 31 December 2020	-	15,399,505	1,929,901	11,099,070	155,225	654,226	5,422,382	34,660,309
Net Book Value								
At 31 December 2020	1,935,509	36,035,575	183,366	5,579,829	208,339	99,668	12,573,702	56,615,988
At 31 December 2019	1,350,004	36,923,708	250,031	5,593,832	184,673	137,635	12,973,527	57,413,410

SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(b) Tangible Fixed Assets – Company

	Construction in Progress	Docks, Quays And Works	River Lights	Plant & Machinery	Motor Vehicles	Fixtures, Fittings and Office Equipment	Land & Buildings	Total
	€	€	€	€	€	€	€	€
Cost								
At 1 January 2020	1,350,004	51,240,106	2,113,267	15,541,380	305,977	675,189	17,971,112	89,197,035
Additions	585,505	194,974	-	745,683	89,587	29,259	10,978	1,655,986
Disposals	-	-	-	(1,586)	(32,000)	(5,675)	-	(39,261)
At 31 December 2020	1,935,509	51,435,080	2,113,267	16,285,477	363,564	698,773	17,982,090	90,813,760
Depreciation								
At 1 January 2020	-	14,316,398	1,863,236	10,016,619	121,305	539,033	4,997,620	31,854,211
Charge for year	-	1,083,107	66,664	749,042	60,588	67,050	410,799	2,437,250
Disposals	-	-	-	(1,586)	(26,667)	(5,675)	-	(33,928)
At 31 December 2020	-	15,399,505	1,929,900	10,764,075	155,226	600,408	5,408,419	34,257,533
Net Book Value								
At 31 December 2020	1,935,509	36,035,575	183,367	5,521,402	208,338	98,365	12,573,671	56,556,227
At 31 December 2019	1,350,004	36,923,708	250,031	5,524,761	184,672	136,156	12,973,492	57,342,824

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Financial Fixed Assets	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
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

	Group 2020 & 2019 €	Company 2020 & 2019 €
Prize Bonds	<u>2,539</u>	<u>2,539</u>

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

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13(a) Intangible Fixed Assets – Group	Development €	Goodwill €	Total €
Cost			
At 1 January and 31 December 2020	<u>1,497,804</u>	<u>586,789</u>	<u>2,084,593</u>
Amortisation			
At 1 January 2020	162,262	586,789	749,051
Charge for year	<u>149,780</u>	<u>-</u>	<u>149,780</u>
At 31 December 2020	<u>312,042</u>	<u>586,789</u>	<u>898,831</u>
Net Book Value			
At 31 December 2020	<u>1,185,762</u>	<u>-</u>	<u>1,185,762</u>
At 31 December 2019	<u>1,335,542</u>	<u>-</u>	<u>1,335,542</u>

13(b) Intangible Fixed Assets – Company	Development €	Total €
Cost		
At 1 January and 31 December 2020	<u>1,497,804</u>	<u>1,497,804</u>
Amortisation		
At 1 January 2020	162,262	162,262
Charge for year	<u>149,780</u>	<u>149,780</u>
At 31 December 2020	<u>312,042</u>	<u>312,042</u>
Net Book Value		
At 31 December 2020	<u>1,185,762</u>	<u>1,185,762</u>
At 31 December 2019	<u>1,335,542</u>	<u>1,335,542</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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Debtors	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
Trade Debtors	2,277,089	1,834,106	2,260,436	1,792,977
Value Added Tax Receivable	74,652	58,996	49,714	24,001
Other Debtors and Prepayments	2,167,781	2,167,779	3,324,967	1,980,967
Corporation Tax	3,996	-	-	-
Amounts owed by Subsidiary Companies	-	-	-	740,259
	<u>4,523,518</u>	<u>4,060,881</u>	<u>5,635,117</u>	<u>4,538,204</u>

An impairment loss of €nil (2019: €nil) was recognised against trade debtors.

15 Cash and cash equivalents	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
Cash and bank balances	8,271,942	6,491,318	5,856,704	4,492,321
	<u>8,271,942</u>	<u>6,491,318</u>	<u>5,856,704</u>	<u>4,492,321</u>

16 Creditors	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
Bank Loans (Note 18)	1,653,547	1,653,547	1,626,776	1,626,776
Trade Creditors	58,230	43,556	126,039	125,725
Amounts owed to group undertakings	-	106,985	-	-
Corporation tax	-	3,053	10,554	33,716
Other Taxes and PRSI	196,663	179,414	179,842	165,670
Other Creditors and Accruals	1,225,986	1,201,830	1,202,720	1,120,541
	<u>3,134,426</u>	<u>3,188,385</u>	<u>3,145,931</u>	<u>3,072,428</u>

The company has various borrowing facilities with Allied Irish Bank and Bank of Ireland and its total bank borrowings at 31 December 2020 were €7,290,788 (2019: €8,934,730). 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 2020 of €4,865,305 (2019: €5,295,987), which has a final lump sum payment on maturity.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17	Creditors (amounts falling due after more than one year)	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
	Bank Borrowings (Note 18)	5,637,241	5,637,241	7,307,954	7,307,954
		<u>5,637,241</u>	<u>5,637,241</u>	<u>7,307,954</u>	<u>7,307,954</u>
18	Bank Borrowings	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
	Analysis of bank borrowings payable:				
	- within one year	1,653,547	1,653,547	1,626,776	1,626,776
	- between one and two years	5,235,531	5,235,531	1,630,770	1,630,770
	- between two and five years	401,710	401,710	5,677,184	5,677,184
		<u>7,290,788</u>	<u>7,290,788</u>	<u>8,934,730</u>	<u>8,934,730</u>
19	Deferred Income – Group and Company			2020 €	2019 €
	Capital Grants				
	At 1 January			5,806,747	5,945,931
	Received during the year			379,272	259,273
	Amortised during the year			(393,758)	(398,457)
	At 31 December			<u>5,792,261</u>	<u>5,806,747</u>

SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Deferred Tax

The movement in the deferred tax provided for at 12.5% (2019: 12.5%) during the year was:

	2020 €	2019 €
At the beginning of the year	1,962,772	1,830,421
Charge during the year	94,743	132,351
	<u>2,057,515</u>	<u>1,962,772</u>

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

	2020 €	2019 €
Excess of taxation allowances over depreciation on fixed assets	<u>2,057,515</u>	<u>1,962,772</u>

21 Financial instruments	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
Financial assets				
Financial assets measured at amortised cost	10,551,570	9,395,566	8,119,679	8,095,699
	<u>10,551,570</u>	<u>9,395,566</u>	<u>8,119,679</u>	<u>8,095,699</u>
Financial liabilities				
Financial liabilities measured at amortised cost	8,575,004	8,643,159	10,263,489	10,180,996
	<u>8,575,004</u>	<u>8,643,159</u>	<u>10,263,489</u>	<u>10,180,996</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, other creditors and accruals and amounts owed to subsidiary companies.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22	Share Capital – Company			2020	2019
	Authorised			€	€
	31,500,000 Ordinary Shares of €1.25 each			39,375,000	39,375,000
				<u> </u>	<u> </u>
	Allotted, Called Up and Fully Paid				
	17,749,900 Ordinary Shares of €1.25 each			22,187,375	22,187,375
				<u> </u>	<u> </u>
23	Capital Injection	Group	Company	Group	Company
		2020	2020	2019	2019
		€	€	€	€
	At 1 January	4,916,921	5,457,046	4,916,921	5,457,046
	At 31 December	<u>4,916,921</u>	<u>5,457,046</u>	<u>4,916,921</u>	<u>5,457,046</u>

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

3,047,371 Ordinary Shares of €1.25 each

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

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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25	Financial Commitments	Group 2020 €	Company 2020 €	Group 2019 €	Company 2019 €
	Financial Commitments				
	- commitments approved but not contracted for	8,935,303	8,935,303	12,312,693	12,312,693
	- committed	3,000,921	3,000,921	2,710,754	2,710,754
		<u>11,936,224</u>	<u>11,936,224</u>	<u>15,023,447</u>	<u>15,023,447</u>

26 Retirement Benefits

- (a) The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €8,064,000 on these schemes at 31 December 2020.

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 €46,922,290 and the group profit carried forward in the amount of €2,613,774.

The most recent valuations were at 31 December 2020 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 2020 for disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	2020	2019	2018	2017
Rate of increase in salaries	2.0%	2.0%	2.0%	2.0%
Rates of increase in pension payments	0.0%/3.0%	0.0%/3.0%	0.0%/3.0%	0.0%/3.0%
Discount rate	0.750%	1.0%	1.7%	1.7%
Inflation assumption	1.1%	1.1%	1.5%	1.7%

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 Retirement Benefits (continued)

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

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

	Market Value 31 December 2020 €'000	Market Value 31 December 2019 €'000	Market Value 31 December 2018 €'000	Market Value 31 December 2017 €'000
Equities	8,268	7,734	5,926	6,203
Fixed interest	5,665	5,298	4,837	4,518
Alternatives	-	-	-	351
Cash	905	939	825	811
	<u>14,838</u>	<u>13,971</u>	<u>11,588</u>	<u>11,883</u>

The following amounts at 31 December 2020 were measured in accordance with the requirements of FRS 102:

	2020 €'000	2019 €'000	2018 €'000	2017 €'000
Total market value of assets	14,838	13,971	11,588	11,883
Present value of the (liabilities) of the schemes	(22,902)	(22,683)	(20,599)	(21,157)
(Deficit) in the schemes	<u>(8,064)</u>	<u>(8,712)</u>	<u>(9,011)</u>	<u>(9,274)</u>
Related deferred tax asset	1,008	1,089	1,126	1,159
Net Pension (Liability)	<u>(7,056)</u>	<u>(7,623)</u>	<u>(7,885)</u>	<u>(8,115)</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 Retirement Benefits (continued)

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

The following amounts would have been recognised in the performance statements for the years ended 31 December 2020 and 31 December 2019 under the requirements of FRS 102.

	2020	2019
	€'000	€'000
Operating Profit		
Current Service Cost	207	178
	<u>207</u>	<u>178</u>
Interest income on schemes' assets	140	198
Interest on pension schemes' liabilities	(222)	(341)
Net interest expense	<u>(82)</u>	<u>(143)</u>
Other comprehensive income		
Actual return less expected return on pension schemes' assets	726	2,094
Experience (loss) arising on the schemes' liabilities	(119)	(230)
Changes in assumptions underlying the present value of the schemes' liabilities	(708)	(2,366)
Actuarial (loss) recognised in the statement of total recognised gains and losses	<u>(101)</u>	<u>(502)</u>
	2020	2019
	€'000	€'000
Movement in (deficit) during the year:		
(Deficit) in schemes at 31 December		
Movement in year	(8,712)	(9,011)
Net current service cost	(207)	(178)
Contributions paid	1,038	1,122
Other finance cost	(82)	(143)
Actuarial loss	(101)	(502)
(Deficit) in schemes at 31 December	<u>(8,064)</u>	<u>(8,712)</u>

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 Retirement Benefits (continued)

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

	2020	2019
	€'000	€'000
Experience gains and losses for the year ended 31 December		
Difference between the expected and actual return on schemes' assets	726	2,094
Percentage of schemes' assets	4.89%	14.99%
Experience gains on schemes' liabilities	(119)	(230)
Percentage of schemes' liabilities	(0.52%)	(1.01%)
Change in Assumptions	(708)	(2,366)
Percentage of schemes' assets	(4.77%)	(16.94%)
Total recognised in other comprehensive income	(101)	(502)
Percentage of the present value of the schemes' liabilities	(0.44%)	(2.21%)

27 Ultimate controlling party

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

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 2020 (2019: €nil).

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.

**SHANNON FOYNES PORT COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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 Post Balance Sheet Events

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

32 Section 357 of the Companies Act 2014 – Guarantee

Pursuant to the provisions of section 357 of the Companies Act 2014, the company has guaranteed the liabilities of its subsidiary companies (as defined in paragraph 14 of Schedule 3 of the Act) in respect of the financial year end 31 December 2020 and consequently, those subsidiaries have been exempted from the provisions of section 347 of that Act.

33 Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

34 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 26 March 2021.



Shannon Foynes Port Company

Tel : +353 69 73100
www.sfpc.ie
info@sfpc.ie

