

Annual Report **2022**

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



Total Final Consumption (TFC) for 2022:

- 611,503 kWh of electricity
- 1,161,581 kWh of mineral oils

Actions taken in 2022:

- Completed a detailed review and audit of operational activities to highlight progress achieved to date, validate that statutory reporting was being maintained and where practicable, to identify energy efficiency opportunities to be used by SFPC to develop a “roadmap” to implement and contribute to achieving energy efficiency and decarbonisation targets.
- Formally developed a register of potential opportunities which, in so far as is reasonable, will assist to meet the Government’s 2030/2050 targets to reduce CO2 emissions and improve energy efficiency.
- Further developed the companies Sustainability & Climate Resilience Framework with Principal controls now included as part of the SFPC Climate Action Plan. The framework in place is designed to comply with NewERA recommendations.
- Participated in the Government led “Reduce Your Use” campaign focused on driving behavioural change and implementing measures to lower energy consumption in within the organisation.
- Purchased the companies first full “EV” commercial van to replace a traditional internal combustion engine (ICE).
- Installed an EV charging point in Foynes to facilitate charging of company owned vehicles.
- Continue to support academic studies related to emission reduction and energy efficiency.

Actions Planned for 2023:

- Further explore and identify opportunities which will assist to meet the Government’s 2030/2050 targets to reduce CO2 emissions and improve energy efficiency.
- Install additional EV charging points at select locations within the Foynes & Ted Russel Docks facilities.
- Formally explore the potential benefits of solar panels on buildings to generate electricity and the use of alternative fuel sources such as HVO to replace marked diesel.
- Continue to support energy awareness within our facilities with a view to repeat participation in the Government led “Reduce Your Use” campaign 2023.
- Continue to support academic studies related to emission reduction and energy efficiency.
- Consider options to achieve compliance with a chosen sustainable disclosure’s framework whilst monitoring the status of the EU’s Corporate Sustainability Reporting Directive (CSRD).
- Continue to engage, motivate, and empower businesses, industry, communities, and individuals to act to demonstrate leadership on climate action.

SHANNON FOYNES PORT COMPANY

**Annual Report and Consolidated
Financial Statements**

Financial Year Ended 31 December 2022

Annual Report and Consolidated Financial Statements 2022

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SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS' AND OTHER INFORMATION**Board**

D. McGarry (Chairperson)
 P. Keating (CEO)
 R. Leonard
 A. Moran
 D. O'Hara
 J. O'Keeffe
 J. Spring
 T. Tynan

Secretary and Registered Office

E. Stanley
 Harbour Office
 Foynes
 Co. Limerick

Registered Number: 332414

Independent Auditors

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

Management

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

Solicitors

Harrison O'Dowd
 Estuary House
 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 Street
 Limerick

Bank of Ireland
 125 O'Connell Street
 Limerick

Actuaries

Invesco Limited
 4 South Bank
 Crosses Green
 Cork

GOVERNANCE STATEMENT AND 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 financial year ended 31 December 2022.

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 is 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; and
- 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.

Review of the Business

A detailed review of the Group's operations is set out on pages 24-29.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**GOVERNANCE STATEMENT AND DIRECTORS' REPORT (CONTINUED)****Future Developments**

The strategy of the Group is aimed at developing its activities in the Shannon Estuary and this will continue in the coming years.

Post Balance Sheet Events

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

Results and Dividends

The consolidated profit and loss account on page 41 shows the Group's results for the year.

The Group paid a dividend in the year 2022 in the amount of €400,000, which represented the highest ever dividend paid to the Exchequer by the Group.

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 ended 31 December 2002 as follows:

3,047,371 Ordinary Shares of €1.25 each

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

Research and Development

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

Subsidiary

Details of the subsidiary of Shannon Foynes Port Company is set out in note 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.

GOVERNANCE STATEMENT AND DIRECTORS' REPORT (CONTINUED)

Board Structure & Key Personnel Changes

In accordance with section 326 and section 329 of the Companies Act 2014, the Directors 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 2022 were as follows:

D. McGarry Chairperson (Resigned 5th December 2022, reappointed for a 1 year term, 8th December 2022)

P. Keating, CEO

J. Coleman (Resigned 4th February 2022)

R. Leonard (Appointed for a 5 year term, 10th August 2022)

D. O'Hara (Appointed for a 5 year term, 30th November 2020)

J. O'Keeffe (Appointed for a 5 year term, 30th November 2020)

J. Spring (Resigned 4th February 2022, reappointed for a 5 year term, 8th April 2022)

T. Treacy (Appointed for a 5 year term, 17th January 2018, resigned 16th January 2023)

T. Tynan (Appointed for a 5 year term, 10th August 2022)

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 2021 and 31 December 2022.

The Board has established two committees, as follows:

- **Audit and Risk Committee (ARC):** comprised three to four non-executive Board members during 2022. 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 ARC is advisory in nature and does not release the Board of Directors from their responsibilities. The ARC 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 ARC for 2022 were: Judith Spring (Chairperson and member to 4th February and from 8th April), John Coleman (to 4th February), R. Leonard (from 21st October), D. McGarry (from 18th February to 8th April), Deirdre O'Hara and Tom Treacy. There were 4 meetings of the ARC in 2022.

- **Remuneration Committee:** comprised three to four non-executive Board members during 2022. The members of this committee for 2022 were: David McGarry (Chairperson and member to 5th December and from 8th December), John Coleman (to 4th February), J. O'Keeffe (from 17th June), Judith Spring (to 4th February and from 8th April) and Tom Tynan (from 21st October). The Remuneration Committee met on two occasions in 2022.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GOVERNANCE STATEMENT AND DIRECTORS' REPORT (CONTINUED)

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2022 is set out below including the fees and expenses received by each member:

	Board	Non Executive Board	Audit & Risk Committee	Remuneration Committee	Fees 2022 €	Expenses 2022 €
Number of meetings	8	2	4	2		
D. McGarry	8	2	2	2	12,600	1,787
J. Coleman					675	
R. Leonard	3	2	1		3,188	38
P. Keating	7				8,100	
D. O'Hara	7	2	4		8,100	823
J. O'Keeffe	8	2		2	-	1,457
J. Spring	6	2	2	2	6,750	
T. Treacy	7	1	4		8,100	
T. Tynan	3	1			-	
					47,513	4,105

Notes:

Appointed to the Audit & Risk Committee on the 18th February and resigning from the Committee on the 8th April, D. McGarry was eligible to attend two Audit & Risk Committee Meetings only.

Resigning on the 4th February, J. Coleman was not eligible to attend any of the Board or Committee meetings held during the year.

Appointed to the Board on the 10th August and the Audit & Risk Committee on the 21st October, R. Leonard was eligible to attend three Board Meetings, two Non-Executive Board Meetings and one Audit & Risk Committee Meeting only.

Resigning on the 4th February and being reappointed on the 8th April, J. Spring was eligible to attend six Board Meetings, two Non-Executive Board Meetings and two Audit & Risk Committee Meetings only.

Appointed to the Board on the 10th August, T. Tynan was eligible to attend three Board Meetings and two Non-Executive Board Meetings only.

Both of the above listed Non-Executive Board Meetings were called at short notice as per Article 62 of the Company Constitution.

Key Personnel Changes

- David McGarry resigned as Chairperson on the 5th December 2022 and was reappointed as Chairperson for a one year term with effect from the 8th December 2022.
- John Coleman resigned as Director on the 4th February 2022.
- Richard Leonard was appointed as Director for a five year term with effect from the 10th August 2022.
- Alma Moran was appointed as Director for a five year term with effect from the 2nd February 2023.
- Judith Spring resigned as Director on the 4th February 2022 and was reappointed as Director for a five year term with effect from the 8th April 2022.
- Tom Treacy resigned as Director on the 16th January 2023.
- Tom Tynan was appointed as Director for a five year term with effect from the 10th August 2022.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GOVERNANCE STATEMENT AND 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	2022	2021
€50,000	- €75,000	15	16
€75,001	- €100,000	7	8
€100,001	- €125,000	3	3
€125,001	- €150,000	4	4

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.

	2022	2021
	€	€
Legal Advice	33,735	54,470
Financial, Internal Audit & Compliance Certification	108,075	26,240
PR & Marketing	24,890	43,770
HR, Recruitment & Pensions	31,050	38,225
Engineering, Marine & Design	817,775	159,793
Planning	45,203	52,029
Other	478,008	21,970
Total Consultancy Costs	1,538,736	396,497
Consultancy Costs Capitalised	830,297	143,179
Consultancy Costs invoiced and received and recognised in the profit & loss account	708,439	253,318
Total	1,538,736	396,497

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GOVERNANCE STATEMENT AND 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.

	2022	2021
	€	€
Legal Fees - Legal Proceedings	12,135	225,460
Conciliation and arbitration payments	-	-
Settlement	373,339	-
Total	385,474	225,460

Legal Proceedings noted above relate to invoiced and received expenditure regarding a legal case with an employee where judgement was issued in favour of the plaintiff during 2022. Settlement relates to the awarded judgement inclusive of Courts Act interest.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2022	2021
	€	€
Domestic		
Board	4,105	125
Employees	57,886	41,917
International		
Board	-	-
Employees	22,308	-
Total	84,299	42,042

Hospitality Expenditure

The Profit and Loss Account includes the following hospitality expenditure:

	2022	2021
	€	€
Staff Hospitality	1,367	11,632
Third Party Hospitality	11,527	3,200
Total	12,894	14,832

GOVERNANCE STATEMENT AND 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 2022.

This statement was approved by the Board on 31 March 2023 and signed on its behalf by:

Pat Keating
Director

David McGarry
Director

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**DIRECTORS' RESPONSIBILITIES STATEMENT****DIRECTORS' RESPONSIBILITY 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. Under the law, the directors have elected to prepare the 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 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 for the Company'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 Company will continue in business.

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

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

This statement was approved by the Board on 31 March 2023 and signed on its behalf by:

Pat Keating
Director

David McGarry
Director

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 2022 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 13th March 2023.

Risk Management and the Control Environment

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

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

Shannon Foynes Port Company has established an Audit & Risk Committee comprising 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 2022. 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 2022, the Board has taken steps to ensure an appropriate control environment is in place by;

- Clearly defining management responsibilities with the services of qualified personnel having been secured and with duties properly allocated among them, segregating duties where practicable;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Having a comprehensive budgeting system with an annual budget which is reviewed by the Audit & Risk Committee and approved by the Board. Providing monthly reports to the Board monitoring performance against Budget and identifying any material variances which occur;
- Providing training to new and existing members of the Board of Directors on their role and responsibilities;
- Establishing systems aimed at ensuring the security of the information and communication technology systems;

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

STATEMENT ON INTERNAL CONTROL (CONTINUED)

- 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; and
- 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 2022 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.

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 materialising;
- Identifying the controls in place to mitigate the gross risks;
- Re-evaluating the risks taking into account the controls in place to identify if the 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; and
- Risk Management is a standing agenda item at all scheduled meetings of the Board.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

Principal Risks and Uncertainties

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

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

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.
Environmental	Oil Pollution due to an incident involving a vessel on water could have a negative impact 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.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

STATEMENT ON INTERNAL CONTROL (CONTINUED)**Ongoing Monitoring and Review**

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

- Maintenance of a comprehensive risk register where key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Maintain 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 2022 Shannon Foynes Port Company complied with those procedures.

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

Review of Effectiveness

I confirm that Shannon Foynes Port Company has procedures to monitor the effectiveness of its risk management and control procedures. The Board's monitoring and review of the effectiveness of the system of internal control including internal financial control is informed by the work of the management within Shannon Foynes Port Company who develop and maintain the control framework, the Internal Auditor, the Audit & 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 2022.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

STATEMENT ON INTERNAL CONTROL (CONTINUED)

Internal Control Issues

No weaknesses in internal control to include any material losses or frauds were identified in relation to 2022 that require disclosure in the financial statement.

David McGarry
Chairperson
Shannon Foynes Port Company

Date: 31 March 2023

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CHAIRPERSON'S STATEMENT**Introduction**

I am pleased to present the 2022 annual report for Shannon Foynes Port Company.

The Company is performing well in line with our vision and strategic plan for the Port. 2022 was another successful year on several fronts. While the tonnage throughput and profitability were lower in 2022 than 2021, 2021 was an exceptional year positively impacted by COVID-19 environment and significant demand for fossil fuel imports when the Port recorded the highest levels of profitability in its history. Whilst 2022 experienced some revision to these historic highs due to the war in Ukraine, its resultant impact on energy prices and the indirect macro effects of the war exacerbating the global inflationary environment as well as causing supply chain delays, the Port has delivered another positive financial performance with a profit before tax of €4.23 million and EBITDA (Earnings before interest depreciation tax and amortisation) profit in excess of €7 million and is in a strong financial position to progress its objectives.

Operationally the Port remained very customer focused handling nearly 10 million tonnes and came out of COVID-19 restrictions in excellent shape. The Port also made progress on several strategic fronts in line with our Strategic Plan. The Board reviewed its long-term master plan and recognised the impact of climate change and the need for sustainability and decided to prioritise the development of services and infrastructure which will develop the offshore wind industry off the West Coast, bring green industrial development and create unitised container services and logistical supply chain services which will have a transformative effect on the Company and the entire country. Based on this, the Board developed its five-year strategic plan and identified capital expenditures totalling €230 million to develop our Port facilities by 2027. In 2023, the Board plans to spend €28 million to develop Port infrastructure facilities to meet long-term growth in demand which is the highest capital investment spend in the history of the Port. The Board also renewed its membership with new appointments achieving gender balance. The Port continued to focus on the health and safety of its staff and Port users and develop its staff. The Port made progress on climate change and sustainability and contributed very effectively to the implementation of the Government's Climate Action Plan and to the Shannon Estuary Economic Taskforce, which prioritises offshore wind development as one of its key themes. The Company is at an exciting juncture in its development and the Board looks forward confidently to delivering its ambitious vision and strategic plan and make a positive difference to the lives of all its stakeholder and significant contribution to the State.

Our Strategy

The principal objectives of the Company are set out in the Harbours Act 1996. The Act states the Port 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.

The Port operates in line with 2013 National Ports Policy, which has classified Shannon Foynes Port as a port of national significance. This policy document identifies the Port as having “clear potential to lead the development of future port capacity in Ireland in the medium and long term, when and as required”, and mandates the Port (along with the other two tier 1 ports) “to lead the response to future national port policy requirements” and requires it to provide “the type of port capacity required to ensure continued access to global markets for our trading economy”.

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 are 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.

CHAIRPERSON'S STATEMENT (CONTINUED)

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. Vision 2041 was launched in 2013 and covers the period from 2011 to 2041. As our inaugural masterplan, it has been instrumental in setting national, regional and local policy with regard to the Port's requirements. It has been a key document in securing upgrades under EU Ten-T Policy including Core Corridor status. With regard to Central European Funding, without it, we would not have been successful in receiving approval for circa €10 million in grant funding supporting works of over €40 million.

In Vision 2041, we stated that a review would take place within a seven to ten year timeframe. On that basis, the Board agreed to procure a global project engineering consultancy firm to lead the review. It was critical that such an appointment would have experience of developing large-scale infrastructure in the ports, transport and energy sectors. Following a procurement competition, Bechtel were appointed by the Board to lead the review, which was subsequently completed and launched by Minister Ryan at Foynes during November 2022. Through this review, we recognise that the pathway to growth and expansion has evolved considerably since the publication of Vision 2041 in 2013 and it is imperative it remains valid and consistent with changing policy, environmental and market dynamics. In summary, the Review focusses very much on the sea change of opportunities and obligations around climate action as well as the extensive changes in national supply chain logistics. These changing dynamics coupled with strong Irish economic and population growth, require additional sustainable supply chain capacity particularly with regard to port infrastructure.

Against the background of our Vision 2041 Review, in recent months the Board developed its five-year Strategic Plan 2023–2027, which is the short to medium plan to deliver our longer-term strategic development requirements. In this plan, as noted in my introduction we have identified capital expenditures totalling €230 million to develop our Port facilities. Of this, we plan to spend €28 million in 2023 largely to develop Port infrastructure facilities to meet long-term growth in demand.

Business Performance

As noted in my introduction, 2022 was another successful year for the Port. Profitability levels remained strong and robust with profit before taxation exceeding €4.23 million. The Company has made great strides in recent years in improving its operating profits and as a result key performance indicators such as EBITDA, operating margin percentage and return on capital employed. All have significantly improved from the mid-2000s and despite some regression in profitability from the historic high in 2021, the Company remains in a position to report a very robust 44.2% EBITDA margin as at end of 2022 with EBITDA recorded in excess of €7 million.

The 2022 regression from the historic high of the previous year arises from reduced directly managed terminal throughputs of circa 4.3% principally arising from reduced construction tonnages following an extremely strong post COVID performance during 2021 and a more pronounced 12.5% decline at privately owned terminals noted for 2022 with two key factors contributing to this decline. The war in Ukraine and its resultant impact on energy prices has severely hampered aluminium production across Europe and secondly, 2021 saw significantly heightened imports of fossil fuels to sustain the demands on the national electricity grid in the short term. In 2022, the Port recorded a 28% year on year decrease in fossil fuel imports to privately owned terminals, which reduced overall throughput volumes.

As a result of the above, overall Company throughput for 2022 was 9.82 million tonnes, some 1.15 million tonnes or 10.5% adverse to 2021, with both privately managed terminals and directly managed terminals adverse to budget and to prior year. Total throughputs in 2022 are however circa 3.8% positive to those of 2020, where a total of 9.46 million tonnes was recorded.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CHAIRPERSON'S STATEMENT (CONTINUED)

Our turnover for the year was €15.89 million, a decrease of less than 1% on €16.01 million in 2021. The above detailed tonnage throughput is a direct driver of Revenue mix with ship, cargo dues and stevedoring incomes adversely impacted by circa €646,000 or 5.7% from the decreases noted at both directly managed and privately managed terminals. Total revenue however was positively impacted by increases in both rental & set down incomes at Foynes and Limerick. Both windmill imports and biomass imports positively impacted set down incomes whilst increased feed imports at Foynes also led to increased store incomes during the year. Total operational costs increased by a €396,000 or 5.8% year on year, which was predominately driven by higher fuel and energy costs arising from the impacts of the war in Ukraine. Administration costs remained on a par to 2021.

Now that Irish Rail has appointed a main contractor to carry out Phase 1 works on the reinstatement of the Foynes to Limerick rail line, the Board decided to accelerate the amortisation of the Company's development expenditure relating to the project's detailed design, survey and site investigation works. This intangible development asset has now been fully recognised in the profit & loss account giving rise to a total amortisation charge in the year of €1.04 million. A related CEF Grant has also been fully recognised in the period, which increased grant amortisation to €0.73 million from €0.39 million in the prior period.

After financing costs and taxation charge, the Port recorded a very satisfactory profit attributable to the Shareholder of approximately €3.38 million.

The Port remains in a strong financial position with a balance sheet worth of €59 million. 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. At the end of 2022, the Port reported a positive net cash position of €4.0 million, a decrease of just €1.6 million from that reported in the prior year despite significant capital expenditures of over €8.4 million incurred in the year.

Capital Investment

The Port is currently undertaking an ambitious €30 million development of Foynes Port. This is the biggest capital development project undertaken by the Port in its history. 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 to join the East and West Jetties and the infill behind Berth 5 commenced this year with all phases scheduled for completion by the end of 2023. The Port spent €7.9 million on these works at Foynes Port in 2022. In addition, the Port spent circa €550,000 on other works principally €240,000 on docks and quays and €190,000 on land and buildings.

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

CHAIRPERSON'S STATEMENT (CONTINUED)

Corporate Governance

During 2022 and in the year to date, the Board replenished itself. A number of directors retired, new directors were appointed, and two directors were reappointed. Mr. John Coleman's term of appointment expired in February 2022 and Mr. Tom Treacy's term of appointment expired in January 2023. On behalf of the Board, I would like to acknowledge the dedicated and meaningful contributions of both these directors. On the 10th August 2022, Minister Ryan appointed Mr. Richard Leonard and Mr. Tom Tynan to the Board. Ms. Alma Moran was appointed to the Board on the 2nd February 2023 by Minister Ryan, following her election as an employee director. Ms. Judith Spring and myself as chairperson were also re-appointed to the Board by Minister Ryan.

These appointments ensured the Board remained fully constituted with eight members through to the end of 2022. As at 31 December 2022, the Board comprised three female (38%) and five male (62%) members falling short of the Government's target of a minimum of 40% representation of each gender in the membership of State boards.

With the appointment of Ms. Alma Moran to the Board, I am pleased to report the Board has four female (50%) and four male (50%) members thus achieving the minimum gender representation target on the 2nd February 2023.

The Board is committed to maintaining and supporting gender balance on the Board. We will take two measures in particular to achieve this, by highlighting gender composition to the Department of Transport when making submissions prior to Board appointments and reappointments and recommending to the Department to vary a member's term of appointment to either 3 or 5 years to ensure that representation targets are maintained over time.

The Board made significant progress on realising the objectives of the Strategic Plan 2022 – 2026. The Board is on course to approve the 2023 – 2027 Strategic Plan and has presently delivered a draft Plan to the Department of Transport and Department of Public Expenditure for comment in advance of final Board approval by the end of June this year.

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

The continued strong performance of recent years has put the Company in a position to declare and pay dividends to the Exchequer. In 2022, the Company paid a dividend of €400,000, its highest ever dividend. The Board expects to continue to be in a position to make provision for and payment of dividends in each of the five years of its 2023 - 2027 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. A decision of the High Court in 2022 obliged the Company to make certain performance-related payments to the Chief Executive for the years 2010 to 2017.

Statutory Compliance

I confirm to the best of my knowledge and belief the Company has complied with all statutory requirements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CHAIRPERSON'S STATEMENT (CONTINUED)**Climate Action and Sustainability**

Given the key role of ports as part of the network of international supply-chains, responding effectively to the impacts of climate change continues to be of strategic economic importance. In line with Government strategy, expectations are that all public bodies should continue to seek to achieve more than just reducing their own emissions by stimulating and inspiring action across wider society. As a state-owned company with statutory duties and powers, Shannon Foynes Port Company recognises the formidable responsibility and challenge of leading and changing the mindset of industry partners.

Ireland's National Climate Action Plan 2023 (CAP23) was launched in December 2022 and is committed to delivering improved energy efficiency by 50% and reducing CO2 emissions by 51% by 2030. To support these national objectives, the Company remains committed to, in so far as is reasonable, fostering operational efficiency and will continue to explore and where feasible invest in opportunities to improve energy efficiency and reduce carbon emissions within our operational activities. The Company has steadily supported climate related improvement initiatives and to date has managed to achieve improved energy efficiency targets set by statute. As part of continuous improvement works undertaken in 2022, the Company updated its Climate Action Plan, which details the management systems in place to regulate sustainability and climate resilience within the organisation. As part of this plan and using energy usage data reported to the Sustainable Energy Authority of Ireland, the Company documented a roadmap to, in so far as is reasonable, identify a path and potential projects designed to realise energy efficiency and de-carbonisation targets by 2030.

Under the aegis of the Department of Transport, we will endeavour to perform our functions in a manner consistent with national climate plans and strategies to further the achievement of the national climate objective and to demonstrate public sector leadership on climate action as well as being a key mobiliser of action at local and community level.

Developments since year-end

No significant developments are noted.

Strategic Progress and Future Developments

The Board is committed to delivering on the strategic vision as outlined in our Vision 2041 document and will actively pursue the implementation of all key deliverables identified in the Plan. As noted, 2022 saw the launch of Vision 2041 Strategic Review, an important and timely interim review of Vision 2041. Following on from and consistent with this Review, the Board developed its Five Year Strategic Plan 2023 – 2027. As I mentioned earlier, we intend to incur capital expenditures totalling €230 million over the term of this Five Year Plan. Of this, we plan to spend €28 million in 2023, which will be the largest capital investment in the Port's history.

The Vision 2041 Strategic Review looks at the entire Shannon Estuary and is structured over three main themes or drivers for future growth and expansion:

- i. Deployment of Floating Offshore Wind (FLOW) at scale.
- ii. Green Industrial Development and Transition facilitating alternative fuels production.
- iii. Required port expansion to meet expanded, diversified and more sustainable logistics services.

CHAIRPERSON'S STATEMENT (CONTINUED)

i) Regarding the Deployment of Floating Offshore Wind at scale, the European Commission recognises that offshore wind has the greatest scale-up potential of renewable energy sources and that the deployment of offshore wind energy is at the core of delivering the European Green Deal with requirements to deliver up to 450GW of offshore wind by 2050. This poses both an immense challenge to existing ports as well as generational opportunity for the establishment of purpose-built port infrastructure that will support the emerging offshore wind delivery chain. Shannon Foynes is the closest deep-water port to the Atlantic wind resource quantified at over 70GW within 36 hours travel time. Our Vision 2041 Strategic Review found that up to 30 GW of this can be constructed from the proposed delivery chain in the Shannon Estuary by 2050. This represents over €50 billion of floating windfarm investment over the short, medium, and long term creating tens of thousands of jobs. The Shannon Estuary is uniquely positioned to host key delivery chain activities on its shores as the following unique comparative advantages outline:

- Proximity to the resource: The design and installation methods for floating offshore wind turbines require that certain assembly activities take place relatively close to the wind farm. Given its central location along the west coast, the Shannon Estuary is best positioned to serve as a key delivery and operations base for floating offshore wind.
- Deep water facilities: Because a floating offshore wind turbine is completely assembled at port before wet-towing to the wind farm, the port facilities require very deep water alongside. As one of the deepest and most sheltered estuaries in the world, and unique to Ireland, the Shannon Estuary hosts multiple jetties (existing and planned) with over 15m water depth alongside.
- Wet storage: The final activities in the floating wind offshore wind delivery chain require buffer storage in water (or “wet storage”). The Shannon Estuary’s unparalleled potential for deep water wet storage –totalling in the hundreds of hectares – offers a crucial risk mitigating solution to realise the full potential of Atlantic offshore wind.
- Strong grid connections: Situated at the end of Ireland’s main 400kV cross-country transmission lines and with major high-voltage substations on its shores, the Shannon Estuary is best-positioned to serve as a major receiving node for Atlantic offshore wind generated electricity.

ii) The Vision 2041 Review also noted how the Shannon Estuary is ideally placed to play a leading role in green industrial development. The Shannon Estuary’s proximity to an abundance of renewable energy from offshore wind provides the potential for significant production of net zero compatible fuels and feedstocks, such as green hydrogen and its various derivatives. In addition to transforming local industry and helping the country accelerate its transition to a net zero future, this will enhance Ireland’s energy security as it reduces reliance on imported fossil fuels.

iii) Finally, our review also noted the requirement for port expansion to meet expanded, diversified and more sustainable logistics services. Apart from renewables, one underlying sector projected to continue on an expansionary trajectory is containerised freight and, in this regard, our objective is to implement unitised services from Foynes. It is noted that unitised tonnages grew by 3-4% over the last number of years. With the National Planning Framework 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. 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 and half hour’s travel time of roughly 75% of the country’s GDP. These services whilst providing strong regional balance will also provide a carbon reducing alternative to unitised traffic heading eastwards if a shorter, less congested, and thus more environmentally favourable route to market is in place.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CHAIRPERSON'S STATEMENT (CONTINUED)

The Board warmly welcomed the establishment of the Shannon Estuary Economic Taskforce and continues to fully support its aims to assess the strategic strengths of the Shannon Estuary from an investment and enterprise development perspective, in a national and international context and further to scope potential areas of opportunity for the Shannon Estuary and specify policy and investment requirements to exploit those areas of potential. The Board shares and supports the vision of the Taskforce which as set out in its Interim Report published at November of 2022 notes that “the Shannon Estuary presents an opportunity to transform Ireland’s and Europe’s sustainability and growth strategy. We can create the EU’s new eco-energy-economic frontier by deploying our island’s natural edge through infinite renewable resources and doing so in a spirit of community. Coupled with deep tech innovation, this new frontier will renew and secure Ireland’s and Europe’s energy future.”

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 we can contribute to, such as, for example, decarbonising the supply chain by establishing Foynes as a freight hub and by promoting modal shift from Heavy Goods Vehicles to rail via the development of the Foynes to Limerick rail line. Recent years have shown have seen significant positive momentum in relation to the re-opening of the rail line with Irish Rail (IR) publishing its Rail Freight 2040 Strategy in December 2021. This strategy aligns with Project Ireland 2040, the Climate Action Plan, as well as the European Union’s Sustainable and Smart Mobility Strategy and EU Green Deal and marks a sea change in Irish Rail’s focus on rail freight in Ireland. We are delighted to report that during 2022, Irish Rail in conjunction with the Department of Transport, completed procurement and appointed a main contractor for Phase 1 works of the reinstatement of the Foynes to Limerick rail line. At time of writing, preliminary works have commenced, and the rails have already been imported to Foynes over two shipments for the full 40km of track replacement. This 40km rail reinstatement is a key objective of our Vision 2041.

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 €35 million in constructing a 10 MW data centre, the first of its kind in Europe. Whilst COVID-19 somewhat impacted the ongoing roll out of these projects, 2022 saw the Bannatyne Mills progressed to detailed design stage to include LEED (Leadership in Energy and Environmental Design) green building rating certification. At time of writing, this detailed design is more or less complete with a full cost review and update of the financial and investment modelling underway. Nautilus advise that they have completed the detailed design round of funding and that they are committed to progressing their Limerick project with the project timeline for data centre commissioning expected to be March 2025.

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 Mr. Eamon Ryan TD, Minister for Transport and Minister for Environment, Climate and Communications for his continued support throughout the past year. I would also wish to extend our gratitude to all his departmental officials for their continued co-operation with and dedicated support to the Company during the period in review.

CHAIRPERSON'S STATEMENT (CONTINUED)

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 supported us in 2022 and whose continued 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 2022 and focus on to delivering the plan for and potential of Shannon Foynes Port.

David McGarry
Chairperson
Shannon Foynes Port Company

Date 31 March 2023

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

BUSINESS AND OPERATING REVIEW**Operating Review**

The year commenced with a bullish momentum arising from the diminishing impacts of COVID-19 and the green shoots associated with the reopening of the global economy. However, as the year unfolded events such as the war in Ukraine and continued shutdowns in China triggered inflation levels not seen in over four decades. These headwinds coupled with robust global monetary tightening provided for a more bearish economic environment by year end.

Notwithstanding the aforementioned, to date the economy remains resilient and the Company's 2022 operating performance mirrors the broader economic performance to a large degree. While there was some contraction from the record 2021 financial performance, we are nevertheless delighted to report very robust earnings for the year ended 31 December 2022. For only the second year in its history, the Company recorded EBITDA surpassing €7m and net cash from operations surpassing €6.5m.

While overall Estuarial tonnage throughputs contracted by 10.5% to 9.8 million tonnes (2021:11.0 million tonnes), turnover declined by just 0.7% to €15.9m (2021: €16.0m). This performance is reflective of the differing impacts of the broader macro trends mentioned above on underlying sectors and, in addition, on whether throughputs transited at our general cargo terminals or the privately owned terminals on the Shannon Estuary. For example, regarding the latter, electricity generation imports reduced significantly from prior year. Regarding, the Company's own general cargo terminals, while tonnages marginally declined, turnover increased due to cargo mix characteristics, storage revenues increases and the realisation of other marginal revenue opportunities.

As mentioned, underlying sectors experienced varying degrees of impacts arising from supply chain tightness and/or the decarbonisation agenda. The renewables sector experienced robust year on year growth with a strong importation program for onshore turbines. The construction sector and associated commodities such as cement, steel and scrap metals contracted as the year progressed. Agricultural cargoes, driven by a strong milk price, experienced mixed results with animal feeds performing strongly but mitigated to a degree by reduced imports of fertilisers. Transport and aviation fuels performed well against prior year with year on year throughput increases likely tempered by price inflation as the year progressed. Overall, our general cargo terminals of Limerick and Foynes performed well, with year on year turnover increasing as these terminals are operating at historically high levels.

Management remains committed to cost control and while there was slippage against year on year EBITDA and operating profit, it is noted that the prior year booked a record performance. Nevertheless, EBITDA of €7.0m (2021: €7.6m) remains the second highest ever reported by the Company. Operating profit of €4.4m (2021: €5.5m) is reduced by a non-cash adjustment of circa €550k. This relates to a once off accounting adjustment to expense previously capitalised expenditure relating to the Limerick to Foynes Rail line reinstatement, which is now underway. The related intangible development asset has now been fully expensed in the profit & loss account giving rise to a total amortisation charge in the year of €1.04 million, an increase of €886k from prior year. A related CEF Grant has also been fully recognised in the period, which increased grant amortisation to €0.73 million from €0.39 million in the prior period.

This financial performance equates to an EBITDA margin of 44.2% (2021: 47.5%), the year on year margin reduction is primarily attributable to higher costs in operating and maintenance with fuel cost inflation the primary driver. In addition, some terminal mix characteristics also contributed.

The tragic events unfolding in Ukraine together with the widely reported global economic headwinds provide for a much more uncertain and volatile outlook for the short term than this time last year. While we will continue to manage the risks associated with short term volatility our focus also remains on the medium and

BUSINESS AND OPERATING REVIEW (CONTINUED)

long term. With an expanded business development function, we have identified targeted areas that will drive revenue growth over the 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. In addition, we are well placed to resource the business and are delivering the 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. Indeed, with regard to the latter, and with interest rates now projected to remain higher for longer, cash flow management will remain a key focus for Management. Accordingly, it is vital that we continue to grow revenues in accordance with our Strategic Plan and most importantly, continue to robustly control costs so that we can build on recent success. In this regard, Management remains strongly focussed on growing margin by managing costs and by growing revenues through Limerick and Foynes by fully leveraging its improved shore side capacity and considerable land and storage assets.

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, net assets increased year on year by 9.6% to €59m. Just five years ago the Company reported net assets of €38m. Likewise, a net operating cashflow of €6.5m is reported for 2022, an increase of 30% over the corresponding figure five years ago of €5m. In addition, the Company remains in a net cash position (i.e. cash balances exceeding gross debt outstanding) of €4m with gross debt at 31 December 2022 of €1.9m. This strength of performance has enabled the Company implement its ambitious Investment Program underpinning Vision 2041.

Due to the volume and related sectorial requirements identified in Vision 2041 and the Vision 2041 Strategic Review, substantial investment in additional capacity is required over the short, medium and long term. Consequently, the ongoing roll-out of our Investment Program is essential with a number of ongoing capital projects costing in the region of €30m expected to complete in H2 2023. These projects consist of new quay construction of 117m to join the East and West Jetties in Foynes, infilling for associated quay set down together with the Phase 1 development of the 38 hectare site at Foynes as a port business park. These projects represent the largest capital projects undertaken by the Company to date and are scheduled to complete in 2023.

We are delighted to note the significant progress made on Port hinterland connectivity during 2022. The Limerick to Foynes Road (including Adare bypass) Scheme was granted planning consent in August 2022, however, we understand it is subject to judicial review proceedings. This Road Scheme is considered critical path hinterland connectivity infrastructure for the Port to develop and expand as required by Vision 2041, the Vision 2041 Strategic Review, National and EU Ports Policy, National Planning Framework and the National Development Plan.

We are also delighted to note that Irish Rail in conjunction with the Department of Transport completed procurement and appointed a main contractor for the reinstatement of the Foynes to Limerick rail line during 2022. At time of writing, preliminary works have commenced, and the rails have already been imported to Foynes for the full 40km of track replacement. This €104m 40km rail reinstatement is a key objective of Vision 2041 and Vision 2041 Strategic Review as well as in national and EU ports policies. It is intended that the line will reopen for freight services in 2025. It will be a key enabler for the Port to develop sustainable logistical services from Foynes and we look forward to working with Irish Rail on this important Port project.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

BUSINESS AND OPERATING REVIEW (CONTINUED)

As mentioned, SFPC has a significant role to play in assisting the country's transition to a low carbon economy. Our medium-term Capital Investment Program has been updated to ensure that the Port will have the necessary capacity for the medium term to accommodate this transition, particularly with regard to offshore renewables and deep water berth capacity. Long term requirements were considered in the Vision 2041 Strategic Review and these are discussed further below. While our Capital Program remains fit for purpose, due to the scale and wider socio-economic benefits of some planned projects in the longer term, a review of port capacity funding at national level is warranted. With regard to the medium term, we are satisfied that debt levels, taking account of the current interest rate environment, 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 €10m in EU grant funding.

Our pension deficit decreased during 2022 to €0.9m (2021: €3.8m). This significant reduction arises due to the increased discount rate, determined by higher interest rates, used to value Scheme liabilities. It is noted that the reduced liability valuation was partially mitigated by poor asset performance, which is consistent with general 2022 capital market performance. The de-risking of the Scheme's asset portfolio away from high risk equities has continued during 2022. This asset de-risking is in accordance with the Scheme's Funding Proposal. It is noted that the underlying schemes are closed to new entrants and that the Company has made contributions to them of circa €6m over the last five years.

It is noted that the Board has provided for dividends in its current rolling five year strategic plan 2023-2027 in accordance with its approved Dividend Policy. The Company paid a dividend of €400,000 in 2022.

Capital investment during 2022 is as outlined in the financial statements.

Sustainability & Environment

In accordance with the Government's Climate Action Plan, we are developing a sustainable framework suitable to comply with the Government's commitments (51% emissions reduction by 2030 and net zero by 2050) while meeting the needs of the business. The Company has adopted a Climate Action Framework consistent with New Era's recommended framework for commercial semi-state bodies. This framework is based on adopting five commitments or pillars reflecting a best practice approach to sustainable management and reporting. This Climate Action Framework will be developed and integrated into our Integrated Management System which at present is compliant to international standards to include ISO9001:2015, ISO45001:2018 & the Port Environmental Review System (PERS).

Human Rights & Equality

We are aware of our duties and responsibilities regarding human rights and equality relevant to the functions and purpose of the Company and believe, in so far as is reasonably practicable, that suitable policies and procedures are in place to regulate and achieve compliance.

We recognise the right to be treated with dignity and respect and are committed to ensuring that all workers are free to do their work in a safe environment that respects the integrity of all persons.

We have in place formal dignity, equality & diversity at work policies and procedures which by design extend responsibilities to all workers including employees, directors, customers, suppliers and other stakeholders associated with our activities. The Company has in place a publicly available customer charter. This charter outlines in detail the company's commitments regarding equality & diversity and notes that we will treat all stakeholders equally, regardless of race, gender, religious belief, age, disability, marital status, family status, sexual orientation or membership of minority or ethnic communities. This commitment extends to ensure the rights to equal treatment, established by equality legislation, and accommodates diversity, so as to contribute to

BUSINESS AND OPERATING REVIEW (CONTINUED)

equality for those groups covered by equality legislation. We will continue to work to eliminate barriers to access services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.

The Future

Shannon Foynes Port Company is situated on the deepest watercourse in Ireland, and one of the deepest estuaries in the world, the Shannon Estuary. It extends to over 500km² and has channel depths of up to 32m. SFPC has statutory maritime jurisdiction over the entire Shannon Estuary and is designated as a Tier 1 Port at a national level and as a “core corridor port” on the EU’s TEN-T network.

In 2013, SFPC published its 30-year masterplan, Vision 2041, outlining the Port’s future objectives for the medium to long term. One of these objectives indicated that a review would take place over a 7 to 10 year timeframe. Accordingly, the Vision 2041 Strategic Review was completed during 2022 and launched by Minister for Transport, Eamonn Ryan, last November.

This Vision 2041 Strategic Review has set out to account for shifting political, environmental, and market dynamics since Vision 2041 was published. By far the most significant shifts relate to global climate change and the policy responses to combat its effects at a National and European level. The European Commission’s European Climate Law and Ireland’s Climate Action and Low Carbon Development Act were formally enacted in 2021 and set a legally binding target of Net Zero carbon emissions by 2050. The implications of these pieces of legislation are immense and far reaching, not least with regards to the Shannon Estuary, whose naturally occurring and expansive deep waters will play a pivotal role in delivering on the objectives therein.

First, achieving “Net Zero” will require a dramatic increase in renewable electricity generation capacity, and the European Commission recognises that – among the various renewable energy sources – offshore wind has the greatest scale-up potential. Sitting on the doorstep of the vast offshore wind potential of the Atlantic Ocean, provides an unprecedented opportunity for the Shannon Estuary.

Second, delivering upon National and European climate objectives will necessitate the transitioning of existing industries as well as the formation of new, renewables-based (“green”) industries. This includes the production of alternative, zero carbon, and carbon-neutral combustion fuels (i.e. “e-fuels”) for use by those energy consumption areas that cannot be directly electrified. Already a major energy production and storage hub and with ready access to the major routes to market for e-fuels, the Shannon Estuary is well-positioned to lead a green industrial revolution for Ireland.

Due to its unparalleled comparative advantages, the Vision 2041 Strategic Review demonstrates that the Shannon Estuary can provide capacity to facilitate a supply chain supporting an annual build out of up to 1,400MW of floating offshore wind per annum or up to 30 GW by 2050. In addition, a 2GW electrolyser for hydrogen and downstream e-fuels production, could be located on the Shannon Estuary before 2030.

Lastly, the decarbonisation of supply chains will be central to realising “Net Zero” by 2050. Here the Shannon Estuary can again play a pivotal role as host to Ireland’s only Tier-1 Neo-Panamax capable container terminal (at the planned Foynes Deepwater Port) with a dedicated rail connection, introducing a more efficient and lower carbon supply chain alternative.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

BUSINESS AND OPERATING REVIEW (CONTINUED)

The opportunities highlighted above represent the three main drivers of future growth for the Shannon Estuary, and represent the three main themes or objectives developed in the Vision 2041 Strategic Review:

1. Delivering Atlantic Offshore Wind at Scale
2. Green Industrial Development and Transition
3. Expanded, Diversified, and More Sustainable Logistics Services

In addition, some objectives, such as those relating to Limerick Docks, remain unchanged from Vision 2041. The Limerick Docklands Framework Strategy was launched in 2018, and this Strategy is actively being implemented. Accordingly, the Vision 2041 Strategic Review does not replace Vision 2041 and should be read in conjunction with it.

Regarding new port infrastructure, the Vision 2041 Strategic Review demonstrates that a new deep water terminal at Foynes Island and a strategy for the development of the offshore grid (potentially along marine cable corridors identified in this Review) are critical path and should be in place this decade in order to enable the sector to mobilise and meet net zero obligations by 2050.

Regarding freight volumes, the Shannon Estuary throughput projections were analysed and revised. The base, mid and high scenario framework was retained with projections to 2041 now ranging from 13m tonnes p.a. for the base scenario to 22m tonnes p.a. for the high scenario. These projections take account of the transition away from fossil fuels to zero carbon energy including e-fuels. Accordingly, the new deepwater jetty at Foynes will be dual purpose, providing capacity for an integration facility for floating offshore wind and port capacity to facilitate national freight requirements. In conjunction with the Vision 2041 Strategic Review, a preliminary cost benefit analysis and indicative financing plan was prepared for the new 800m deepwater jetty at Foynes.

As mentioned, the Strategic Review found that Shannon Foynes Port, including the proposed new deep water quay at Foynes, can add substantial freight capacity on the national supply chain. Importantly, this capacity at Foynes will be situated at an uncongested point in the national road and rail network due to progress made on Vision 2041 transport objectives. The Limerick to Foynes rail connection and the Limerick to Foynes Road Scheme continue to be identified as key requirements in the Vision 2041 Strategic Review. These crucial hinterland connections together with the port infrastructure planned for Foynes, will transform the Foynes terminal into a major national freight and logistics hub. Its unparalleled maritime and land transport access, with its 180 hectare port estate, ensures Foynes can provide substantial capacity and resilience for the national supply chain.

Furthermore, successful implementation of the Vision 2041 Strategic Review, by delivering on the identified ORE and logistics opportunities, will be transformational for the Shannon Estuary, the region and the country. Resulting economic impacts will be in the order of tens of thousands of jobs created and billions of euro invested in supply chain and route to market infrastructure and facilities in the 1200 hectares of zoned locations around the Shannon Estuary.

With regard to the Limerick Docklands Framework Strategy (LDFS) we remain committed to its implementation. The primary objectives of this exciting Strategy are to retain and promote 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. Regarding the latter, the refurbishment of the 39k ft² Bannatyne Mills building for commercial office space is its first major project. Our intention was to commence construction during H2 2022, however, volatility around construction supply chains and monetary tightening has resulted in timeline extension. It is our intention to commence procurement for this project during H1 2023. The upgrade of the junction at Dock Rd and Atlas Avenue to facilitate port traffic is also a core intervention required in the LDFS.

BUSINESS AND OPERATING REVIEW (CONTINUED)

We are advised that the necessary civil works, to upgrade the junction, will commence on completion of the compulsory acquisition initiated by Limerick City and County Council (LCCC) in late 2021.

Finally, the short term outlook remains uncertain for reasons already mentioned above and these will be exacerbated to a degree by the effects on cargo throughputs by the transition away from fossils. However, significant opportunities exist in the medium to long term for the Port in supply chain development for floating offshore wind and expanding our freight and logistics capacity. The realisation of these opportunities is dependent on the successful implementation of Vision 2041 and the Vision 2041 Strategic Review, which in turn are in part reliant on various stakeholders taking the prescribed actions therein.

Acknowledgements

I would like to sincerely thank all our employees for their hard work and dedication during the year. 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 regarding the implementation of our masterplan, Vision 2041, and their support on the progression of the Limerick to Foynes Road Scheme and the Limerick to Foynes Rail line. 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: 31 March 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****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 2022, and the related notes to the financial statements, including the 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 and Group'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 2022 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, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 Group's or 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 AUDITOR'S REPORT TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 Directors' Report, Directors' Responsibility Statement, Statement on Internal Control, Chairperson's Statement and Business and Operating Review. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other 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 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.

Matters on which we are required to report under the code of practice for the governance of state bodies

We review whether the statement on internal control required by the code of Practice for the Governance of State Bodies reflects the Company's compliance with Appendix D of the code and is consistent with the information of which we are aware from our audit work on the financial statements. We have no exceptions to report arising from this requirement.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, directors are 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, directors are 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 on the effectiveness of the Group and 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 and 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 AUDITOR'S REPORT TO THE MEMBERS OF SHANNON FOYNES PORT COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The auditor communicates 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 are 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: 31 March 2023

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**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 2022.

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 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 €4,156,919 (2021: €4,985,185).

FRS 102 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 FRS 102 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 as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

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 Group 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 term applied are as follows:

	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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

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**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life.

Other intangible 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; and
- 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. Development costs are amortised over 10 years.

ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets (Continued)

If there is an indication that there has been a significant change in amortisation rate of residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations. If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets.

2.9. Debtors

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

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 Consolidated 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 Group'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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

ACCOUNTING POLICIES (CONTINUED)

2.24. Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Profit and Loss Account in the year that the Group 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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED PROFIT & LOSS ACCOUNT

	Note	2022 €	2021 €
Turnover	2(a)	15,892,995	16,010,232
Operational costs	2(b)	(6,891,004)	(6,829,039)
Gross profit		9,001,991	9,181,193
Administration expenses	2(b)	(3,540,972)	(3,561,544)
Amortisation of intangible assets	13(a)	(1,035,982)	(149,780)
Operating profit		4,425,037	5,469,869
Interest payable and similar charges	4	(159,113)	(150,756)
Other financing cost	19(b)	(46,000)	(56,000)
Profit on sale of fixed assets	10	12,400	-
Profit on ordinary activities before taxation	6	4,232,324	5,263,113
Taxation on profit on ordinary activities	7	(850,516)	(691,552)
Profit attributable to the shareholder		3,381,808	4,571,561

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2022 €	2021 €
Profit for the year		3,381,808	4,571,561
Actuarial return less expected return on Pension scheme assets	19(b)	(3,201,000)	2,062,000
Experience (loss) rising on the pension scheme's liabilities	19(b)	315,000	(397,000)
Changes in actuarial assumptions	19(b)	5,375,000	1,158,000
Deferred tax related to actuarial loss		(311,125)	(352,875)
TOTAL RECOGNISED GAINS		5,559,683	7,041,686

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED BALANCE SHEET

	Note	2022 €	2021 €
Fixed assets			
Tangible assets	11(a)	61,778,870	55,630,360
Financial assets	12	2,539	2,539
Intangible assets	13(a)	-	1,035,982
		<u>61,781,409</u>	<u>56,668,881</u>
Current assets			
Debtors	14	5,896,092	5,922,010
Cash and bank balances	15	5,932,300	11,252,765
		<u>11,828,392</u>	<u>17,174,775</u>
Creditors (Amounts falling due within one year)	16	<u>(2,196,758)</u>	<u>(6,409,110)</u>
Net current assets		<u>9,631,634</u>	<u>10,765,665</u>
Total assets less current liabilities		71,413,043	67,434,546
Creditors (Amounts falling due after more than one year)	17	(1,422,414)	(394,180)
Provision for liabilities and charges			
Pension obligations	19 (b)	(910,875)	(3,773,875)
Other provisions	21	(2,925,864)	(2,892,520)
Deferred income	20	<u>(7,299,215)</u>	<u>(6,678,979)</u>
Net assets		<u>58,854,675</u>	<u>53,694,992</u>
Capital and reserves			
Called up share capital	24	22,187,375	22,187,375
Capital injection	25	4,916,921	4,916,921
Profit carried forward		31,750,379	26,590,696
Equity shareholders funds		<u>58,854,675</u>	<u>53,694,992</u>

The financial statements were approved by the Board of Directors on 31 March 2023 and signed on its behalf by;

Pat Keating
Director

David McGarry
Director

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

COMPANY BALANCE SHEET

	Note	2022 €	2021 €
Fixed assets			
Tangible assets	11(b)	61,740,664	55,581,390
Financial assets	12	1,070,142	1,070,142
Intangible assets	13(b)	-	1,035,982
		<u>62,810,806</u>	<u>57,687,514</u>
Current assets			
Debtors	14	5,667,860	5,500,747
Cash and bank balances	15	3,481,443	9,078,406
		<u>9,149,303</u>	<u>14,579,153</u>
Creditors (Amounts falling due within one year)	16	<u>(2,149,254)</u>	<u>(6,367,663)</u>
Net current assets		7,000,049	8,211,490
		<u>69,810,855</u>	<u>65,899,004</u>
Total assets less current liabilities			
Creditors (Amounts falling due after more than one year)	17	(1,422,414)	(394,180)
Provision for liabilities and charges			
Pension obligations	19(b)	(910,875)	(3,773,875)
Other provisions	21	(2,921,682)	(2,889,286)
Deferred income	20	<u>(7,299,215)</u>	<u>(6,678,979)</u>
Net assets		57,256,669	52,162,684
		<u>57,256,669</u>	<u>52,162,684</u>
Capital and reserves			
Called up share capital	24	22,187,375	22,187,375
Capital injection	25	5,457,046	5,457,046
Profit carried forward		29,612,248	24,518,263
Equity shareholders funds		57,256,669	52,162,684
		<u>57,256,669</u>	<u>52,162,684</u>

The financial statements were approved by the Board of Directors on 31 March 2023 and signed on its behalf by;

Pat Keating
Director

David McGarry
Director

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital injection €	Called up share capital €	Profit and loss account €	Equity attributable to owners of parent company	Total equity €
At 1 January 2021	4,916,921	22,187,375	19,818,010	46,922,306	46,922,306
Profit for the year	-	-	4,571,561	4,571,561	4,571,561
Dividends paid	-	-	(269,000)	(269,000)	(269,000)
Other recognised losses	-	-	2,823,000	2,823,000	2,823,000
Deferred tax related to actuarial loss	-	-	(352,875)	(352,875)	(352,875)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	<u>4,916,921</u>	<u>22,187,375</u>	<u>26,590,696</u>	<u>53,694,992</u>	<u>53,694,992</u>
Profit for the year	-	-	3,381,808	3,381,808	3,381,808
Dividends paid	-	-	(400,000)	(400,000)	(400,000)
Other recognised gains	-	-	2,489,000	2,489,000	2,489,000
Deferred tax related to actuarial gain	-	-	(311,125)	(311,125)	(311,125)
At 31 December 2022	<u>4,916,921</u>	<u>22,187,375</u>	<u>31,750,379</u>	<u>58,854,675</u>	<u>58,854,675</u>

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

COMPANY STATEMENT OF CHANGES IN EQUITY

	Capital injection €	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2021	5,457,046	22,187,375	17,988,507	45,632,928
Profit for the year	-	-	4,328,631	4,328,631
Dividends: Equity capital	-	-	(269,000)	(269,000)
Other recognised losses	-	-	2,823,000	2,823,000
Deferred tax related to actuarial loss	-	-	(352,875)	(352,875)
At 31 December 2021	<u>5,457,046</u>	<u>22,187,375</u>	<u>24,518,263</u>	<u>52,162,684</u>
Profit for the year	-	-	3,316,110	3,316,110
Dividends: Equity capital	-	-	(400,000)	(400,000)
Other recognised gains	-	-	2,489,000	2,489,000
Deferred tax related to actuarial gain	-	-	(311,125)	(311,125)
At 31 December 2022	<u>5,457,046</u>	<u>22,187,375</u>	<u>29,612,248</u>	<u>57,256,669</u>

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED CASHFLOW STATEMENT

	2022 €	2021 €
Cash flows from operating activities		
Profit for the financial year	3,381,808	4,571,561
Adjustments for:		
Depreciation	2,290,370	2,375,012
Taxation	850,516	691,552
Interest paid	159,113	150,756
Financing cost	46,000	56,000
Profit on sale of fixed assets	(12,400)	-
Amortisation of intangible fixed assets	1,035,981	149,780
Grant Amortisation	(727,355)	(393,758)
Decrease/(Increase) in debtors	628,913	(1,381,599)
(Decrease)/ Increase in creditors	527,981	405,734
(Decrease) in provision for liabilities and charges	(1,073,093)	(868,000)
Net cash generated from operating activities	<u>7,107,834</u>	<u>5,757,038</u>
Corporation tax	(560,590)	(571,468)
	6,547,244	5,185,570
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(8,956,489)	(1,410,273)
Sale of tangible fixed assets	12,400	-
Grant received	1,347,591	1,280,476
Dividend paid	(400,000)	(269,000)
	<u>(7,996,498)</u>	<u>(398,797)</u>
Cash flows financing activities		
Medium and long term loans	(3,709,385)	(1,653,833)
Interest paid	(161,826)	(152,117)
	<u>(3,871,211)</u>	<u>(1,805,950)</u>
Net increase in cash and cash equivalents	(5,320,465)	2,980,823
Cash and cash equivalents at beginning of year	11,252,765	8,271,942
Cash and cash equivalents at the end of year	<u>5,932,300</u>	<u>11,252,765</u>
Cash at bank and in hand	<u>5,932,300</u>	<u>11,252,765</u>

The notes on pages 49 – 66 form part of these audited financial statements.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED ANALYSIS OF DEBT

	At 1 January 2022 €	Cash flow	At 31 December 2022 €
Cash at bank and in hand	11,252,765	(5,320,465)	5,932,300
Debt due within 1 year	(5,242,775)	4,737,620	(505,155)
Debt due after 1 year	(394,180)	(1,028,234)	(1,422,414)
	<u>5,615,810</u>	<u>(1,611,079)</u>	<u>4,004,731</u>

The notes on pages 49 – 66 form part of these audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Going Concern

The Company continue to closely monitor developments within the global macro-economic environment. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the 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 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 €61,778,870 (2021: €55,630,360).

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 €199,615 (2021: €271,500).

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 13. 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. The net book value of the development expenditure at year end was €Nil (2021: €1,035,982).

Other Provisions for Liabilities

The Company is party to a legal case with an employee where judgement was issued in favour of the plaintiff during 2022. Settlement costs inclusive of Courts Act Interest and employers PRSI contribution have been recognised, however a quantum of legal costs remain outstanding at the date of signing the financial statements. Management are unable to reliably quantify these outstanding legal costs at this stage but they have included an amount in accruals in respect of same. 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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Analysis of Turnover and Operational Administration Expenses

(a) Turnover	2022 €	2021 €
Ship and Cargo Dues	8,983,168	9,438,771
Stevedoring	1,682,626	1,873,848
Other Operating Income	5,227,201	4,697,613
	<u>15,892,995</u>	<u>16,010,232</u>

All turnover arose in the Republic of Ireland.

(b) Operational and Administration Expenses	2022 €	2021 €
Operating and Maintenance	(5,115,993)	(4,605,215)
Dredging	(277,565)	(310,937)
Depreciation	(2,224,801)	(2,306,645)
Grant Amortisation	727,355	393,758
Total Operational Costs	<u>(6,891,004)</u>	<u>(6,829,039)</u>
Administration and Other	<u>(3,540,972)</u>	<u>(3,561,544)</u>

3 Employment Information

The Group Costs incurred in respect of Employees were:

Aggregate Employee Benefits	2022 €	2021 €
Staff short-term benefits	3,526,661	3,542,478
Post-employment benefits	564,094	533,939
Employer's contribution to social welfare	371,843	366,738
	<u>4,462,598</u>	<u>4,443,155</u>

Staff Short-Term Benefits	2022 €	2021 €
Salary	3,109,853	3,122,266
Overtime	110,977	118,182
Performance related payments	213,978	209,128
Allowance & non-monetary benefits	91,853	92,902
	<u>3,526,661</u>	<u>3,542,478</u>

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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:

	2022 €	2021 €
Salaries and Short Term employee benefits	592,108	599,550
Post-Employment Benefits	119,105	76,050
	<u>711,213</u>	<u>675,600</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 50 (2021: 51)

Capitalised employee costs during the financial year amounted to €Nil (2021: €Nil)

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

4 Interest Payable and Similar Charges

	2022 €	2021 €
On Bank Borrowings:		
-interest payable on bank loans and overdrafts wholly repayable within 5 years	76,073	147,129
-interest payable on bank loans and overdrafts wholly repayable after 5 years	25,439	-
Negative interest charged on bank deposits	57,601	3,627
	<u>159,113</u>	<u>150,756</u>

5 Directors Fees

	2022 €	2021 €
D McGarry - Chairperson	12,600	12,600
J Coleman	675	8,100
C Henry	-	2,025
R. Leonard	3,188	-
P Keating	8,100	8,100
D O'Hara	8,100	8,100
J. O'Keefe	-	-
J Spring	6,750	8,100
T Treacy	8,100	8,100
T. Tynan	-	-
	<u>47,513</u>	<u>55,125</u>

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Directors' Fees (Continued)

	2022	2021
	€	€
Expenses paid to members of the Board		
Travel & Subsistence Expenses	4,105	125
	<u>4,105</u>	<u>125</u>
	2022	2021
	€	€
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>

A decision of the High Court in 2022 obliged the Company to make certain performance-related payments in the amount of €373,339 to the Chief Executive for the years 2010 to 2017. Other than the amounts disclosed 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

The operating profit is stated after charging:

	2022	2021
	€	€
Depreciation	2,290,370	2,375,012
Auditor fees	22,500	18,000
Amortisation of Intangible Fixed Assets	1,035,982	149,780
Amortisation of Capital Grants	<u>(727,355)</u>	<u>(393,758)</u>

7 Tax on Profit on Ordinary Activities

	2022	2021
	€	€
Current Tax:		
Irish Corporation Tax on Profit for the year	475,205	575,461
Deferred Tax:		
Origination and Reversal of Timing Difference	375,311	116,091
	<u>850,516</u>	<u>691,552</u>
Profit on Ordinary Activities before Tax	<u>4,232,324</u>	<u>5,263,113</u>

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

The tax assessed for the financial year is higher than (2021 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2021 - 12.5%). The differences are explained below:

	2022	2021
	€	€
Profit on ordinary activities multiplied by the average rate of Irish corporation tax for the year of 12.5% (2020: 12.5%)	529,041	657,889
Effects of:		
Expense adjustments by the rate of tax	(283,276)	(291,467)
Excess capital allowances over depreciation by the rate of tax	(39,345)	(28,074)
Under provision in the prior year	-	9,375
Income by the higher rate of tax	268,785	227,738
Deferred tax movement	375,311	116,091
Current tax charge for the year	<u>850,516</u>	<u>691,552</u>

8 **Dividends**

	2022	2021
	€	€
Paid during the year	<u>400,000</u>	<u>269,000</u>
Declared post year end	<u>-</u>	<u>-</u>

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

A profit before tax of €4,156,919 (2021: €4,985,185) attributable to the shareholders of Shannon Foynes Port 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.

10 **Exceptional Items**

	Group 2022	Company 2022	Group 2021	Company 2021
	€	€	€	€
Profit on disposal of fixed assets	<u>12,400</u>	<u>12,400</u>	<u>-</u>	<u>-</u>
	<u>12,400</u>	<u>12,400</u>	<u>-</u>	<u>-</u>

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(a) Tangible Fixed Assets
– Group

	Construction in Progress	Docks, Quays & Works	River Lights	Plant & Machinery	Motor Vehicles	Fixtures, Fittings & Office Equipment	Land & Buildings	Total
Cost	€	€	€	€	€	€	€	€
At 1 January 2022	2,849,543	51,596,777	2,142,147	16,862,115	363,564	704,327	18,026,210	92,544,683
Additions	7,885,703	233,998	22,620	39,877	27,805	33,992	194,885	8,438,880
Disposals	-	-	-	(18,411)	(26,250)	-	-	(44,661)
At 31 December 2022	10,735,246	51,830,775	2,164,767	16,883,581	365,119	738,319	18,221,095	100,938,902
Depreciation								
At 1 January 2022	-	16,479,462	1,992,101	11,791,748	213,609	601,752	5,835,651	36,914,323
Charge for year	-	1,083,936	49,850	608,224	62,091	65,705	420,564	2,290,370
Disposals	-	-	-	(18,411)	(26,250)	-	-	(44,661)
At 31 December 2022	-	17,563,398	2,041,951	12,381,561	249,450	667,457	6,256,215	39,160,032
Net Book Value								
At 31 December 2022	10,735,246	34,267,377	122,816	4,502,020	115,669	70,862	11,964,880	61,778,870
At 31 December 2021	2,849,543	35,117,315	150,046	5,070,367	149,955	102,575	12,190,559	55,630,360

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(b) Tangible Fixed Assets – Company	Construction in Progress €	Docks, Quays & Works €	River Lights €	Plant & Machinery €	Motor Vehicles €	Fixtures, Fittings & Office Equipment €	Land & Buildings €	Total €
Cost								
At 1 January 2022	2,849,543	51,596,777	2,142,147	16,468,693	363,564	649,206	18,012,216	92,082,146
Additions	7,885,703	233,998	22,620	39,877	27,805	33,992	194,885	8,438,880
Disposals	-	-	-	(18,411)	(26,250)	-	-	(44,661)
At 31 December 2022	10,735,246	51,830,775	2,164,767	16,490,159	365,119	683,198	18,207,101	100,476,365
Depreciation								
At 1 January 2022	-	16,479,462	1,992,101	11,446,120	213,609	547,779	5,821,685	36,500,756
Charge for year	-	1,083,936	49,850	597,601	62,091	65,569	420,559	2,279,606
Disposals	-	-	-	(18,411)	(26,250)	-	-	(44,661)
At 31 December 2022	-	17,563,398	2,041,951	12,025,310	249,450	613,348	6,242,244	38,735,701
Net Book Value								
At 31 December 2022	10,735,246	34,267,377	122,816	4,464,849	115,669	69,850	11,964,857	61,740,664
At 31 December 2021	2,849,543	35,117,315	150,046	5,022,573	149,955	101,427	12,190,531	55,581,390

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Financial Fixed Assets	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
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 2022 & 2021 €	Company 2022 & 2021 €
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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13(a) Intangible Fixed Assets – Group	Development €	Goodwill €	Total €
Cost			
At 1 January and 31 December 2022	<u>1,497,804</u>	<u>586,789</u>	<u>2,084,593</u>
Amortisation			
At 1 January 2021	461,822	586,789	1,048,611
Charge for year	<u>1,035,982</u>	—	<u>1,035,982</u>
At 31 December 2022	<u>1,497,804</u>	<u>586,789</u>	<u>2,084,593</u>
Net Book Value			
At 31 December 2022	—	—	—
At 31 December 2021	<u>1,035,982</u>	—	<u>1,035,982</u>
13(b) Intangible Fixed Assets – Company	Development €	Total €	
Cost			
At 1 January and 31 December 2022		<u>1,497,804</u>	<u>1,497,804</u>
Amortisation			
At 1 January 2021		461,822	461,822
Charge for year		<u>1,035,982</u>	<u>1,035,982</u>
At 31 December 2022		<u>1,497,804</u>	<u>1,497,804</u>
Net Book Value			
At 31 December 2022		—	—
At 31 December 2021		<u>1,035,982</u>	<u>1,035,982</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 - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Debtors	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
Trade Debtors	3,336,250	2,842,916	3,517,245	2,988,374
Value Added Tax Receivable	233,517	226,406	48,908	36,647
Other Debtors and Prepayments	2,240,940	2,240,939	2,355,857	2,355,857
Corporation Tax	85,385	60,193	-	8,881
Amounts owed by Subsidiary Companies	-	297,406	-	110,988
	<u>5,896,092</u>	<u>5,667,860</u>	<u>5,922,010</u>	<u>5,500,747</u>

An impairment loss of €199,615 (2021: €271,500) was recognised against trade debtors.

15 Cash and cash equivalents	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
Cash and bank balances	5,932,300	3,481,443	11,252,765	9,078,406
	<u>5,932,300</u>	<u>3,481,443</u>	<u>11,252,765</u>	<u>9,078,406</u>

16 Creditors	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
Bank Loans (Note 18)	505,155	505,155	5,242,775	5,242,775
Trade Creditors	386,934	375,078	164,071	159,331
Other Taxes and PRSI	445,087	427,075	229,511	215,711
Other Creditors and Accruals	859,582	841,946	772,753	749,846
	<u>2,196,758</u>	<u>2,149,254</u>	<u>6,409,110</u>	<u>6,367,663</u>

The company has various borrowing facilities with Allied Irish Bank and Bank of Ireland and its total bank borrowings at 31 December 2022 were €1,927,569 (2021: €5,636,955). The loans are subject to a range of 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 2022 of €1,533,059 (2021: Nil), which has a final lump sum payment on maturity.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17	Creditors (amounts falling due after more than one year)	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
	Bank Borrowings (Note 18)	1,422,414	1,422,414	394,180	394,180
		<u>1,422,414</u>	<u>1,422,414</u>	<u>394,180</u>	<u>394,180</u>
18	Bank Borrowings	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
	Analysis of bank borrowings payable:				
	- within one year	505,155	505,155	5,242,775	5,242,775
	- between one and two years	115,668	115,668	394,180	394,180
	- between two and five years	379,181	379,181	-	-
	- over five years	927,565	927,565	-	-
		<u>1,927,569</u>	<u>1,927,569</u>	<u>5,636,955</u>	<u>5,636,955</u>

19 Retirement Benefits

- (a) The group operates three defined benefit schemes which are funded through separate trustee administered funds. There were deficits totalling €1,041,000 (before associated deferred tax asset) on these schemes at 31 December 2022.

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 €58,854,675 and the group profit for the year carried forward in the amount of €3,381,808.

The most recent valuations were at 31 December 2022 and are available for inspection by the scheme members but not for public inspection.

The intention of the group is that, over time, the schemes should be fully funded and that they should meet the funding requirement set by Section 41(3) of the Harbours Act, 1996 by the appropriate date as determined by the Minister for Transport following consultation with the parent company.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Retirement Benefits (continued)

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

The company operates three defined benefit schemes. Full actuarial valuations were carried out at 31 December 2022 for disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuations were:

	2022	2021	2020	2019
Rate of increase in salaries	3.0%	2.5%	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	3.75%	1.2%	0.75%	1.0%
Inflation assumption	2.9%	2.3%	1.1%	1.1%

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

	Market Value 31 December 2022 €'000	Market Value 31 December 2021 €'000	Market Value 31 December 2020 €'000	Market Value 31 December 2019 €'000
Equities	6,199	10,778	8,268	7,734
Fixed interest	7,053	5,383	5,665	5,298
Cash	1,079	1,069	905	939
Alternatives	24	-	-	-
	14,355	17,230	14,838	13,971

The following amounts at 31 December 2022 were measured in accordance with the requirements of FRS 102:

	2022 €'000	2021 €'000	2020 €'000	2019 €'000
Total market value of assets	14,355	17,230	14,838	13,971
Present value of the (liabilities) of the schemes	(15,396)	(21,543)	(22,902)	(22,683)
(Deficit) in the schemes	(1,041)	(4,313)	(8,064)	(8,712)
Related deferred tax asset	130	539	1,008	1,089
Net Pension (Liability)	(911)	(3,774)	(7,056)	(7,623)

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 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 2022 and 31 December 2021 under the requirements of FRS 102.

	2022 €'000	2021 €'000
Operating Profit		
Current Service Cost	209	222
	<u>209</u>	<u>222</u>
	2022 €'000	2021 €'000
Interest income on schemes' assets	207	112
Interest on pension schemes' liabilities	(253)	(168)
Net interest expense	<u>(46)</u>	<u>(56)</u>
Other comprehensive income	2022 €'000	2021 €'000
Actual return less expected return on pension schemes' assets	(3,201)	2,062
Experience (loss) arising on the schemes' liabilities	315	(397)
Changes in assumptions underlying the present value of the schemes' liabilities	5,375	1,158
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>2,489</u>	<u>2,823</u>
	2022 €'000	2021 €'000
Movement in (deficit) during the year:		
(Deficit) in schemes at 31 December		
Movement in year	(4,313)	(8,064)
Net current service cost	(209)	(222)
Contributions paid	1,038	1,206
Other finance cost	(46)	(56)
Actuarial loss	2,489	2,823
(Deficit) in schemes at 31 December	<u>(1,041)</u>	<u>(4,313)</u>

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19	Retirement Benefits (continued)		
(b)	Financial Reporting Standard 102 'Employee Benefits' Disclosures (continued)		
		2022	2021
		€'000	€'000
	Experience gains and losses for the year ended 31 December		
	Difference between the expected and actual return on schemes' assets	(3,201)	2,062
	Percentage of schemes' assets	(22.30%)	11.97%
	Experience losses on schemes' liabilities	315	(397)
	Percentage of schemes' liabilities	2.05%	(1.84%)
	Change in Assumptions	5,375	1,158
	Percentage of schemes' assets	37.44%	6.72%
	Total recognised in other comprehensive income	2,489	2,823
	Percentage of the present value of the schemes' liabilities	16.17%	13.1%
20	Deferred Income – Group and Company	2022	2021
		€	€
	Capital Grants		
	At 1 January	6,678,979	5,792,261
	Received during the year	1,347,591	1,280,476
	Amortised during the year	(727,355)	(393,758)
	At 31 December 2022	7,299,215	6,678,979

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Other provisions for liabilities	Group	Group	Group	Company	Company	Company
	2022	2022	2022	2022	2022	2022
	€	€	€	€	€	€
	Legal	Deferred Tax	Leave Pay	Legal	Deferred Tax	Leave Pay
		(Note 22)			(Note 22)	
At 1 January 2022	672,358	2,173,606	46,556	672,358	2,173,606	43,322
Additions	74,043	375,311	45,139	74,043	375,311	40,957
Utilised	(414,593)	-	(46,556)	(414,593)	-	(43,322)
At 31 December 2022	331,808	2,548,917	45,139	331,808	2,548,917	40,957

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

The Company is party to a legal case with an employee where judgement was issued in favour of the plaintiff during 2022. Settlement costs inclusive of Courts Act Interest and employers PRSI contribution have been recognised during the period, however a quantum of legal costs remain outstanding at the date of signing the financial statements.

22 Deferred Tax - Group and Company

The movement in the deferred tax provided for at 12.5% (2021: 12.5%) during the year was:

	2022	2021
	€	€
At the beginning of the year	2,173,606	2,057,515
Charge for the year	375,311	116,091
	2,548,917	2,173,606

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

	2022	2021
	€	€
Excess of taxation allowances over depreciation on fixed assets	2,548,917	2,173,606

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23	Financial instruments	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
	Financial assets				
	Cash	5,932,300	3,481,443	11,252,765	9,078,406
	Financial assets measured at amortised cost	3,338,789	4,210,464	3,519,784	4,169,504
	Financial liabilities				
	Financial liabilities measured at amortised cost	3,174,085	3,144,593	6,573,779	6,546,132

Financial assets measured at amortised cost comprise of financial fixed assets, 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.

24	Share Capital – Company Authorised		2022 €	2021 €	
	31,500,000 Ordinary Shares of €1.25 each		39,375,000	39,375,000	
	Allotted, Called Up and Fully Paid				
	17,749,900 Ordinary Shares of €1.25 each		22,187,375	22,187,375	
25	Capital Injection	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
	At 1 January	4,916,921	5,457,046	4,916,921	5,457,046
	At 31 December	4,916,921	5,457,046	4,916,921	5,457,046

The shareholder subscribed €3,809,214 in cash for Ordinary Shares of €1.25 each during the year ended 31 December 2001. 3,047,371 Ordinary Shares of €1.25 each were allotted in respect of this sum during year ending 31 December 2002.

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

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 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.

27	Financial Commitments	Group 2022 €	Company 2022 €	Group 2021 €	Company 2021 €
	Financial Capital Commitments				
	- commitments approved but not contracted for	11,532,904	11,532,904	25,027,038	25,027,038
	- committed	16,456,986	16,456,986	2,836,811	2,836,811
		<u>27,989,890</u>	<u>27,989,890</u>	<u>27,863,849</u>	<u>27,863,849</u>

28 Ultimate controlling party

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

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 2022 (2021: 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.

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.

SHANNON FOYNES PORT COMPANY - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**31 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.

32 Post Balance Sheet Events

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

33 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 2022 and consequently, those subsidiaries have been exempted from the provisions of section 347 of that Act.

34 Comparative Information

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

35 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 31 March 2023.





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