DÚN LAOGHAIRE HARBOUR COMPANY

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2004

ANNUAL REPORT
for the year ended 31 December 2004

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COMPANY INFORMATION

DIRECTORS	Paddy McMahon – Chairman◆ Victor Boyhan Elizabeth Coffey Sean Costello* Jane Dillon Byrne Tony Fox* Michael Hanahoe – Chief Executive Donal Marren ◆ Gerry Nagle ◆ Thomas Quinn Eithne Scott Lennon* Don McManus Patrick Hand

* Member of Audit Committee
◆ Member of Remuneration Committee

SECRETARY	Michael Hanahoe
REGISTERED OFFICE	Harbour Lodge, Crofton Road, Dún Laoghaire, Co. Dublin.
REGISTERED NUMBER OF INCORPORATION	262366
SOLICITORS	L. K. Shields and Company, 39/40 Upper Mount Street, Dublin 2.

COMPANY INFORMATION (Continued)

BANKERS	Ulster Bank Limited, Dún Laoghaire, Co. Dublin. Bank of Ireland Dún Laoghaire, Co. Dublin.
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

CHAIRMAN'S REPORT
for the year ended 31 December 2004

INTRODUCTION

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

COMPANY OPERATIONS AND PROFITABILITY

Overall turnover for the year was €10,435,761 compared to €10,392,150 in 2003, an increase of 0.4%.

Shipping turnover decreased by 3.4% in 2004 reflecting reduced traffic volumes through the port in 2004

	2004	*2003*	*Percentage change*
Passenger numbers	883,286	967,318	(9%)
Car units	187,722	193,482	(3%)
Ferry entries	932	1,074	(13%)

The impact of the decline in traffic volumes on shipping turnover was offset, to some extent, by the operation of the minimum payment terms of the port agreement with Stena Line Limited

Revenue from other sources increased by 13% during the year. Factors contributing to the increase include higher revenues from both the Marina and Pay and Display Parking and the licence fee income from the Carlisle Pier Site.

Operating expenditure decreased from €886,807 in 2003 to €262,221 in 2004 reflecting lower level of expenditure on repair projects during the year.

Administration and general expenditure increased from €6,056,042 in 2003 to €6,338,086 in 2004, an increase of 5%. The increase was due to a number of different factors including:

Wages and Salaries	€233,581
Pension Costs	€18,033
Security Costs	€46,665

The increase in wages and salary costs includes the impact of parallel benchmarking payments.

CHAIRMAN'S REPORT
for the year ended 31 December 2004

COMPANY OPERATIONS AND PROFITABILITY (Continued)

Operating profit (excluding exceptional items) increased by 11.2% in 2004.

Profit before taxation declined from €4,994,346 in 2003 to €3,491,873 in 2004, a decrease of 30%. Profit after taxation fell from €4,149,961 in 2003 to €2,737,401 in 2004, a decrease of 34%.The decline in profit before and after tax reflects the impact of exceptional revenue of €2,357,190 in 2003. When adjusted for exceptional revenue profit before taxation grew by 32% in 2004.

The company is subject to corporation tax on all of its income at the standard rate in 2004.

SIGNIFICANT DEVELOPMENTS DURING 2004

Full planning permission was granted for the development of the Harbour Yard in September 2004 and construction is expected to commence early in 2005. Under the terms of the development agreement for the site the Company has agreed to sell the majority of the site to the Earlsfort Development Group and Christopher Bennett & Sons Limited in return for financial consideration which includes minimum licence payments of €2.5 million during the planning and construction phases of the development and ownership of an office building in the completed development. The rental income from the building is guaranteed by the developers for five years at a minimum of €940,000 per annum. The office building has been valued for capital gains tax purposes at €14 million. Licence fee income payments commenced on the 15 September 2002.

SIGNIFICANT DEVELOPMENTS DURING THE 2005 FINANCIAL YEAR

In July 2003 the Company commenced a design and build competition for the redevelopment of the Carlisle Pier. A shortlist of four proposals was identified in October 2003 and in March 2004 a decision was made on a preferred bidder. Contract negotiations are underway and subject to contract terms being finalised it is anticipated that the developer will submit a planning application for redevelopment of the Carlisle Pier by the middle of 2005.

The Company commenced work on the resurfacing of the lower level of the East Pier in September 2004. The total cost of this work, which is expected to be completed by the middle of 2005, will be in the region of €3 million.

SYSTEM OF INTERNAL FINANCIAL CONTROL

The board of directors is responsible for the system of internal controls, which operate in the company. Internal control procedures when properly established and operated can provide reasonable but not absolute assurance against material error.

CHAIRMAN'S REPORT
for the year ended 31 December 2004

SYSTEM OF INTERNAL FINANCIAL CONTROL (Continued)

The key procedures which have been put in place to provide effective internal financial control are:

- establishment of a clearly defined management structure
- 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
- establishment of authorisation limits for expenditure
- annual business plan submitted to, and approved by, the Board
- regular review of the financial results at Board level
- assessment of results versus budgets previously approved by the Board on a quarterly basis
- approval of major contracts at Board level
- 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 & DIRECTORS' FEES
During the year fees of €15,237 were paid to the chairman and fees of €109,727 were paid to the other members of the Board. The fees were paid in accordance with Government Guidelines.

PUBLIC PROCUREMENT
The company is fully committed to best practice in relation to the regulations governing public procurement procedures.

CODE OF PRACTICE FOR THE GOVERNANCE OF STATE COMPANIES
The company complies with the Code of Practice for the Governance of State Bodies issued by the Department of Communications, Marine & Natural Resources in November 2001.

I would like to conclude by thanking my fellow Directors, management and staff for their commitment, hard work and dedication, which has delivered a strong set of financial results for the Company in 2004.

PATRICK J. McMAHON
Chairman

12 April 2005

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 5 Adelaide Street, Dun Laoghaire, Co. Dublin.

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 which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992. 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.

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

On behalf of the Directors

Directors

Date

DIRECTORS' REPORT
for the year ended 31 December 2004

The Directors present herewith their report and audited financial statements for the year ended 31 December 2004.

LEGAL STATUS
Dún Laoghaire Harbour Company is a limited liability company established pursuant to the Harbour's Act, 1996. On 3 March 1997, the company became the successor entity to the Department of Communications, Marine and Natural Resources and to the Dún Laoghaire Harbour (Finance) Board, the statutory bodies previously responsible for Dún Laoghaire Harbour.

On that date, the company took over the functions and acquired the assets and liabilities of the predecessor bodies at valuations agreed with the Minister for Communications, Marine and Natural Resources. In consideration for the assets and liabilities, the company issued share capital in the amount of €10.9 million to the Minister for Communications, Marine and Natural Resources.

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 2004
The profit and loss account for the year ended 31 December 2004 and the balance sheet at that date are set out on pages 13 and 14. A commentary on the results for the year and state of affairs is included in the Chairman's Report.

DIVIDENDS
The Directors of the company do not propose the payment of a dividend for the year. The profit for the year of €2,737,401 has been carried forward to reserves.

DIRECTORS
A list of the Directors is shown on Page 2. Elizabeth Coffey resigned from the board of the Company on the 17th June 2004 having completed her term of office. Pat Hand was appointed to the board on the 30th July 2004

DIRECTORS' REPORT
for the year ended 31 December 2004 (Continued)

DIRECTORS' INTERESTS IN SHARES
None of the Directors or their immediate families hold shares in the company.

SHAREHOLDING
The Minister for Communications, Marine and Natural Resources beneficially holds all the share capital of the company.

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

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.

HEALTH AND SAFETY AT WORK
The well-being of the company's employees during the year was safeguarded through the adherence to health and safety standards in accordance with the requirements of the Safety, Health and Welfare at Work Act, 1989.

DIRECTORS' REPORT
for the year ended 31 December 2004 (Continued)

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 October 2001. The main areas covered by this are as follows:

Directors' code of conduct
It is the company's aim to ensure that all Directors are aware of, and in compliance with, the code of conduct for Directors.

Reporting arrangements and requirements
It is the company's aim, at all times, to comply with the agreed reporting requirements of the Department of Communications, Marine and Natural Resources 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 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.

Internal audit
The Company has appointed Ryan Casey & Co. as internal auditors. The internal auditors report to the Audit Committee of the Board.

Procurement procedures, advertising and award of contracts
All material contracts entered into during the year comply with government guidelines regarding procurement procedures, advertising and award of contracts.

Chief Executive's remuneration
The Chief Executive's salary and benefits package is ratified by the Board of Directors and the Department of Communications, Marine and Natural Resources.

Investment appraisal procedures
All investments of a material nature are ratified by the Board of Directors.

Procedure for the disposal of fixed assets
All asset disposals of a material nature are ratified by the Board of Directors.

DIRECTORS' REPORT
for the year ended 31 December 2004 (Continued)

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.

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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 which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992. 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.

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

On behalf of the Directors

PATRICK J. McMAHON
MICHAEL HANAHOE
Directors

12 April 2005

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

We have audited the financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 24. These financial statements have been prepared on the basis of 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 auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable Irish law and accounting standards are set out in the Statement of Directors' Responsibilities in Respect of the Financial Statements.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards issued by the Auditing Practices Board for use in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether at the balance sheet date there exists a financial situation which may require 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 the information and explanations necessary for the purposes of our audit and whether the financial statements 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 transactions with the company is not given and, where practicable, include such information in our report.

We review whether the Board's Corporate Governance Statement on internal financial control on pages 5 and 6 reflects the company's compliance with the Code of Practice for the Governance of State Bodies and we report if it does not. We are not required to consider whether the board's statement on financial control cover 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Continued /...

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUN LAOGHAIRE HARBOUR COMPANY (Continued)

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 also 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 of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2003 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

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

In our opinion the balance sheet does not disclose 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.

Ernst & Young,
Registered Auditors

Dublin

15 April 2005

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Note	*2004* €	*2003* €
Turnover – continuing operations	3	10,435,761	10,392,150
Operating, maintenance, dredging and related costs		(262,221)	(886,807)
Administration and general Expenditure – normal		(6,338,086)	(6,056,042)
– exceptional	4	–	2,357,190
Operating profit – continuing operations		3,835,454	5,806,491
Sale of leasehold interests		290,000	–
Interest receivable and similar income	5	31,075	48,122
Interest payable and similar charges	6	(664,656)	(860,267)
Profit on ordinary activities before taxation	7	3,491,873	4,994,346
Tax on profit on ordinary Activities	8	(754,472)	(844,385)
Retained profit for the financial year		2,737,401	4,149,961
Profit carried forward at beginning of year		15,903,731	11,753,770
Profit carried forward at end of year		18,641,132	15,903,731

There are no recognised gains or losses in either year other than the profit attributable to shareholders of the company.

Approved by the Board on 12 April 2005

PATRICK J. McMAHON
MICHAEL HANAHOE
Directors

ERNST & YOUNG

BALANCE SHEET
at 31 December 2004

	Note	2004	2003
ASSETS EMPLOYED		€	€
FIXED ASSETS			
Tangible assets	9	52,942,296	52,735,058
CURRENT ASSETS			
Debtors	10	1,566,747	1,837,617
Cash at bank and in hand		2,191,080	2,809,732
		3,757,827	4,647,349
CREDITORS (amounts falling due within one year)	11	(2,449,627)	(5,260,293)
NET CURRENT ASSETS / (LIABILITIES)		1,308,200	(612,944)
CREDITORS (amounts falling due after more than one year)	12	(9,738,235)	(10,205,466)
GOVERNMENT AND EU GRANTS	13	(10,702,441)	(10,981,762)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(399,085)	(261,552)
TOTAL ASSETS LESS LIABILITIES		33,410,735	30,673,334
FINANCED BY			
CAPITAL AND RESERVES			
Called up share capital	15	14,540,010	14,540,010
Capital conversion reserve fund	16	229,593	229,593
Profit and loss account	16	18,641,132	15,903,731
Shareholders' funds – equity interests	17	33,410,735	30,673,334

Approved by the Board on 12 April 2005

PATRICK J. McMAHON
MICHAEL HANAHOE
Directors

CASH FLOW STATEMENT
for the year ended 31 December 2004

	Note	2004 €	2003 €
Net cash inflow from operating activities	18	5,083,311	5,205,962
Returns on investments and servicing of finance			
Interest paid		(1,019,711)	(908,918)
Interest received		33,135	33,008
		(986,576)	(875,910)
Taxation		(812,772)	(606,784)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,631,910)	(1,055,790)
Sales of leasehold interests		290,000	-
		(1,341,910)	(1,055,790)
Net cash inflow before financing		1,942,053	2,667,478
Financing			
Long term loans repaid		(2,482,579)	(2,100,538)
(Decrease)/Increase in cash	19, 20	(540,526)	566,940

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004

1. ACCOUNTING POLICIES

(a) *Accounting convention*
The financial statements are prepared under the historical cost convention.

(b) *Turnover*
Turnover represents the invoiced value of all services provided to third parties, exclusive of value added tax, but adjusted for ferry revenues deferred from one financial year to another as described below.

Ferry revenues are generated mainly from Stena Line Limited, the company's key trading partner. An operating agreement between the company and Stena Line Limited sets out a formula for calculation of a minimum level of revenue in each operating year. To the extent that revenues in any one operating year exceed this minimum level, the term of the agreement is shortened in accordance with an agreed formula. In addition, part of the excess is refundable to Stena Line Limited.

(c) *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:

Marina Development Project	120 years
Buildings and Harbour infrastructure	5 to 50 years
Dolphin moorings	23 years
Fixtures and fittings	8 years
Plant and equipment	6.66 years
Motor vehicles	5 years
Computer equipment	3 years

(d) *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.

(e) *Pension costs*
The company provides benefits to employees through contributions to a separately administered defined benefit pension scheme. The company's annual contributions are based on actuarial advice.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

1. ACCOUNTING POLICIES (Continued)

(e) *Pension costs (Continued)*

The regular cost of pensions is charged to the profit and loss account over the employees' service lives. Variations from regular costs, arising from periodic actuarial valuations, are charged to the profit and loss account over the expected remaining service lives of current employees.

Any difference between amounts charged to the profit and loss account and contributions paid to the scheme is included in 'Debtors' or 'Creditors' in the balance sheet.

(f) *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 periods 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 periods in which the timing differences are expected to reverse based on tax rates and laws enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

(g) *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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

1. ACCOUNTING POLICIES (Continued)

(h) *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.

(i) *Continuing operations*
The profit and loss account has been prepared on the basis that the company has only continuing operations.

2. EMPLOYEES

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

	2004 *Number*	*2003* *Number*
Administration	10	10
Operations and maintenance	39	39
	49	49

	2004 €	*2003* €
The staff costs comprise:		
Salaries	2,405,928	2,214,360
Social welfare costs	243,946	201,933
Other pension costs	428,663	410,630
	3,078,537	2,826,923

3. TURNOVER

	2004 €	*2003* €
The turnover by activity is as follows:		
Ferry revenue	7,679,665	7,953,106
Other Harbour related activities	2,756,096	2,439,044
	10,435,761	10,392,150

All turnover is in the Republic of Ireland.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

4. EXCEPTIONAL ITEMS

	2004 €	2003 €
Local Authority rates	–	2,314,346
Insurance	–	42,844
	–	2,357,190

Following a Supreme Court ruling in 2003 that the port companies were not liable for the payment of rates prior to 2003 the provision for rates for the four years ending 31 December 2002 was written back to the profit and loss account. The insurance write backs relate to the settlement of legal cases.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004 €	2003 €
Bank interest	31,075	48,122

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 €	2003 €
Bank overdraft	1,655	2,048
Bank loans repayable by instalments within five years	76,560	237,637
Bank loans repayable otherwise than by instalments within five years	586,441	620,582
	664,656	860,267

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 €	2003 €
The profit on ordinary activities before taxation is stated after charging (crediting):		
Auditors' remuneration	21,500	20,331
Depreciation	1,424,672	1,412,310
EU and government grants	(279,321)	(279,321)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Continued)

Directors' remuneration 2004

	Executive Directors		*Non-executive Directors*	*Total*
	Michael Hanahoe	*Tom Quinn*		
	€	€	€	€
Basic salary	141,083	41,016	–	182,099
Fees	10,158	10,158	104,648	124,964
Benefits in kind	12,241	–	–	12,241
Performance related bonus	32,603	–	–	32,603
Total – 2004	196,085	51,174	104,648	351,907

Directors' remuneration 2003

	Executive Directors		*Non-executive Directors*	*Total*
	Michael Hanahoe	*Tom Quinn*		
	€	€	€	€
Basic salary	120,175	35,435	–	155,610
Fees	10,158	10,158	101,049	121,365
Benefits in kind	12,241	–	–	12,241
Performance related bonus	29,792	–	–	29,792
Total – 2003	172,366	45,593	101,049	319,008

Pension entitlements

The company made an aggregate contribution of 23.5% (€42,793) of basic salary plus allowances in relation to the executive Directors in 2004 (2003: 23.5%, €36,568).

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004	*2003*
	€	€
(a) Analysis of charge in year:		
Current tax:		
Republic of Ireland corporation tax on profits of the year at 12.5% (2003: 12.5%)	617,223	762,000
Adjustments in respect of previous periods	(284)	(10,408)
Total current tax (see reconciliation below)	616,939	751,592

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)	*2004* €	*2003* €
Deferred tax:		
Origination and reversal of timing differences	137,533	92,793
Total deferred tax (*note 13*)	137,533	92,793
Tax on profit on ordinary activities	754,472	844,385

(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 period is higher than the standard rate of corporation tax in the Republic of Ireland of 12.5% (2003: 12.5%). The differences are explained below:

	2004 €	*2003* €
Profit on ordinary activities before tax	3,491,873	4,994,346
Profit on ordinary activities multiplied by standard rate of tax of 12.5% (2003: 12.5%)	436,484	624,293
Effects of:		
Expenses not deductible for tax purposes	134,139	96,524
Depreciation for year in excess of capital allowances	(133,383)	(47,880)
Pension prepayments	3,208	(44,913)
Higher tax rates on rental and other income	176,775	133,976
Adjustments to tax charge in respect of previous years	(284)	(10,408)
Current tax charge for period (*note 8(a)*)	616,939	751,592

The tax charge in future periods will be affected by any changes to the corporation tax rate and whether future capital expenditure programmes are allowable as a deduction against taxable profits.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

9. TANGIBLE FIXED ASSETS

	Land €	Buildings and harbour infrastructure €	Dredging €	Plant and equipment €	Computer equipment €	Fixtures and fittings €	Motor vehicles €	Dolphin moorings €	Marina development €	Total €
Cost										
At 1 January 2004	2,740,670	35,451,916	266,136	724,613	108,873	833,528	124,422	3,227,639	16,794,758	60,272,555
Additions	326,819	778,553	(11,323)	168,106	14,112	68,072	20,973	–	269,205	1,634,517
Disposals	–	–	–	–	–	–	(8,688)	–	–	(8,688)
At 31 December 2004	3,067,489	36,230,469	254,813	892,719	122,985	901,600	136,707	3,227,639	17,063,963	61,898,384
Depreciation										
At 1 January 2004	–	5,724,397	26,614	287,224	108,718	216,769	60,622	731,829	381,324	7,537,497
Charge for year	–	856,409	52,095	121,300	(10,751)	108,446	12,993	143,158	141,022	1,424,672
Less depreciation on disposals	–	–	–	–	–	–	(6,081)	–	–	(6,081)
At 31 December 2004	–	6,580,806	78,709	408,524	97,967	325,215	67,534	874,987	522,346	8,956,088
Net book amounts										
At 31 December 2004	3,067,489	29,649,663	176,104	484,195	25,018	576,385	69,173	2,352,652	16,541,617	52,942,296
At 31 December 2003	2,740,670	29,727,519	239,522	437,389	155	616,759	63,800	2,495,810	16,413,434	52,735,058

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

10. DEBTORS

	2004	*2003*
	€	€
Amounts falling due within one year		
Trade debtors	1,084,602	1,336,853
Value added tax	(4,564)	47,347
Other debtors	486,709	453,417
	1,566,747	1,837,617

Included in other debtors is €333,639 (2003: €359,304) in respect of pension contribution payments made in advance of their recognition in the profit and loss account. €307,974 of this amount falls due after more than one year.

11. CREDITORS (amounts falling due within one year)

	2004	*2003*
	€	€
Trade creditors	139,413	43,475
Bank overdraft	107,524	185,650
Bank term loan	238,965	2,254,313
Corporation tax	246,583	442,417
PAYE and PRSI	-	71,171
Accruals and deferred income	1,717,142	2,263,267
	2,449,627	5,260,293

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

	2004	*2003*
	€	€
Bank term loan	9,738,235	10,205,466
Repayable within one year (*note 11*)	238,965	2,254,313
Repayable within one to two years	497,894	467,232
Repayable within two to five years	1,645,773	1,565,500
Repayable after five years	7,594,568	8,172,734
Repayable after more than one year	9,738,235	10,205,466
Bank term loan	9,977,200	12,459,779

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

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

	2004 €	2003 €
Loans repayable by instalment within five years	1,804,465	3,741,458
Loans repayable by instalment some of which falls due after five years	8,172,735*	8,718,321
	9,977,200	12,459,779

*Instalments falling due after five years = €7,594,568

13. GOVERNMENT AND EU GRANTS

	2004 €	2003 €
Received		
At beginning and end of year	12,908,157	12,908,157
Amortisation		
At beginning of year	1,926,395	1,647,074
Amortisation for year	279,321	279,321
At end of year	2,205,716	1,926,395
Net book amounts		
At end of year	10,702,441	10,981,762

14. PROVISION FOR LIABILITIES AND CHARGES

Provision for deferred tax

	2004 €	2003 €
Accelerated capital allowances	350,022	216,639
Other timing differences	49,063	44,913
	399,085	261,552

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NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

14. PROVISION FOR LIABILITIES AND CHARGES (Continued)

	2004 €	*2003* €
Provision at beginning of year	261,552	168,759
Deferred tax charge in profit and loss account (note 8)	137,533	92,793
Provision at end of year	399,085	261,552

15. CALLED UP SHARE CAPITAL

	2004 €	*2003* €
Authorised		
Ordinary shares of €1.25 each (2003: €1.25 each)	33,750,000	33,750,000
Allotted, called up and fully paid		
Ordinary shares at €1.25 each (2003: €1.25 each)	14,540,010	14,540,010

16. MOVEMENT ON RESERVES

	Capital conversion reserve fund €	*Profit and loss* €	*Total* €
At 1 January 2004	229,593	15,903,731	16,133,324
Profit retained for the year	–	2,737,401	2,737,401
At 31 December 2004	229,593	18,641,132	18,870,725

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 €	*2003* €
Shareholders' funds at beginning of year	30,673,334	26,523,373
Profit for the financial year	2,737,401	4,149,961
Shareholders' funds at end of year	33,410,735	30,673,334

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 €	*2003* €
Operating profit	3,835,454	5,806,491
Depreciation	1,424,672	1,412,310
Grants amortised	(279,321)	(279,321)
Decrease/(increase) in debtors	268,810	149,771
(Decrease)/increase in creditors	(166,304)	(1,883,289)
Net cash inflow from operating activities	5,083,311	5,205,962

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004 €	*2003* €
(Decrease)/Increase in cash for year	(540,526)	566,939
Decrease in debt for the year	2,482,579	2,100,538
Movement in net debt for year	1,942,053	2,667,477
Net debt at beginning of year	(9,835,697)	(12,503,174)
Net debt at end of year	(7,893,644)	(9,835,697)

20. ANALYSIS OF CHANGE IN NET DEBT

	At 1/1/2004 €	*Cash flows* €	*Other changes* €	*At 31/12/2004* €
Cash at bank and in hand	2,809,732	(618,652)	–	2,191,080
Overdraft	(185,650)	78,126	–	(107,524)
	2,624,082	(540,526)	–	2,083,556
Debt due:				
Within one year	(2,254,313)	2,482,579	(467,231)	(238,965)
After one year	(10,205,466)	–	467,231	(9,738,235)
	(9,835,697)	1,942,053	–	(7,893,644)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

21. PENSION COMMITMENTS

The company operates a defined benefit pension scheme for its 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.

Regular actuarial valuations are carried out, normally every three years, in respect of the scheme. The last actuarial report, based on a valuation as at 1 January 2003, was completed by the actuaries, Mercer Limited, who are neither officers nor employees of the company. The actuarial method used was the Attained Age Method, which is designed to produce a total contribution rate which, in respect of current membership, is expected to remain stable in the future.

The major assumptions used in this valuation were future expected investment return of 4.8%, pensionable salary inflation of 4% and rate of pension increases of 3.5%.

According to the report issued, the scheme did not satisfy the minimum funding standard provided for in the Pensions Act, 1990. On an ongoing basis the actuarial value of the assets at the valuation date represented €3,058,000 (60.7%) of the scheme's accrued liabilities at that date based on projected final pensionable pay.

A funding proposal has been submitted to the Pensions Board which is proposed to satisfy the funding standard as at 30 June 2006.

Actuarial reports are not available for public inspection. The company pension contributions charged for the year in respect of the defined benefit scheme was €428,663 (2003: €410,630) which included €25,665 charged to the profit and loss account in relation to a special once off payment to the scheme of €384,967 in 2003. The balance of €333,639 is included in other debtors.

Transitional disclosures under FRS 17

Additional disclosures regarding the company's defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits" and these are set out below.

An actuarial valuation under the provisions of FRS 17 has been prepared as at 31 December 2004 by a qualified actuary using assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the actuarial valuation were:

	2004	*2003*	*2002*
Rate of increase in salaries	4.0%	4.0%	4.0%
Rate of increase in pensions	3.5%	3.5%	3.5%
Discount rate	4.8%	5.25%	5.5%
Inflation assumption	2.25%	2.25%	2.25%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

21. PENSION COMMITMENTS (Continued)

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 2004 %	*Value at 31 December 2004 €'000*	*Long-term rate of return expected at 31 December 2003 %*	*Value at 31 December 2003 €'000*	*Long-term rate of return expected at 31 December 2002 %*	*Value at 31 December 2002 €'000*
Equities	6.8%	3,636	7.75%	2,428	8.0%	1,959
Bonds	3.8%	693	4.75%	584	4.75%	685
Property	4.8%	330	5.75%	220	5.75%	245
Cash	2.25%	196	3.75%	868	3.75%	182
Total fair value of assets		4,855		4,100		3,071
Present value of scheme liabilities		(8,234)		(6,090)		(4,647)
Deficit in the scheme		(3,379)		(1,990)		(1,576)
Related deferred tax asset		422		249		197
Net pension liability		(2,957)		(1,741)		(1,379)

The net assets and reserves of the Company incorporating the pension liability are as follows:

	2004 €'000	*2003 €'000*
Net assets:		
Net assets excluding pension prepayment/liability	33,077	30,314
Pension liability	(2,957)	(1,741)
Net assets including pension liability	30,120	28,573
Reserves:		
Profit and loss reserve excluding pension prepayment/liability	18,307	15,544
Pension liability	(2,957)	(1,741)
Profit and loss reserve including pension liability	15,350	13,803

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

21. PENSION COMMITMENTS (Continued)

If FRS 17 had been fully adopted, the following amounts would have been recognised in the profit and loss account in respect of the defined benefit scheme:

	2004 €'000	2003 €'000
Charged to operating profit:		
Current service cost	(238)	(191)
Past service cost	–	–
	(238)	(191)

	2004 €'000	2003 €'000
(Charged)/credited) to other finance income:		
Interest on scheme liabilities	(324)	(261)
Expected return on scheme assets	272	236
	(52)	(25)

If FRS 17 had been adopted, the following amounts would have been recognised in the Statement of Total Recognised Gains and Losses:

	2004 €'000	2003 €'000
Actual return less expected return on scheme assets	150	91
Experience gains and losses on scheme liabilities	(1,023)	(794)
Changes in assumptions underlying the present value of scheme liabilities	(617)	(265)
Actuarial loss	(1,490)	(968)
Deferred tax credit	186	121
Actuarial loss recognised in the STRGL	(1,304)	(847)

Movement in surplus /(deficit) during the year	2004 €'000	2003 €'000
Deficit in scheme at beginning of year	(1,990)	(1,576)
Movement in year:		
Current service cost	(238)	(191)
Contributions paid	391	770
Other finance income	(52)	(25)
Actuarial loss	(1,490)	(968)
Deficit in scheme at end of year	(3,379)	(1,990)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2004 (Continued)

21. PENSION COMMITMENTS (Continued)

History of experience gains and losses:	*2004* €	*2003* €	*2002* €
Difference between expected and actual return on assets			
Amount (€'000)	150	91	(963)
% of scheme assets	3%	2.2%	(31.4%)
Experience gains and losses on scheme liabilities			
Amount (€'000)	(1,023)	(794)	(4)
% of scheme liabilities	(12.4%)	(13%)	(0.1%)
Changes in assumptions underlying the present value of scheme liabilities			
Amount (€'000)	(617)	(265)	(415)
% of scheme liabilities	(7.5%)	(4.4%)	(8.9%)
Total actuarial gain/(loss)			
Amount (€'000)	(1,490)	(968)	(1,382)
% of scheme liabilities	(18%)	(16%)	(29.7%)

22. CAPITAL COMMITMENTS

The Board of Directors has authorised capital expenditure of €2.5m (2004: €nil) for the year ended 31 December 2005.

23. RELATED PARTY TRANSACTIONS

There were no 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 Communications, Marine and Natural Resources.

24. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements on 12/4/05

THE FOLLOWING INFORMATION

DOES NOT FORM PART OF THE

STATUTORY FINANCIAL STATEMENTS

SUPPLEMENTARY ANALYSIS OF EXPENSES
for the year ended 31 December 2004

	2004	*2003*
	€	€
Operating, maintenance, dredging and related costs		
Repairs and maintenance	268,952	250,097
Repairs and maintenance projects	(6,731)	636,710
	262,221	886,807

	2004	*2003*
	€	€
Administration and general expenditure		
Office administration	143,589	132,299
Motor and travel	41,071	59,054
Cleaning/waste disposal	98,813	93,228
Postage, stationery and telephone	68,360	67,044
Advertising and promotion	69,875	65,174
Audit and accounting fees	44,131	39,085
Consultancy fees	214,593	288,110
Directors' fees (including employer's PRSI)	126,387	123,550
Insurance	381,996	405,076
Light and heat	153,408	164,086
Staff costs	3,078,537	2,826,923
Security Costs	46,665	–
Water rates	10,047	16,914
Depreciation	1,424,672	1,412,310
Grants amortised	(279,321)	(279,321)
Bad debts	40,657	(33,536)
Rates	674,606	676,046
	6,338,086	6,056,042

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