DÚN LAOGHAIRE HARBOUR COMPANY

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2009

ANNUAL REPORT
for the year ended 31 December 2009

TABLE OF CONTENTS *PAGE*

COMPANY INFORMATION

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

* 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, Deloitte & Touche House, Earlsfort Terrace, Dublin 2.

CHAIRMAN'S REPORT
for the year ended 31 December 2009

INTRODUCTION

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

COMPANY OPERATIONS, PROFITABILITY AND STATE OF AFFAIRS

Total revenue for the year at €10,720,983 decreased by 2% on the previous year.

Shipping turnover increased by 2% in 2009. However, revenue, from sources other than shipping, decreased by 9% during the year. Marina Revenue decreased by 3% while revenue from parking fees decreased by 12%.

Operating expenditure excluding exceptional expenditure decreased from €8,036,609 in 2008 to €7,310,954 in 2009, a decrease of 9%.

Operating profit decreased by 54% in 2009.

Profit before taxation was €671,208 in 2009. This compares with a profit before tax of €3,667,485 in 2008. However, in 2008, the profit figure included a realised profit from the sale of land of €1,252,944. Excluding land sales, profit before tax decreased by 72%.

Profit after tax amounted to €205,071.

After adding the profit after tax for 2009 and adding an actuarial gain in respect of the Company's pension fund (net of deferred taxation) of €997,500 and an unrealised loss arising from the revaluation of investment property of €4,555,004, the company has Profit and Loss and Revaluation reserves of €29,963,820 carried forward to 2010.

COMMERCIALLY SIGNIFICANT DEVELOPMENTS DURING 2009

In terms of 2009, the company decided, based on professional advice, to clear the derelict buildings on Carlisle Pier. The facility can now, for the first time in over 13 years, be put to constructive use.

In 2009, the company decided to upgrade the Berth 4, as a fit-for use ferry berth; Berth 4 has been unused for almost 14 years. Also in 2009 the Company opened, for the first time in 5 years the battery at the end of the East Pier. This was undertaken having completed the resurfacing of the East Pier.

SIGNIFICANT FUTURE DEVELOPMENTS

The commercially significant developments affecting the company in the year under review include:

A. Discussions on a new ferry contract to replace the existing contract which expires in April 2011.
B. A major restructuring plan, including a Voluntary Redundancy scheme, to position the company for the projected revenue difficulties it faces.
C. A significant investment in a PPP feasibility study to identify new revenue streams.

CHAIRMAN'S REPORT
for the year ended 31 December 2009 (Continued)

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.

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.

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 2009.

Sean Costello
Chairman

Date 15th April 2010

DIRECTORS' REPORT
for the year ended 31 December 2009

The Directors present herewith their report and audited financial statements for the year ended 31 December 2009.

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 2009
The profit and loss account for the year ended 31 December 2009 and the balance sheet at that date are set out on pages 14 and 16 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 profit for the year of €205,071 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 2009 and to date:
The five year term of office of Mr. Donald McManus expired on 4th February 2009 , and he was reappointed from 29th April 2009.. The five year term of office of Cllr. Pat Hand expired on 30th July 2009.

CHAIRMAN'S & DIRECTORS' FEES
During the year fees of €22,389 were paid to the chairman and fees of €135,732 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	€22,389	-
G Dunne	€10,096	€1,847
V. Boyhan	€13,060	€110
J. Dillon Byrne	€13,060	-
M. Hanahoe	€3,567	-
G. Nagle	€13,060	€10,833
E. Scott Lennon	€13,060	-
P. Hand	€7,763	-
D. McManus	€9,826	-
C. Smyth	€13,060	-
B. Coffey	€13,060	-
P. Cowhey	€13,060	-
S. Lennon	€13,060	€585

DIRECTORS' REPORT
for the year ended 31 December 2009 (Continued)

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 2009 and the 1 January 2009.

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.

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 2009. 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 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.

DIRECTORS' REPORT
for the year ended 31 December 2009 (Continued)

CORPORATE GOVERNANCE (Continued)

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.

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 2009.

DIVERSIFICATION
We can confirm that the company did not engage in any diversification in the year ending 31st December 2009.

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.

CHIEF EXECUTIVE AND EMPLOYEE REMUNERATION
Government policy in relation to the remuneration of the Chief Executive and other employees is strictly adhered to.

NUMBER OF EMPLOYEES
The average number of employees that are expected to be employed during 2010 is 32.

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 2009.

DIRECTORS' REPORT
for the year ended 31 December 2009 (Continued)

CORPORATE GOVERNANCE (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.

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 the 2010.

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.

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.

DIRECTORS' REPORT

for the year ended 31 December 2009 (Continued)

INFORMATION RELEVANT TO EMPLOYEE MATTERS

Employee numbers have decreased from 42 in 2008 to 41 in 2009. 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.

HARBOURS ACTS 1996-2009

The company complies with the requirements of the Harbour Acts 1996-2009 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

Sean Costello
Director

Donald McManus
Director

Date 15th April 2010

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 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.

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

We have audited the financial statements of Dun Laoghaire Harbour Company for the year ended 31 December 2009 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 auditors
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.

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

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.

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 2009 and of the profit 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 2009 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.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

Date: 15th April 2010

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Note	2009	2008
		€	€
Turnover – continuing operations	3	10,720,983	10,974,742
Operating expenditure			
- normal		(7,310,954)	(8,036,609)
- exceptional	4	(2,059,903)	–
Operating profit – continuing operations		1,350,126	2,938,133
Sale of leasehold interests		(31,607)	(6,922)
Profit on disposal of fixed assets		–	1,252,944
Interest receivable and similar income	5	43,829	34,870
Interest payable and similar charges	6	(446,140)	(479,540)
Other finance expense		(245,000)	(72,000)
Profit on ordinary activities before taxation	7	671,208	3,667,485
Tax (charge)/credit on profit on ordinary activities	8	(466,137)	175,211
Retained profit for the financial year	22	205,071	3,842,696

Approved by the Board on 15th April 2010 and signed on its behalf by:

Sean Costello Director	Donald McManus Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2009

	Note	*2009*	*2008*
		€	€
Profit for the financial year		205,071	3,842,696
Actuarial gain /(loss) recognised on retirement benefit schemes	16	1,140,000	(2,075,000)
Deferred tax effect of FRS 17	16	(142,500)	259,375
Revaluation of investment property	9,16	(4,555,004)	(6,255,650)
Total recognised gains and losses for the year		(3,352,433)	(4,228,579)

BALANCE SHEET
As at 31 December 2009

		2009	2008
ASSETS EMPLOYED	*Note*	€	€
FIXED ASSETS			
Tangible assets	9	61,817,999	67,739,768
CURRENT ASSETS			
Debtors	10	6,163,492	4,534,008
Cash at bank and in hand		1,849,268	1,291,063
		8,012,760	5,825,071
CREDITORS (amounts falling due within one year)	11	(5,564,084)	(3,885,599)
NET CURRENT ASSETS		2,448,676	1,939,472
TOTAL ASSETS LESS CURRENT LIABILITIES		64,266,675	69,679,240
CREDITORS (amounts falling due after more than one year)	12	(6,983,103)	(7,594,566)
GOVERNMENT AND EU GRANTS	13	(9,127,906)	(9,585,158)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(98,993)	(89,288)
NET ASSETS EXCLUDING PENSION LIABILITY		48,056,673	52,410,228
PENSION AND POST RETIREMENT LIABILITY	20	(3,323,250)	(4,324,372)
NET ASSETS		44,733,423	48,085,856
CAPITAL AND RESERVES			
Called up share capital	15	14,540,010	14,540,010
Capital conversion reserve fund		229,593	229,593
Revaluation reserves	22	(1,002,268)	3,552,736
Profit and loss account	22	30,966,088	29,763,517
Shareholders' funds	16	44,733,423	48,085,856

Approved by the Board on 15th April 2010 and signed on its behalf by:

Sean Costello	Donald McManus
Director	Director

CASH FLOW STATEMENT
for the year ended 31 December 2009

	Note	*2009* €	*2008* €
Net cash inflow from operating activities	17	2,937,465	4,471,340
Returns on investments and servicing of finance			
Interest paid		(447,694)	(479,153)
Interest received		41,379	39,819
		(406,315)	(439,334)
Taxation paid		(753,962)	(267,061)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(723,032)	(3,712,435)
Sale of leasehold interest		(31,607)	(6,922)
		(754,639)	(3,719,357)
Net cash inflow before financing		1,022,549	45,588
Financing			
Long term loans repaid		(592,524)	(561,065)
Increase/(Decrease) in cash for the year	18, 19	430,025	(515,477)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009

1. ACCOUNTING POLICIES
Basis of Preparation

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

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

(c) *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".

(d) *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.

(e) *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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

1. ACCOUNTING POLICIES (Continued)

(f) *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.

(g) *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 2009 (Continued)

1. ACCOUNTING POLICIES (Continued)

(h) *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.

(i) *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 2009 (Continued)

2. EMPLOYEES

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

	2009 Number	*2008 Number*
Administration	10	10
Operations and maintenance	32	32
	42	42

	2009 €	*2008* €
The staff costs comprise:		
Salaries	2,603,814	2,660,319
Social welfare costs	247,236	245,315
Other pension costs	258,026	328,750
	3,109,076	3,234,384

In addition there is an exceptional amount of €2,059,903 (note 4).

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

During the year the Board implemented a rationalisation programme, this included a voluntary redundancy scheme of which the staff were advised. We have accordingly provided for redundancy costs of €2,059,903 as at the year end 31st December 2009.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2008 (Continued)

	2009	2008
5. INTEREST RECEIVABLE AND SIMILAR INCOME	€	€
Bank interest	43,829	34,870

	2009	2008
6. INTEREST PAYABLE AND SIMILAR CHARGES	€	€
Bank loans repayable otherwise than by instalments within five years	446,140	479,540

	2009	2008
7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	€	€
The profit on ordinary activities before taxation is stated after charging/(crediting):		
Loss/(Profit) on sale of Fixed Assets	4,710	(1,252,944)
Auditors' remuneration	23,920	26,000
Depreciation	1,843,529	1,838,229
Amortisation of EU and government grants	(457,252)	(279,321)

Directors' remuneration 2009

	Executive Directors			
	Michael Hanahoe	*Gerry Dunne*	*Non-executive Directors*	*Total*
	€	€	€	€
Basic salary	85,291	122,891	47,796	255,978
Fees	3,567	10,096	144,458	158,121
Benefits in kind	18,479	–	–	18,479
Performance related bonus	58,877	–	–	58,877
Total – 2009	166,215	132,987	192,254	491,456

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Continued)

Directors' remuneration 2008

	Executive Director *Michael Hanahoe* €	*Non-executive Directors* €	*Total* €
Basic salary	154,346	45,412	199,758
Fees	14,000	164,000	178,000
Benefits in kind	12,741	–	12,741
Performance related bonus	52,684	–	52,684
Total – 2008	233,771	209,412	443,183

Pension entitlements

The company made an aggregate contribution of 25% approx. (€39,590) of basic salary in relation to the executive Directors in 2009 (2008: 24.3%, €30,934). Included in the non-executive Directors is an employee Director who receives a salary.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 €	2008 €
(a) Analysis of charge in year:		
Current tax:		
Corporation tax on profits of the year at 12.5% (2008: 12.5%)	455,932	382,735
Adjustments in respect of previous years	–	(59,478)
Total current tax charge (see reconciliation below)	455,932	323,257
Deferred tax:		
Origination and reversal of timing differences *(note 14)*	9,705	(515,843)
Pension adjustment	500	17,375
Total deferred tax credit	10,205	(498,468)
Tax charge/(credit) on profit on ordinary activities	466,137	(175,211)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

8. TAX ON 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% (2008: 12.5%). The differences are explained below:

	2009 €	2008 €
Profit on ordinary activities before tax	671,208	3,667,485
Profit on ordinary activities multiplied by standard rate of tax of 12.5% (2008: 12.5%)	83,901	458,436
Effects of:		
Expenses not deductible for tax purposes	89,312	40,409
Depreciation for year in excess of capital allowances	129,807	151,633
Pension adjustments	(11,552)	(21,539)
Higher tax rates on rental and other income	193,730	154,923
Profit on disposal of fixed asset	(48,306)	(270,882)
Adjustment to tax charge in respect of Other years	(49,434)	(203,133)
Chargeable Gains	74,100	203,831
Relief for Trading Losses	(5,626)	(130,943)
Current tax charge for year (note 8(a))	455,932	382,735

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (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 2009	13,000,000	671,463	66,644,777	1,453,805	253,522	1,240,418	153,878	–	83,417,863
Additions	–	–	413,424	4,000	8,552	21,860	18,769	279,566	746,171
Revaluation	(4,555,000)	–	–	–	–	–	–	–	(4,555,000)
(Disposals)/(write off)	–	(246,275)	–	–	–	–	(62,842)	–	(309,117)
At 31 December 2009	8,445,000	425,188	67,058,201	1,457,805	262,074	1,262,278	109,805	279,566	79,299,917
Depreciation									
At 1 January 2009	–	–	13,545,809	1,015,334	199,821	820,409	96,722	–	15,678,095
Charge for year	–	–	1,547,839	122,680	33,959	121,861	17,190	–	1,843,529
(Disposals)	–	–	–	–	–	–	(39,706)	–	(39,706)
At 31 December 2009	–	–	15,093,648	1,138,014	233,780	942,270	74,206	–	17,481,918
Net book amounts									
At 31 December 2009	8,445,000	425,188	51,964,553	319,791	28,294	320,008	35,599	279,566	61,817,999
At 31 December 2008	13,000,000	671,463	53,098,968	438,471	53,701	420,009	57,156	–	67,739,768

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

9. Tangible Fixed Asset continued

Due to the deterioration of the value of the commercial property Block 2 Harbour Square, in 2009 the property has been revalued at €8,445,000. This was on the basis of a revaluation carried out by Lisney in December 2009 on an open market basis. The revaluation surplus has been reduced from an unrealised gain of €3,552,736 to an unrealised loss of €1,002,264.

The revaluation of the investment property and the resulting loss has been recognised on the basis that the Directors are satisfied that the value will recover over time.

10. DEBTORS	2009	2008
	€	€
Amounts falling due within one year		
Trade debtors	4,265,603	2,339,515
Value added tax	20,405	9,793
Corporation tax	346,051	48,022
Other debtors	1,531,433	2,136,678
	6,163,492	4,534,008

11. CREDITORS (amounts falling due within one year)	*2009*	*2008*
	€	€
Trade creditors	223,606	37,796
Bank overdraft	331,110	202,930
Bank term loan (*note 21*)	313,859	294,920
PAYE and PRSI	88,217	171,146
Accruals and deferred income	4,607,292	3,178,807
	5,564,084	3,885,599

12. CREDITORS (amounts falling due after more than one year)	*2009*	*2008*
	€	€
Bank term loan (*note 21*)	6,983,103	7,594,566

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

13. GOVERNMENT AND EU GRANTS

	2009 €	2008 €
Received		
At beginning and end of year	12,908,157	12,908,157
Amortisation		
At beginning of year	3,322,999	3,043,678
Amortisation for year	457,252	279,321
At end of year	3,780,251	3,322,999
Net book amounts		
At end of year	9,127,906	9,585,158

14. PROVISION FOR LIABILITIES AND CHARGES

Provision for deferred tax	2009 €	2008 €
Accelerated capital allowances	100,122	89,288
Movement for the year		
Provision at beginning of year	89,288	605,131
Deferred tax charge /(credit) in profit and loss account (note 8)	9,705	(515,843)
Provision at end of year	98,993	89,288

15. CALLED UP SHARE CAPITAL

	2009 €	2008 €
Authorised		
27,000,000 Ordinary shares of €1.25 each (2008: €1.25 each)	33,750,000	33,750,000
Allotted, called up and fully paid		
11,632,008 Ordinary shares of €1.25 each (2008: €1.25 each)	14,540,010	14,540,010

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 €	*2008* €
Shareholders' funds at beginning of year		
As previously reported	48,085,856	52,314,435
Profit attributable to shareholders	205,071	3,842,696
Actuarial (loss)/gain recognised on retirement Benefits schemes	1,140,000	(2,075,000)
Deferred tax effect of FRS 17 adjustments	(142,500)	259,375
Revaluation of investment property	(4,555,004)	(6,255,650)
Shareholders' funds at end of year	44,733,423	48,085,856

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

	2009 €	*2008* €
Operating profit	1,105,126	2,866,152
Depreciation	1,843,529	1,838,229
Grants amortised	(457,252)	(279,321)
(Increase)/Decrease in debtors	(1,627,162)	1,035,000
Increase /(Decrease) in creditors	1,830,949	(948,467)
Non cash movement on pensions	(4,000)	(139,248)
Write off of capitalised items	246,275	98,995
Net cash inflow from operating activities	2,937,465	4,471,340

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

	2009 €	*2008* €
Increase/(Decrease) in cash for year	430,025	(515,477)
Decrease in debt for the year	592,524	561,065
Movement in net debt for the year	1,022,549	45,588
Net debt at beginning of the year	(6,801,353)	(6,846,941)
Net debt at end of the year	(5,778,804)	(6,801,353)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

19. ANALYSIS OF CHANGE IN NET DEBT

	At 1/1/2009 €	*Cash flows* €	*Other changes* €	*At 31/12/2009* €
Cash at bank and in hand	1,291,063	558,205	–	1,849,268
Overdraft	(202,930)	(128,180)	–	(331,110)
	1,088,133	430,025	–	1,518,158
Debt due:				
Within one year	(294,920)	592,524	(611,463)	(313,859)
After one year	(7,594,566)	–	611,463	(6,983,103)
	(6,801,353)	1,022,549	–	(5,778,804)

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 2009. 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 6.6%, 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 65	2009	2029	2049
Life Expectancy – Male	86.7	89.6	91.5
Life Expectancy – Female	88.3	90.6	92.5

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

	2009	*2008*	*2007*
Rate of increase in salaries	3.5%	3.5%	4.25%
Rate of increase in pensions	3.5%	3.5%	4.25%
Discount rate	5.75%	5.75%	5.5%
Inflation assumption	2%	2%	2%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

20. 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 2009 %	*Value at 31 December 2009 €'000*	*Long-term rate of return expected at 31 December 2008 %*	*Value at 31 December 2008 €'000*	*Long-term rate of return expected at 31 December 2007 %*	*Value at 31 December 2007 €'000*
Equities	7.75%	4,441	7.75%	3,331	7.25%	5,881
Bonds	3.5%	1,606	3.5%	1,401	4.25%	1,125
Property	6.25%	252	6.25%	362	6.25%	544
Total market value of assets		6,299		5,094		7,550
Present value of scheme liabilities		(10,097)		(10,036)		(10,556)
Deficit in the scheme		(3,798)		(4,942)		(3,006)
Related deferred tax asset		475		618		376
Net pension liability		(3,323)		(4,324)		(2,630)

An analysis of the defined benefit cost for the year ended 31 December 2009, is as follows:

	2009 €'000	*2008 €'000*
Charged to operating profit:		
Current service cost	(231)	(329)
Past service cost	–	–
	(231)	(329)

	2009 €'000	*2008 €'000*
Charged to other finance expense:		
Interest on scheme liabilities	(579)	(595)
Expected return on scheme assets	334	523
	(245)	(72)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

20. PENSION COMMITMENTS (Continued)

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

	2009	*2008*
	€'000	*€'000*
Actual return less expected return on scheme assets	821	(3,375)
Experience gains and losses on scheme liabilities	319	(68)
Changes in assumptions underlying the present value of scheme liabilities	–	1,368
Actuarial gain/(loss)	1,140	(2,075)
Deferred tax credit	(143)	259
Actuarial gain /(loss) recognised in the Statement of Total Recognised Gains and Losses	998	(1,816)

Movement in deficit during the year	2009	2008
	€'000	*€'000*
Deficit in scheme at beginning of year	(4,942)	(3,006)
Movement in year:		
Current service cost	(231)	(329)
Contributions paid	480	540
Past Service Costs	–	–
Other finance income	(245)	(72)
Actuarial gain	1,140	(2,075)
Deficit in scheme at end of year	(3,798)	(4,942)

History of experience gains and losses:	*2009*	*2008*	*2007*	*2006*	*2005*
	€	€	€	€	€
Difference between expected and actual return on assets					
Amount (€'000)	821	(3,375)	(781)	448	836
% of scheme assets	(13%)	(66.3%)	(10.3%)	6%	
Experience gains and losses on scheme liabilities	13%				
Amount (€'000)	319	(68)	365	(85)	
% of scheme liabilities	(3.2%) (132)	(0.7%)	3.5%	(0.8%)	
Changes in assumptions underlying the present value of scheme liabilities	(1%)				
Amount (€'000)	–	1,368	862	(12)	
% of scheme liabilities (1,458)	–	13.6%	8.2%	(0.1%)	
Total actuarial gain/(loss) (14%)					
Amount (€'000)	1,140	(2,075)	446	351	(754)
% of scheme liabilities	(11.3%)	(20.7%)	4.2%	3.2%	
(7%)					

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

21. BANK LOANS

Loan maturity analysis

	2009	*2008*
	€	€
Bank and other loans comprise amounts repayable:		
In one year or less, or on demand	313,859	294,920
Between one and two years	644,892	611,463
Between two and five years	1,531,553	1,679,934
After more than five years	4,806,658	5,303,169
	7,296,962	7,889,486

22. RECONCILIATION OF MOVEMENT IN PROFIT AND LOSS ACCOUNT

	2009	*2008*
	€	€
Profit for the financial year	205,071	3,842,696
Actuarial gain/(loss) recognised on pension schemes	1,140,000	(2,075,000)
Deferred tax effect of FRS 17	(142,500)	259,375
Revaluation of investment property	(4,555,004)	(6,255,650)
Total recognised gains and losses for the year	(3,352,433)	(4,228,579)
Profit and loss at beginning of year		
As previously reported	33,316,253	37,544,832
Profit and loss at end of year	29,963,820	33,316,253

NOTES TO THE FINANCIAL STATEMENTS
31 December 2009 (Continued)

23. CAPITAL COMMITMENTS

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

	2009	*2008*
	€	€
Contracted	793,000	436,000

24. CONTINGENT LIABILITIES

There are contingent liabilities, arising in the ordinary course of business, in respect of litigation, for which the directors believe adequate provisions have been made in the accounts. .

25. 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 Transport.

THE FOLLOWING INFORMATION

DOES NOT FORM PART OF THE

STATUTORY FINANCIAL STATEMENTS

SUPPLEMENTARY ANALYSIS OF OPERATING COSTS
for the year ended 31 December 2009

	2009	*2008*
	€	€
Operating, maintenance, dredging and related costs		
Repairs and maintenance	175,175	301,554
Repairs and maintenance projects	3,819	74,887
Office administration	102,774	101,390
Motor and travel	43,369	46,435
Cleaning/waste disposal	50,956	110,077
Postage, stationery and telephone	50,276	77,142
Advertising and promotion	42,287	39,319
Audit and accounting fees	64,331	73,003
Consultancy fees	269,919	215,201
Directors' fees (including employer's PRSI)	158,121	178,000
Insurance	181,623	235,395
Light and heat	132,038	277,274
Staff costs	3,109,076	3,234,384
Security Costs	20,578	64,952
Service charges Block 2	131,489	76,727
Water rates	44,815	54,637
Depreciation	1,843,529	1,838,229
Grants amortised	(457,252)	(279,321)
Corporate Governance	–	1,350
Bad debts	39,937	63,643
Rates	796,434	778,037
Redundancy	–	333,205
Carlisle Pier write off	347,081	95,666
CEO Recruitment	–	45,423
New Revenue Development Fund	160,579	–
	7,310,954	8,036,609