DÚN LAOGHAIRE HARBOUR COMPANY

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2011

ANNUAL REPORT
for the year ended 31 December 2011

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COMPANY INFORMATION

DIRECTORS	Sean Costello υ - Chairman Gerry Dunne – Chief Executive Victor Boyhan υ Betty Coffey Patrick Cowhey* Seighin Lennon Donald McManus* Gerry Nagle υ Eithne Scott Lennon

* Member of Audit Committee
υ Member of Remuneration Committee

SECRETARY	Adele O'Connell
REGISTERED OFFICE	Harbour Lodge, Crofton Road, Dún Laoghaire, Co. Dublin.
REGISTERED NUMBER OF INCORPORATION	262366
SOLICITORS	Dillon Eustace Solicitors, 33 Sir John Rogerson Quay, Dublin 2. Mason Hayes Curran Solicitors, South Bank House, Barrow Street, Dublin 4. Felton McKnight Solicitors, Church Road, Greystones, Co Wicklow.

COMPANY INFORMATION (Continued)

BANKERS	Bank of Ireland, Dún Laoghaire, Co. Dublin. Investec Bank (UK) Limited, The Harcourt Building, Harcourt Street, Dublin 2.
AUDITORS	Deloitte & Touche, Chartered Accountants and Registered Auditors Deloitte & Touche House, Earlsfort Terrace, Dublin 2.

CHAIRMAN'S REPORT
for the year ended 31 December 2011

INTRODUCTION

As Chairman of the company, I am pleased to present the company's fifteenth Annual Report.

COMPANY OPERATIONS, PROFITABILITY AND STATE OF AFFAIRS

Total revenue for the year at €6,835,439 decreased by 36% on the previous year.

Operating expenditure excluding exceptional expenditure decreased from €6,482,809 in 2010 to €5,504,193 in 2011, a decrease of 15.1%.

Loss before taxation was €346,068 in 2011. This compares with a profit before tax of €1,363,964 in 2010.

Loss after tax amounted to €829,202.

After deducting the loss after tax for 2011 and deducting an actuarial loss in respect of the Company's pension fund (net of deferred taxation) of €1,117,375, the company has Profit and Loss Reserves of €30,543,805 carried forward to 2012.

COMMERCIALLY SIGNIFICANT DEVELOPMENTS DURING 2011

The Harbour Masterplan was adopted by the Board in October 2011. This is the blueprint for the long-term sustainable development of the harbour as a marine, leisure tourism destination of international calibre. There are many exciting projects within the Masterplan, including the Irish International Diaspora Centre.

The Company has made substantial progress in restructuring its business and has reduced total operating costs by a substantial 15%, with staff numbers now down to 24 versus 42 in 2009.

SIGNIFICANT FUTURE DEVELOPMENTS

The 2011 Harbour Masterplan outlines the 20 year Vision for the future development of the harbour and estate. It provides a framework for a range of projects which can be phased over the next 8 years in association with development and funding partners to incrementally leverage the economic opportunity of the urban leisure harbour-front. The Company has modelled the development proposition with its Masterplan team and, notwithstanding the uncertainties of the current property market in general, we are confident that unique location value can be realised through integrated roll-out and management of the three key elements; marine leisure and tourism, tourism visitor destination and commercial waterfront development. The Company will structure the commercial project to maximise its own long term income development and its operational control of the ground-level environment.

CHAIRMAN'S REPORT (Continued)
for the year ended 31 December 2011

SIGNIFICANT FUTURE DEVELOPMENTS (Continued)

Funding of the commercial projects will be entirely by the development partnership of the project developer(s) and the Company using a combination of debt and equity. The Company's future plan allows for a working capital injection of €5m into these projects between 2014 and 2017. The project debt will carry no recourse to the Company greater than the asset under development and risk will therefore be externalised to the development partner.

The landmark tourism projects will be funded by tailored models to reflect the wider economic gains. The signature project for the harbour will be the €50m International Diaspora Centre, funding for which will be sourced from the EU Structure Funds, EIB, private equity and other sources in association with national tourism development investment. The €18m Cruise Berth will be similarly funded from a range of sources reflecting its local, regional and national economic impacts.

The €220m masterplan development will release very significant economic benefits including 1,000 local direct-employment jobs and 600 indirect-employment jobs in the region as well as approximately 280 construction jobs during the development phase (figures do not include the benefits arising from the Cruise Berth).

CHAIRMAN'S REPORT
for the year ended 31 December 2011 (Continued)

Affirmation of Procedures

I confirm that all appropriate procedures for financial reporting, internal audit, travel, procurement and asset disposals have been complied with.

I confirm that the requirements of the Harbours Acts 1996-2009 or any other enactment in relation to the accounts of the company and statements as to the financial affairs of the company have been complied with.

SYSTEM OF INTERNAL FINANCIAL CONTROL

I confirm compliance with Appendix V of the Code of Practice for the Governance of State Bodies as follows:

1. I acknowledge that the Board is responsible for the company's system of internal financial control;

2. Such a system can provide only reasonable and not absolute assurance against material error;

3. The following key procedures have been put in place by the Board, designed to provide effective internal financial control:

    a. establishment of a clearly defined management structure
    b. business risks are identified as part of the business planning process. Where appropriate, based on the advice of the Chief Executive, independent professional advisors are employed to advise the Board on the management of the risks identified
    c. annual business plan submitted to, and approved by, the Board
    d. establishment of authorisation limits for expenditure
    e. regular review of the financial results at Board level
    f. assessment of results versus budgets previously approved by the Board on a quarterly basis
    g. approval of major contracts at Board level
    h. establishment of an audit committee to independently review the financial results of the company and to meet independently with the external auditors of the company.

CHAIRMAN'S REPORT
for the year ended 31 December 2011 (Continued)

SYSTEM OF INTERNAL FINANCIAL CONTROL (Continued)

4. I confirm that there has been a review of the effectiveness of the system of internal financial control.

5. I confirm that the company has engaged appropriate external expertise to carry out its internal audit function, which operates in accordance with the Framework Code of Best Practice set out in Appendix II of the Code.

6. I confirm that the requirements for procurement, in accordance with Section 15 of the Code, have been fulfilled.

7. I confirm that this statement of internal financial control has been reviewed by external auditors.

Codes of Conduct

I confirm that the Codes of Conduct for Directors and Employees fully comply with section 5 and Appendix II of the Code, that these Codes have been put in place and adhered to and that these are available upon request with a copy of each such code being accessible through the company's web site.

I confirm that each board member and each person holding a designated position of employment in the company has complied with the statutory obligations imposed by the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

Remuneration

I confirm that:

- Government and Departmental policy on the pay of Chief Executives and all State body employees are being complied with; and

- Government guidelines on the payment of Directors' fees are being complied with.

I confirm that as per section 7.7 of the Code, a schedule of the fees and aggregate expenses paid to each of the Directors is included with this report.

CHAIRMAN'S REPORT
for the year ended 31 December 2011 (Continued)

CHAIRMAN'S & DIRECTORS' FEES

During the year fees of €19,170 were paid to the chairman and fees of €126,000 were paid to the other members of the Board. The fees were paid in accordance with Government Guidelines.

A schedule of fees and aggregate expenses paid to each director is set out below:

	FEES	EXPENSES
S. Costello	€19,170	-
G. Dunne	€12,600	€4,690
V. Boyhan	€12,600	€249
B. Coffey	€12,600	-
P. Cowhey	€12,600	€54
J. Dillon Byrne	€12,600	-
S. Lennon	€12,600	€259
D. McManus	€12,600	-
G. Nagle	€12,600	€1,611
E. Scott Lennon	€12,600	-
C. Smyth	€12,600	-

Details of other Director's remuneration are set out in note 7.

A list of attendance at Board meetings is set out below:

	Number attended	Total Number
S. Costello	8	9
G Dunne	9	9
V. Boyhan	8	9
B. Coffey	5	9
P. Cowhey	8	9
J. Dillon Byrne	8	9
S. Lennon	9	9
D. McManus	9	9
G. Nagle	6	9
E. Scott Lennon	8	9
C. Smyth	8	9

CHAIRMAN'S REPORT
for the year ended 31 December 2011 (Continued)

TRAVEL AND SUBSISTENCE

The company complies with circulars and instructions issued by the Department of Finance concerning travel, subsistence and associated expenses as set out in Circular 11/1982 (Circular 18/20006 and Circular letter 31/3/1998 also refer) and any amendments thereto.

I would like to conclude by thanking my fellow Directors, Management and Staff for their commitment, hard work and dedication, which in very challenging circumstances, has delivered a satisfactory financial results for the company in 2011.

Chairman

Date: 25/4/12

DIRECTORS' REPORT
for the year ended 31 December 2011

The Directors present herewith their report and audited financial statements for the year ended 31 December 2011.

LEGAL STATUS
Dún Laoghaire Harbour Company is a limited liability company established pursuant to the Harbour's Act, 1996.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS AND ITS PRINCIPAL ACTIVITIES
The company is engaged in the management, control, operation and development of Dún Laoghaire Harbour. The review of activities is contained in the Chairman's report.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2011
The profit and loss account for the year ended 31 December 2011 and the balance sheet at that date are set out on pages 19 and 21 respectively. A commentary on the results for the year and state of affairs is included in the Chairman's Report.

RESULTS AND DIVIDENDS
The Directors of the company do not propose the payment of a dividend for the year. The loss for the year of €829,202 has been carried forward to reserves.

DIRECTORS
A list of the current Directors is shown on Page 2.

The following changes in directorships took place during 2011 and to date:

The five year term of office of Cllr Jane Dillon Byrne and Cllr Carrie Smyth as directors of the board expired on 19th April 2012.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES
None of the Directors or Secretary or their immediate families holds shares in the company at the 31 December 2011 and the 1 January 2011.

SHAREHOLDING
The Minister for Transport beneficially holds all the share capital of the company.

POLITICAL DONATIONS
The company did not make any political donations during the year.

GOING CONCERN
The Directors are satisfied that the company has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on a going concern basis.

DIRECTORS' REPORT
for the year ended 31 December 2011 (Continued)

PROMPT PAYMENTS OF ACCOUNTS ACT, 1997
The Directors are satisfied that procedures are in place to ensure that the company is compliant with the Prompt Payment of Accounts Act, 1997 in all material respects.

TAXATION STATUS
The taxation status of the company is dealt with in the Chairman's report under "Company Operations and Profitability".

FUTURE DEVELOPMENTS OF THE BUSINESS
The significant development plans expected in the forthcoming years are set out in the Chairman's report.

CORPORATE GOVERNANCE
The Directors are committed to maintaining the highest standards of corporate governance as set out in the Code of Practice for the Governance of State Bodies issued by the Department of Finance in May 2011. The main areas covered by this are as follows:

REPORTING ARANGEMENTS AND REQUIREMENTS
It is the company's aim, at all times, to comply with the agreed reporting requirements of the Department of Transport and other government departments as required on a timely and accurate basis.

AUDIT COMMITTEE
The audit committee is a sub committee of the main Board and normally comprises three members. The main function of the audit committee is to review and monitor the financial reporting process, including audit activities, so as to give additional assurance regarding the reliability of the company's financial information.

FINANCIAL REPORTING
All appropriate procedures for financial reporting both to the Board and to the Shareholders are being carried out.

INTERNAL AUDIT
Noel Ryan & Associates. Public Certified Accountants, act as internal auditors to the company. The purpose of the internal audit function is to evaluate whether internal controls are adequate and operating effectively.

Noel Ryan & Associates reports to the Audit Committee.

PUBLIC PROCUREMENT
The company is fully committed to best practice in relation to the regulations governing public procurement procedures. The requirements for procurement, in accordance with Section 15 of the Code of Practice for the Governance of State Bodies have been fulfilled.

DIRECTORS' REPORT
for the year ended 31 December 2011 (Continued)

CORPORATE GOVERNANCE (Continued)

DISPOSAL AND ACQUISITION OF ASSETS
All appropriate procedures in relation to asset disposals and acquisitions are being carried out. The company complies with the requirements of Section 18 of the Code of Practice for the Governance of State Bodies with regard to the 'Disposal of Assets and Access to Assets by Third Parties' and with the provision of Section 15 of the Act relating to land transactions.

ESTABLISHMENT OF SUBSIDIARIES, PARTICIPATION IN JOINT VENTURES AND THE ACQUISITION OF SHARES BY STATE BODIES
We can confirm that no such transactions took place in the year ending 31st December 2011.

DIVERSIFICATION
We can confirm that the company did not engage in any diversification in the year ending 31st December 2011.

DISCLOSURE OF DIRECTORS OF CERTAIN INTERESTS
We can confirm that the company complies with Section 32 of the Harbour Act 1996, which contains detailed provisions regarding disclosure by directors of certain interests.

NUMBER OF EMPLOYEES
The average number of employees that are expected to be employed during 2012 is 24.

SIGNIFICANT POST BALANCE SHEET EVENTS
There are no significant post balance sheet events.

CAPITAL INVESTMENT
The company complies with the Guidelines for the Appraisal and Management of Capital Expenditure Proposals.

REPORTING ARRANGEMENTS
The company complies with the reporting requirements of Section 10 of the code of practice for the Governance of State Bodies during 2011.

STATEGIC AND CORPORATE PLANNING
The company submitted an annual rolling five year business and financial plan to the Department in the first six months of 2011.

TAX COMPLIANCE
The company has complied with its obligations under tax law.

OFFICIAL LANGUAGES ACT 2003
The company is in a position to publish its annual report and audited accounts simultaneously in both official languages, in accordance with the provisions of section 10 (b) and (c) of the Official Languages Act 2003.

DIRECTORS' REPORT
for the year ended 31 December 2011 (Continued)

CORPORATE GOVERNANCE (Continued)

RISK ANALYSIS

The directors consider that the following are the principal risk factors that could materially and adversely affect the company's future operating profits or financial position. The company has controls in place to limit each of these potential exposures and management and the board regularly review, reassess and proactively limit the associated risks:

- Damage to, or loss of, the company's fixed assets.
- Legal actions by third parties.
- Loss of contract revenues from ferry operator.
- Loss of other revenues.
- Overruns on capital projects.

The controls in place to limit exposure to the above risks include:

- Insurance cover in place to protect against damage to or loss of the company's fixed asset.
- Insurance cover in place to protect the company against Legal actions by third parties
- We have a parent company guarantee in respect of the revenue from ferry operator.
- We use the government form of contract in order to protect against any overruns on capital projects.

INFORMATION RELEVANT TO ENVIRONMENTAL MATTERS

The company is committed to protecting the environment. The company have in place a Pollution Emergency Plan which is periodically tested and updated.

INFORMATION RELEVANT TO EMPLOYEE MATTERS

Employee numbers have decreased from 40 in 2010 to 28 in 2011. The company complies with employment legislation. The company also complies with health and safety legislation and has both accident investigation and staff safety training programmes in place.

ENERGY EFFICIENCY

The company is continually examining ways to improve energy efficiency.

BOOKS AND ACCOUNTING RECORDS

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the company. To achieve this, the Directors have appointed appropriate accounting personnel including a professionally qualified accountant, in order to ensure compliance with these requirements.

The books and accounting records are maintained at Harbour Lodge, Crofton Road, Dun Laoghaire, Co. Dublin.

DIRECTORS' REPORT
for the year ended 31 December 2011 (Continued)

CORPORATE GOVERNANCE (Continued)

HARBOURS ACTS 1996-2010
The company complies with the requirements of the Harbour Acts 1996-2010 in relation to the accounts of the company and statements as to the financial affairs of the company.

AUDITORS
The auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors

Director Director

Date: 30th april 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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 ;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 proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte.

Deloitte & Touche
Chartered Accountants &
Registered Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DÚN LAOGHAIRE HARBOUR COMPANY

We have audited the financial statements of Dún Laoghaire Harbour Company for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purpose of our audit and whether the balance sheet and profit and loss account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies ("the Code") reflects the company's compliance with paragraph 13.1 (iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. The other information comprises only the Directors' Report and the Chairman's Statement. Our responsibilities do not extend to other information.

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Deloitte.

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Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company as at 31 December 2011 and of the loss for the year then ended; and

- have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its profit and loss account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2011, a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Kevin Sheehan
For and on behalf of Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

Date: 2 May 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Note	*2011* €	*2010* €
Turnover – continuing operations	3	6,835,439	10,676,205
Operating expenditure			
- normal		(5,504,193)	(6,482,809)
- exceptional	4	(1,385,489)	(2,332,926)
Operating(loss)/profit – continuing operations		(54,243)	1,860,470
Interest receivable and similar income	5	149,021	81,009
Interest payable and similar charges	6	(416,846)	(414,515)
Other finance expense		(24,000)	(163,000)
(Loss)/profit on ordinary activities before taxation	7	(346,068)	1,363,964
Tax charge on (loss)/profit on ordinary activities	8	(483,134)	(1,062,041)
(Loss)/profit for the year	22	(829,202)	301,923

The financial statements were approved by the Board of Directors on 30th April and signed on its behalf by:

Director

Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	Note	*2011*	*2010*
		€	€
(Loss)/Profit for the year		(829,202)	301,923
Actuarial (loss)/gain recognised on retirement benefit schemes	16	(1,277,000)	1,397,000
Deferred tax effect of FRS 17	16	159,625	(174,625)
Transfer of investment property revaluation deficit to the Profit and Loss account	16	–	1,002,264
Total recognised gains and losses for the year		(1,946,577)	2,526,562

BALANCE SHEET
As at 31 December 2011

	Note	2011 €	2010 €
FIXED ASSETS			
Tangible assets	9	56,610,101	58,320,913
CURRENT ASSETS			
Debtors	10	2,707,484	5,302,181
Cash at bank and in hand		6,840,341	4,169,772
		9,547,825	9,471,953
CREDITORS (amounts falling due within one year)	11	(3,065,424)	(3,257,695)
NET CURRENT ASSETS		6,482,401	6,214,258
TOTAL ASSETS LESS CURRENT LIABILITIES		63,092,502	64,535,171
CREDITORS (amounts falling due after more than one year)	12	(6,061,202)	(6,338,211)
GOVERNMENT AND EU GRANTS	13	(8,569,266)	(8,848,586)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(86,126)	(83,764)
NET ASSETS EXCLUDING PENSION LIABILITY		48,375,908	49,264,610
PENSION AND POST RETIREMENT LIABILITY	20	(3,062,500)	(2,004,625)
NET ASSETS		45,313,408	47,259,985
CAPITAL AND RESERVES			
Called up share capital	15	14,540,010	14,540,010
Capital conversion reserve fund		229,593	229,593
Profit and loss account	22	30,543,805	32,490,382
Shareholders' funds	16	45,313,408	47,259,985

The financial statements were approved by the Board of Directors on 30th April and signed on its behalf by:

Director   Director

CASH FLOW STATEMENT
for the year ended 31 December 2011

	Note	*2011* €	*2010* €
Net cash inflow from operating activities	17	4,238,358	4,214,330
Returns on investments and servicing of finance			
Interest paid		(414,930)	(206,246)
Interest received		86,315	79,302
		(328,615)	(126,944)
Taxation paid		(655,679)	(524,610)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(792,853)	(597,303)
		(792,853)	(597,303)
Net cash inflow before financing		2,461,211	2,965,473
Financing			
Long term loans received		1,129,392	–
Long term loans repaid		(920,034)	(313,859)
Increase in cash for the year	18, 19	2,670,569	2,651,614

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Statements have been prepared in accordance with Accounting Standards generally accepted in Ireland, and Irish Statute comprising the Companies Act 1963 to 2009. Account Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the accounting standards board.

(b) Basis of Accounting

The financial statements are prepared under the historical cost convention.

(c) Turnover

Turnover represents the value of all services provided to third parties, exclusive of value added tax.

(d) Investment Properties

Investment properties are held at open market value and are not depreciated. Where the valuation indicates a permanent diminution in the value of property, to a value below cost, the permanent diminution is charged to the profit and loss account. All other fluctuations are transferred to the revaluation reserve. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required by SSAP 19 "Accounting for Investment Properties".

(e) Fixed Assets

Depreciation

Depreciation is calculated on a straight line basis to write off the cost of tangible fixed assets, excluding land which is not depreciated, over their expected useful lives as follows:

Buildings and harbour infrastructure	3 to 120 years
Fixtures and fittings	8 years
Plant and equipment	6.66 years
Motor vehicles	5 years
Computer equipment	3 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with FRS 11 "Impairment of Fixed assets and Goodwill" and where deemed appropriate carrying values are written down.

Assets under construction

Assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees. Upon completion of construction the assets are transferred to fixed assets. Depreciation of these assets, on the same basis as other property and infrastructure, commences when the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

1. ACCOUNTING POLICIES (Continued)

(f) *Government and European Union grants*

Government and European Union grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the useful life of the asset to which they relate.

(g) *Pension costs*

The company operates a defined benefit contributory pension scheme for employees. The scheme is administered by trustees and is independent of the company's finances. Contributions are paid to the scheme in accordance with the recommendations of independent actuaries to enable the trustees to meet from the scheme the benefits accruing in respect of current and future service.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the company's defined pension scheme expected to arise from employee service in the year is charged to operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The pension scheme's surplus, to the extent that it is considered recoverable, or deficit is recognised in full and presented on the face of the balance sheet net of the related deferred tax.

(h) *Taxation*

Current taxation is provided on the company's taxable profits at amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that result in an obligation to pay more tax or a right to pay less tax in the future.

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of revenue and expenditure in the financial statements are dealt with in different years for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

1. ACCOUNTING POLICIES (Continued)

(i) *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rate ruling at the date of the transaction.

All exchange gains and losses are accounted for through the profit and loss account. Monetary assets are money held and amounts to be received in money and all other assets are non-monetary assets.

(j) *Dredging*

The cost of routine or ongoing dredging projects is charged to the profit and loss account as incurred. Capital dredging which enhances port access or infrastructure is capitalised as part of the related fixed asset and depreciated over its estimated useful life.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

2. EMPLOYEES

The average number of persons employed by the company during the year was as follows:

	2011 *Number*	*2010* *Number*
Administration	7	9
Operations and maintenance	21	31
	28	40

	2011 *€*	*2010* *€*
The staff costs comprise:		
Salaries	1,748,281	2,367,162
Social welfare costs	191,282	242,421
Other pension costs	197,513	237,031
	2,137,076	2,846,614

3. TURNOVER

The turnover by activity has not been disclosed as, in the opinion of the Directors; the disclosure of such information would be prejudicial to the interests of the company.

All turnover arises in the Republic of Ireland.

4. EXCEPTIONAL COSTS

	2011 *€*	*2010* *€*
Rationalisation programme	476,626	(968,052)
Revaluation of Investment property (refer note 9)	840,000	1,807,264
Impairment of Berth 5 (refer note 9)	–	1,493,714
Write off of capital costs (refer note 9)	68,863	–
	1,385,489	2,332,926

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

5.	INTEREST RECEIVABLE AND SIMILAR INCOME	*2011* €	*2010* €
	Bank interest	149,021	81,009

6.	INTEREST PAYABLE AND SIMILAR CHARGES	*2011* €	*2010* €
	Interest payable on bank loans repayable within five years	416,846	414,515

7.	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	*2011* €	*2010* €
	The (loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
	Auditors' remuneration	23,760	22,724
	Depreciation	1,594,802	1,843,529
	Amortisation of EU and government grants	(279,320)	(457,252)

Directors' remuneration 2011

	Executive Directors *Gerry Dunne* €	*Non-executive Directors* €	*Total* €
Basic salary	136,000	49,159	185,159
Fees	12,600	132,570	145,170
Other	39,877	–	39,877
Total – 2011	188,477	181,729	370,206

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

7. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Continued)

Directors' remuneration 2010

	Executive Directors Gerry Dunne	*Non-executive Directors*	*Total*
	€	*€*	*€*
Basic salary	136,000	47,136	183,136
Fees	12,600	135,000	147,600
Other	20,000	–	20,000
Total – 2011	168,600	182,136	350,736

Pension entitlements and non-executive salary
The company made an aggregate contribution of €34,000 in relation to the executive Directors in 2011 (2010: €34,000). Included in the non-executive Directors is an employee Director who receives a salary.

8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	2011	2010
	€	€
(a) Analysis of charge in year:		
Current tax:		
Corporation tax on profits of the year at 12.5% (2010: 12.5%)	472,272	1,041,451
Adjustments in respect of previous years	–	22,070
Total current tax charge (see reconciliation below)	472,272	1,063,521
Deferred tax:		
Origination and reversal of timing differences *(note 14)*	2,362	(15,229)
Pension adjustment	8,500	13,749
Total deferred tax charge /(credit)	10,862	(1,480)
Tax charge on profit on ordinary activities	483,134	1,062,041

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES continued

(b) Reconciliation of the expected tax charge at the standard tax rate to the actual tax charge at the effective rate.

The tax assessed for the year is higher than the standard rate of corporation tax in the Republic of Ireland of 12.5% (2010: 12.5%). The differences are explained below:

	2011	2010
	€	€
(Loss)/Profit on ordinary activities before tax	(346,068)	1,363,964
(Loss)/Profit on ordinary activities multiplied by standard rate of tax of 12.5% (2009: 12.5%)	(43,258)	170,496
Effects of:		
Expenses not deductible for tax purposes	200,314	287,722
Depreciation for year in excess of capital allowances	121,512	330,266
Pension adjustments	(5,532)	9,274
Higher tax rates on rental and other income	215,465	216,142
Adjustment to tax charge in respect of		
Capitalised Revenue items	(41,106)	(47,087)
Chargeable Gains	24,877	74,638
Current tax charge for year (note 8(a))	472,272	1,041,451

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

9. TANGIBLE FIXED ASSETS

	Investment Property €	*Land* €	*Buildings and harbour infrastructure* €	*Plant and equipment* €	*Computer equipment* €	*Fixtures and fittings* €	*Motor vehicles* €	*Assets under construction* €	*Total* €
Cost									
At 1 January 2011	7,640,000	429,456	67,858,481	1,475,791	278,494	1,268,825	109,805	31,368	79,092,220
Additions	–	–	575,634	73,640	11,061	29,957	–	102,561	792,853
Revaluation	(840,000)	–	–	–	–	–	–	–	(840,000)
Write off	–	–	(68,863)	–	–	–	–	–	(68,863)
At 31 December 2011	6,800,000	429,456	68,365,252	1,549,431	289,555	1,298,782	109,805	133,929	78,976,210
Depreciation									
At 1 January 2011	–	–	18,133,049	1,251,737	255,989	1,045,088	85,444	–	20,771,307
Charge for year	–	–	1,404,762	90,667	14,689	73,446	11,238	–	1,594,802
At 31 December 2011	–	–	19,537,811	1,342,404	270,678	1,118,534	96,682	–	22,366,109
Net book amounts									
At 31 December 2011	6,800,000	429,456	48,827,441	207,027	18,877	180,248	13,123	133,929	56,610,101
At 31 December 2010	7,640,000	429,456	49,725,432	224,054	22,505	223,737	24,361	31,368	58,320,913

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

9. Tangible Fixed Asset (Continued)

Due to the deterioration of the value of the commercial property Block 2 Harbour Square, in 2011 the property has been revalued at €6,800,000. This was on the basis of a revaluation carried out by Lisney in December 2011 on an open market basis. The unrealised loss of €840,000 was posted to the Profit & Loss (refer note 4).

The revaluation of the investment property and the resulting loss has been recognised in the Profit and Loss account, on the basis that the Directors are not satisfied that the value will recover over time.

10. DEBTORS

	2011	2010
	€	€
Amounts falling due within one year		
Trade debtors	1,744,157	4,015,515
Value added tax	15,006	–
PAYE and PRSI	–	77,335
Other debtors	948,321	1,209,331
	2,707,484	5,302,181

11. CREDITORS (amounts falling due within one year)

	2011	2010
	€	€
Bank term loan *(note 21)*	1,131,259	644,892
Trade creditors	328,502	205,086
VAT	–	25,911
PAYE and PRSI	65,140	–
Corporation tax	9,454	192,860
Accruals and deferred income	1,531,069	2,188,946
	3,065,424	3,257,695

12. CREDITORS (amounts falling due after more than one year)

	2011	2010
	€	€
Bank term loan *(note 21)*	6,061,202	6,338,211

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

13. GOVERNMENT AND EU GRANTS

	2011	2010
	€	€
Received		
At beginning and end of year	12,908,157	12,908,157
Amortisation		
At beginning of year	4,059,571	3,780,251
Amortisation for year	279,320	279,320
At end of year	4,338,891	4,059,571
Net book amounts		
At end of year	8,569,266	8,848,586

14. PROVISION FOR LIABILITIES AND CHARGES

Provision for deferred tax	2011	2010
	€	€
Accelerated capital allowances	86,126	83,764
Movement for the year		
Provision at beginning of year	83,764	98,993
Deferred tax charge/(credit) in profit and loss account (note 8)	2,362	(15,229)
Provision at end of year	86,126	83,764

15. CALLED UP SHARE CAPITAL

	2011	2010
	€	€
Authorised		
27,000,000 Ordinary shares of €1.25 each (2010: €1.25 each)	33,750,000	33,750,000
Allotted, called up and fully paid		
11,632,008 Ordinary shares of €1.25 each (2010: €1.25 each)	14,540,010	14,540,010

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2011 €	2010 €
Shareholders' funds at beginning of year	47,259,985	44,733,423
(Loss)/Profit for the year	(829,202)	301,923
Actuarial (loss)/gain recognised on retirement Benefits schemes	(1,277,000)	1,397,000
Deferred tax effect of FRS 17 adjustments	159,625	(174,625)
Revaluation of investment property	–	1,002,264
Shareholders' funds at end of year	45,313,408	47,259,985

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2011 €	2010 €
Operating (loss)/profit	(78,243)	1,697,470
Depreciation	1,594,802	1,795,675
Grants amortised	(279,320)	(279,320)
Decrease in debtors	2,661,363	863,019
(Decrease) in creditors	(497,357)	(3,053,492)
Revaluation of Investment Property	840,000	1,807,264
Write off of capitalised items	68,863	1,493,714
Non cash movements	(71,750)	(110,000)
Net cash inflow from operating activities	4,238,358	4,214,330

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	2011 €	2010 €
Increase in cash for year	2,670,569	2,651,614
Decrease in debt for the year	(209,358)	313,859
Movement in net debt for the year	2,461,211	2,965,473
Net debt at beginning of the year	(2,813,331)	(5,778,804)
Net debt at end of the year	(352,120)	(2,813,331)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

19. ANALYSIS OF CHANGE IN NET DEBT

	At 1/1/2011 €	*Cash flows* €	*Other changes* €	*At 31/12/2011* €
Cash at bank and in hand	4,169,772	2,670,569	–	6,840,341
Debt due:				
Within one year	(644,892)	920,034	(1,406,401)	(1,131,259)
After one year	(6,338,211)	(1,129,392)	1,406,401	(6,061,202)
	(2,813,331)	2,461,211	–	(352,120)

20. PENSION COMMITMENTS

The company operates a defined benefit pension scheme for their employees, which is funded by the payment of contributions to a separately administered fund. The contributions to the scheme are determined with the advice of independent actuaries.

The most recent actuarial valuation was as at 31 December 2011. The valuation used the projected unit credit method and was carried out by Willis, professionally qualified actuaries. The last full actuarial report, based on a valuation as at 1 January 2009, was issued by the actuaries, Willis, professionally qualified actuaries. The actuarial reports are not available for public inspection.

The major assumptions used in this valuation were future expected investment return of 5.82%, pensionable salary inflation of 3.5% and rate of pension increases of 3.5%.

According to the report issued as at 1 January 2009, the scheme did not satisfy the minimum funding standard provided for in the Pensions Act, 1990.

The company implemented FRS 17 in the preparation of its account for the year ended 31 December 2006 and comparative figures are restated.

The life expectancies associated with the mortality table used in our FRS 17 report:

Year of attaining age 65	2011	2031	2051
Life Expectancy – Male	87.2	89.8	91.7
Life Expectancy – Female	88.6	90.8	92.6

The major assumptions used by the actuaries in determining the present value of scheme liabilities at 31 December were:

	2011	*2010*	*2009*
Rate of increase in salaries	3.5%	3.5%	3.5%
Rate of increase in pensions	3.5%	3.5%	3.5%
Discount rate	5.00%	5.40%	5.75%
Inflation assumption	2%	2%	2%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

20. PENSION COMMITMENTS (Continued)

Changes in the present value of the defined benefit obligations are as follows:	*2011* *€'000*	*2010* *€'000*
Opening defined benefit obligation	9,753	10,097
Service Cost	152	203
Interest Cost	529	585
Actuarial Loss/(gain)	359	(899)
Employee contributions	9	18
Benefits paid	(220)	(251)
Closing defined benefit obligation	10,582	9,753

Changes in the fair value of plan assets are as follows:	2011 *€'000*	2010 *€'000*
Opening fair value of plan assets	7,462	6,299
Expected return	505	422
Actuarial (loss)/gains	(918)	498
Employer Contributions	244	476
Employee Contributions	9	18
Benefits paid	(220)	(251)
Closing fair value of plan assets	7,082	7,462

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	Long-term rate of return expected at 31 December 2011	*Value at 31 December 2011*	*Long-term rate of return expected at 31 December 2010*	*Value at 31 December 2010*	*Long-term rate of return expected at 31 December 2009*	*Value at 31 December 2009*
	%	*€'000*	*%*	*€'000*	*%*	*€'000*
Equities	7.25%	5,290	7.75%	5,746	7.75%	4,441
Bonds	4%	1,169	3.5%	1,455	3.5%	1,606
Property	6.25%	269	6.25%	261	6.25%	252
Cash	2%	354		–		–
Total market value of assets		7,082		7,462		6,299
Present value of scheme liabilities		(10,582)		(9,753)		(10,097)
Deficit in the scheme		(3,500)		(2,291)		(3,798)
Related deferred tax asset		438		286		475
Net pension liability		(3,062)		(2,005)		(3,323)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

20. PENSION COMMITMENTS (Continued)

An analysis of the defined benefit cost for the year ended 31 December 2011, is as follows:

	2011	*2010*
	€'000	*€'000*
Charged to operating profit:		
Current service cost	(152)	(203)
Past service cost	–	–
	(152)	(203)

	2011	*2009*
	€'000	*€'000*
Charged to other finance expense:		
Interest on scheme liabilities	(529)	(585)
Expected return on scheme assets	505	422
	(24)	(163)

The following amounts have been recognised in the Statement of Total Recognised Gains and Losses:

	2011	*2010*
	€'000	*€'000*
Actual return less expected return on scheme assets	(918)	498
Experience gains and losses on scheme liabilities	(60)	426
Changes in assumptions underlying the present value of scheme liabilities	(299)	473
Actuarial (loss)/gain	(1,277)	1,397
Deferred tax credit	160	(175)
Actuarial gain recognised in the Statement of Total Recognised Gains and Losses	(1,117)	1,222

Movement in deficit during the year	2011	2010
	€'000	*€'000*
Deficit in scheme at beginning of year	(2,291)	(3,798)
Movement in year:		
Current service cost	(152)	(203)
Contributions paid	244	476
Past Service Costs	–	–
Other finance income	(24)	(163)
Actuarial (loss)/gain	(1,277)	1,397
Deficit in scheme at end of year	(3,500)	(2,291)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

20. PENSION COMMITMENTS (Continued)

History of experience gains and losses:	*2011*	*2010*	*2009*	*2008*	*2007*
	€	*€*	*€*	*€*	*€*
Difference between expected and actual return on assets					
Amount (€'000)	(918)	498	821	(3,375)	(781)
% of scheme assets	(13%)	6.7%	13%	(66.3%)	(10.3%)
Experience gains and losses on scheme liabilities					
Amount (€'000)	(60)	426	319	(68)	365
% of scheme liabilities	(0.6%)	4.4%	3.2%	(0.7%)	3.5%
Changes in assumptions underlying the present value of scheme liabilities					
Amount (€'000)	(299)	473	–	1,368	862
% of scheme liabilities	(2.8%)	4.8%	–	13.6%	8.2%
Total actuarial gain/(loss)					
Amount (€'000)	(1,277)	1,397	1,140	(2,075)	446
% of scheme liabilities	(12.1%)	14.3%	11.3%	(20.7%)	4.2%

21. BANK LOANS

Loan maturity analysis

	2011	*2010*
	€	*€*
Bank and other loans comprise amounts repayable:		
In one year or less, or on demand	1,131,259	644,892
Between one and two years	758,298	566,627
Between two and five years	1,578,586	1,491,230
After more than five years	3,724,318	4,280,349
	7,192,461	6,983,098

22. RECONCILIATION OF MOVEMENT IN PROFIT AND LOSS ACCOUNT

	2011	*2010*
	€	*€*
(Loss)/Profit for the year	(829,202)	301,923
Actuarial (loss)/gain recognised on pension schemes	(1,277,000)	1,397,000
Deferred tax effect of FRS 17	159,625	(174,625)
Revaluation of investment property	–	1,002,264
Total recognised gains and losses for the year	(1,946,577)	2,526,562
Profit and loss at beginning of year	32,490,382	29,963,820
Profit and loss at end of year	30,543,805	32,490,382

NOTES TO THE FINANCIAL STATEMENTS
31 December 2011 (Continued)

23. CAPITAL COMMITMENTS

At the balance sheet date the company had entered into contracts for future capital expenditure amounting to:

	2011 €	*2010* €
Contracted	283,062	1,178,000
Authorised but not contracted	1,350,000	-
	1,633,062	1,178,000

24. RELATED PARTY TRANSACTIONS

There were no material transactions in the year between the company and its Directors other than fees for services as Directors.

The immediate and ultimate controlling party of the company is the Department of Transport.

25. ASSOCIATED ENTITY

The Company established an associated entity, Irish International Diaspora Centre Trust Ltd on 15th December 2011. The Company is limited by guarantee and did not trade to the period ended 31 December 2011.