ANNUAL REPORT & FINANCIAL STATEMENTS

2018

COMHLACHT CHALAFORT
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DUBLIN PORT COMPANY


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2018 FINANCIAL HIGHLIGHTS

Turnover (€m)

▲ **5.7%**

2018	90.4
2017	85.5
2016	81.6
2015	77.7
2014	72.1

Operating Profit (€m)

▲ **1.9%**

2018	47.4
2017	46.5
2016	45.6
2015	42.9
2014	36.1

Profit after tax (€m)

▲ **2.3%**

2018	41.5
2017	40.6
2016	39.0
2015	36.4
2014	30.6

EBITDA (€m)

▲ **4.1%**

2018	55.8
2017	53.6
2016	53.6
2015	49.3
2014	43.2

Capital Expenditure (€m)

▼ **-9.2%**

2018	87.4
2017	96.2
2016	44.2
2015	17.0
2014	9.4

Total Equity (€m)

▲ **7.7%**

2018	440.4
2017	409.0
2016	349.6
2015	328.5
2014	284.0

Dividends (€m)

▲ **3.9%**

2018	12.2
2017	11.7
2016	10.9
2015	8.8
2014	8.0

TRADE VOLUMES UP 4.3% IN 2018

2017: up 4.3%

TOTAL THROUGHPUT WAS 38.0 MILLION TONNES

2017: 36.4 Million tonnes

1,031,897 RORO UNITS PASSED THROUGH THE PORTS FERRY TERMINALS

2017: 992,062 units

726,212 TEUs WERE HANDLED IN THE PORTS THREE CONTAINER TERMINALS

2017: 698,348 TEUs

1.8M PASSENGERS TRAVELLED THROUGH THE PORT

2017: 1.8M

276,927 CRUISE PASSENGERS AND CREW ON 150 CRUISE VESSELS VISITED THE PORT

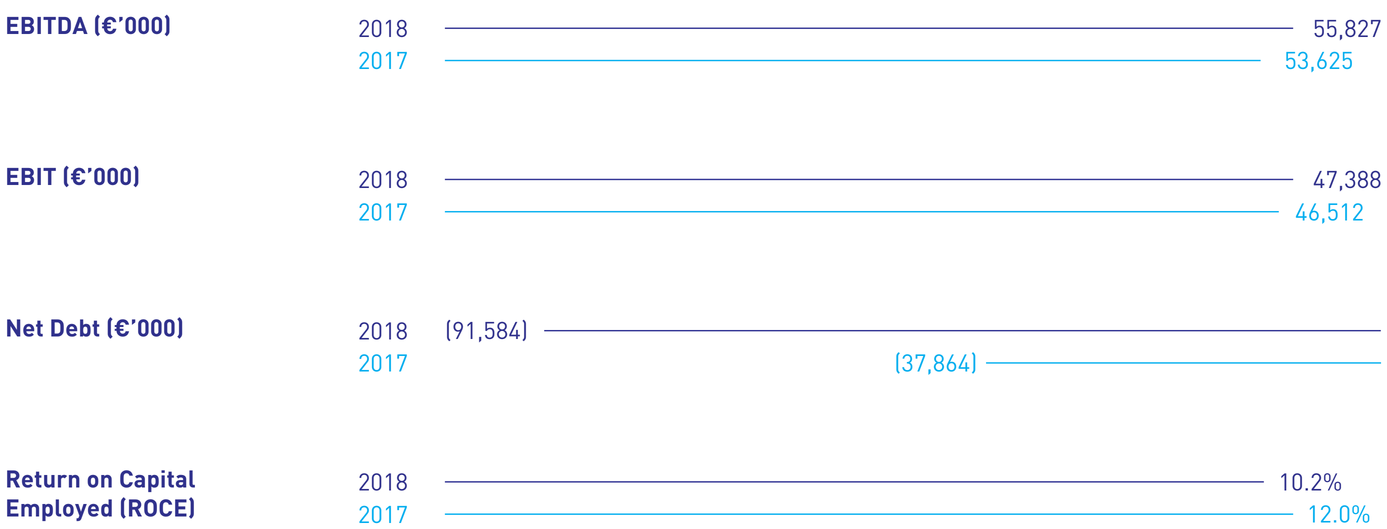
2017: 210,050

KEY FINANCIAL PERFORMANCE INDICATORS

	2018 €'000	2017 €'000
Revenue	90,374	85,497
Operating Profit	47,388	46,512
Operating Margin (%)	52.4%	54.4%
EBITDA	55,827	53,625
EBIT	47,388	46,512
Net Interest Charges	502	422
Interest cover		
- EBITDA basis (times)	111.2	127.1
- EBIT basis (times)	94.4	110.2
Net Debt	(91,584)	(37,864)
Net Debt as a percentage of total equity (%)	(20.8%)	(9.3%)
Net Debt as a percentage of fixed assets (%)	(18.4%)	(9.1%)
Return on Capital Employed (ROCE) (%)	10.2%	12.0%

	2018 €'000	2017 €'000
EBIT	**47,388**	**46,512**
Depreciation	9,599	9,562
Amortisation	(542)	(542)
Other Income	(600)	(1,600)
Exceptional Items	(18)	(307)
EBITDA	**55,827**	**53,625**

EBIT - earnings before finance costs and tax
EBITDA - earnings before finance costs, tax, depreciation, amortisation, exceptional items and non-exceptional redundancy costs
Interest cover - the ratio of EBITDA or EBIT to net interest charges
ROCE - the ratio of operating profit to average capital employed



DIRECTORS AND OTHER INFORMATION

1. Lucy McCaffrey, Chairperson
2. Eamonn O'Reilly, Chief Executive
3. Michael Brophy, Director
4. Helen Collins, Director
5. Geoffrey Darling, Director
6. Michael Hand, Director
7. Keith Nolan, Director
8. Lesley Williams, Director
9. Michael Sheary, Company Secretary & Chief Financial Officer

Secretary and Registered Office
Michael Sheary
Port Centre
Alexandra Road
Dublin 1

Registered
Number: 262367

Principal Bankers
Bank of Ireland
2 Burlington Plaza
Burlington Road
Dublin 4

European Investment Bank
98-100 boulevard Konrad
Adenauer
L-2950 Luxembourg

Ulster Bank DAC
Ulster Bank Group Centre
George's Quay
Dublin 2

Auditors
Deloitte Ireland LLP
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

Actuaries
Mercer
Charlotte House
Charlemont Street
Dublin 2

Solicitors
Beauchamps Solicitors
Riverside Two
Sir John Rogerson's Quay
Dublin 2

Eversheds
One Earlsfort Centre
Earlsfort Terrace
Dublin 2

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

DIRECTORS AND OTHER INFORMATION (CONTINUED)

1. Lucy McCaffrey, Chairperson

In a career spanning thirty years, Lucy McCaffrey has worked as a business consultant with public and private sector organisations in Ireland and leading multinationals in Europe, the United States and Africa. In 1992, following a number of years with Boston-based innovation consultancy Synectics Inc. she founded Latitude, a consultancy that specialises in supporting strategic organisational change. Latitude's private sector assignments have spanned the financial services, manufacturing, professional and service sectors. Public sector work has included the facilitation of significant change programmes within a wide range of organisations and initiatives to foster inter-organisation effectiveness and collaboration.

Lucy was first appointed Chairperson of Dublin Port Company by the Minister for Transport in December 2009 and was re-appointed in 2014. She served as a Director of The Dublin Docklands Development Authority, was a Director of Dublin Port Company between 1997 and 2002 and served on the board of the Project Arts Centre for a five year term (1988-1993).

2. Eamonn O'Reilly, Chief Executive

Eamonn O'Reilly was appointed Chief Executive of Dublin Port Company in August 2010 having previously held the position of Chief Executive at Portroe Stevedores, the Dublin Port based cargo handling business, since 2005. Eamonn also held the role of Group Development Manager of Portroe's parent company, Doyle Shipping Group, during that time.

Prior to joining the Doyle Shipping Group, Eamonn was Project Manager for Securicor Ireland and has also worked as a management consultant with KPMG. He served as Chief Executive of Marine Terminals Limited between 1992 and 1996. Eamonn started his career as an engineer with Irish Cement Limited before working overseas in Egypt, Saudi Arabia and the Congo.

Eamonn is a chartered engineer having graduated from University College Dublin and holds an MBA from Trinity College Dublin. Eamonn is a member of Engineers Ireland, and current Chairman of the European Sea Ports Organisation (ESPO) and is a member of the General Stevedoring Council.

3. Michael Brophy, Director

Michael is an expert in environmental management and business with particular experience in assessing organisations against environmental legal compliance and international best practice in environmental mitigation measures and controls.

Highly experienced in the practical implementation of European environmental policy and regulations to achieve compliance, Michael is one of Ireland's leading environmental auditors, with over twenty years' experience in assessing environmental risk and best practice controls across a broad range of public and private sector organisations.

Michael has worked extensively with regulatory bodies with particular expertise in developing and delivering environmental inspection and/or enforcement schemes under various EU Directives and Regulations.

Michael has served as a Director and Board member on various Boards in Ireland, the UK, Italy and Japan and holds an MSc in European Environmental Policy and Regulation and a BSc in Environmental Science.

4. Helen Collins, Director

Helen first joined the Board in August 2012. She is a solicitor by profession and for many years was a partner and Head of Litigation in McCann FitzGerald with particular experience in commercial, regulatory, and administrative dispute resolution.

Helen is Secretary to the Board and Compliance Officer in NDRC, a company that finds, builds and invests in start-up digital companies.

Helen is also a member of the Panel of the Irish Financial Services Appeals Tribunal, and an accredited CEDR mediator.

5. Geoffrey Darling, Director

Geoff was appointed to the Board by the Minister for Transport, Tourism and Sport in July 2014. A shipping consultant and investor in ships, Geoff has more than 40 years experience within the shipping industry, both at sea and ashore.

Geoff is an advisor to and founding member of a privately held investment group in the shipping industry. The company commercially manage, co-invest in, buy or build ships in various shipping market segments.

As a consultant he advises various clients on commercial and operational aspects within the shipping industry.

Geoff was a founding Shareholder/Director of an independent ship commercial management company. The company developed into one of the foremost Specialised Reefer Operators. The company was sold in 2005.

His experience covers various shore based management roles within the shipping industry. He is a qualified and experienced Class 1 Master Mariner whose sea experience encompasses 15 years trading worldwide in seagoing ranks including Captain.

6. Michael Hand, Director

Michael Hand was appointed to the Board in February 2018 for a period of three years. He has extensive experience over 40 years as a senior leader in the Consulting Engineering and Construction sectors in Ireland and has a track record in leading the design and delivery of major strategic infrastructure projects. He has acted as Chairman and Managing Director of PH McCarthy Consulting Engineers and as a Director of WYG Engineering and JB Barry Consulting Engineers.

From 2010 to 2016, Michael acted as CEO and Director of Grangegorman Development Agency. He is a Non-Executive Director of EirGrid Plc and Irish Archaeological Consultancy Ltd. He has also worked with distinction as a volunteer and Director in the voluntary community sector.

Michael is highly qualified in Engineering and Business. He holds a Degree in Civil Engineering from NUIG and a Masters in Business Administration from UCD. In 2014, he was conferred with an Honorary Doctorate by DIT. He is a Fellow of four professional institutions and is a Chartered Engineer, a Chartered Director and a Chartered Water & Environment Manager.

7. Keith Nolan, Director

Keith was appointed to the Board of Dublin Port Company in September 2017. Keith joined the Company in 1997 serving in the role of IT programmer. Keith has since progressed to his current role of ICT Operations Manager taking up more responsibilities and enhancing his skills along the way.

Keith has extensive experience with ICT and his 21 years' in the Company has exposed him to every section of the organisation and to all of Dublin Port Company's Operations.

Keith is a long standing member of SIPTU and has been actively involved in a central role on the SIPTU section committee for nearly 20 years.

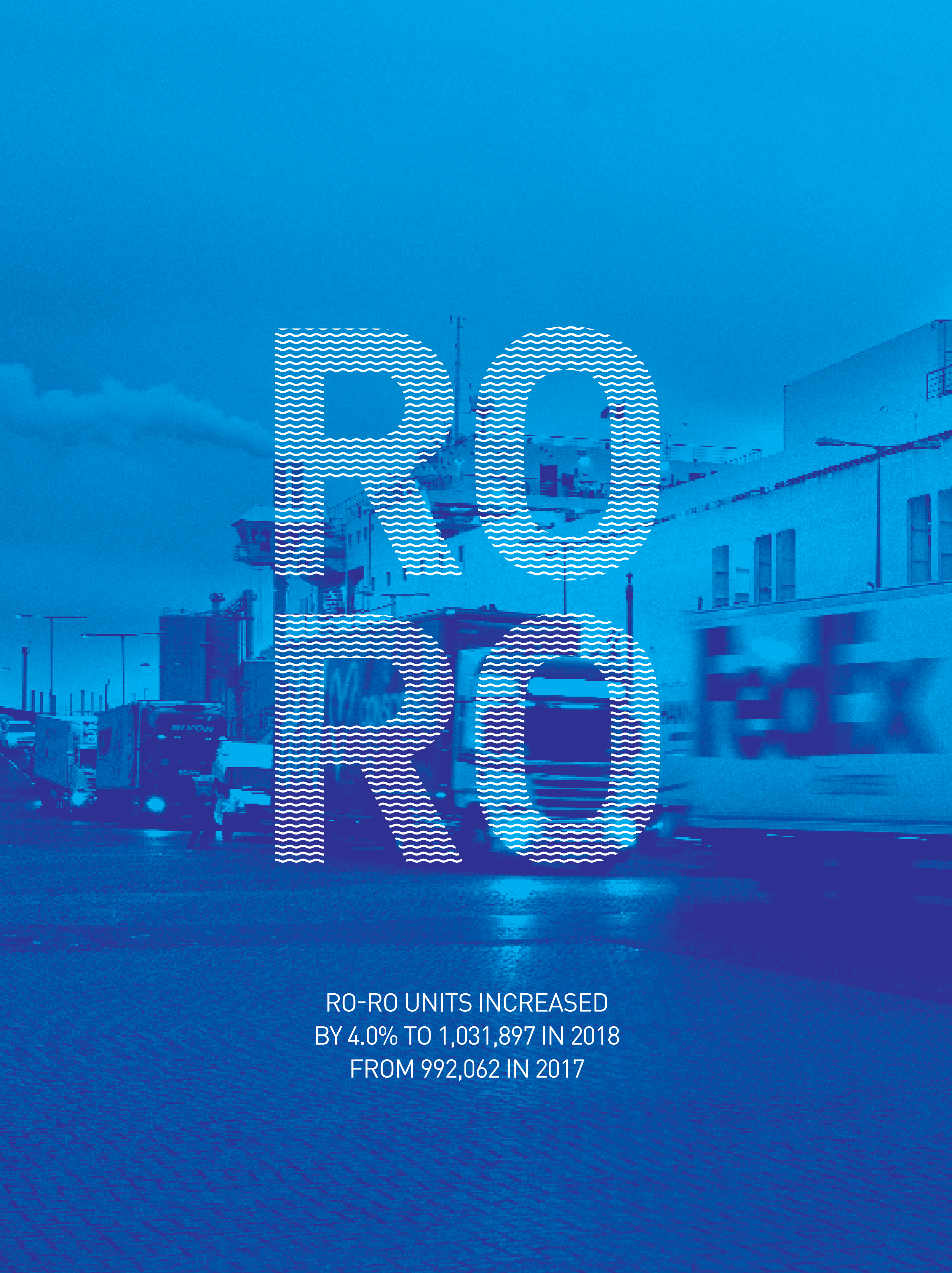
8. Lesley Williams, Director

Lesley Williams was appointed to the Board of Dublin Port Company in January 2019 and is a member of the Audit and Risk committee. She has over 30 years experience in financial services and previously held senior positions in Investec Bank Ireland plc, Goodbody Stockbrokers and the Irish Stock Exchange. Lesley holds a B.Comm from University College Dublin, an AIIMR (UK) and is a fellow of the CISI.

9. Michael Sheary, Company Secretary & Chief Financial Officer

Michael Sheary joined the Company in 1982 and served in a number of senior roles including Assistant Financial Controller until his appointment as Company Secretary and Chief Financial Officer in 2001. Since then Michael has overseen the financial, legal and administrative functions of the Company.

Michael qualified as a Chartered Certified Accountant in 1988 and was admitted as a Fellow of the Association of Chartered Certified Accountants in 1996. Michael is a Director of Ringsend Bridge DAC having previously represented Dublin Port Company as a Director of East Link Limited. Michael also acts as a Trustee of Dublin Port Company's Defined Benefit pension scheme.



RO-RO UNITS INCREASED
BY 4.0% TO 1,031,897 IN 2018
FROM 992,062 IN 2017


IMO 9539054

CHAIRPERSON'S STATEMENT

A CLEAR VISION FOR THE SUSTAINABLE DEVELOPMENT OF DUBLIN PORT INTO THE FUTURE

Lucy McCaffrey — Chairperson

Trade and Financial Review

I am pleased to report that 2018 was another very successful year for Dublin Port Company. Trade levels grew by 4.3% over the previous year and a record throughput of 38.0m gross tonnes was achieved. Following a sustained period of growth over the last six years we have seen volumes through the Port grow by 35.7% and as a result throughput is now 7.1m tonnes (22.8%) higher than the peak in 2007 prior to the economic downturn.

The growth achieved in 2018 was shared across both imports and exports. Imports grew by 5.5% from 21.5m tonnes to 22.7m tonnes while exports increased by 2.5% from 14.9m tonnes to 15.3m tonnes. The increase in trade was underpinned by strong growth in all main sectors of the business. Unitised volumes grew by 3.0% to 31.0m tonnes and now account for almost 82% of Port volumes. Bulk volumes grew by 10.7% to 7.0m tonnes following strong growth in oil imports and cereals / animal feed products.

The growth in throughput volumes has contributed to another strong financial performance in 2018 and in this regard:

- Turnover increased by 5.7% from €85.5m to €90.4m
- Operating Profit increased by 1.9% from €46.5m to €47.4m
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) increased by 4.1% from €53.6m to €55.8m
- Profit for the Financial Year increased by 2.3% from €40.6m to €41.5m

In previous reports I have set out the work we have undertaken to develop a well-structured planning regime to ensure that Dublin Port Company continues to deliver on its core mandate to facilitate trade. This planning regime is founded on the Company's Masterplan.

Dublin Port Masterplan 2040 – Reviewed 2018

During 2018 we published Masterplan 2040 – *Reviewed 2018*, updating the long-term development plan for the Port first published in 2012.

The first review of the Masterplan commenced in 2017 with the purpose of ensuring that the Masterplan remains relevant and achieves its central objective of providing a clear vision for the sustainable development of Dublin Port into the future.

The context for the review has been economic resurgence (with six years of consistent growth in cargo volumes and each of the last four years a record year) and the evolution of national policy with the publication of *Project Ireland 2040 National Planning Framework*.

Masterplan development works at Dublin Port are already advanced, with construction of the Alexandra Basin Redevelopment Project well under way and capital investment of €1 billion planned over the next decade. Elsewhere, works have commenced on the development of the 44 hectare Dublin Inland Port adjacent to Dublin Airport. Between now and 2040, other major development projects are envisaged on both the north side of the Port and on the Poolbeg Peninsula to complete the development vision of Masterplan 2040.

Masterplan 2040 - *Reviewed 2018* sets out four key changes to the Port's development plans:

- The Port will now be developed based on an average annual growth rate of 3.3% from 2010 to 2040 rather than the 2.5% originally proposed in 2012
- The capacity of the Port will be increased to cater for a growth to an ultimate capacity of 77m gross tonnes by 2040 rather than the 60m gross tonnes as originally proposed in 2012.
- This will be accomplished with no further infill into Dublin Bay. The option of increasing Port capacity by an eastwards expansion into Dublin Bay has been definitively ruled out.
- Where Masterplan 2012-2040 had envisaged deepening the Port ultimately to 12.0m, this will not now happen and the current works to deepen the Port to 10.0m will be the final deepening of Dublin Port, the end of a process which commenced in the 18th Century with the completion of the Great South Wall.

The increase in capacity envisaged within the Masterplan will be facilitated firstly, by the development of the 44-hectare Dublin Inland Port located 14km from Dublin Port just off the N2 and secondly, by the specification of projects to maximise the use of Port lands on the Poolbeg Peninsula based on enhanced access via a new Southern Port Access Route (SPAR).

Masterplan 2040 - *Reviewed 2018* is the culmination of an 18-month review period, supported by extensive public consultation and the completion of major environmental studies, including a Strategic Transportation Study and a Strategic Environmental Assessment, which identifies reduced environmental impact from the developments now proposed compared to what was originally proposed in 2012.

CHAIRPERSON'S STATEMENT (CONTINUED)

From the plans highlighted in Masterplan 2040 - *Reviewed 2018*, Dublin Port is bringing the second major Masterplan project (the MP2 Project) forward for planning. The MP2 Project will provide much needed additional capacity on the north side of the Port for Ro-Ro and Lo-Lo services to both the UK and Continental European markets.

Beyond this, the Masterplan describes developments for Port lands on the Poolbeg Peninsula, including the building of a new Southern Port Access Route (SPAR) to provide access between the Dublin Port Tunnel and the south port lands. These developments will constitute the third and final major Masterplan project and we envisage completing them by 2035.

The Masterplan also identifies the need for a review of Port infrastructure charges to ensure that Dublin Port can be developed in line with Government policy (zero exchequer funding) and in compliance with the EU Port Regulation 2017/352 which comes into effect in March 2019.

The Masterplan presents a vision for future operations at the Port and critically examines how the existing land use at Dublin Port can be optimised for trade purposes, both in terms of goods and passengers.

Infrastructure Development

One of the key outputs from the Masterplan review is the identification by Dublin Port Company of the options available to increase efficiencies at the Port and to provide additional throughput capacity to cater for the projected growth in Port tonnage over the period up to 2040, while at the same time reintegrating the Port with the City.

We are investing significantly in improving the road network within the Port to facilitate the efficient movement of goods to and from the various terminals and facilities in the Port. These improvements are being delivered to ensure that the investment in the Dublin Port Tunnel and the expansion of the capacity of the M50 can be adequately utilised by freight traffic to and from the Port.

The infrastructure options originally identified in the Masterplan included a possible new north-south port interconnector bridge. Since then, the National Transport Authority has included proposals in its Transport Strategy for the Greater Dublin Area 2016- 2035 to improve connectivity between Dublin Port Tunnel and the South Port area by the building of the SPAR. This opens up the possibility of significant additional Port capacity on the Poolbeg Peninsula.

The development options presented in the Masterplan Review are not a prescriptive menu of developments that will be carried out in Dublin Port, however, but a set of possible options for development, depending on demand and capacity, and subject to securing the planning and other necessary consents.

In the event that future growth rates turn out to be lower than projected, individual projects can be deferred or even cancelled. However, it is essential that the Company bring projects through requisite consent processes to ensure that projects can proceed in time to meet future growth in demand.

Expansion and the Environment

One of the biggest changes to the revised Masterplan is the decision that there is to be no further infill into Dublin Bay. The SEA Environmental Report identifies that the potential impacts of the revised development options are an improvement on the baseline established when the Masterplan was originally published in February 2012.

We will continue to work closely with DCC, the National Parks & Wildlife Service, the Environmental Protection Agency and other stakeholders in the implementation of the proposals outlined in the Masterplan. In particular, DPC will address specific requirements arising under the Birds and Habitats Directives in the context of any developments which have a potential impact on Natura 2000 sites.

We have agreed to implement a specific set of measures identified in the SEA to mitigate the environmental impacts of future developments. These measures will be developed in detail at the study stage and at the detailed design stage of future projects. We will also carry out a programme of environmental monitoring, as identified in the SEA.

Finally, we have committed to developing a Natural Capital Policy for Dublin Port to provide a guiding framework for sustainability in both the development and the operation of Dublin Port.

Port Traffic Volumes

The Masterplan also looks at the likely expansion in Port traffic volumes in the coming years. On the basis of current trends, Ro-Ro (Roll-on, Roll-off) freight will remain the largest component of the Port's traffic to 2040. Providing and efficiently utilising lands for Ro-Ro freight is the single biggest challenge addressed by this Masterplan.

We are satisfied that through a combination of utilising existing facilities and the possibility of building new facilities, there will be adequate capacity to allow the Port to handle future volumes of Lo-Lo (Load-on, Load-off) container trade over the period to 2040.

We have also recognised that the consumption of petroleum products will diminish as national and EU energy and climate

THE REVISED MASTERPLAN IS FOUNDED ON OUR COMMITMENT TO THE PROPER PLANNING AND SUSTAINABLE DEVELOPMENT OF DUBLIN PORT

Lucy McCaffrey — Chairperson

change policies take effect, and so will seek to redevelop existing petroleum facilities in Dublin Port for alternative port uses as this occurs.

To accommodate the existing and anticipated level of Bulk Solid trade and to facilitate other types of freight activity over the period of the Masterplan, some improvements and consolidation of existing areas for handling these materials will be required.

Reintegrating the Port and City

In addition to the focus on Port capacity, the Masterplan will also guide the development of Dublin Port to achieve a second and equally important objective of reintegrating Dublin Port with Dublin City and with Dublin Bay. This will involve a range of projects and initiatives based on the Port's heritage and on the natural environment. During 2019, we plan to commence construction of a 4km greenway for pedestrians and cyclists on the northern fringe of the Port overlooking the Tolka Estuary.

Future reviews

The revised Masterplan is founded on our commitment to the proper planning and sustainable development of Dublin Port. We have identified a series of projects which will bring the port to its ultimate capacity by 2040 and, in doing this, support the objectives of Project Ireland 2040.

Achieving sustainability is a considerable challenge and we are committed in Dublin Port to doing that in the case of port operations. Critically, the Masterplan provides certainty on the ultimate extent and environmental impact of the Port.

This was the first review of Masterplan 2012-2040. On-going monitoring of the performance of the Port and the achievement of the proposals outlined in the Masterplan will be a key element in effective implementation. Therefore, we have agreed that there will be periodic fundamental reviews no later than every 10 years to ensure that the course being followed by the Port does not deviate from what is actually required.

In carrying out each such reviews, we will consult with external stakeholders to ensure that the plan continues to represent the best solution for future development of the Port, the city and the preservation and protection of Dublin Bay. The next review of the Masterplan is due to take place between 2023 and 2028.

Conclusion

I would like to thank the management team and all the staff of Dublin Port Company for their continued commitment to the success of the Port. In particular I acknowledge the excellent stewardship of the CEO, Eamonn O'Reilly and the professional manner in which he has steered the Company through the initial stages of implementation of the Masterplan.

In addition to thanking our customers for their continued business I would like to thank all our stakeholders for their help and support over the course of the year.

I wish to thank the Minister and the dedicated staff at the Department of Transport, Tourism and Sport for their support and active engagement with us over the course of 2018.

Finally, I wish to thank my colleagues on the Board for their work over the past year.

Lucy McCaffrey
Chairperson
29th March 2019

LO LO

LO-LO TEUs INCREASED
BY 4.0% TO 726,212 IN 2018
FROM 698,348 IN 2017


DSG
DSG
CHINA SHIPPING
CHINA SHIPPING

CHIEF EXECUTIVE'S REVIEW

IMPORTS GREW MORE STRONGLY THAN EXPORTS DURING 2018 AT 5.5% AND 2.5% RESPECTIVELY

Eamonn O'Reilly — Chief Executive

Dublin Port Trade Review

In 2018, volumes grew to 38.0m tonnes, an increase of 4.3% on the previous year.

Imports grew more strongly than exports during 2018 at 5.5% and 2.5% respectively. Dublin is primarily an import port feeding the domestic economy and during 2018, imports share of total tonnage increased from 59.2% to 59.9%.

'000 gross tonnes	2018	2017	% change
Imports	22,741	21,546	5.5%
Exports	15,253	14,876	2.5%
Total	**37,994**	**36,422**	**4.3%**

Our business continues to be dominated by the unitised modes which together account for 81.5% of total throughput. At year end, both unitised modes were ahead, Ro-Ro by 2.7% and Lo-Lo by 3.8%.

'000 gross tonnes	2018	2017	% change
Ro-Ro	24,050	23,412	2.7%
Lo-Lo	6,924	6,673	3.8%
Bulk Liquid	4,621	4,281	7.9%
Bulk Solid	2,375	2,034	16.8%
Break Bulk	24	22	7.2%
Total	**37,994**	**36,422**	**4.3%**
Unitised	30,974	30,085	3.0%
Non-unitised	7,020	6,337	10.7%

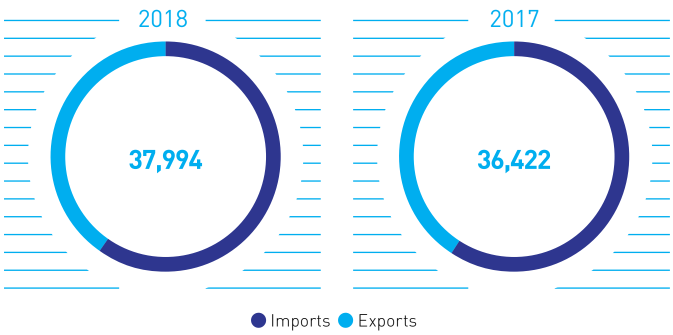
The major part (56.5%) of our growth of 1.6m gross tonnes in 2018 came in the larger unitised modes. However, 2018 was a strong year for the non-unitised modes also.

	2018	%
Unitised	889	56.5%
Non-unitised	683	43.5%
Total	**1,572**	**100.0%**

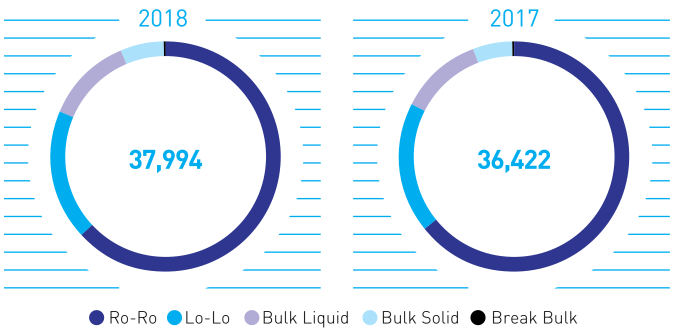
Looked at in terms of units for Ro-Ro and TEUs for Lo-Lo, we saw growth of 4.0% in each of the modes.

	2018	2017	% change
Ro-Ro units	1,031,897	992,062	4.0%
Lo-Lo TEUs	726,212	698,348	4.0%

Gross tonnes imports/exports ('000)



Gross tonnes modes ('000)



Trade Vehicle volumes were 4.1% ahead in 2018. This is a strong performance given that first time vehicle registrations declined by 2.5% in 2018.

Within the Bulk sector, Bulk Liquid (which is virtually all petroleum products) increased by 7.9% while Bulk Solid increased by 16.8% driven, in the main, by large increases in imports of cereals and animal feeds during the year.

Last year was a disappointing year for tourist traffic with passenger numbers down by 1.0% and tourist vehicles by 1.2%.

We had a strong cruise season in 2018 with 23 more ship calls representing an 18.1% increase on the previous year.

	2018	2017	%
Cruise calls	150	127	18.1%
Passengers and crew	276,927	210,050	31.8%
Aggregate gross tonnage	7,512,749	5,749,351	30.7%

CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Financial Performance in 2018

Dublin Port Company is an infrastructure provider with relatively little involvement in operational activities. As such, we have high operating leverage and expect to see volume increases directly driving revenue and profit levels.

During 2018, our 4.3% volume increase drove our revenues up by 5.7% from €85.5m to €90.4m.

Total operating costs in 2018 amounted to €43.6m representing a €2.7m (6.6%) increase on the previous year.

- Payroll costs were €1.1m higher reflecting pay escalation arising in 2018 together with an increase in the average number of persons employed from 148 to 163.
- Professional fees were €1.6m higher mainly as a result of expenditure relating to the MP2 project. The MP2 project is the second Strategic Infrastructure Development project to be brought forward under the Company's Masterplan 2040. Expenditure in 2018 relates to work undertaken to prepare the planning application to be submitted to An Bord Pleanála.

Other operating income of €0.6m in 2018 relates to an increase in the value of the Company's investment property "P5" located in Eastpoint Business Park. The comparable figure in 2017 was €1.9m made up of €1.6m for P5 and €0.3m from profits on disposal of fixed assets.

The Company's operating profit increased by €0.9m (1.9%) from €46.5m in 2017 to €47.4m in 2018.

€'000	2018	2017	% change
Turnover	90,374	85,497	5.7%
EBITDA	55,827	53,625	4.1%
Operating Profit	47,388	46,512	1.9%
PBT	47,855	46,344	3.3%
PAT	41,521	40,575	2.3%

As an infrastructure provider with large imminent capital expenditure requirements, cash generation, Return on Capital Employed and net debt are key measures of our business strength.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) increased by €2.2m (4.1%) from €53.6m in 2017 to €55.8m in 2018. The calculation of EBITDA takes account of the deduction for the non-cash item related to the increased valuation in respect of the investment property P5.

€'000	2018	2017
Operating Profit	47,388	46,512
Depreciation	9,599	9,562
Amortisation	(542)	(542)
Other income	(600)	(1,600)
Exceptional Items – profit on disposal of assets	(18)	(307)
EBITDA	**55,827**	**53,625**

Return on Capital Employed (ROCE) decreased from 12.0% in 2017 to 10.2% in 2018 reflecting the significant investment in fixed assets during the year.

Fixed Assets at year end totalled €496.6m compared to €418.2m at the end of 2017. The movement in Fixed Assets for the year is explained by additions of €87.4m together with an increase in valuation of the Company's investment property amounting to €0.6m, offset by the depreciation charge for the year amounting to €9.5m.

At year end our net debt position was €91.6m compared to a €37.9m at the end of 2017 again reflecting the high level of capital expenditure arising in 2018.

€m	2018	2017
Cash (including short term deposits)	€43.3m	€21.9m
Borrowings	(€134.8m)	(€59.8m)
Net Debt	**(€91.6m)**	**(€37.9m)**

DURING 2019, WE WILL LODGE A PLANNING APPLICATION FOR THE MP2 PROJECT WITH AN BORD PLEANÁLA. THIS IS THE SECOND OF THREE STRATEGIC INFRASTRUCTURE DEVELOPMENT PROJECTS WHICH, BETWEEN THEM, WILL DELIVER THE VISION OF MASTERPLAN 2040.

Eamonn O'Reilly — Chief Executive

Outlook for 2019

The most immediate challenge in 2019 is Brexit, with all its uncertainties. In preparation for this we are providing facilities on 7.8 hectares of port lands for State agencies including Customs and the Department of Agriculture, Food and the Marine. Depending on how Brexit unfolds, we may during 2019 need to provide even more facilities on a 3.6 hectare site in the Port.

During 2019, we will lodge a planning application for the MP2 Project with An Bord Pleanála. This is the second of three strategic infrastructure development projects which, between them, will deliver the vision of Masterplan 2040.

Growth is at such a rate that there is an urgency now to progress as rapidly as possible with the implementation of the ten year, €1 billion Masterplan capital programme. Immediately after we lodge the planning application for the MP2 Project we will turn our attention to designing the project to develop port lands on the Poolbeg Peninsula. This will include the construction of a Southern Port Access Route as an internal port road to provide access to and from the Dublin Port Tunnel for port traffic from the south side of the Port.

This year will be a decisive year in Dublin Port for our cruise business as we complete an economic cost benefit analysis study to determine whether we will proceed with the development of North Wall Quay Extension as part of the ABR Project. If we are to proceed, the project will need external financial support including from the cruise industry.

We have a well-developed capital investment programme with a sophisticated Project Management Office capable of delivering large capital projects on time and on budget. Crucial to the successful implementation of this plan will be completing our raising of €300m additional finance.

Dublin Port Company is self-financing and must develop the Port from within its own resources. Taking on large debt requires us to generate a commensurate level of profits. During 2019, we will review our port infrastructure charges and implement a pricing policy for the future which will enable the Company to meet the objective of Masterplan 2040 to provide port capacity for projected future growth to 2040 at which stage the Port will have reached full capacity.

Arguably the most significant development during 2019 will be the implementation of a Natural Capital policy to guide ecological projects which we will undertake in parallel with major construction projects with the objective of increasing biodiversity even as we build new Port infrastructure.

Eamonn O'Reilly
Chief Executive
29th March 2019

BULK

BULK SOLID INCREASED BY 16.8%
TO 2,375,000 GROSS TONNES IN 2018
FROM 2,034,000 GROSS TONNES IN 2017

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of the Company for the financial year ended 31 December 2018.

Directors' Responsibility for Financial Statements

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

Irish law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under that law the Directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard (FRS) 102, the financial reporting standard applicable in the UK and the Republic of Ireland and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; 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 keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors 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 Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Legal Status

Dublin Port Company is a Designated Activity Company limited by shares established under statute pursuant to the Harbours Act, 1996 and incorporated in Ireland. On 3 March 1997 the Company became the successor entity to Dublin Port & Docks Board, the former statutory entity with responsibility for the Port of Dublin. On that date Dublin Port Company took over the functions and acquired the assets and liabilities of the predecessor organisation at valuations agreed with the then Minister for Communications, Marine and Natural Resources. In consideration for the assets and liabilities, the Company issued share capital in the amount of €7.648m to the then Minister for Communications, Marine and Natural Resources.

With effect from 26 July 1997 the Company became the pilotage authority for Dublin Bay.

Responsibility for the Commercial Port Sector was transferred from the Minister for Communications, Marine and Natural Resources to the Minister for Transport with effect from 1 January 2006.

On 12 July 2011 the Minister for Transport transferred the assets and liabilities of Dundalk Port Company to Dublin Port Company under SI No. 361 of 2011.

Principal Activities

The business purpose of Dublin Port Company is to facilitate the movement of goods and passengers, and attendant information flows through the Port.

The Company provides the infrastructure, facilities, services and hard standing to meet the needs of customers for the efficient transfer of goods and passengers between land and sea transport modes.

Revenue in connection with the provision of these facilities is generated from vessel dues, goods dues, rent and key services provided, such as towage and pilotage.

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the Company's registered office, Port Centre, Alexandra Road, Dublin 1.

Business Review

Details of the profit for the year, together with comparative figures for 2017, are set out in the Profit and Loss Account and the related notes. The Key Financial Performance Indicators of the business are set out below and in the Chief Executive's Review.

Throughput was ahead of 2017 by 4.3% at 38.0 million tonnes (2017: 36.4 million tonnes). Exports grew by 2.5% in the year to 15.3 million tonnes (2017: 14.9 million tonnes) while imports grew by 5.5% to 22.7 million tonnes (2017: 21.5 million tonnes).

Turnover for the year amounted to €90.4m, an increase of 5.7% on the previous year (2017: €85.5m).

Total Operating Costs at €43.6m in 2018 have increased by €2.7m (6.6%) on 2017 (2017: €40.9m). Payroll costs have increased by €1.1m (9.7%) arising from additional staff recruited together with salary increases. Other non-pay costs have increased by €2.2m mainly arising from pre-planning costs on the MP2 project. Pension costs have decreased by €0.6m mainly due to a past service cost arising in 2017 together with lower current service costs.

Operating Profit increased to €47.4m in 2018 from €46.5m in 2017 resulting in an Operating Margin of 52% (2017: 54%).

Net financing income was €0.5m (2017: €0.2m cost). Finance income amounts to €973k (2017: €254k).

Net Interest charges (excluding net interest on pension schemes) were €0.5m (2017: €0.4m) and the Company's interest cover is 94 times (2017: 110 times) based on Profit before Interest and Taxation over net interest charges. Net Debt increased from €37.9m in 2017 to Net Debt of €91.6m in 2018 and the Company is fully compliant with all covenants in respect of its borrowing facilities.

Profit for the financial year was €41.5m (2017: €40.6m).

The Profit and Loss Reserve increased from €393.7m at 31 December 2017 to €425.1m and Shareholders' Funds increased from €409.0m to €440.4m during the same period.

The Company has a target throughput of 40.1 million tonnes for 2019. Throughput of 38.0 million tonnes was achieved in 2018, which was just 0.4% behind of the budgeted 38.1 million tonnes.

Principal Risks and Uncertainties

One of the principal uncertainties to be addressed relates to the Company's ability to deliver capacity to the market. In June 2018 the Company published "Dublin Port Masterplan 2040 - *Reviewed 2018*", updating the original Masterplan which had been adopted in 2012. The Masterplan, as reviewed, was published following an extensive public consultation process.

The purpose of the Masterplan is to indicate to all stakeholders how the Port will be developed to meet their needs in the years ahead. Following the review in 2018 a number of fundamental conclusions were identified as follows;

- Firstly, where the Masterplan had originally envisaged a return to an eastern expansion of Dublin Port into Dublin Bay, Dublin Port Company is no longer pursuing this as an option.
- Secondly, to meet anticipated capacity requirements Dublin Port needs to be developed on the basis of an average annual volume growth (AAGR) of 3.3% over the 30 years from 2010 to 2040 rather than the 2.5% originally assumed in 2012. As a result the capacity requirement for 2040 increases from 60m tonnes to 77m tonnes.

Masterplan 2040 sets out the framework under which essential projects will be brought forward for planning and other consents to ensure that facilities are constructed in time to meet demand.

DIRECTORS' REPORT (CONTINUED)

The first major project to be brought forward under the Masterplan was the Alexandra Basin Redevelopment Project and construction on this project continued in 2018. It is intended to bring the second major project, the MP2 Project, forward to an Bord Pleanála for planning in 2019.

As evidenced by the fall in trade in the latter half of 2008 and continuing into 2009 the Company is exposed, through the normal course of its operations, to the impact of an economic slowdown on Port activities. Throughput through Dublin Port has grown by 36% over the last six years and as a result trade levels are now 23% higher than at the previous peak in 2007. It is clear that the prospects for the Irish economy in general will continue to impact on the Company's growth prospects into the future.

In this regard the impact of Brexit on the Irish economy at a macro level and its impact in particular on GDP growth will have a knock-on impact on Dublin Port's volumes. In addition at a more practical level the possibility of a hard Brexit and the consequent introduction of customs controls will result in the Company having to allocate scarce land resources to facilitate customs and other state agencies. The Company has commenced construction of new primary inspection facilities in order to ensure that these facilities are available for the relevant State agencies ahead of the 29 March 2019 Brexit date. The Company is also working with the Office of Public Works and the State agencies with regard to the provision of secondary inspection facilities.

The Company is also exposed to the impact of an economic slowdown on its non-core Port activities. This has been evidenced by the diminution in value of the Company's investment property located in the Eastpoint Business Park from €10.9m in 2001 to €4.4m at the end of 2013. The property was again valued by our property advisors at the end of 2018 resulting in an increased valuation of €0.6m to €8.5m. The cumulative diminution in value now stands at €2.4m.

The Company is committed to successfully managing its exposure to risk and to minimising its impact on the achievement of business objectives. The Board has an established Audit and Risk Committee with specific terms of reference reflecting the Committee's role in supporting the Board in managing the Company's exposure to risk.

The Company has put in place a Risk Management Framework comprising of the following components:

- Processes for identifying, prioritising and categorising risks,
- On-going assessment and measurement of risks, and
- Monitoring and reporting of risks to the Audit and Risk Committee as a sub-committee of the Board.

In addition overall business performance risk is managed through the following measures:

- The preparation of an Annual Budget and Five Year Financial Plans,
- Monthly Reporting and Variance Analysis,
- Financial Controls,
- Key Performance Indicators, and
- Detailed Policies, Standards and Guidelines to support the control and mitigation of risks.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include interest rate risk, credit risk and liquidity and cash flow risk. Policies to protect the Company from financial risks are kept under regular review. The Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Policies are set out by the Board of Directors and are implemented by the Company's Finance Department.

Liquidity and Cash Flow Risk:
The Company maintains a mix of short and medium term debt finance to ensure sufficient funds are available for planned capital investment. The Company put in place a €50m borrowing facility with Ulster Bank in March 2017 to replace and extend the Company's debt. At the end of 2018 the Company had in place un-drawn committed facilities of €15 million on this facility.

In December 2015 the Company entered into a Finance Contract with the European Investment Bank in respect of a €100m project finance facility. This facility is for a 20 year term was fully drawn at year end 2018 (2017: €75m undrawn).

The Company's policy is to maximise investment return by placing surplus cash balances on low risk cash deposit on a short term basis. The Company has treasury mandates in place with a number of financial institutions for this purpose.

Credit Risk:
The Company is exposed to credit risk in the course of trading and to manage this risk it carries out appropriate credit checks on potential customers and trades only with recognised creditworthy third parties.

Interest Rate Risk:
In order to manage the Company's exposure to significant adverse interest rate movements, the Company has a policy of maintaining a minimum of 60 per cent (2017: 60 per cent) of its debt at fixed interest rates. In order to achieve this objective, the Company has entered into a fixed interest rate agreement with the European Investment Bank on the €100m project finance facility. In 2017 the Company had in place an interest rate swap agreement on its previous term loan facility agreement with Bank of Ireland. Both the facility and swap agreement matured in March 2017.

Events since the end of the financial year
There have been no events between the Balance Sheet date and the date on which the financial statements were approved by the Board.

Future Developments
The Company has a budgeted Capital Investment Programme of €147.2m for 2019. The planned Capital Investment Programme for 2019 includes €54.9m in respect of the Alexandra Basin Redevelopment project ("ABR") and €60.6m in respect of Masterplan Phase 1 (MP1).

Results and Dividends
The Company's profit for the financial year amounted to €41.5m. The Directors' allocations and recommendations in respect of this amount were as follows:

	2018 €'000	2017 €'000
Interim Dividend of €1.052 (2017: €1.012) per ordinary share paid	12,173	11,712
Increase in Profit Retained	29,348	28,863
Profit for the Financial Year	**41,521**	**40,575**

The Directors do not propose to declare a final dividend.

Directors' and Secretary's Interests
The Directors and Secretary had no interest in the share capital of the Company at 31 December 2018 and 2017.

Prompt Payments Act
It is Company policy to pay suppliers in accordance with the terms of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 and the Prompt Payments of Accounts Act, 1997.

To this end, the Company's payment routines are designed to provide reasonable assurance against material non-compliance with the terms of the Regulations. The standard credit period is 30 days unless otherwise specified in contractual arrangements. Substantially all payments by number and value were made within the appropriate credit period as required. Consequently, the Directors are satisfied that the Company has complied with the requirements of the Act.

Directors
The names of the persons who were Directors at any time during the year ended 31 December 2018 are set out below.

L McCaffrey
E O'Reilly
P Bates (term of office expired 18th September 2018)
H Collins (appointed 16th January 2018)
G Darling
E Finnan (resigned 31st August 2018)
M Hand (appointed 21st February 2018)
K Nolan

Relations with Shareholders
The Chairperson, Chief Executive and management maintain an on-going dialogue with the Company's shareholders on trading performance, future plans and strategic issues. Certain specified matters require the approval of the Minister for Transport and/or the Minister for Finance and on-going communication with the relevant Minister is maintained through their respective departments. The Chairperson reports to the Minister for Transport as required under Section 28 of the Harbours Act, 1996 and as required under the Code of Practice for the Governance of State Bodies.

Corporate Governance
Dublin Port Company is committed to maintaining the highest standards of corporate governance and has adopted the principles of corporate governance and the Code of Practice for the Governance of State Bodies issued by the Department of Finance in May 2009. The Code of Practice was updated on 1 September 2016 and the provisions of the updated Code have been applied to the financial reporting period commencing 1 January 2017. The Company also complies with its obligations under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

DIRECTORS' REPORT (CONTINUED)

The majority of Directors are non-executive and are appointed by the Minister. The Board meets formally on a monthly basis and has a formal schedule of matters specifically reserved to it for decision. The Board is responsible for exercising all the powers of the Company, other than those reserved to Shareholders, and has collective responsibility for all the operations of the Company. The Board may delegate such of its powers as it sees fit, to either a Board Committee or the Chief Executive, subject to whatever restrictions or regulation it imposes with such delegation. Subject to ministerial consent in certain cases, the Board has formally approved the reservation of decisions in relation to certain functions in the areas of Governance, Finance, Procurement, Operations, and Appointments in Human Resources. The Board has access to the advice and services of the Company Secretary and can take independent professional advice as and when deemed necessary.

The Code of Practice for the Governance of State Bodies requires that an annual self-assessment exercise is undertaken by the Board to assess its effectiveness. A self-assessment review based on the questionnaire contained in the Code of Practice was completed by the Board in February 2017. The exercise for 2018 was deferred pending the filling of a number of vacancies arising during the year. The Code of Practice also requires that an external evaluation is undertaken at least on a three yearly basis. A procurement competition for an appropriate service provider was initiated in March 2019 and it is anticipated that the relevant appointment will be made in April 2019 with a view to completing this exercise within the first half of the year.

The Board established an Audit Committee in 1997 under formal terms of reference. This Committee was reconstituted in 2012 as the Audit and Risk Committee. The terms of reference set out the purpose, authority and membership of the Committee and its responsibilities in the areas of external financial reporting, external audit, corporate governance and internal audit. On 23rd February 2018 the Audit and Risk Committee was re-established with Ms Emer Finnan (Chairperson), Mr Paul Bates and Ms Helen Collins. Following the Board vacancies arising from the resignation of Ms Emer Finnan and the term of office expiry of Mr Paul Bates the full Board performed the role of the Audit and Risk Committee during the remainder of 2018 with Ms Helen Collins as Chairperson.

The Audit and Risk Committee met four times during the year. The members of the Committee over the course of the year were Ms Emer Finnan, Mr Paul Bates, Ms Helen Collins, Mr Geoffrey Darling, Mr Michael Hand, Ms Lucy McCaffrey, Mr Keith Nolan and Mr Eamonn O'Reilly.

The Board also established a Remuneration Committee in 1999. The members of the committee during the year were Ms Lucy McCaffrey (Chairperson), Mr Geoffrey Darling and Mr Michael Hand. The Committee operates under formal terms of reference.

Attendance at Meetings

There were 10 General Board Meetings during the year ended 31 December 2018.

The attendance of Directors at meetings of the Board was as follows:

	Attended	Eligible to Attend
L McCaffrey	10	10
E O'Reilly	10	10
P Bates	7	7
H Collins	9	10
G Darling	10	10
E Finnan	7	7
M Hand	7	9
K Nolan	10	10
Audit and Risk Committee		
E Finnan	3	3
P Bates	3	3
H Collins	2	4
G Darling	2	2
M Hand	1	1
L McCaffrey	2	2
K Nolan	2	2
E O'Reilly	2	2
Remuneration Committee		
L McCaffrey	1	1
G Darling	1	1
M Hand	1	1

Directors' Expenses

Expenses in the amount of €5,735 have been paid to Board members during the year in respect of other expenses.

Internal Controls

The Board has overall responsibility for the Company's systems of internal control. These systems which are maintained by the Company can only provide reasonable but not absolute assurance that transactions are executed in accordance with management's authorisation that assets are safeguarded, that fraud is prevented and that proper financial records are maintained. The Board confirms that it has reviewed the effectiveness of the system of internal control.

To ensure the effective application of the Company's internal controls, the services of qualified personnel have been secured and duties properly allocated among them.

The systems of internal control include the following:

- The process of identifying business risks and the evaluation of their financial implications is carried out through regular reviews of the Company's Strategic Plan. The Company's Risk Management Framework process has been outlined above under the heading of "Principal Risks and Uncertainties". The latest Strategic Plan for the period 2017 to 2021 was formally adopted by the Board in December 2016;
- An annual budget approved by the Board and monthly consideration of actual results compared with budget forecasts;
- An Audit and Risk Committee which has been established to review and discuss, with the internal and external auditors, the Company's internal accounting controls, Internal Audit function, choice of accounting policies, internal and external audit plans, statutory auditors' report, financial reporting and other related matters;
- An Internal Audit function which reviews key business processes and controls;
- Formal codes of conduct for Directors and employees; and
- Procurement policies and procedures. These ensure, firstly, that procurement activities are carried out so as to provide value for money in terms of overall lifecycle costs and, secondly, that all relevant State Guidelines and EU Directives applicable to Public Utilities are complied with. The appropriate requirements of the Department of Public Expenditure and Reform Public Spending Code are being complied with.

The Board, through the Audit and Risk Committee, has reviewed the effectiveness of the system of internal control up to the date of approval of the financial statements.

A review of the effectiveness of the system of internal financial control was undertaken by the Internal Auditor and no significant control weaknesses which pose a significant risk of financial loss or operational disruption, that requires immediate attention at Board level, were revealed.

Compliance statement

The Directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the Companies Act 2014 (the "2014 Act")) and, as required by section 225 of the 2014 Act, the Directors confirm that:

(i) a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;

(ii) arrangements and structures have been put in place that they consider sufficient to secure material compliance with the Company's relevant obligations; and

(iii) a review of the arrangements and structures has been conducted during the financial year to which this Directors' report relates.

Political Donations

The Board made no political donations during the year.

Disclosure of Information to Auditors

The Directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Statutory Auditors

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit firm, continue in office in accordance with section 383(2) of the Companies Act, 2014.

On Behalf of the Board

Lucy McCaffrey
Eamonn O'Reilly

29th March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DUBLIN PORT COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Dublin Port Company (the 'Company')

In our opinion the Dublin Port Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Accounting Policies;
- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related notes 1 to 32.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("the relevant financial reporting framework").

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 described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report 2018, other than the financial statements and our auditor's report thereon. 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 or apparent material misstatements, 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibility for Financial Statements included in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the Directors determine is 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, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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), we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 entity 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 fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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 and the Directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the 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.

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

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal financial control required under the Code of Practice as included in the Corporate Governance Statement in the Directors Report does not reflect the Company's compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Sinéad McHugh
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

1st April 2019

ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated. The Company adopted FRS 102 for the first time in the 2015 financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the measurement of investment properties and certain financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when the amount of revenue and costs can be measured reliably; it is probable that future benefits will flow to the entity and when the specific criteria relating to each of the Company's sale channels have been met, as described below.

Port Dues:
Port Dues revenue arises from charges to port users and comprises of goods dues, vessel dues and other key services provided such as towage and pilotage. Goods Dues are charged by reference to a schedule of charges based on Standard International Trade Classifications. Vessel Dues are charged in respect of the arrival of a vessel and rates are based and chargeable on the greater of the net tonnage or half the gross tonnage of a vessel. Towage and Pilotage Services are charged based on usage.

Port Dues revenue is recognised by reference to the date of arrival of the vessel in the Port.

Rents:
Rental income arises mainly from port related rental properties and is recognised by reference to the period to which the rent relates. Rent is charged in accordance with the terms of the rental agreement.

Other Revenue:
Other revenue included in Turnover comprises Licence Fees and income from the Company's integrated Service Station and Truck Park. Revenue is recognised by reference to the period to which the income relates.

Other Income:
The Company also earns interest income and grant income. Each of these revenue streams are accounted for as set out below:

Interest Income:
Interest income is recognised using the effective interest rate method. Interest income is presented as 'interest receivable' in the Profit and Loss account.

Grant Income:
The Company applies the accruals model in the recognition of grant income.

Grants relating to revenue are recognised on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses already incurred with no future related costs is recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying amount of the asset.

Grants are not recognised until there is reasonable certainty that:

(i) the Company will comply with the conditions attaching to them; and

(ii) the grants will be received.

Where a grant becomes repayable it is recognised as a liability when the repayment meets the definition of a liability.

Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost at the date of transition to FRS 102, less accumulated depreciation and accumulated impairment losses, except for the Company's investment property which is stated at fair value. Please refer to separate policy on investment property below.

Cost includes the original purchase price, costs directly attributable to bringing the asset to its working location and condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Infrastructure assets are those assets characterised by having virtually infinite useful lives and which, in general, were constructed many years ago but are unlikely to be constructed in their existing format today. They include assets such as the North Bull Wall and Great South Wall. Infrastructure assets are carried at a nil valuation and the cost of their upkeep is charged to the Profit and Loss Account.

(ii) Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over the estimated useful lives as follows:

Buildings, quays, roads and terminals	50 years
Dock structures, dry docks and quays	30 - 50 years
Capital dredging	30 years
Floating craft	up to 30 years
Cranes	up to 30 years
Plant and machinery	2 - 30 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(iii) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iv) Assets in the course of construction

Assets in the course of construction are carried at cost. These assets are not depreciated until they are available for use.

(v) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in "Profit on disposal of assets".

Dredging

Capital dredging, which enhances Port access or infrastructure, is capitalised as part of the related fixed asset and depreciated over its estimated useful life.

Investment properties

The Company measures investment property at its cost on initial recognition. The cost of a purchased investment property comprises its purchase price and any directly attributable costs, such as professional fees for legal services, property transfer taxes and other transaction costs. Costs incurred in undertaking market studies before the purchase of a property are expensed as incurred.

Investment properties whose fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The Company engaged independent valuation specialists to determine fair value of investment properties at 31 December 2017. The key assumptions used to determine the fair value of investment property are further explained in note 11.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of the investment property, and changes to its value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount, which might otherwise have been included, cannot be separately identified or quantified.

ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of 10 years, on a straight-line basis. Software is not considered to have a residual value. Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances. Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

Impairment of non-financial assets

At each Balance Sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is estimated.

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value in use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Profit and Loss account, unless the asset has been re-valued when the amount is recognised in other Comprehensive Income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Profit and Loss account, unless the asset is carried at a revalued amount.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank deposits which have original maturity dates of more than three months are not cash and cash equivalents and are presented as current asset investments.

Restricted cash

Restricted Cash comprises cash held in escrow which is ring-fenced for specific financing arrangements, and to which we do not have access.

Inventories

Inventories are stated at cost. Inventories are consumable items and are recognised as an expense in the period in which they are used.

Cost includes cost of purchase, and where appropriate, import duties and transportation costs.

At the end of each reporting period, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its recoverable amount and an impairment charge is recognised in the Profit and Loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Profit and Loss account.

Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is the euro, denominated by the symbol "€" and unless otherwise stated, the financial statements have been presented in thousands ('000).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss account within 'interest payable/receivable'. All other foreign exchange gains and losses are presented in the Profit and Loss account within 'administration expenses'.

Employee benefits

The Company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements and post-employment benefits such as defined benefit and defined contribution pension plans and annual bonus arrangements, for certain employees.

(i) Short term benefits

Short term benefits, including wages and salaries, holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Company operates an annual bonus plan for certain employees. An expense is recognised in the Profit and Loss account when the Company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits

Defined contribution plan

The Company operates a defined contribution plan for its employees. 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 payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euro and that have terms approximating the estimated period of the future payments.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. For most plan assets this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

(a) the increase in pension benefit liability arising from employee service during the period; and

(b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'other finance cost'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on plan assets, less amounts included in net interest, are presented as 're-measurement of net defined benefit liability' in Other Comprehensive Income.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss account, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity. In this case tax is also recognised in other Comprehensive Income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

ACCOUNTING POLICIES (CONTINUED)

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total Comprehensive Income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Exceptional items
The Company's income statement separately identifies exceptional items. Exceptional items are those that in our judgement need to be disclosed separately by virtue of their size, nature or incidence. The Company believes that this presentation provides additional analysis as it highlights exceptional items. Such items include gains on disposal of assets and business restructuring costs to the extent they are significant.

In this regard the determination of 'exceptional items' as included in our definition uses qualitative and quantitative factors. Judgement is used by the Company in assessing the particular items, which by virtue of their size, nature and incidence, are disclosed in the Company income statement and related notes as exceptional items.

Reclassification
Certain immaterial prior year amounts have been reclassified to align with the current period presentation of those items.

Financial instruments
The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances and short term deposits, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

These liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. Transactions costs and fees are amortised over the life of the loan.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Derivatives
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate or foreign exchange derivatives.

(iv) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

Provisions and contingencies

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Distributions to equity holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity. Interim dividends are recognised when paid.

Share capital

Ordinary shares are classified as equity and are recognised at the proceeds received. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Turnover	5	90,374	85,497
Cost of sales		(28,941)	(26,222)
Gross Profit		**61,433**	**59,275**
Administrative expenses		(14,663)	(14,670)
Other operating income	6	618	1,907
Operating Profit	8	**47,388**	**46,512**
Interest receivable and similar income	7	973	254
Interest payable and similar charges	7	(506)	(422)
Net Interest Income /(Expense)		467	(168)
Profit on Ordinary Activities Before Taxation		**47,855**	**46,344**
Tax on profit on ordinary activities	10	(6,334)	(5,769)
Profit for the Financial Year		**41,521**	**40,575**

Turnover and Operating Profit arose solely from continuing activities.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Profit for the Financial Year		**41,521**	**40,575**
Re-measurement gain recognised on defined benefit obligations	30	2,377	34,853
Deferred tax related to re-measurement gain on defined benefit obligations	10	(297)	(4,357)
Other Comprehensive Income for the financial year, net of tax		**2,080**	**30,496**
Total Comprehensive Income for the financial year		**43,601**	**71,071**

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Fixed assets			
Tangible assets	11	496,190	417,734
Intangible assets	12	416	491
		496,606	**418,225**
Current assets			
Development land	13	1,246	1,246
Inventories	14	501	536
Debtors and prepayments	15	18,033	13,675
Cash at bank and in hand		43,254	21,924
Investments (including €53,181,000 (2017: €50,985,000) due after more than one year)	16	53,181	50,985
		116,215	**88,366**
Creditors – Amounts falling due within one year	17	**(11,985)**	**(12,193)**
Net current assets		**104,230**	**76,173**
Total assets less current liabilities		**600,836**	**494,398**
Creditors – Amounts falling due after one year	18	(146,625)	(71,959)
Provisions for liabilities			
Provision for post-employment benefit obligation	30	-	(398)
Other provisions for liabilities	21	(13,777)	(13,035)
Net Assets		**440,434**	**409,006**
Capital and reserves			
Called up share capital presented as equity	22	14,464	14,464
Capital conversion reserve fund	22	119	119
Profit and loss account		425,133	393,705
Capital contribution	22	718	718
Total equity		**440,434**	**409,006**

The financial statements on pages 30 to 61 were authorised for issue by the Board of Directors on 29th March 2019 and signed on its behalf.

On behalf of the Board

Lucy McCaffrey
Eamonn O'Reilly

29th March 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Called up share capital €'000	Capital conversion reserve fund €'000	Capital contribution €'000	Profit and loss account €'000	Total €'000
Balance at 1st January 2017	22	**14,464**	**119**	**718**	**334,347**	**349,648**
Profit for the year		-	-	-	40,575	40,575
Other Comprehensive Income for the year		-	-	-	30,496	30,496
Total Comprehensive Income for the year		-	-	-	71,071	71,071
Dividends	9	-	-	-	(11,712)	(11,712)
Balance as at 31st December 2017	22	**14,464**	**119**	**718**	**393,705**	**409,006**
Balance at 1st January 2018	22	**14,464**	**119**	**718**	**393,705**	**409,006**
Profit for the year		-	-	-	41,521	41,521
Other Comprehensive Income		-	-	-	2,080	2,080
Total Comprehensive Income for the year		-	-	-	43,601	43,601
Dividends	9	-	-	-	(12,173)	(12,173)
Balance as at 31st December 2018	22	**14,464**	**119**	**718**	**425,133**	**440,434**

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Net cash from operating activities	23	54,941	52,520
Taxation paid		(6,948)	(4,683)
Net cash generated from operating activities		**47,993**	**47,837**
Cash flows from investing activities			
Purchase of tangible assets		(89,207)	(78,316)
Purchase of intangible assets		-	(27)
Grants received		159	1,870
Grants repaid		-	(85)
Proceeds from disposal of tangible assets		-	381
Interest received		4	-
Net cash generated/(used) in investing activities		**(89,044)**	**(76,177)**
Cash flow from financing activities			
Loans raised		75,000	60,000
Repayment of loan		-	(35,000)
Dividends paid	9	(12,173)	(11,712)
Interest paid and similar charges		(446)	(1,010)
Net cash used in financing activities		**62,381**	**12,278**
Net increase/(decrease) in cash at bank and in hand		**21,330**	**(16,062)**
Cash and cash equivalents at the beginning of the year		**21,924**	**37,986**
Cash and cash equivalents at the end of the year		**43,254**	**21,924**
Cash and cash equivalents consists of:			
Cash at bank and in hand		43,254	21,924
Cash and cash equivalents		**43,254**	**21,924**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Dublin Port Company provides the infrastructure, facilities, services and hard standing to meet the needs of customers for the efficient transfer of goods and passengers between land and sea transport modes.

Revenue in connection with the provision of these facilities is generated from vessel dues, goods dues, rent and key services provided, such as towage and pilotage.

The Company is incorporated and domiciled in the Republic of Ireland. The address of its registered office is Port Centre, Alexandra Road, Dublin 1.

2. Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

3. Critical judgments and estimates in applying the Company's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended where necessary. See note 11 for the carrying amount of the Company's tangible assets and the Accounting Policies for the useful economic lives for each class of assets.

(ii) Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 30 for the disclosures relating to the defined benefit pension scheme.

4. Assets and liabilities acquired on Vesting Day

Under the provisions of the Harbours Act, 1996, the Company took over the functions carried on by the former Dublin Port and Docks Board on 3 March 1997 ("Vesting Day").

The cost to the Company of the assets acquired on Vesting Day was determined by the then Minister for Communications, Marine and Natural Resources. Liabilities (including pensions and capital grants) were taken over at their actual or determined amounts. Pension liabilities (see note 30) include those in respect of pre-Vesting Day pension entitlements of the Company's employees and the current and deferred pensioners of its predecessor entity, Dublin Port and Docks Board.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Assets and liabilities acquired on Vesting Day (continued)

The assets and functions of the Pilotage Committee, established under the Pilotage Act 1913, were transferred by operation of law to Dublin Port Company in July 1997, under the Harbours Act, 1996 (Commencement) (No. 3) Order 1997.

The consideration for the net assets transferred to the Company was satisfied by the creation and issue of 6.023 million ordinary shares of IR£1 (€1.27) each fully paid. One ordinary share is held by the Minister for Finance and the remainder are held by the Minister for Transport at 31 December 2018.

5. Turnover

	2018 €'000	2017 €'000
By class of business (all within Republic of Ireland)		
Port dues	76,424	70,992
Rents	12,951	13,244
Licences	614	620
Other	385	641
	90,374	**85,497**

6. Other Operating Income

	2018 €'000	2017 €'000
Revaluation of investment property	600	1,600
Profit on disposal of fixed assets	18	307
	618	**1,907**

7. Net Interest Expense

	2018 €'000	2017 €'000
(a) Interest payable and similar charges:		
- Interest on borrowings wholly repayable within five years	(506)	(570)
- Derivative financial liability	-	148
	(506)	(422)
(b) Interest receivable and similar income:		
- Interest receivable	4	-
- Net finance income-pension schemes (see note 30)	969	254
	973	254
(c) Net interest income/(expense)	**467**	**(168)**

8. Operating Profit

	2018 €'000	2017 €'000
Operating Profit has been arrived at after charging/(crediting):		
Depreciation (see note 11)	9,524	9,490
Amortisation of intangible assets (see note 12)	75	72
Amortisation of capital grants (see note 20)	(542)	(542)
Surplus on revaluation of investment properties (see note 6)	(600)	(1,600)
Impairment gain on trade receivables	7	-
Profit on disposal of tangible assets (see note 6)	(18)	(307)

Auditors remuneration:

Remuneration (including expenses) for the statutory audit and other services carried out by the Company's auditors is as follows:

	2018 €'000	2017 €'000
Audit of entity financial statements	43	42
Other assurance services	14	14
Other non-audit services	184	-
Tax advisory services	25	3
	266	**59**

External Support and Specialist Advisory Costs

	2018 €'000	2017 €'000
Legal Advice	333	308
Tax and Financial Advisory	100	102
Public Relations/Marketing	210	277
Pension and Human Resources	285	262
Engineering	1,251	509
Environmental	720	46
Other	266	273
Total Costs charged to the Profit and Loss Account	**3,165**	**1,777**
Costs Capitalised	7,483	7,507
Costs charged to the Profit and Loss Account	3,165	1,777
Total Costs	**10,648**	**9,284**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Operating Profit (continued)

Legal Costs and Settlements

	2018 €'000	2017 €'000
Settlements Paid	57	78
Settlements Received	(23)	(20)
Total	**34**	**58**

Travel and Subsistence Expenditure

	2018 €'000	2017 €'000
Domestic		
- Board	3	-
- Employees	20	8
International		
- Board	-	7
- Employees	138	116
Total	**161**	**131**

Hospitality Expenditure

	2018 €'000	2017 €'000
Staff Hospitality	123	94
Client Hospitality	158	120
Total	**281**	**214**

9. Dividend Paid

	2018 €'000	2017 €'000
Interim dividend paid of €1.052 per share (2017: €1.012 per share)	**(12,173)**	**(11,712)**

10. Taxation

(a) Tax expense included in Profit and Loss

	2018 €'000	2017 €'000
Current tax:		
Based on Port activity profits for the year:		
Corporation Tax at an effective rate of 12.5% (2017:12.5%)	(5,542)	(4,136)
Based on non-Port activity profits		
Corporation Tax at an effective rate of 25% (2017:25%)	(349)	(391)
	(5,891)	**(4,527)**
Adjustments in respect of prior periods	2	-
Total current tax	**(5,889)**	**(4,527)**
Deferred tax:		
Timing differences between pension contributions paid and pensions charged	(27)	(580)
Timing differences on accelerated Capital Allowances	(416)	(653)
Origination and reversal of other timing differences	-	(18)
Over provision in prior year	(2)	9
Total deferred tax	**(445)**	**(1,242)**
Total tax charge	**(6,334)**	**(5,769)**
(b) Tax expense included in other Comprehensive Income		
Deferred tax		
- Deferred tax related to defined benefit pension re-measurement gain	(297)	(4,357)
Total tax expense included in other Comprehensive Income	**(297)**	**(4,357)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Taxation (continued)

(c) Reconciliation of tax charge

The total Corporation Tax charge for the financial year is lower (2017: lower) than the total tax charge that would result from applying the standard rate of Irish Corporation Tax to profit on ordinary activities. The differences are explained below:

	2018 €'000	2017 €'000
Profit on Ordinary Activities Before Tax	47,855	46,344
Profit on ordinary activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2017:12.5%)	(5,982)	(5,793)
Effects of:		
Disallowable expenses	(252)	(27)
Non-taxable income	75	238
Passive income liable to tax at 25%	(175)	(196)
Adjustment to tax charge in respect of prior year	-	9
Total tax charge for the year	**(6,334)**	**(5,769)**

11. Tangible Assets

	Land and Buildings €'000	Terminals €'000	Dock Structures, Dry Docks and Quays €'000	Floating Craft €'000	Cranes €'000	Plant and Machinery €'000	Investment Property €'000	CIP €'000	Total €'000
Cost or valuation									
At 1 January 2018	137,351	210,802	104,177	16,440	3,370	25,329	7,900	64,730	570,099
Additions during year	5,605	62	23,054	225	-	1,174	-	57,260	87,380
Revaluation of Investment Property	-	-	-	-	-	-	600	-	600
Disposals	-	-	-	-	-	(57)	-	-	(57)
Transfer from CIP	2,543	-	17,503	-	-	-	-	(20,046)	-
At 31 December 2018	**145,499**	**210,864**	**144,734**	**16,665**	**3,370**	**26,446**	**8,500**	**101,944**	**658,022**
Accumulated Depreciation									
At 1 January 2018	17,772	84,168	28,704	4,596	3,370	13,755	-	-	152,365
Charge for year	2,158	2,954	2,657	592	-	1,163	-	-	9,524
Disposals	-	-	-	-	-	(57)	-	-	(57)
At 31 December 2018	**19,930**	**87,122**	**31,361**	**5,188**	**3,370**	**14,861**	**-**	**-**	**161,832**
Net Book Amounts									
At 1 January 2018	119,579	126,634	75,473	11,844	-	11,574	7,900	64,730	417,734
At 31 December 2018	**125,569**	**123,742**	**113,373**	**11,477**	**-**	**11,585**	**8,500**	**101,944**	**496,190**

The cost to the Company of assets acquired on Vesting Day, 3 March 1997, under the Harbours Act, 1996 was determined by the then Minister for Communications, Marine and Natural Resources in consideration for shares issued.

11. Tangible Assets (continued)

In 2018 €18,000 (2017: €307,000) profit on disposal of tangible assets was recognised (see note 6).

The investment property represents a 50% interest in freehold property and has been independently valued by Lisney as at 31 December 2018 on an open market valuation basis. The valuation represented the valuer's opinion of market value at 31 December 2018 and has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) published July 2017 by the Royal Institution of Chartered Surveyors. The valuer noted that values are subject to changes on account of market adjustments and other factors, and that values in the future may therefore be higher or lower than at the valuation date. The revaluation surplus of €0.6m million (2017: €1.6 million surplus) arising on this revaluation has been credited to the other operating income line of the Profit and Loss account.

12. Intangible assets

	2018 €'000
Cost or valuation	
At 1 January	1,571
Additions during year	-
At 31 December	**1,571**
Accumulated Amortisation	
At 1 January	1,080
Charge for year	75
At 31 December	**1,155**
Net Book Amounts	
At 1 January	491
At 31 December	**416**

Intangible assets comprise externally developed computer software which is amortised over their estimated useful lives using the straight-line method. Amortisation commences when the asset is ready for its intended use.

13. Development Land

The Company entered into a Development Agreement dated 6th July 1999 with Earlsfort East Point and Eastpoint (Development) Two Ltd. ("the Developer"), for a development comprising approximately 14 acres of land adjoining the East Point Business Park Development Phase I.

At 31 December 2018, a receivable of €1.246m remains outstanding relating to the final three sites of land (comprising approximately 6 acres of land) which are subject to this arrangement. The Directors are satisfied that the carrying value of this land is fully recoverable at 31 December 2018.

In addition to consideration for the land sold, the Company is also entitled to further consideration calculated based on a share of the net profits realised on the sale of the developed properties by Eastpoint (Development) Two Ltd.

The consideration under this agreement will be recognised in the financial statements in the period when it is realised by Dublin Port Company. No consideration was recognised during the year (2017: NIL).

The Company is currently engaged in discussions with the developer with a view to finalising the timeframe for receipt of both the consideration in respect of land and any further consideration to be received on the ultimate sale of the relevant properties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Inventories

	2018 €'000	2017 €'000
Consumable items	**501**	**536**

Inventory comprises consumable items, spare parts and stores used in the maintenance of plant. There was no material difference between the replacement cost of inventory and the above book amount.

Inventories are stated after provisions for impairment of €Nil (2017: €Nil).

15. Debtors – Amounts falling due within one year

	2018 €'000	2017 €'000
Trade debtors	13,664	11,756
VAT	697	1,030
Contributions receivable from pension scheme	2,327	733
Corporation Tax	910	-
Other receivables	435	156
	18,033	**13,675**

Trade debtors are stated after provisions for impairment of €14k (2017: €NIL).

16. Investments

	2018 €'000	2017 €'000
Defined benefit pension asset (see note 30)	53,181	50,985
	53,181	**50,985**

17. Creditors – Amounts falling due within one year

	2018 €'000	2017 €'000
Trade creditors	1,715	675
Accruals	8,466	9,948
Deferred income – grants (see note 20)	543	542
Professional Services Withholding Tax/Relevant Contracts Tax	737	214
Corporation Tax	-	148
Income tax deducted under PAYE	390	516
Pay related social insurance	134	150
	11,985	**12,193**
Creditors for taxation and social welfare included above	**1,261**	**1,028**

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

18. Creditors – Amounts falling due after one year

	2018 €'000	2017 €'000
Deferred income – grants (see note 20)	11,787	12,171
Bank Loans (see note 19)	134,838	59,788
	146,625	**71,959**

19. Bank Loans

	2018 €'000	2017 €'000
Bank Loans	134,838	59,788
	134,838	**59,788**
These loans are repayable in the following periods after the year end:		
Within one year	-	-
Between one and two years	-	-
Between two and five years	34,838	34,788
In more than five years	100,000	25,000
	134,838	**59,788**

Bank Loans are shown net of capitalised debt issue costs of €163k (2017: €212k) which are being amortised over the term of the debt.

The Company has put in place an agreement with Ulster Bank DAC, amounting to a €50m revolving credit facility. This facility is for an initial five year term with an option to extend for two one year periods, subject to bank approval. The facility is due for repayment in full in March 2022 subject to exercise of the extension option. €35m of the facility was drawn down at the year end.

The rate of interest on the loan is variable based on EURIBOR and the applicable margin. There is no tangible security held by Ulster Bank on this facility.

In December 2015 the Company entered into a Finance Contract with the European Investment Bank in respect of a €100m project finance facility. This facility is for a 20 year term of which was fully drawn down at year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Deferred Income

	2018 €'000	2017 €'000
Grants and contributions to fixed assets		
Opening Balance	12,713	11,470
Received during the year	159	1,870
Repaid during the year	-	(85)
Amortised to Profit and Loss Account during the year	(542)	(542)
Closing Balance	**12,330**	**12,713**
Creditors – amounts falling due within one year (see note 17)	543	542
Creditors – amounts falling due after one year (see note 18)	11,787	12,171
	12,330	**12,713**

Capital grants received from various authorities in respect of capital expenditure incurred are recorded as deferred income and released to the Profit and Loss Account over the expected useful lives of the relevant assets.

21. Provisions for Liabilities

The Company had the following deferred tax liabilities during the year:

	2018 €'000	2017 €'000
At 1 January	(13,035)	(7,436)
Additions dealt with in profit and loss	(445)	(1,242)
Additions dealt with in other comprehensive income	(297)	(4,357)
At 31 December	**(13,777)**	**(13,035)**

	2018 €'000	2017 €'000
Presented as:		
Deferred tax liabilities within provisions for liabilities	**(13,777)**	**(13,035)**

The provision for deferred tax consists of the following deferred tax assets/(liabilities):

	2018 €'000	2017 €'000
Defined Benefit pension scheme	(6,648)	(6,324)
Other timing differences	44	44
Accelerated capital allowances	(7,173)	(6,755)
	(13,777)	**(13,035)**

Deferred tax assets of €0.3m (2017: €0.3m) were not recognised in respect of capital losses on the basis that there is no likelihood of recovering the benefit from these tax losses.

22. Share Capital and Reserves

	2018 €'000	2017 €'000
Authorised		
96.5m ordinary shares of €1.25 each	**120,625**	**120,625**
Allotted, called up and fully paid – presented as equity		
11.571m ordinary shares of €1.25 each	**14,464**	**14,464**

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank dividends to the extent to which the total amount on each share is paid up.

Reserves
The opening balance, closing balance and movements in each reserve are outlined in the Statement of Changes in Equity. A description of each reserve is outlined below.

Called-up share capital
The authorised share capital of the Company comprises ordinary shares.

Capital conversion reserve fund
The ordinary shares of the Company were re-nominalised from €1.269738 each to €1.25 each in 2001 and the amount by which the issued share capital of the Company was reduced was transferred to a fund known as the Capital Conversion Reserve Fund.

	2018 €'000	2017 €'000
Capital conversion reserve fund	**119**	**119**

Capital contribution
On 12 July 2011, as permitted by the Harbours Acts, 1996 to 2009, the Minister for Transport, Tourism and Sport ordered that the functions of Dundalk Port Company be transferred to the Company. The assets and liabilities taken on by the Company as a result of this Ministerial Order have been recorded at their fair values at that date. A corresponding amount has been recognised as a Capital Contribution in Shareholders' Funds reflecting that the assets received and liabilities assumed are considered to be a contribution from the Company's principal shareholder.

	2018 €'000	2017 €'000
Capital contribution	**718**	**718**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Note to the statement of cash flow

	Notes	2018 €'000	2017 €'000
Profit for the financial year		**41,521**	**40,575**
Tax on profit on ordinary activities	10	6,334	5,769
Net interest (income)/expense	7	(467)	168
Operating Profit		**47,388**	**46,512**
Amortisation of capital grants	20	(542)	(542)
Depreciation of tangible assets	11	9,524	9,490
Amortisation of intangible assets	12	75	72
Revaluation of investment property	11	(600)	(1,600)
Profit on disposal of assets	6	(18)	(307)
Decrease/(Increase) in inventories		35	(16)
(Increase)/Decrease in debtors		(3,447)	3,488
Increase/(Decrease) in creditors		1,305	(190)
Change in relation to pension provision		1,221	(4,387)
Net cash inflow from operating activities		**54,941**	**52,520**

24. Commitments

At 31 December, the Company had the following capital commitments:

	2018 €'000	2017 €'000
Future capital expenditure not provided for		
Contracted for	102,736	68,612
Authorised by the Directors but not contracted for	14,390	-
	117,126	**68,612**

25. Lessor Operating Leases

Total operating minimum lease payments receivable under non-cancellable operating leases are as follows:

	2018 €'000	2017 €'000
Land		
One year	11,943	10,065
Two to five years	41,336	39,102
Greater than five years	318,853	307,521
	372,132	**356,688**

The Company earned €12.9m (2017: €13.2m) in rental income for the year. The above amounts represent future rental income receivable over the life or up to the first break clause of the operating lease agreements in place as at 31 December 2018.

26. Financial Instruments

The Company has the following financial instruments:

	2018 €'000	2017 €'000
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	13,664	11,756
Other debtors	435	156
	14,099	**11,912**
Cash at bank and in hand	**43,254**	**21,924**
Financial liabilities measured at fair value through profit or loss:		
Derivative financial instruments	-	-
Financial liabilities measured at amortised cost:		
Bank loans	134,838	59,788
Trade creditors	1,715	675
Other creditors	8,466	9,948
	145,019	**70,411**

27. Directors' Remuneration

	2018 €'000	2017 €'000
Emoluments	390	380
Contributions to retirement benefit schemes		
- Defined benefit	176	180

Retirement benefits are accruing to two Directors (2017: two Directors) under defined benefit schemes.

The Directors do not participate in any long term incentive schemes nor do they have any equity interests in the Company. There were no payments during the year (2017: NIL) in respect of compensation for loss of office or other termination payments.

Included in the above is the remuneration package of the Chief Executive made up as follows:

	2018 €'000	2017 €'000
Director's Fees	13	13
Salary	185	185
Other Benefits including Pension Costs and Taxable Benefits	161	161
	359	**359**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Directors' Remuneration (continued)

Directors' Fees

	2018 €	2017 €
L McCaffrey	21,600	21,600
E O'Reilly	12,600	12,600
P Bates	9,062	12,600
H Collins	12,065	-
G Darling	12,600	12,600
E Finnan	8,440	12,600
M Hand	10,822	-
J Moore *	-	8,855
K Nolan *	12,600	3,245
	99,789	**84,100**

*In Addition to the Directors' fees, Mr Moore and Mr Nolan were paid as employees of Dublin Port Company.

Key management compensation

The compensation paid or payable to key management is shown below:

	2018 €'000	2017 €'000
Salaries and other short term benefits	1,812	1,588
Post-employment benefits	362	354
Total key management compensation	**2,174**	**1,942**

The key management compensation amounts disclosed represents compensation to those people having the authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel include Board Members and members of the executive management team. The amounts stated above are inclusive of employer's PRSI.

28. Employees

	2018 €'000	2017 €'000
Staff costs comprise:		
Wages and salaries	11,467	10,373
Allowances	356	351
Overtime	418	307
Social insurance costs	1,153	942
Other pension costs - Defined Benefit Schemes (see note 30)	1,275	2,161
Other pension costs - Defined Contribution Scheme (see note 30)	591	300
	15,260	**14,434**

Of the total staff costs €910,000 (2017: €595,000) has been capitalised into tangible fixed assets and €14,350,000 (2017: €13,839,000) has been treated as an expense in the Profit and Loss account.

The average number of persons employed by the Company during the year was 163 (2017: 148).

Short-term employee benefits

€	2018 No. of Employees in Band	2017 No. of Employees in Band
50,000 – 74,999	76	67
75,000 – 99,999	37	36
100,000 – 124,999	14	10
125,000 – 149,999	1	5
150,000 – 174,999	4	1
175,000 – 199,999	2	1

Short-term employee benefits in relation to services rendered during the reporting period include salary, overtime, allowances and other payments, but exclude employer's PRSI.

29. Related Party Transactions

In accordance with FRS102 the Company is exempt from disclosure of transactions with other state owned entities.

As noted in note 1, one ordinary share is held by the Minister for Finance and the remainder are held by the Minister for Transport at 31 December 2018.

No Board member, who would be regarded as a related party, or members of key management staff have undertaken any material transactions with the Company during the year.

As noted in note 15, there is €2.3m due to the Company from the pension funds (2017: €0.7m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Post-employment benefits

The Company operates four defined benefit pension schemes and a defined contribution pension scheme. On 1 January 2005 the defined benefit schemes were closed to new entrants.

Defined Contribution Scheme

Employees joining the Company after 1 January 2005 are members of the defined contribution scheme. Contributions are paid by the members and by the Company at fixed rates. During the year the Company contributed €591k (2017: €300k) to the defined contribution scheme and this amount was charged to the Profit and Loss account. Irish Pensions Trust Limited, an independent professional trustee Company, is the sole trustee of the defined contribution scheme.

Defined Benefit Schemes

(a) The Company operates four defined benefit pension schemes based on final pensionable salaries for eligible employees, including employees and former employees of Dundalk Port Company and the Company's predecessor entity, Dublin Port & Docks Board.

The four schemes are administered by trustees. The schemes are "The Dublin Port Superannuation Fund 1996", "The Dublin Port Company Pilots Superannuation Fund", "The Dublin Port Company Chief Executive Retirement Benefits Scheme" and "The Dublin Port Company Pension Scheme for Former Employees of Dundalk Port Company".

The Company and scheme members appoint the trustees of the Dublin Port Superannuation Fund 1996. The most recent member trustee election for the Dublin Port Superannuation fund 1996 was held in 2017 and the appointment of four candidates was ratified by the Board at its meeting on 8 December 2017. In addition to the four member trustees, the Company also appointed a further four trustees.

Irish Pensions Trust Limited, an independent professional trustee Company, is the sole trustee of the other three Schemes.

There are no unfunded schemes in place as at 31 December 2018.

(b) Actuarial Valuation

The funding position of the four defined benefit schemes is assessed in accordance with the advice of independent actuaries. The funding position is formally assessed at three yearly intervals.

The Company intends to make regular contributions to the four schemes in accordance with the recommendations set out by the actuaries in the relevant actuarial reports for each scheme.

The most recent applicable actuarial valuation reports for the main defined benefit schemes were prepared at 1 January 2018. The reports were completed by Mercer, who are neither officers nor employees of the Company. The valuation reports at 1 January 2018 are available for inspection by scheme members but not for public inspection.

The next valuation reports for these schemes are due to be prepared as at 1 January 2021.

30. Post-employment benefits (continued)

Minimum Funding Standard valuation basis (unaudited information):

The four defined benefit schemes are required to meet the Minimum Funding Standard (MFS) in accordance with Section 44 of the Pensions Act, 1990 (as amended). The MFS, in general terms, measures whether accumulated assets cover liabilities accrued to members, assuming the schemes were wound up at the valuation date. The assumptions on which the MFS liability is determined are prescribed in legislation and actuarial guidance. The most recently completed actuarial funding certificates for the main defined benefit schemes were submitted to the Pensions Authority with an effective date of 31 December 2017 and confirmed that the schemes satisfied the MFS at that date.

Following the actuarial review at 1 January 2019, it was found that four defined benefit schemes would have met the MFS as at 1 January 2019. Overall assets of the schemes were €274.1m and overall liabilities under the MFS were €198.3, resulting in an aggregate surplus of €75.8m on the MFS basis.

Long-term valuation basis (unaudited information):

The Company's intention is to continue to provide funding in accordance with the actuary's recommendation to ensure that the schemes continue to operate and provide for pension payments in the long term future.

The valuations at 1 January 2018 for such funding purposes were prepared using an actuarial valuation method known as the "attained age" method. The principal actuarial assumptions adopted in the valuation were that the annual rate of return on investments before retirement would be 1.00% per annum, the annual rate of return on investments after retirement would be 1.00% per annum, the increase in salaries would be 2.50% for 2018-2022 and 3.0% per annum thereafter; the increase in pensions in payment would be 1.75% per annum. Under this valuation method at 1 January 2018, overall assets were €281.8m and overall accrued liabilities were €264.9m. This resulted in an aggregate surplus of €16.9m and a funding ratio (assets: liabilities) as at 1 January 2018 of 106%.

Following an interim actuarial review at 1 January 2019 overall assets were €274.1m and overall liabilities measured under this valuation method were €261.2m resulting in an aggregate surplus of €12.9m and a funding ratio (assets:liabilities) as at 1 January 2019 of 105%.

The next formal valuations will be prepared at 1 January 2021.

30. Post-employment benefits (continued)

(c) FRS 102 – Section 28 – "Employee Benefits"

The defined benefit obligations of the Company have been valued by independent actuaries for the purposes of section 28 of FRS 102 based on data provided for an actuarial valuation of the schemes as at 31 December 2018. As required by section 28 of FRS 102 the valuation was prepared using an actuarial valuation method known as the "projected unit credit" method. As the schemes are closed to new entrants, the schemes have an age profile that is rising and therefore under the projected unit method the current service cost will increase as members of the scheme approach retirement.

Financial Assumptions:

The main financial assumptions to calculate the benefit obligations (liabilities) under section 28 of FRS 102 at the Balance Sheet date were:

	31 December 2018	31 December 2017
Rate of interest applied to discount benefit obligations	2.00%	1.90%
Projected rate of increase of salaries	2.5% for 2019-2022, 3% thereafter	2.5% for 2018-2022, 3% thereafter
Projected rate of increase of pensions in payment	1.75%	1.75%
Rate of increase of pensions in deferment	1.75%	1.75%
CPI Inflation	1.75%	1.75%

The discount rate used in the calculation of the pension liability is determined by reference to market yields at the Balance Sheet date on high quality corporate bonds. The currency and term of the corporate bonds is consistent with the currency and estimated term of the benefit obligations. Having regard to the duration of the scheme benefit obligations, a discount rate of 2.00% was adopted at 31 December 2018.

Demographic Assumptions:

The assumptions relating to the life expectancy at retirement for members is set out below:

	2018		2017	
	Male Years	Female Years	Male Years	Female Years
Current members age 40 (life expectancy at age 65)	24.6	26.5	24.5	26.5
Current pensioners age 65 (life expectancy at age 65)	22.4	24.3	22.3	24.2

Scheme Assets:

The investment allocations of assets at the Balance Sheet date were:

Asset Class	Proportion of Scheme assets at 31 December 2018	Proportion of Scheme assets at 31 December 2017
Bonds	90.93%	83.13%
Property	0.13%	0.16%
Other	8.94%	16.71%
	100.0%	**100.0%**

Under FRS102, the expected return on assets is set equal to the discount rate.

30. Post-employment benefits (continued)

The fair value of the assets in the pension schemes at the Balance Sheet date were:

	Fair value at 31 December 2018 €'000	Fair value at 31 December 2017 €'000
Bonds	249,258	234,277
Property	363	463
Other	24,503	47,064
Total Fair value of Assets	**274,124**	**281,804**

The amounts recognised in the statement of financial position are as follows:

	31 December 2018 €'000	31 December 2017 €'000
Fair value of scheme assets	274,124	281,804
Defined benefit obligation	(220,943)	(231,217)
	53,181	**50,587**
Presented in financial statements as follows:		
Investments – surplus on funded schemes (see note 16)	53,181	50,985
Provision for post-employment benefit obligation – unfunded schemes	-	(398)
Net defined benefit asset	**53,181**	**50,587**

Analysis of the amounts included in the Profit and Loss Account:

	2018 €'000	2017 €'000
Cost (excluding interest)		
Current service cost	(1,275)	(1,699)
Past service cost	-	(462)
	(1,275)	**(2,161)**
Net interest cost		
Interest income on scheme assets	5,273	4,878
Interest on pension scheme benefit obligations	(4,304)	(4,624)
Net interest income	**969**	**254**
	(306)	**(1,907)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Post-employment benefits (continued)

The Profit and Loss charge includes the following cost/credit due to changes in plan provisions:

Past Service Cost: A past service cost arises in 2017 in respect of the additional benefits arising during the year.

Analysis of the re-measurements amounts recognised in other Comprehensive Income:

	2018 €'000	2017 €'000
Return on plan assets (excluding interest income)	(4,389)	(525)
Effect of experience adjustments	3,515	(4,692)
Effect of changes in assumptions	3,251	40,070
Total re-measurements included in other Comprehensive Income	**2,377**	**34,853**

Movement in scheme assets and benefit obligations

	Assets €'000	Benefit obligations €'000	Net (deficit)/surplus €'000
At 31 December 2016	279,998	(268,905)	11,093
Current service cost	-	(1,699)	(1,699)
Past service credit	-	(462)	(462)
Interest on scheme benefit obligations	-	(4,624)	(4,624)
Interest income on scheme assets	4,878	-	4,878
Return on scheme assets (excluding interest income)	(525)	-	(525)
Re-measurement due to experience adjustments	-	(4,692)	(4,692)
Re-measurement due to change in assumptions	-	40,070	40,070
Members' contributions	283	(283)	-
Benefits paid from scheme	(9,378)	9,378	-
Employer contributions	6,548	-	6,548
As at 31 December 2017	**281,804**	**(231,217)**	**50,587**

Movement in scheme assets and benefit obligations

	Assets €'000	Benefit obligations €'000	Net (deficit)/surplus €'000
At 31 December 2017	281,804	(231,217)	50,587
Current service cost	-	(1,275)	(1,275)
Past service credit	-	-	-
Interest on scheme benefit obligations	-	(4,304)	(4,304)
Interest income on scheme assets	5,273	-	5,273
Return on scheme assets (excluding interest income)	(4,389)	-	(4,389)
Re-measurement due to experience adjustments	-	3,515	3,515
Re-measurement due to change in assumptions	-	3,251	3,251
Members' contributions	310	(310)	-
Benefits paid from scheme	(9,397)	9,397	-
Employer contributions	523	-	523
As at 31 December 2018	**274,124**	**(220,943)**	**53,181**

The employer expects to contribute €0.2 million to the pension schemes in 2019.

30. Post-employment benefits (continued)

Sensitivity Analysis of Scheme Benefit obligations:

The sensitivity of the defined benefit obligation to changes in the mortality assumptions is set out below:

	2018 Existing Assumption	2018 -1 Year	2018 +1 Year
Current Male Member age 40 (Life Expectancy at age 65)	24.6	23.8	25.5
Current Male Pensioner age 65 (Life Expectancy at age 65)	22.4	21.5	23.2
Benefit obligations (€'000)	220,943	213,101	228,885
Change in benefit obligations (€'000)		7,842	(7,942)
% Change (as % of original)		3.5%	(3.6%)

The sensitivity of the defined benefit obligation to changes in the discount rate is set out below:

	2018 Existing Assumption	2018 -0.25%	2018 +0.25%
Discount Rate	2.00%	1.75%	2.25%
Benefit obligations (€'000)	220,943	229,147	213,089
Change in benefit obligations (€'000)		(8,204)	7,854
% Change (as % of original)		(3.7%)	3.6%

31. Events after the reporting date

There have been no events between the Balance Sheet date and the date on which the financial statements were approved by the Board, which would require adjustment to the financial statements or any additional disclosures.

32. Approval of the Financial Statements

The Directors approved the financial statements on 29th March 2019.

PORT STATISTICS (UN-AUDITED)

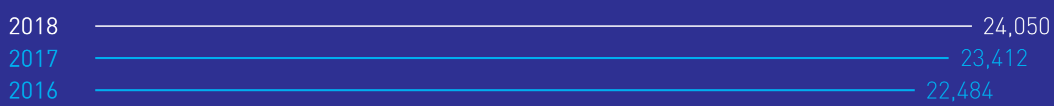
The financial statements cover the year ended 31 December 2018 together with comparative figures for 2017.

For comparison purposes, the un-audited statistics reproduced below cover trade for Dublin Port Company for the calendar years 2016 – 2018.

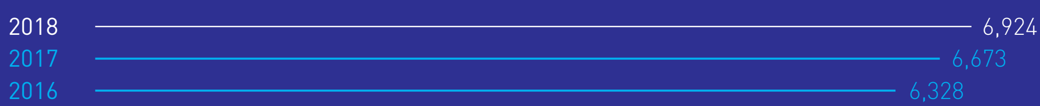
	2018	2017	2016
Vessels – Total Arrivals	**7,969**	**7,802**	**7,749**
Throughput ('000 tonnes)			
Ro-Ro	24,050	23,412	22,484
Lo-Lo	6,924	6,673	6,328
Bulk Liquid	4,621	4,281	4,017
Bulk Solid	2,375	2,034	2,053
Break Bulk	24	22	47
	37,994	**36,422**	**34,929**
Ro-Ro units ('000)	**1,032**	**992**	**945**
Lo-Lo TEU's ('000)	**726**	**698**	**664**
Passenger Numbers (millions)	**1.8**	**1.8**	**1.8**

Vessels – Total Arrivals

Ro-Ro ('000 tonnes)



Lo-Lo ('000 tonnes)



Bulk Liquid ('000 tonnes)

2018	4,621
2017	4,281
2016	4,017

Bulk Solid ('000 tonnes)

2018	2,375
2017	2,034
2016	2,053

Break Bulk ('000 tonnes)

2018	24
2017	22
2016	47

Ro-Ro units ('000)

2018	1,032
2017	992
2016	945

Lo-Lo TEU's ('000)

2018	726
2017	698
2016	664

Passenger Numbers (millions)

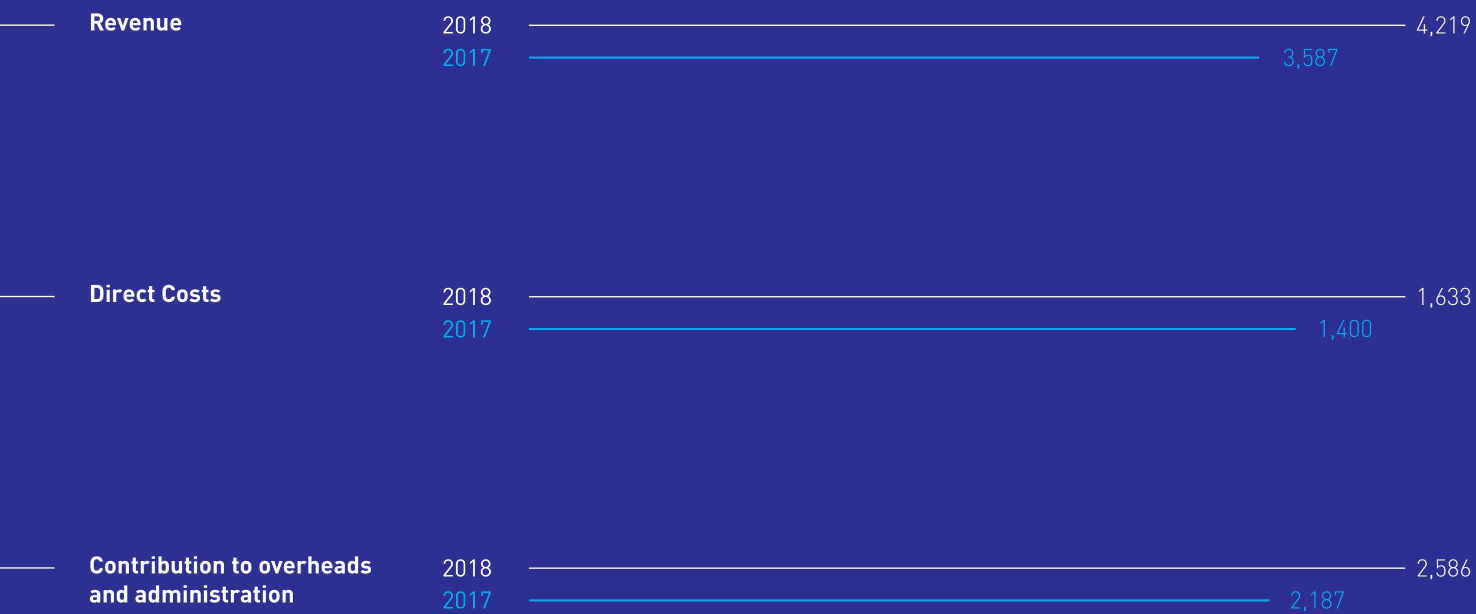
2018	1.8
2017	1.8
2016	1.8

TOWAGE ACCOUNTS (UN-AUDITED)

The Port Services Regulation (Regulation 2017/352) was introduced by the European Parliament on 15 February 2017. The Regulation establishes a framework for the provision of port services and common rules on the financial transparency of ports.

The financial contribution statement in respect of the Company's towage service for the year ended 31 December 2018, together with comparative figures for 2017, is set out below:

	2018 €'000	2017 €'000
Revenue	4,219	3,587
Direct Costs	1,633	1,400
Contribution to overheads and administration	**2,586**	**2,187**



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Alexandra Basin Redevelopment Project

Facilitating growth at Ireland's No.1 Port

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