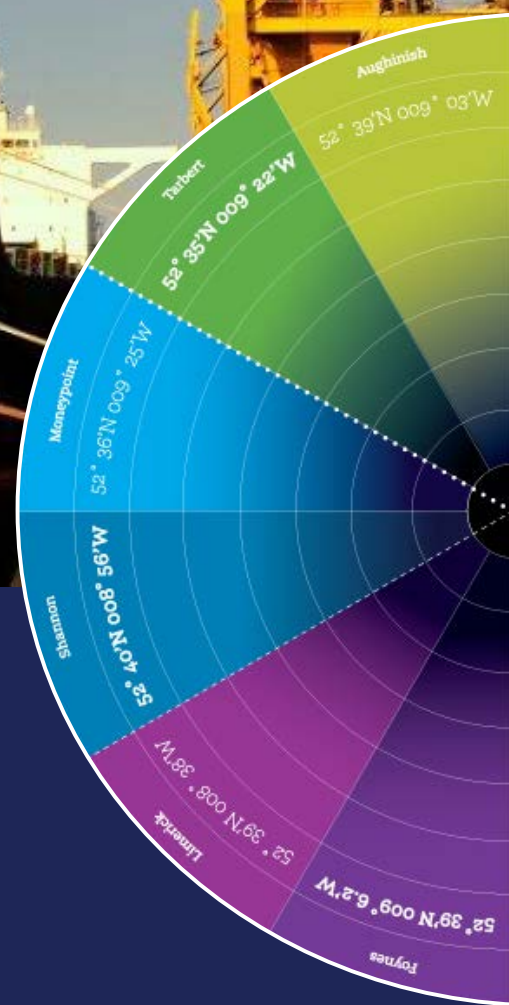


SHANNON FOYNES PORT COMPANY

IRELANDS PREMIER DEEPWATER FACILITIES



2016

Annual Report & Consolidated Financial Statements

(A company limited by shares)
and its subsidiary undertakings

2016 Annual Energy Report

Shannon Foynes Port Company has various consumers of energy inherent to operation and management of port business such as public lighting, navigational aids, office building, marine craft, heavy plant and equipment and various road vehicles.

In 2016 SFPC consumed:

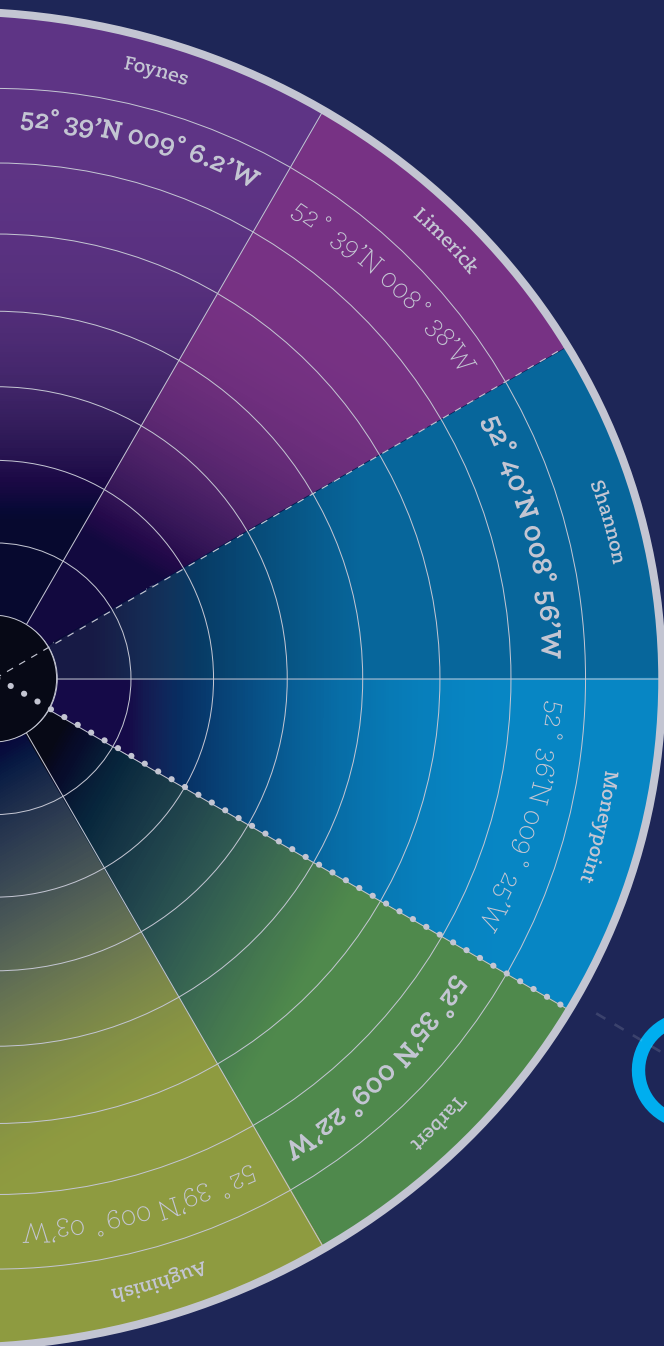
- 607.413 MWH of electricity
- 2935.33 MWH of mineral oil fuels

Actions undertaken in 2016:

- Continued roll out of low energy LED road lighting and high mast lights at Foynes and TRD throughout 2016. Lighting on two high rise masts changed out on the west jetty in 2016. Over 25 road lights upgraded to LED lighting in 2016.
- Energy audit completed in Q4 of 2016. Recommendations will be reviewed and assessed for implementation in 2017

Actions planned for 2017:

- Continue roll out of low energy LED road lighting and high mast lights at Foynes and TRD
- Establish an Energy Policy and consider the appointment of an energy coordinator with overall responsibility for energy management within the organisation.
- Organise an energy awareness campaign to include formal training programmes for employees and promote energy awareness and an energy efficient culture amongst stakeholders.
- Where required, review Maximum Import Capacities (MIC) based on data collated to date to achieve opportunities where commercial rates are as low as possible.





**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

Annual Report and Financial Statements 2016

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**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

Directors and Other Information

Board

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

Secretary and Registered Office

E. Stanley
Harbour Office
Foynes
Co Limerick

Registered Number: 332414

Independent Auditors

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

Management

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

Solicitors

Harrison O'Dowd
98 Henry Street
Limerick

Philip Lee Solicitors
7-8 Wilton Terrace
Dublin 2

Bankers

Allied Irish Bank Plc
The Square
Newcastlewest
Co. Limerick

Allied Irish Bank Plc
106/108 O'Connell St
Limerick

Bank of Ireland
125 O'Connell Street
Limerick

Rabobank Ireland Plc
Charlemont Place
Dublin 2

Actuaries

Invesco Limited
4 South Bank
Crosses Green
Cork



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

DIRECTORS' REPORT

The Directors have pleasure in submitting their Annual Report to the Shareholders together with the Audited Consolidated Financial Statements for the year ended 31 December 2016.

Books of Account

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.

Corporate Governance

The company is committed to the Code of Practice for the governance of state bodies. It has appointed internal auditors as part of this process. A separate report on corporate governance is set out in pages 7 - 8.

Prompt Payment of Accounts Act, 1997

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

Principal Activities

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

Review of the Business

A detailed review of the group's operations is set out on pages 9 - 12.

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 21 shows the group's results for the year.

The company paid a dividend in the year 2016 in the amount of €200,000



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

DIRECTORS' REPORT (CONTINUED)

Capital Injection

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

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

3,047,371 Ordinary Shares of €1.25 each

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

Directors

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 2016 were as follows:

M. Collins (Resigned 22nd December 2016)

P. Cleary (Resigned 5th December 2016)

M. Finucane

C. Henry

E. Jennings

P. Keating

J. Treacy

Directors and Secretary's Interests

The directors and secretary have no beneficial interests, including family interests, in the share capital of the company or its subsidiary company at 31 December 2015 and 31 December 2016.

Research and Development

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

Subsidiary

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to auditors

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.

This report was approved by the board on 31st March 2017 and signed on its behalf by:

Conal Henry
Director

Pat Keating
Director



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

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

This statement was approved by the board on 31st March 2017 and signed on its behalf by:

Conal Henry
Director

Pat Keating
Director



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

CORPORATE GOVERNANCE REPORT

Responsibility for System of Internal Financial Control

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

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

The Board recognises the introduction of the revised Code of Practice which came into effect from the 1st September 2016. The Board notes that State Bodies have two options in relation to financial statements for the current financial reporting period, namely early adoption of the revised Code or to continue to apply the 2009 version of the Code. Shannon Foynes Port Company have elected to continue to apply the 2009 Code for the current reporting period with a view of working towards implementation of the 2016 revised Code during 2017. To this end, the Board has recently approved Terms of Reference for the formation of an Audit & Risk Committee effectively merging the existing Audit Committee and the existing Risk Management Committee as recommended by the new Code. The Board has also recently approved a revised Risk Management Policy to recognise and measure principal risk and provide the mechanism for the Audit & Risk Committee to report on same.

Key Control Procedures

During the year ended 31st December 2016, the Board has taken steps to ensure an appropriate control environment is in place by;

- Clearly defining management responsibilities with the services of qualified personnel having been secured and with duties properly allocated among them, segregating duties where practicable;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Having a comprehensive budgeting system with an annual budget which is reviewed by the Audit Committee and approved by the Board. Providing monthly reports to the Board monitoring performance against Budget and identifying any material variances which occur;
- Providing training to new and existing members of the Board of Directors on their role and responsibilities;
- The Audit Committee undertaking their role and responsibilities during the period under review;
- Performance of a review of Corporate Governance within the Company;



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Developing and establishing a Risk Management Policy to identify and evaluate key business risks by:
 - Identifying the nature of the key business risks facing the organisation;
 - Evaluating the impact and likelihood of the gross risks materializing;
 - Identifying the controls in place to mitigate the gross risks;
 - Re-evaluating the risks taking into account the controls in place to identify if the inherent risk is at an acceptable/manageable level;
 - Identifying a risk owner for each Business Risk identified;
 - Identifying further strategies where required to manage the key risks;
 - Regular review and update of Business Risks process
 - Risk Management is a standing agenda item at all scheduled meetings of the Board
- Establishing procedures whereby employees of the Company may, in confidence, raise concern about possible irregularities in financial reporting or other matters, and for ensuring meaningful follow-up of matters raised in this way.
- Shannon Foynes Port Company operates and maintains quality management systems to comply with internationally recognised standards OHSAS 18001 & ISO9001. Successful maintenance of international standards enables the organisation to maintain a level of control over, and knowledge of, relevant hazards resulting from normal operations and abnormal situations with an overall objective to improving performance and preventing accidents and/or incidents in the workplace.
- Shannon Foynes Port Company has outsourced its Internal Audit function. The work of internal audit is agreed in consultation with management and the Audit Committee. The Internal Audit Programme for 2016 was recommended to the Board by the Audit Committee and was subsequently carried out in full. The Internal Audit Service Provider operates in accordance with the Framework Codes of Best Practice set out in the Code of Practice on the Governance of State Bodies and reports directly to the Audit Committee. The Internal Auditor reports to and presents its work to the Audit Committee. The Internal Audit reports presented to the Audit Committee reflect the Internal Auditor's opinion on the adequacy of the controls that have been reviewed.

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

In the year ended 31st December 2016, management have conducted a review of the effectiveness of the system of internal financial controls. This review was presented to the Audit Committee who in turn recommended it to the Board.

Conal Henry
Director

Pat Keating
Director

Shannon Foynes Port Company
Date: 31st March 2017



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW

Operating Review

In keeping with the trend set in recent years I am delighted to report a record operating and trading performance for 2016. Bottom line profitability increased to €3.9m (2015: €2.9m), the highest level in the Company's history. This 2016 performance is noteworthy in that it comes immediately on the back of the previous historic record set in 2015. Year on year gains were also made on turnover and operating profit increasing by 11.5% and 26.9% respectively.

We recorded just over 11m tons of cargo in 2016, a decrease of 0.9% on the 11.1m tons recorded in 2015. At these levels, tonnages remain close to the peak levels (11.35m tons) of the Celtic Tiger era. The year on year tonnage decrease relates to the single user privately owned terminals and it is noted that over the two-year period 2014 to 2016 total tonnages grew by 7.8%. Encouragingly, cargo volumes at the SFPC general cargo terminals of Limerick and Foynes were particularly robust returning 11.2% year on year growth. This growth reflects the resurgence in the domestic and export economy where, for example, petroleum and construction products were particularly strong. In addition, agri related cargoes grew steadily reflecting expansion in that sector.

For 2016, we are reporting a record operating profit of €4.7m (2015: €3.7m) and an operating margin of 35.3% (2015: 31%). This trading performance reflects the successful implementation of our objectives of increasing revenues and managing costs whereby, for example, margin at the height of the Celtic Tiger was a mere 5.5%. It was noted in last year's Annual Report that pricing had remained static for a number of years but that inevitable inflationary pressures have and are arising and that the Company would keep the situation under review. In this regard the Company agreed to implement its first rate increases since 2009, effective from January 2017.

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

We are 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. Whilst it is early days in the Vision 2041 plan period we are very much on track to achieve its growth projections. Since 2011 (the base year of Vision 2041) tonnage at our general cargo terminals have increased by just over 43% and we expect that tonnage throughput will continue to trend upward in the coming years in line with the mid to high scenario projected in Vision 2041.

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. All our gearing and liquidity ratios are testament to this balance sheet transformation. This strength of performance has also enabled the Company implement its ambitious Investment Program underpinning Vision 2041. Due to the increased tonnage throughput of recent years and in order to facilitate the future tonnage projected in Vision 2041, additional capacity is required. In this regard, the ongoing roll-out of our Investment Program is essential. Accordingly, Phase 1 costing €12m was completed over the two-year period ending 2016. In addition, we are currently preparing a planning application, falling under the provisions of Strategic Infrastructure Development, for Phases II to IV projected to cost €25m and consisting of a significant extension to berthing facilities at Foynes including the development of the recently acquired 38 hectares of land for port activity. These investments will lead to marginal increases in gearing in the short term but to levels well within the capacity of the business to manage and service.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

Funding for the aforementioned is substantially in place and will be sourced from our own reserves, bank debt and the EU CEF/Ten-t program. As mentioned, we are satisfied that existing debt together with new debt will be well within the financial capacity of the business and indeed much of our existing debt will be fully repaid over the short to medium term. Importantly, our investment plans are supported by the EU's CEF/Ten-t program whereby we have already accessed up to €3m in grant funding and importantly the EU Commission views SFPC as a core port in the European context. We intend to apply for additional CEF funding under the 2017 blended call.

Our pension deficit decreased during 2016 to €9.6m (2015: €10.1m) notwithstanding the significant negative variance of €1.7m that arose during the year due to an adverse change in the actuarial assumptions, namely, reducing the discount rate to 1.6% (2015: 2.1%). Nevertheless, the Board is on course to again propose a dividend out of accumulated distributable revenue reserves in accordance with its 2013 approved Dividend Policy.

Capital investment during 2016 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 made significant investment in environmental infrastructure during 2016 and continue to budget further resources in 2017 to further enhance our EHS systems.

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

The Future

SFPC is one of the foremost economic drivers for the Mid-West Region. In order to quantify its economic impact, we commissioned the W2 economic impact assessment, which was launched in 2016. This economic assessment inter alia found that;

- The economic impact of all SFPC port related activity was €1.9 billion in 2014.
- A total of 3,648 FTE's are supported generating €192.7 million in employment income among companies engaged with SFPC.
- The regional economic impact of SFPC and associated service providers is €95.8 million,
- The trade activity of SFPC and service providers supports 534 FTEs annually.
- The value of trade handled through SFPC for 2014 was €7.6 billion.
- The commercial activity of customers of SFPC resulted in €347.2 million of expenditure in the regional economy on non labour goods and services.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

- Projected capital expenditure over the course of Vision 2041 is calculated at €1.8 billion that will support over 22,000 FTE's in the region and stimulate a further €1.09 billion between indirect and induced expenditure.

SFPC's harbour, the Shannon Estuary is a very 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 which could facilitate key sectors such as energy, agriculture and industrial to name some. W2 assessed and quantified this potential as follows *"The 2041 Vision for SFPC has outlined its strategic ambition focussed on a number of sectors at the core of the estuary's economic development. The ability to attract a number of industries based on an industry cluster approach can provide in excess of €123m in employment income supporting 1,890 FTE's."*

To capture this potential, we have taken a collaborative and holistic approach in developing our strategic plans as demonstrated in our own 30-year Masterplan Vision 2041 and our active participation in the SIFP. Since the launch of these Plans in 2013, many of their key objectives have commenced implementation.

One of our key objectives in the Vision 2041 plan period is to double annual throughput from 10m tons to 20m tons. In order to achieve this goal new deep water berthage and upgraded hinterland connections are paramount along with substantial investment in large ancillary equipment and infrastructure.

Some of the more significant deliverables required for the implementation of our plans include;

- Urgent completion of the Limerick to Foynes road scheme
- Reinstatement of the Limerick to Foynes rail line for freight use
- Recognition of SFPC as a port of international and national significance in the new National Planning Framework
- Provision by SFPC of new port related capacity as identified in its Investment Program at its existing facilities at Foynes and Limerick
- Promote the development of the deep water Strategic Development Locations identified in the Strategic Integrated Framework Plan for the Shannon Estuary such as the construction of a deep water berth on Foynes Island.

Shannon Foynes Port Company continues to surpass historical performance and we are confident of delivering on all of the objectives of Vision 2041. This performance copper fastens our position as the largest dry bulk port in the country offering its customers unrivalled economies of scale. The return to growth in the economy, the focus of European and national strategic policy toward the future development of Tier 1 ports, the establishment of the biomass hub, the existing and potential for new deep water terminals in the Shannon Estuary together with the existing experience of facilitating vessels from capesize to coasters will ensure that we remain attractive to private sector investment. The W2 economic impact assessment confirms that this investment is already underway with €277m planned by SFPC and its customers for the period 2014 to 2019.

However, and as mentioned, our growth is strongly dependent on good quality road and rail connection. In this regard, the display of the preferred route for the Foynes Limerick road improvement scheme and its inclusion in the government's Capital Statement is greatly welcomed. We urge all involved as a matter of urgency to continue to implement this Scheme as it is critical infrastructure required for the development of the Shannon Foynes Port Company and its hinterland.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

BUSINESS AND OPERATING REVIEW (CONTINUED)

While 2016 was a very solid year in terms of traffic throughput, future growth can only be sustained by a well-coordinated plan to provide future capacity. Vision 2041 is being implemented and as mentioned the relevant stakeholders are collaborating to provide the necessary infrastructural capacity. Accordingly, we can look forward to developing a sustainable world class port facility that will contribute handsomely to the national and regional economies in terms of employment and economic wellbeing in the years ahead.

Finally, recent global events such as Brexit and the Trump presidency have added significant uncertainty, although it is too early to determine their full impact on our business. To date we have not experienced any material impact, either positive or negative, related to these events, however, it remains much too early to predict outcomes and we will be keeping close watch on how matters unravel. With regard to Brexit, and assuming a hard Brexit ensues then projected sterling weakness may impact some of our underlying sector trades. In addition, the imposition of a border with the UK is most likely to cause significant customs delays for land bridge ports. A hard Brexit may lead to disruptive change for well-established supply chains such as for example in the energy sector where Ireland's reliance on UK gas is already recognised as a risk area. In this regard the construction of the planned LNG terminal at Ballylongford warrants further consideration. As stated we are keeping matters under review and will adjust plans accordingly.

Acknowledgements

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

I wish to thank the outgoing Chairman and all Directors for their guidance and assistance to me and the management team during the year. I also extend my gratitude and appreciation to the staff in the Marine Transport Section of the Department of Transport, Tourism & Sport for their assistance and support during the year.

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: 31st March 2017



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

We have audited the financial statements of Shannon Foynes Port Company for the year ended 31 December 2016, which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements giving a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the assets, liabilities and financial position of the company as at 31 December 2016 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act, 2014.
- We confirm that the Corporate Governance Report in relation to the system of internal control reflects the audited body's compliance with the requirements of paragraph 13.1 of the Code of Practice for the Governance of State Bodies (2009) and is also consistent with the information we received in the completion of our audit of the financial statements.



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

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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the provisions in the Companies Acts 2014 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Mill House
Henry Street
Limerick

Date: 31st March 2017

DAMIAN GLEESON
For and on behalf of
GRANT THORNTON
Chartered Accountants
& Statutory Audit Firm



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES

a) General information

These financial statements comprising the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cashflow Statement and related notes constitute the financial statements of Shannon Foynes Port Company and its Subsidiary Undertakings for the financial year ended 31 December 2016.

Shannon Foynes Port Company is a designated activity company, incorporated in the Republic of Ireland. 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 Directors' Report on pages 3 to 5.

b) Basis of preparation

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

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

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

The parent company has taken advantage of section 304 of the Companies Act 2014 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit before tax for the year was €3,868,288 (2015: €3,137,475).

The financial statements are presented in Euro (€).

The following principal accounting policies have been applied:

c) Basis of Consolidation

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

d) 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).

e) Going concern

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES (CONTINUED)

f) Goodwill

Goodwill represents the excess of the fair value of the acquisition cost over the fair value of the net assets acquired and is being written off to the profit and loss account over 5 years.

g) 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.

h) 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

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

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES (CONTINUED)

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES (CONTINUED)

- o) Interest Income**
Interest income is recognised in the Profit and loss account.
- p) Borrowing Costs**
All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.
- q) 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.
- r) Research and Development**
All expenditure on research and development is written off as incurred.
- s) 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.
- t) 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.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES (CONTINUED)

u) 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.

v) Financial instruments

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

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

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

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

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

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

ACCOUNTING POLICIES (CONTINUED)

- w) Dividends**
Equity dividends are recognised when they become legally payable.

- x) 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
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT & LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2016**

	Note	2016 €	2015 €
Turnover	2(a)	13,220,958	11,857,604
Operational Costs	2(b)	(6,224,934)	(5,920,860)
Gross Profit		6,996,024	5,936,744
Administration Expenses	2(b)	(2,298,015)	(2,227,785)
Amortisation of Goodwill	13	(33,522)	(33,522)
Operating Profit		4,664,487	3,675,437
Interest Payable and Similar Charges	4	(409,509)	(310,681)
Interest Receivable and Similar Income		6,198	22,973
Other Financing Cost	27(b)	(231,000)	(225,000)
Profit on Sale of Fixed Assets		68,044	5,977
Profit on Ordinary Activities before Taxation	5	4,098,220	3,168,706
Taxation on Profit on Ordinary Activities	6	(180,521)	(284,036)
Profit Attributable to the Shareholder		3,917,699	2,884,670

The notes on pages 28 – 47 form part of these audited financial statements.



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2016

	Note	2016 €	2015 €
Profit for the year		3,917,699	2,884,670
Actuarial return less expected return on Pension scheme assets	27(b)	687,000	89,000
Experience gains/(losses) rising on the Pension Scheme's Liabilities	27(b)	990,000	(463,000)
Changes in assumptions underlying the present value of the schemes liabilities	27(b)	(1,797,000)	200,000
Deferred Tax related to Actuarial Loss		15,000	21,750
TOTAL RECOGNISED GAINS		3,812,699	2,732,420

The notes on pages 28 – 47 form part of these audited financial statements.



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2016

	Note	2016 €	2015 €
Fixed Assets			
Tangible Assets	9(a)	55,887,167	56,609,556
Financial Assets	10	2,539	2,539
Intangible Assets	13	100,566	134,088
		<u>55,990,272</u>	<u>56,746,183</u>
Current Assets			
Debtors	14	3,384,834	2,986,361
Cash and Bank Balances	15	7,410,172	5,266,741
		<u>10,795,006</u>	<u>8,253,102</u>
Creditors (Amounts falling due within one year)	16	(3,831,618)	(3,686,443)
Net Current Assets		<u>6,963,388</u>	<u>4,566,659</u>
Total Assets		62,953,660	61,312,842
Creditors (Amounts falling due after more than one year)	17	(12,242,853)	(14,278,826)
Provision for Liabilities and Charges	27(b)	(9,599,625)	(10,122,000)
Deferred Income	20	(6,179,689)	(5,524,774)
Deferred Tax	21	(1,830,421)	(1,898,869)
Net Assets		<u>33,101,072</u>	<u>29,488,373</u>
Capital and Reserves			
Called Up Share Capital	23	22,187,359	22,187,359
Capital Injection	24	4,916,921	4,916,921
Profit Carried Forward		5,996,792	2,384,093
Equity Shareholders Funds		<u>33,101,072</u>	<u>29,488,373</u>

These financial statements were approved by the board on 31st March 2017 and signed on its behalf by:

Conal Henry
Director

Pat Keating
Director

The notes on pages 28 – 47 form part of these audited financial statements.



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

COMPANY BALANCE SHEET
31 DECEMBER 2016

	Note	2016 €	2015 €
Fixed Assets			
Tangible Assets	9(c)	55,687,201	56,407,564
Financial Assets	10	1,070,142	1,070,142
		<u>56,757,343</u>	<u>57,477,706</u>
Current Assets			
Debtors	14	3,062,411	3,069,800
Cash and Bank Balances	15	7,298,639	4,949,560
		<u>10,361,050</u>	<u>8,019,360</u>
Creditors (Amounts falling due within one year)	16	(3,750,021)	(3,560,993)
Net Current Assets		<u>6,611,029</u>	<u>4,458,367</u>
Total Assets		<u>63,368,372</u>	<u>61,936,073</u>
Creditors (Amounts falling due after more than one year)	17	(12,242,853)	(14,278,824)
Provision for Liabilities and Charges	27(b)	(9,599,625)	(10,122,000)
Deferred Income	20	(6,179,689)	(5,524,774)
Deferred Taxation	21	(1,830,421)	(1,898,869)
Net Assets		<u>33,515,784</u>	<u>30,111,606</u>
Capital and Reserves			
Called Up Share Capital	23	22,187,359	22,187,359
Capital Injection	24	5,457,046	5,457,046
Profit Carried Forward		5,871,379	2,467,201
Equity Shareholders Funds		<u>33,515,784</u>	<u>30,111,606</u>

These financial statements were approved by the board on 31st March 2017 and signed on its behalf by:

Conal Henry
Director

Pat Keating
Director

The notes on pages 28 – 47 form part of these audited financial statements.



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2016

As at 31 December 2016

	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2016	27,104,280	2,384,093	29,488,373
Profit for the year	-	3,917,699	3,917,699
Dividends: Equity capital	-	(200,000)	(200,000)
Other recognised losses	-	(120,000)	(120,000)
Deferred tax related to actuarial loss	-	15,000	15,000
At 31 December 2016	<u>27,104,280</u>	<u>5,996,792</u>	<u>33,101,072</u>

As at 31 December 2015

	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2015	27,104,280	(248,327)	26,855,953
Profit for the year	-	2,884,670	2,884,670
Dividends: Equity capital	-	(100,000)	(100,000)
Other recognised losses	-	(174,000)	(174,000)
Deferred tax related to actuarial loss	-	21,750	21,750
At 31 December 2015	<u>27,104,280</u>	<u>2,384,093</u>	<u>29,488,373</u>

The notes on pages 28 – 47 form part of these audited financial statements.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

**COMPANY STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2016**

As at 31 December 2016

	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2016	27,644,405	2,467,201	30,111,606
Profit for the year	-	3,709,178	3,709,178
Dividends: Equity capital	-	(200,000)	(200,000)
Other recognised losses	-	(120,000)	(120,000)
Deferred tax related to actuarial loss	-	15,000	15,000
At 31 December 2016	<u>27,644,405</u>	<u>5,871,379</u>	<u>33,515,784</u>

As at 31 December 2015

	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2015	27,644,405	(133,983)	27,510,422
Profit for the year	-	2,853,434	2,853,434
Dividends: Equity capital	-	(100,000)	(100,000)
Other recognised losses	-	(174,000)	(174,000)
Deferred tax related to actuarial loss	-	21,750	21,750
At 31 December 2015	<u>27,644,405</u>	<u>2,467,201</u>	<u>30,111,606</u>

The notes on pages 28 – 47 form part of these audited financial statements.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASHFLOW STATEMENT
31 DECEMBER 2016**

	2016	2015
	€	€
Cash flows from operating activities		
Profit for the financial year		
Adjustments for:	3,917,699	2,884,670
Depreciation Charges	2,085,081	1,869,240
Taxation	180,521	284,036
Interest paid	409,509	310,681
Interest received	(6,198)	(22,973)
Financing cost	231,000	225,000
Profit on sale of fixed assets	(68,044)	(5,977)
Amortisation of Goodwill	33,522	33,522
Grant Amortisation	(311,839)	(294,260)
(Increase) in Debtors	(106,413)	(114,210)
(Decrease)/Increase in Creditors	(49,237)	437,100
(Decrease) in provision for Liabilities and Charges	(926,823)	(848,875)
Net Cash Generated from Operating Activities	5,388,778	4,757,954
Corporation tax	1,506	(38,800)
	5,390,284	4,719,154
Cash flows from investing activities		
Payments to Acquire Tangible Fixed Assets	(1,679,457)	(11,345,277)
Sale of Tangible Fixed Assets	93,935	27,568
Grant received	966,754	1,106,200
Dividend paid	(200,000)	(100,000)
	(818,768)	(10,311,509)
Cash flows financing activities		
Medium and Long Term Loans	(1,906,239)	5,216,026
Lease Finance paid net of Capital Elements paid	(113,960)	(108,633)
Interest Paid	(412,889)	(306,098)
Interest Received	5,003	22,973
	(2,428,085)	4,824,268
Net increase / (decrease) in cash and cash equivalents	2,143,431	(768,087)
Cash and cash equivalents at beginning of year	5,266,741	6,034,828
Cash and cash equivalents at the end of year	<u>7,410,172</u>	<u>5,266,741</u>
Cash at bank and in hand	7,410,172	5,266,741
	<u>7,410,172</u>	<u>5,266,741</u>

The notes on pages 28 – 47 form part of these audited financial statements.



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS

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

Going Concern

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

Useful Lives of Tangible Assets

Long-lived assets comprising primarily of property, fixtures and fittings, and equipment represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end was €55,887,167 (2015: €56,609,556).

Impairment of trade debtors considerations

Adequate amount of allowance is made and provided for specific and groups of accounts where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Company's relationship with its contracting parties, contracting parties' current credit status, average age of accounts, settlement experience and historical loss experience. The total amount of impairment against trade debtors is €10,447 (2015: €20,895).



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2	Analysis of Turnover and Operational Administration Expenses	2016	2015
	(a) Turnover	€	€
	Ship and Cargo Dues	7,583,698	7,339,713
	Stevedoring	1,906,899	1,320,863
	Other Operating Income	3,730,361	3,197,028
		<u>13,220,958</u>	<u>11,857,604</u>

All turnover arose in the Republic of Ireland.

(b) Operational and Administration Expenses	2016	2015
	€	€
Operating and Maintenance	(4,285,790)	(4,144,665)
Dredging	(215,904)	(242,666)
Depreciation	(2,035,079)	(1,827,789)
Grant Amortisation	311,839	294,260
Total Operational Costs	<u>(6,224,934)</u>	<u>(5,920,860)</u>
Administration and Other	<u>(2,298,015)</u>	<u>(2,227,785)</u>

3	Employment Information	2016	2015
	The Group Costs incurred in respect of Employees were:	€	€
	Wages and Salaries	2,721,533	2,630,256
	Social Welfare Costs	306,730	289,769
	Pension Costs	384,648	380,794
		<u>3,412,911</u>	<u>3,300,819</u>

Capitalised employee costs during the financial year amounted to €Nil (2015: €Nil).

The average number of staff employed by the company during the financial year amounted to:

	2016	2015
	Number	Number
Operational	30	28
Administration	12	12
	<u>42</u>	<u>40</u>

Remuneration in respect of Directors

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Interest Payable and Similar Charges

	2016	2015
	€	€
On Bank Borrowings:		
-interest payable on bank loans and overdrafts wholly repayable after five years	375,385	261,528
-interest payable on bank loans wholly repayable within five years	16,145	25,846
-interest payable on finance lease arrangement	17,979	23,307
	<u>409,509</u>	<u>310,681</u>

5 Profit on Ordinary Activities Before Taxation

Profit on Ordinary Activities is stated after charging:

	2016	2015	Board Meetings Attended/Eligible
	€	€	

Directors Fees

M Collins	12,295	12,600	8/8
P Cleary	7,534	8,100	7/7
C Henry	8,100	8,100	6/8
M. Finucane	8,100	8,100	7/8
E Jennings	8,100	4,050	8/8
P Keating	8,100	8,100	8/8
J Treacy	8,100	8,100	6/8

60,329

57,150

Expenses paid to members of the Board

	2016	2015
	€	€
Travel Expenses	2,315	2,750
Subsistence	-	-
	<u>2,315</u>	<u>2,750</u>

Chief Executive Remuneration for Management Services

	2016	2015
	€	€
Salary	117,500	117,500
Employer's Pension Contribution and other emoluments	60,500	60,500
	<u>178,000</u>	<u>178,000</u>

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Profit on Ordinary Activities Before Taxation (continued)

	2016	2015
	€	€
Depreciation	2,085,081	1,869,240
Amortisation of Intangible Fixed Assets	33,522	33,522
Amortisation of Capital Grants	<u>(311,839)</u>	<u>(294,260)</u>

6 Tax on Profit on Ordinary Activities

	2016	2015
	€	€
Current Tax:		
Irish Corporation Tax on Profit for the year	248,969	38,800
Deferred Tax:		
Origination and Reversal of Timing Difference	(68,448)	245,236
	<u>180,521</u>	<u>284,036</u>

The tax assessed for the financial year is lower than (2015 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2015 - 12.5%). The differences are explained below:

Profit on Ordinary Activities before Tax	4,098,220	3,168,706
Profit on Ordinary Activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2015: 12.5%)	512,278	396,088
Effects of:		
Expense adjustments by the rate of tax	(174,493)	(285,153)
Excess depreciation over capital allowances by the rate of tax	2,186	53,338
Interest income by rate of tax	(775)	5,743
Income by the higher rate of tax	64,932	
Losses forward by the rate of tax	<u>(155,159)</u>	<u>(131,216)</u>
Total Current Tax for the year	<u>248,969</u>	<u>38,800</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7	Dividends	2016	2015
		€	€
	Paid during the year	200,000	100,000
		<u> </u>	<u> </u>
	Declared post year end	=====	=====

8 Profit Attributable to Shannon Foynes Port Company

A profit before tax of €3,868,288 (2015: €3,137,475) attributable to the shareholders of Shannon Foynes Port Company (a designated activity company) has been recorded in the financial statements of that company.

A separate profit and loss account has not been prepared for the parent company because the conditions laid down in Section 304 of the Companies Act 2014 have been complied with.



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

9(a) Tangible Fixed Assets – Group	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
Cost							
At 1 January 2016	47,613,836	1,892,064	13,101,024	211,175	532,915	17,146,901	80,497,925
Additions	986,663	86,145	209,577	35,895	47,116	23,189	1,388,585
Disposals	(30,562)	(22,680)	(101,528)	(37,224)	(1,869)	-	(193,863)
Assets fully depreciated no longer in use	-	-	(293,715)	-	(33,385)	-	(327,100)
Transfer of Assets between classes	-	-	(19,626)	-	-	19,626	-
At 31 December 2016	48,569,937	1,955,529	12,895,732	209,846	544,777	17,189,726	81,365,547
Depreciation							
At 1 January 2016	10,260,076	1,460,674	8,127,035	73,274	437,495	3,529,815	23,888,369
Charge for year	955,460	112,629	575,487	38,216	51,830	351,459	2,085,081
Disposals	(30,562)	(10,490)	(101,528)	(23,575)	(1,817)	-	(167,972)
Assets fully depreciated no longer in use	-	-	(293,715)	-	(33,385)	-	(327,100)
Transfer of Assets between classes	-	-	(19,626)	-	-	19,626	-
At 31 December 2016	11,184,974	1,562,813	8,287,653	87,915	454,123	3,900,902	25,478,380
Net Book Value							
At 31 December 2016	37,384,963	392,716	4,608,079	121,931	90,654	13,288,824	55,887,167
At 31 December 2015	37,353,760	431,390	4,973,989	137,911	95,420	13,617,086	56,609,556



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

9(b) Tangible Fixed Assets – Group	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
Cost							
At 1 January 2015	36,139,506	1,765,549	13,074,273	196,446	473,754	17,132,209	68,781,737
Additions	11,474,330	126,515	57,804	84,996	59,161	14,693	11,817,499
Disposals	-	-	(31,053)	(70,257)	-	(1)	(101,311)
At 31 December 2015	47,613,836	1,892,064	13,101,024	211,175	532,915	17,146,901	80,497,925
Depreciation							
At 1 January 2015	9,478,910	1,360,757	7,580,425	96,570	394,258	3,187,930	22,098,850
Charge for year	781,166	99,917	568,342	34,693	43,237	341,885	1,869,240
Disposals	-	-	(21,732)	(57,989)	-	-	(79,721)
At 31 December 2015	10,260,076	1,460,674	8,127,035	73,274	437,495	3,529,815	23,888,369
Net Book Value							
At 31 December 2015	37,353,760	431,390	4,973,989	137,911	95,420	13,617,086	56,609,556
At 31 December 2014	26,660,596	404,792	5,493,848	99,876	79,496	13,944,279	46,682,887



SHANNON FOYNES PORT COMPANY (A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9(c) Tangible Fixed Assets - Company	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
Cost							
At 1 January 2016	47,613,836	1,892,064	12,744,809	211,185	477,790	16,938,067	79,877,751
Additions	986,663	86,145	209,577	35,895	47,116	23,189	1,388,585
Disposals	(30,562)	(22,680)	(101,528)	(37,224)	(1,869)	-	(193,863)
Assets fully depreciated no longer in use	-	-	(293,715)	-	(33,385)	-	(327,100)
Transfer of assets between classes	-	-	(19,626)	-	-	19,626	-
At 31 December 2016	48,569,937	1,955,529	12,539,517	209,856	489,652	16,980,882	80,745,373
Depreciation							
At 1 January 2016	10,260,076	1,460,674	7,771,676	73,274	388,607	3,515,880	23,470,187
Charge for year	955,460	112,629	575,296	38,216	50,004	351,452	2,083,057
Disposals	(30,562)	(10,490)	(101,528)	(23,575)	(1,817)	-	(167,972)
Assets fully depreciated no longer in use	-	-	(293,715)	-	(33,385)	-	(327,100)
Transfer of Assets between classes	-	-	(19,626)	-	-	19,626	-
At 31 December 2016	11,184,974	1,562,813	7,932,103	87,915	403,409	3,886,958	25,058,172
Net Book Value							
At 31 December 2016	37,384,963	392,716	4,607,414	121,941	86,243	13,093,924	55,687,201
At 31 December 2015	37,353,760	431,390	4,973,133	137,911	89,183	13,422,187	56,407,564



SHANNON FOYNES PORT COMPANY (A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9(d) Tangible Fixed Assets - Company	Docks, Quays And Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings and Office Equipment €	Land & Buildings €	Total €
At 1 January 2015	36,139,506	1,765,549	12,718,058	196,446	421,478	16,927,008	68,168,045
Additions	11,474,330	126,515	57,804	84,996	56,312	11,060	11,811,017
Disposals	-	-	(31,053)	(70,257)	-	(1)	(101,311)
At 31 December 2015	47,613,836	1,892,064	12,744,809	211,185	477,790	16,938,067	79,877,751
Depreciation							
At 1 January 2015	9,478,910	1,360,757	7,225,312	96,570	347,156	3,174,002	21,682,707
Charge for year	781,166	99,917	568,096	34,693	41,451	341,878	1,867,201
Disposals	-	-	(21,732)	(57,989)	-	-	(79,721)
At 31 December 2015	10,260,076	1,460,674	7,771,676	73,274	388,607	3,515,880	23,470,187
Net Book Value							
At 31 December 2015	37,353,760	431,390	4,973,133	137,911	89,183	13,422,187	56,407,564
At 31 December 2014	26,660,596	404,792	5,492,746	99,876	74,322	13,753,006	46,485,338



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10	Financial Fixed Assets	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Investment in subsidiary undertakings at cost (note 11)	-	1,067,603	-	1,067,603
	Other investment at cost (note 12)	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>

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

12	Other Investments at Cost	Group 2016 & 2015 €	Company 2016 & 2015 €
	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
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13	Intangible Fixed Assets – Group	Goodwill
		€
	Cost	
	At 1 January 2016	586,789
	At 31 December 2016	<u>586,789</u>
	Amortisation	
	At 1 January 2016	452,701
	Charge for year	33,522
	At 31 December 2016	<u>486,223</u>
	Net Book Value	
	At 31 December 2016	100,566
	At 31 December 2015	<u><u>134,088</u></u>
	In respect of the prior year:	
	Intangible Fixed Assets – Group	Goodwill
		€
	Cost	
	At 1 January 2015	586,789
	At 31 December 2015	<u>586,789</u>
	Amortisation	
	At 1 January 2015	419,179
	Charge for year	33,522
	At 31 December 2015	<u>452,701</u>
	Net Book Value	
	At 31 December 2015	134,088
	At 31 December 2014	<u><u>167,610</u></u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14	Debtors	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Trade Debtors	2,437,255	2,127,351	2,313,016	1,912,435
	Value Added Tax Receivable	12,519	-	17,553	9,206
	Other Debtors and Prepayments	935,060	935,060	655,792	655,792
	Amounts owed by Subsidiary Companies	-	-	-	492,367
		<u>3,384,834</u>	<u>3,062,411</u>	<u>2,986,361</u>	<u>3,069,800</u>

An impairment loss of €10,447 (2015: €20,895) was recognised against trade debtors.

15	Cash and cash equivalents	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Cash and bank balances	7,410,172	7,298,639	5,266,741	4,949,560
		<u>7,410,172</u>	<u>7,298,639</u>	<u>5,266,741</u>	<u>4,949,560</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16	Creditors	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Bank Loans (Note 18)	1,916,145	1,916,145	1,905,700	1,905,700
	Trade Creditors	247,877	231,159	269,317	182,550
	Corporation tax	210,169	188,760	28,142	28,142
	Value Added Tax Payable	40,310	40,310	-	-
	Other Taxes and PRSI	259,093	232,298	266,517	252,511
	Net Obligations under Finance Lease	119,288	119,288	113,961	113,961
	Other Creditors and Accruals	1,038,736	1,015,920	1,102,806	1,078,129
	Amounts owed to Subsidiary Companies	-	6,141	-	-
		<u>3,831,618</u>	<u>3,750,021</u>	<u>3,686,443</u>	<u>3,560,993</u>

The repayment terms of trade creditors vary between on demand to pre agreed credit days. Trade creditors do not attract interest.

Corporation tax and other taxes including social insurance are subject to the terms of the relevant legislation.

The terms of the accruals are based on the underlying contracts.

Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

Amounts owed to subsidiary undertakings are unsecured, interest free and are repayable on demand.

The company's total bank borrowings at 31 December 2016 were €13,926,467 (2015: €15,832,706) representing borrowings drawn down under the company's term loan period. The loans are subject to interest at the market rate. The loans are repayable in annual instalments over the next 7 years.

17	Creditors (amounts falling due after more than one year)	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Bank Borrowings (Note 18)	12,010,322	12,010,322	13,927,006	13,927,006
	Net Obligations under Finance Leases (Note 19)	232,531	232,531	351,818	351,818
		<u>12,242,853</u>	<u>12,242,853</u>	<u>14,278,824</u>	<u>14,278,824</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18	Bank Borrowings	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Analysis of bank borrowings payable:				
	- within one year	1,916,145	1,916,145	1,905,700	1,905,700
	- between one and two years	1,544,208	1,544,208	1,884,646	1,884,646
	- between two and five years	4,568,499	4,568,499	4,476,283	4,476,283
	- over five years	5,897,615	5,897,615	7,566,077	7,566,077
		<u>13,926,467</u>	<u>13,926,467</u>	<u>15,832,706</u>	<u>15,832,706</u>
19	Finance Leases	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Net obligations under finance leases are analysed as follows				
	- within one year	119,288	119,288	113,961	113,961
	- between one and two years	124,615	124,615	119,288	119,288
	- between two and five years	107,916	107,916	232,530	232,530
		<u>351,819</u>	<u>351,819</u>	<u>465,779</u>	<u>465,779</u>
20	Deferred Income – Group and Company				€
	Capital Grants				
	At 1 January 2016				5,524,774
	Received during the year				966,754
	Amortised during the year				(311,839)
	At 31 December 2016				<u>6,179,689</u>
	Total Deferred Income at 31 December 2016				<u>6,179,689</u>
	Total Deferred Income at 31 December 2015				<u>5,524,774</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Deferred Tax

The movement in the deferred tax provided for at 12.5% (2015: 12.5%) during the year was:

	2016 €	2015 €
At the beginning of the year	1,898,869	1,653,633
Charge during the year	(68,448)	245,236
	<u>1,830,421</u>	<u>1,898,869</u>

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

	2016 €	2015 €
Excess of taxation allowances over depreciation on fixed assets	1,830,421	1,898,869
	<u>1,830,421</u>	<u>1,898,869</u>

22 Financial instruments	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
Financial assets				
Financial assets that are debt instruments measured at amortised cost	9,849,966	7,303,028	10,775,400	8,424,504
	<u>9,849,966</u>	<u>7,303,028</u>	<u>10,775,400</u>	<u>8,424,504</u>
Financial liabilities				
Financial liabilities measured at amortised cost	15,424,493	15,368,218	17,232,971	17,121,527
	<u>15,424,493</u>	<u>15,368,218</u>	<u>17,232,971</u>	<u>17,121,527</u>

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

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



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23	Share Capital – Company Authorised		2016 €	2015 €	
	31,500,000 Ordinary Shares of €1.25 each		39,375,000	39,375,000	
	Allotted, Called Up and Fully Paid				
	17,749,900 Ordinary Shares of €1.25 each		<u>22,187,359</u>	<u>22,187,359</u>	
24	Capital Injection	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	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.

25 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.

26	Financial Commitments	Group 2016 €	Company 2016 €	Group 2015 €	Company 2015 €
	Financial Commitments				
	- commitments approved but not contracted for	7,046,500	7,046,500	6,121,887	6,121,887
	- committed	2,998,302	2,998,302	666,803	666,803
		<u>10,044,802</u>	<u>10,044,802</u>	<u>6,788,690</u>	<u>6,788,690</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 Retirement Benefits

- (a) The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €10,971,000 on these schemes at 31 December 2016.

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 €33,101,072 and the group profit carried forward in the amount of €5,996,792.

The most recent valuations were at 31 December 2016 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 2016 for disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	2016	2015	2014	2013
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	1.6%	2.1%	1.95%	3.3%
Inflation assumption	1.7%	1.7%	1.75%	2.0%

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

	Market Value	Market Value	Market Value	Market Value
	31 December	31 December	31 December	31 December
	2016	2015	2014	2013
	€’000	€’000	€’000	€’000
Equities	5,736	5,730	4,340	3,627
Fixed interest	4,457	4,001	3,909	3,106
Property	-	84	308	234
Alternatives	374	-	267	1,426
Cash	784	660	1,437	1,098
	<u>11,351</u>	<u>10,475</u>	<u>10,261</u>	<u>9,491</u>



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 Retirement Benefits (continued)

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

The following amounts at 31 December 2016 were measured in accordance with the requirements of FRS 102:

	2016 €'000	2015 €'000	2014 €'000	2013 €'000
Total market value of assets	11,351	10,475	10,261	9,491
Present value of the (liabilities) of the schemes	(22,322)	(22,043)	(22,368)	(21,130)
(Deficit) in the schemes	<u>(10,971)</u>	<u>(11,568)</u>	<u>(12,107)</u>	<u>(11,639)</u>
Related deferred tax asset	1,371	1,446	1,513	1,455
Net Pension (Liability)	<u>(9,600)</u>	<u>(10,122)</u>	<u>(10,594)</u>	<u>(10,184)</u>

The following amounts would have been recognised in the performance statements for the years ended 31 December 2016 and 31 December 2015 under the requirements of FRS 102.

	2016 €'000	2015 €'000
Operating Profit		
Current Service Cost	184	187
	<u>184</u>	<u>187</u>
Expected rate of return on pension schemes' assets	220	199
Interest on pension schemes' liabilities	(451)	(424)
	<u>(231)</u>	<u>(225)</u>
Statement of total recognised gains and losses:		
Actual return less expected return on pension schemes' assets	687	89
Experience losses arising on the schemes' liabilities	990	(463)
Changes in assumptions underlying the present value of the schemes' liabilities	<u>(1,797)</u>	<u>200</u>
Actuarial (loss) recognised in the statement of total recognised gains and losses	<u>(120)</u>	<u>(174)</u>



SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 Retirement Benefits (continued)

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

	2016 €'000	2015 €'000
Movement in (deficit) during the year:		
(Deficit) in schemes at 31 December		
Movement in year	(11,568)	(12,107)
Current service cost	(184)	(187)
Contributions paid	1,132	1,125
Settlement gain	-	-
Other finance cost	(231)	(225)
Actuarial gain	(120)	(174)
(Deficit) in schemes at 31 December	(10,971)	(11,568)

	2016 €'000	2015 €'000
Experience gains and losses for the year ended 31 December		
Difference between the expected and actual return on schemes' assets	687	89
Percentage of schemes' assets	6.1%	0.9%
Experience gains on schemes' liabilities	990	(463)
Percentage of schemes' liabilities	4.4%	(2.1%)
Total recognised in statement of total recognised gains and losses	(120)	(174)
Percentage of the present value of the schemes' liabilities	(0.5%)	(0.8%)



**SHANNON FOYNES PORT COMPANY
(A DESIGNATED ACTIVITY COMPANY) AND ITS SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 Ultimate controlling party

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

29 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 2016.

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.

30 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.

31 Contingent Liabilities

Group and Company

The parent company has given a guarantee in the sum of €19,046 (2015: €19,046) in respect of borrowings of the subsidiary company.

Company

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

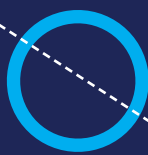
32 Approval of Financial Statements

The board of directors approved these financial statements for issue on 31st March 2017.



Shannon Foynes Port Company
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Shannon Foynes
PORT COMPANY