

PORT OF WATERFORD COMPANY & SUBSIDIARIES
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

PORT OF WATERFORD & SUBSIDIARIES

COMPANY INFORMATION

Directors

Mr. Des Whelan* - Chairman
Ms. Helen Noble (British)*
Mr. John Kehoe (Appointed 2 July 2015)
Mr. Joe Dreelan*
Ms. Louise Grubb
Ms. Mary Mosse*
Mr. Jack Walsh
Mr. Frank Ronan - CEO (Appointed 1 October 2015)

* Members of the Audit Committee

Secretary Mr. Frank Ronan

Company number 299445

Registered office 3rd Floor,
Marine Point,
Belview Port,
Slieverue,
Waterford.

Auditors Moore Stephens Nathans
Chartered Accountants & Registered Auditors
Ulysses House
Foley St
Dublin 1

Business address 3rd Floor,
Marine Point,
Belview Port,
Slieverue,
Waterford.

Bankers Allied Irish Bank
72/74 The Quay,
Waterford.

Solicitors MJ O'Connor Solicitors
Drinagh
Wexford

PORT OF WATERFORD COMPANY & SUBSIDIARIES

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PORT OF WATERFORD COMPANY & SUBSIDIARIES

CHAIRMAN'S STATEMENT

INTRODUCTION

The Port of Waterford Company is the Commercial State Company with responsibility for the operation and development of the Port of Waterford under the Harbours' Act, 1996. The State is the sole shareholder in the company.

The company's remit as set down in Sc.11 of the Harbours Act 1996 and underscored by the Memorandum and Articles of Association of the Company, is to manage, control, operate and develop its harbour.

MISSION STATEMENT

The Port of Waterford Company will compete for customers and throughput by providing the infrastructure and service required by the markets at a commercially realistic price. The Company will ensure accountability to its customers and stakeholders and will be operated safely and efficiently to the highest environmental standards. The Company will remain financially sound and make best use of core and non-core assets and in so doing maximise regional and national economic contribution

PERFORMANCE

In line with improved economic activity and a strong agricultural sector 2015 saw a considerable improvement in bulk throughput to 1,228,831 tonnes, a 10% increase on 2014. Current developments and future planned investment in both warehousing and equipment by port stevedores will continue to drive growth in this sector in the medium term.

Similarly during 2015, the company's subsidiary Waterford Container Terminal stevedored 40,224 teu, an 11% increase on the previous year (36,173 teu). The Port Company is confident that container traffic will continue to improve in 2016 & 2017.

	<u>2015</u>		<u>2014</u>	
Lo-lo	40,224 teu	Lo-lo	36,173 teu	+11%
Bulk	1,228,831 tonnes	Bulk	1,115,972 tonnes	+10%

Increased revenues in the year were off-set by a greater commitment on dredging and higher other operating charges to deliver a profit from operations of €666k (2014: Profit € 743k excluding exceptional income). Shareholders' funds grew by €1.6 million reflecting profit after tax retained of €0.6 million plus a gain of €1.0 million on the defined benefit pension position. The closing accounting deficit on the defined benefit pension scheme has fallen to €3.5 million, a reduction of €2 million over the year. This €2 million reduction arose on foot of the actuarial gain already referred to together with the cash contributed in accordance with the agreed funding plan in the amount of a further €1 million.

It is worth noting that the cash commitment to fund the pension deficit represents an allocation of 175% of profit after tax in 2015. Given this level of allocation of resources to this legacy issue the Directors are not declaring a dividend at this time. However the Board looks forward to a time in the near future where an appropriate dividend policy will be implemented.

DEVELOPMENT

The Directors are confident of the fundamental benefits that the Port brings to both the South East Region and nationally and looks forward to expanding the range and extent of these benefits through the implementation of a structured development program. This confidence is underpinned by the location of the port, the ability to expand, our efficient facilities and flexible workforce, an appropriate cost base and high quality infrastructure (including the motorway and rail network).

Commercial:

The Port is well positioned to benefit from and contribute to the ongoing Irish economic recovery. The business is committed to identifying and leveraging every possible trading opportunity. In particular the growth in milk production has positively impacted activity and the Port will continue to seek to contribute in this area. Similarly any opportunities to expand the container services offered in the Port will continue to be pursued.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

CHAIRMAN'S STATEMENT

Strategic:

A long term masterplan to guide the future development at the port in Belview is being addressed. This process is critical to the ongoing commercial success and sustainability of the Port and will take some time to evolve. It is early days but the important first steps are being taken. In the shorter term we recognise that our fixed costs are significant and minimum levels of throughput are required to sustain operations.

Infrastructure:

The infrastructure plan will form one of the main pillars of the masterplan and will evolve through study and evaluation of market demand, facilities and capacity needs and river management requirements. In terms of river management Port of Waterford incurred maintenance dredging costs in excess of €1.3m in 2015. This cost can range from €800k to €1.5m per annum depending on rates of siltation and weather factors. It represents a significant competitive disadvantage and it is clearly important that we fully evaluate all options and opportunities to manage and mitigate this situation. Significant investigative works will be required in order to assess the most effective and feasible solutions. The Company is conscious of maintaining an adequate level of financial resource to allow this issue to be properly assessed and implemented.

Non-Core:

The Board continues to maximise the contribution of non-core assets and consider other investments and possible incomes that can positively contribute to our activities and objectives. Similarly very welcome progress is being made in relation to the management of the defined benefit pension scheme deficit and significant levels of funding are being committed to this issue annually. We are also very positive about the prospects for regeneration of the Port's former hub at Waterford's North Quays in partnership with Waterford City & County Council.

Management:

A new Chief Executive, Mr Frank Ronan, was appointed in October 2015 following the retirement of Mr Stan McIlvenny.

CORPORATE SOCIAL RESPONSIBILITY:

The Board is conscious of the social responsibilities of the Port and the business actively engages with our neighbours and fellow users of the harbour (whether for pleasure or business) in a positive and transparent manner. We endeavour to support the communities in which we operate in practical ways and we fully appreciate the support we in turn receive from those communities.

INTERNAL FINANCIAL CONTROLS

I acknowledge on behalf of the Directors the Board's responsibility for ensuring that the company has adequate internal control procedures. The implementation of a proper and practical system of internal financial control can provide reasonable but not absolute assurance against material error.

The internal control system encompasses the policies, processes, tasks, behaviours and other aspects of the company that, taken together, will facilitate effective and efficient operations by enabling the company to respond to risks, help ensure the quality of internal and external reporting and also help ensure compliance with applicable laws, regulations and internal policies.

Key procedures, which have been applied by the company, include the following: -

- Properly defined management structure and responsibilities.
- Preparation of budgets and their review by the Audit Committee and the Board.
- Preparation of monthly financial statements and control accounts to identify discrepancies (if they arise) in a timely manner. Comparison of actual performance against budget and prior year and regular reporting of same to the Board.
- Preparation of a monthly cash flow statement together with forecast of cash flows to year-end to determine in advance financing requirements.
- Defined limits of authorization approved by the board.
- Board approval required for all major projects.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

CHAIRMAN'S STATEMENT

- To further strengthen compliance with audit requirements under the Code of Practice an Internal Audit Charter has been written and adopted by the Board.

I believe that the control environment and structured reporting provide sufficient assurance as to the effectiveness of internal financial controls.

DONATIONS

The company is committed to supporting, where appropriate, regional and national organizations. During 2015 the company supported the following community projects and organizations:-

Alzheimers Society
South East Simon Community
Little Sisters of the Poor
Waterford Mayor's Charity Gala Ball
Waterford United
Waterford Harbour Sailing Club
Oasis House Women's Refuge
St Vincent de Paul
Club Deise – Waterford GAA Supporter's Club
Imagine Arts Festival –History & Heritage

ACKNOWLEDGEMENTS

I would take this opportunity to thank my fellow directors for their advice and support and the management and employees who continually demonstrate ability and determination to sustain and grow the business.

Des Whelan
Chairman

21 March 2016

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the management, control and development of the Port of Waterford.

The company is the holding company for the group, so the risks below apply to both the company and the group.

Risks and Uncertainties

The principal risks and uncertainties that the business faces include:-

- Defined benefit pension scheme
- National and International economic outlook
- Loss of a major customer
- Damage to or loss of the company's fixed assets
- Legal actions by third parties

The company maintains a risk register which is reviewed at every meeting of the board.

The key performance indicators focused upon by management are:-

- Analysis of volumes/revenues by category against prior year and budget
- Monthly review under each cost heading against budget
- Measurement of ROCE
- Monitoring of employee statistics
- Assessment of port throughput in context of national market trends
- Monitoring and investment of cash flows

Port Operations

Human Resources

The average number of people employed by the group in 2015 was 30 (2014: 31).

Safety, Health & Welfare at Work Act

The Act is designed to assist in the prevention of workplace accidents, illnesses and dangerous occurrences.

Revision of safety statements for both group companies was commenced in 2015, and is near completion. Risk assessments for employee activity were updated and the review is ongoing. A safety management system audit was undertaken and no issues were identified.

The Health & Safety Annual Report for 2015 can be summarised as follows:

- No lost work time incidents occurred during the year.
- The online induction training module for port users is still in practice.
- There were 6 Port User Safety Meetings during the year
- There was one HSA inspection in the year. Matters requiring attention following this inspection included:
 - an update of the Safety Statement, due to changes in management structure since the previous update;
 - ensure priority safety actions identified in safety meetings are routinely reviewed and signed-off;
 - Review Traffic Management Plan to reflect changing activities.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Port Operations (continued)

Safety courses were re-validated, and other relevant courses undertaken during the year by Port employees, which included First Aid and AED, Manual Handling, etc.

The Marine Operatives and Pilots also carried out fire, and man over-board drills, and pilot-boat safety and equipment familiarisation exercises.

Information Communications Technology (ICT)

An annual review of network security was carried out as part of the IT maintenance regime to ensure key aspects of electronic communications are secure. Company email has been migrated onto cloud-based Microsoft365 servers for additional spam protection, risk management and guaranteed availability.

The electronic Tide gauge was replaced and now re-transmits live tide readings to the company website.

There were over 15,000 unique visits to the company website in 2015, representing a rise of 139% on the previous year, with visitors staying longer on the website and viewing more content than in previous years.

Security

There were no significant events to report in 2015

Port Emergency Plan

The plan was updated in 2014 and remains fully compatible with the requirements of the Major Emergency Management Framework 2006.

The Environment

An inspection of the port's discharge licence was carried out during a site visit in December 2014. It was determined that the current licence is to be examined in full as it was issued in 1995.

A reviewed discharge licence, to discharge effluent to waters, dated 16th November 2015 – (reference ENV/W/64), was granted in November 2015.

The company is presently seeking to connect discharge from the Port of Waterford site at Belview to the foul sewer for Belview WWTP, and are dealing with Irish Water regarding a potential connection to allow them to consider the feasibility of making a sewer connection.

Energy Usage

The Port of Waterford group company employs 30 staff. Electricity is the main energy source in Marine Point and may be broken into the following categories:

- Lighting of yard areas and offices
- Container terminal (including two container gantry cranes and refrigerated plug points)
- Heating of offices
- Powering of electronic and electrical equipment
- Vehicular (4) and water-borne vessels (3)

In 2015, the Port of Waterford consumed:

	Energy Consumption MWh
Electricity	1,251
Fossil Fuels	200
Renewable Fuels	-
Total Energy Consumed	8,254

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Port Operations (continued)

Energy Usage (continued)

Some 90% of consumption was attributed to the container terminal operations and lighting at Belview. The container gantry cranes operate using a 38kV electricity supply. The yard lighting covers over 900 metres of linear quays and operational backup area. Two suppliers have reviewed the site and deemed the cost of retro-fitting new lighting to be prohibitive. Alternatives will continue to be reviewed. The electricity for the group continues to be supplied by Airtricity and Electric Ireland.

Actions undertaken

During the year, an Energy Audit was undertaken by an SEAI registered Commercial and Domestic BER Assessor. The Audit covered two buildings/offices occupied by Port of Waterford employees.

Following the audit, a series of follow up actions are planned including the following initiatives:

- maximising day light and implement more energy efficient lighting in office areas
- change heating mechanism for maintenance workshop area
- monitor reducing energy rates and renew electricity supply contracts at an optimal time to maximise potential value in the market

Corporate Plan 2016-2020

A corporate plan for 2016-2020 is being prepared.

Future Developments

There are no developments requiring comment.

Political Donations

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

Prompt payment of accounts

In accordance with the Prompt Payments of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations, 2002 it is group policy to pay all creditors within the limits prescribed in legislation or limits agreed in advance with suppliers. Invoices are recorded on receipt and cheques are issued as required to ensure timely payment. The system of internal financial control incorporates such controls and procedures as are considered necessary to ensure compliance with the legislation.

Corporate Governance

The directors are committed to maintaining high standards of corporate governance including compliance with the guidelines set out for port companies in the Corporate Governance Framework issued by the Department of Communications, Marine and Natural Resources in February 1997, the Code of Practice for Governance of State Bodies (as updated in May 2009) and the UK combined Code of Practice.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Corporate Governance (continued)

The main areas covered by the corporate governance framework 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.

The directors are subject to the rigours of the 'Combined Code.'

Procurement procedures, advertising and awards of contracts

The company has procedures in place to ensure compliance with public procurement guidelines.

Travel Policy

The company has procedures in place to achieve economy and efficiency in expenditure on official travel.

Chief Executive's Remuneration

The Chief Executive's salary and benefits package is subject to ratification by the Board of Directors by virtue of Section 35 (5) of the Harbours Act 1996.

Investment appraisal procedures

All investments of a material nature are approved 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.

Reporting arrangements and requirements

It is the company's aim to comply with the agreed reporting requirements of the Department of Transport, Tourism and Sport and other government departments in a timely and accurate manner.

Audit Committee

The audit committee met 4 times during 2015. This committee has terms of reference, approved by the board and is composed entirely of non-executive directors and they are listed on page 8 of the report.

Internal Audit

The establishment of an internal audit function is considered inappropriate in the context of the size of the organisation. In order to meet the requirements of the code in relation to internal audit, a three year rolling programme (as approved by the audit committee) covering various aspects of the business has been put in place. The programme as outlined is complete to date with the exception of two items deferred. All reviews were carried out independently. All reports were reviewed by the audit committee who concluded, on the basis of the reports, that the controls operating and the level of compliance in these specific areas were satisfactory. The audit committee reported accordingly to the main Board.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Directors and secretary

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. Des Whelan	
Mr. Stan McIlvenny (British) OBE	(Resigned 30 September 2015)
Ms. Helen Noble (British)	
Mr. John Kehoe	(Appointed 2 July 2015)
Mr. Joe Dreelan	
Ms. Louise Grubb	
Ms. Mary Mosse	
Mr. Jack Walsh	
Mr. Frank Ronan	(Appointed 1 October 2015)
Mr. Patrick Heffernan	(Resigned 5 May 2015)

Results and dividends

The results for the year are set out on page 13.

The company, which is a company limited by shares, as a matter of policy approves the declaration of a dividend when appropriate and in accordance the Memorandum and Articles of Association. Any dividend paid will have to take account of the overall financial circumstances of the company and its future financial obligations.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of €1.25 each	
	31 December 2015	31 December 2014
Mr. Des Whelan	-	-
Mr. Stan McIlvenny (British) OBE	-	-
Ms. Helen Noble (British)	-	-
Mr. John Kehoe	-	-
Mr. Joe Dreelan	-	-
Ms. Louise Grubb	-	-
Ms. Mary Mosse	-	-
Mr. Jack Walsh	-	-
Mr. Frank Ronan	-	-
Mr. Patrick Heffernan	-	-

Accounting records

The company's directors are aware of their responsibilities, under sections 281 to 285 of the Companies Act 2014 as to whether in their opinion, the accounting records of the company are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibility by:

- implementation of necessary policies and procedures for recording transactions,
- employment of competent accounting personnel with appropriate expertise,
- the provision of adequate resources to the financial function.

The accounting records are held at the company's business premises, 3rd Floor, Marine Point, Belview Port, Slieverue, Waterford.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Post reporting date events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial period ended 31 December 2015.

Auditors

Moore Stephens Nathans were appointed as the company's auditors and in accordance with section 382 (1) of the Companies Act 2014, they continue in office as auditors of the company.

Statement of disclosure to auditors

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

By order of the board

Mr. Des Whelan
Chairman

Date Signed : 21 March 2016

Mr. Frank Ronan
Director

Date Signed : 21 March 2016

PORT OF WATERFORD COMPANY & SUBSIDIARIES

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Mr. Des Whelan
Chairman

Date Signed : 21 March 2016

Mr. Frank Ronan
Director

Date Signed : 21 March 2016

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF PORT OF WATERFORD COMPANY & SUBSIDIARIES**

We have audited the financial statements of Port of Waterford Company for the year ended 31 December 2015 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We review whether the statement regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies made in the Chairman's Statement on page 1 reflects the group's compliance with paragraph 12.2 of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the company as at 31 December 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and, in particular, the requirements of the Companies Act 2014.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PORT OF WATERFORD COMPANY

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of director's remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Andrew Quinn
for and on behalf of Moore Stephens Nathans
Chartered Accountants and Statutory Audit Firm,
Ulysses House
Foley St
Dublin 1

21 March 2016
Date signed

PORT OF WATERFORD COMPANY & SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 €	2014 €
Turnover – continuing operations	4	6,574,958	6,300,874
Other operating income – profit on sale of land bank	5	-	85,182
Exceptional items	5	-	205,900
Operating and maintenance costs		(1,176,508)	(1,207,458)
Dredging costs		(1,315,563)	(1,138,643)
Staff costs	7	(1,685,839)	(1,615,143)
Depreciation	12	(1,189,791)	(1,247,313)
Grant amortisation	19	328,656	328,662
Other operating charges		(869,679)	(677,665)
Operating profit	6	<u>666,234</u>	<u>1,034,396</u>
Profit / loss on disposal of fixed assets		(72,176)	234,945
		<u>594,058</u>	<u>1,269,341</u>
Interest receivable	9	56,847	64,965
Interest payable and similar charges	10	(10,631)	(7,963)
Other financing costs	10	(101,105)	(194,001)
Profit before taxation		<u>539,169</u>	<u>1,132,342</u>
Taxation	11	29,816	157,243
Profit for the financial year	24	<u><u>568,985</u></u>	<u><u>1,289,585</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

PORT OF WATERFORD COMPANY & SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 €	2014 €
Profit for the year		<u>568,985</u>	<u>1,289,585</u>
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes	20	1,333,188	(592,653)
Tax relating to other comprehensive income	11	<u>(284,773)</u>	<u>(38,668)</u>
Other comprehensive income for the year		<u>1,048,415</u>	<u>(631,321)</u>
Total comprehensive income for the year		<u>1,617,400</u>	<u>658,264</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		€	€	€	€
Fixed assets					
Tangible assets	12		36,002,652		36,852,205
			<u>36,002,652</u>		<u>36,852,205</u>
Current assets					
Stocks	14	1,369,601		1,369,601	
Debtors	15	1,288,277		2,007,371	
Cash at bank and in hand		6,386,848		5,647,729	
		<u>9,044,726</u>		<u>9,024,701</u>	
Creditors: amounts falling due within one year	16	(1,352,071)		(1,439,461)	
Net current assets			<u>7,692,655</u>		<u>7,585,240</u>
Total assets less current liabilities			43,695,307		44,437,445
Provisions for liabilities	17		(3,847,426)		(5,878,308)
Deferred income	19		(9,600,483)		(9,929,139)
Net assets			<u>30,247,398</u>		<u>28,629,998</u>
Capital and reserves					
Called up share capital presented as equity	22		18,675,803		18,675,803
Capital reserves	23		92,523		92,523
Profit and loss reserves	24		11,479,072		9,861,672
Total equity			<u>30,247,398</u>		<u>28,629,998</u>

The financial statements were approved by the board of directors and authorised for issue on 21 March 2016 and are signed on its behalf by:

Mr. Frank Ronan
CEO

Mr. Des Whelan
Chairman

PORT OF WATERFORD COMPANY & SUBSIDIARIES

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		€	€	€	€
Fixed assets					
Tangible assets	12	35,993,346		36,842,165	
Investments	13		100		100
			<u> </u>		<u> </u>
			35,993,446		36,842,265
Current assets					
Stocks	14	1,369,601		1,369,601	
Debtors	15	1,150,695		1,867,413	
Cash at bank and in hand		6,286,063		5,582,426	
			<u> </u>		<u> </u>
			8,806,359		8,819,440
Creditors: amounts falling due within one year	16	<u>(1,262,525)</u>		<u>(1,349,613)</u>	
Net current assets			<u>7,543,834</u>		<u>7,469,827</u>
Total assets less current liabilities			43,537,280		44,312,092
Provisions for liabilities	17		(3,847,426)		(5,878,308)
Deferred income	19		<u>(9,600,483)</u>		<u>(9,929,139)</u>
Net assets			<u>30,089,371</u>		<u>28,504,645</u>
Capital and reserves					
Called up share capital presented as equity	22	18,675,803		18,675,803	
Capital reserves	23	92,523		92,523	
Profit and loss reserves	24	11,321,045		9,736,319	
			<u> </u>		<u> </u>
Total equity			<u>30,089,371</u>		<u>28,504,645</u>

The financial statements were approved by the board of directors and authorised for issue on 21 March 2016 and are signed on its behalf by:

Mr. Frank Ronan
CEO

Mr. Des Whelan
Chairman

PORT OF WATERFORD COMPANY & SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital €	Other reserves €	Profit and loss reserves €	Total €
Balance at 1 January 2014		18,675,803	92,523	9,203,408	27,971,734
Period ended 31 December 2014:					
Profit for the year		-	-	1,289,585	1,289,585
Other comprehensive income:					
Actuarial gains on defined benefit plans	20	-	-	(592,653)	(592,653)
Tax relating to other comprehensive income	11	-	-	(38,668)	(38,668)
Total comprehensive income for the year		-	-	658,264	658,264
Balance at 31 December 2014		18,675,803	92,523	9,861,672	28,629,998
Period ended 31 December 2015:					
Profit for the year		-	-	568,985	568,985
Other comprehensive income:					
Actuarial gains on defined benefit plans	20	-	-	1,333,188	1,333,188
Tax relating to other comprehensive income	11	-	-	(284,773)	(284,773)
Total comprehensive income for the year		-	-	1,617,400	1,617,400
Balance at 31 December 2015		18,675,803	92,523	11,479,072	30,247,398

PORT OF WATERFORD COMPANY & SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		€	€	€	€
Cash flows from operating activities					
Cash generated from operations	28	2,609,204		3,708,012	
Interest paid		(111,736)		(201,964)	
Income taxes paid		(292,049)		(38,128)	
Payments of past service pension liabilities and contributions		(1,110,734)		(1,164,105)	
Net cash inflow from operating activities		1,094,685		2,303,815	
Investing activities					
Purchase of tangible fixed assets		(360,158)		(582,741)	
Proceeds on disposal of tangible fixed assets		(52,255)		344,747	
Interest received		56,847		64,965	
Net cash used in investing activities		(355,566)		(173,029)	
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents		739,119		2,130,786	
Cash and cash equivalents at beginning of year		5,647,729		3,516,943	
Cash and cash equivalents at end of year		6,386,848		5,647,729	

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 General Information

Company information

Port of Waterford Company is a limited company domiciled and incorporated in Republic of Ireland. The registered office is 3rd Floor, Marine Point, Belview Port, Slieverue, Waterford.

Statement of Compliance

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

These financial statements for the year ended 31 December 2015 are the first financial statements of Port of Waterford Company prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 29.

Currency

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared on the historical cost convention, modified to include certain items at fair value. The principal accounting policies adopted are set out below.

The fixed assets of the Waterford Harbour Commissioners were revalued in consultation with the Minister for Communications, Marine and Natural Resources. The revalued assets were transferred to the company on vesting day 11 January 1999, under the Harbours’ Act, 1996.

2.2 Basis of consolidation

The consolidated accounts incorporate the accounts of the company and each of its subsidiaries for the year ended 31 December 2015. No profit and loss account is presented for Port of Waterford Company as is permitted by Section 304 of the Companies Act 2014.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting policies

Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land Wharves & Buildings	30 - 50 years
Motor Vehicles, Cranes and Plant	5 - 15 years
Capital Dredging	5 years
Computer & office equipment	4 – 7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

2.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting policies

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Stocks

Development land comprises land which is not held for long-term business usage, but which is held for development or re-sale purposes. It is carried as stock on the balance sheet and is stated at the lower of cost and net realisable value. Net realisable value is based on estimated market value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting policies

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting policies

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

2.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting policies

2.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015	2014
	€	€
Turnover		
Turnover	6,574,958	6,300,874
	<u> </u>	<u> </u>

4 Turnover and other revenue

Other significant revenue

Interest income	56,847	64,965
Grants received	328,656	328,662
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2015	2014
	€	€
Ireland	6,574,958	6,300,874
	<u> </u>	<u> </u>

5 Exceptional costs/(income)

	2015	2014
	€	€
Bell Lines Limited - Final liquidation dividend	-	(205,900)
Other operating income - Profit on sale of development land	-	(85,182)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	(291,082)
	<u> </u>	<u> </u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

6 Operating profit

	2015	2014
	€	€
Operating profit for the year is stated after charging/(crediting):		
Government grants	(328,656)	(328,662)
Depreciation of owned tangible fixed assets	1,189,788	1,247,313
(Loss)/profit on disposal of tangible fixed assets	72,176	(234,945)
Fees payable for the audit of the financial statements	15,831	18,228
Other assurance services	6,000	1,150
Other non-audit services	7,750	1,600
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015	2014
	Number	Number
Administration	9	9
Operations and maintenance	21	22
	<u> </u>	<u> </u>
	30	31
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2015	2014
	€	€
Wages and salaries	1,418,398	1,309,638
Social security costs	86,864	147,976
Pension costs – defined contribution	115,943	93,764
Pension costs – defined benefit	64,634	63,765
	<u> </u>	<u> </u>
	1,685,839	1,615,143
	<u> </u>	<u> </u>

8 Directors' remuneration

	2015	2014
	€	€
Director basic salary	142,292	122,059
Director additional benefits	9,154	7,824
Director pension contribution	29,761	30,515
Directors service fees	62,259	53,851
Pensions paid to past Directors	124,309	124,309
	<u> </u>	<u> </u>
	367,775	338,558
	<u> </u>	<u> </u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

9 Interest receivable and similar income

	2015	2014
	€	€
Interest income		
Interest on bank deposits	56,847	64,965

10 Interest payable and similar charges

	2015	2014
	€	€
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	10,631	7,963
Other finance costs:		
Interest on the net defined benefit liability	101,105	194,001
	<u>111,736</u>	<u>201,964</u>

11 Taxation

	2015	2014
	€	€
Deferred tax		
Write down or reversal of write down of deferred tax asset	(29,816)	(157,243)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015	2014
	€	€
Profit before taxation	539,169	1,076,008
Expected tax charge based on a corporation tax rate of 12.50% (2014 - 12.50%)	67,396	134,501
Tax effect of expenses that are not deductible in determining taxable profit	14,191	1,183
Tax effect of utilisation of tax losses not previously recognised	43,309	52,164
Unutilised tax losses carried forward	-	(10,648)
Permanent capital allowances in excess of depreciation	(21,212)	(14,642)
Estate and investment income @ 25%	15,000	12,386
Pension payments in excess of charge	(118,684)	(174,944)
Tax expense for the year	<u>-</u>	<u>-</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Taxation

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015	2014
	€	€
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive	284,773	38,668

12 Tangible fixed assets - Group
Current financial year

	Land Wharves & Buildings	Motor Vehicles, Cranes and Plant	Capital Dredging	Office Equipment	Total
	€	€	€	€	€
Cost:					
At 1st January 2015	50,835,030	13,882,449	1,273,405	23,369	66,014,253
Additions during Year	189,749	127,094	44,862	- 1,547	360,158
Disposals during Year	(13,784)	(43,800)	-	-	(57,584)
At 31st December 2015	<u>51,010,995</u>	<u>13,965,743</u>	<u>1,318,267</u>	<u>21,822</u>	<u>66,316,827</u>
Depreciation and impairment:					
At 1st January 2015	15,170,416	13,378,915	597,311	15,405	29,162,047
Depreciation charged in the year	1,044,022	107,395	36,379	1,995	1,189,791
Eliminated in respect of disposals	(6,963)	(30,700)	-	-	(37,663)
At 31st December 2015	<u>16,207,475</u>	<u>13,455,610</u>	<u>633,690</u>	<u>17,400</u>	<u>30,314,175</u>
Carrying Amount					
At 31st December 2015	<u>34,803,520</u>	<u>510,133</u>	<u>684,577</u>	<u>4,422</u>	<u>36,002,652</u>
At 31st December 2014	<u>35,664,614</u>	<u>503,534</u>	<u>676,094</u>	<u>7,964</u>	<u>36,852,205</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets – Group

Prior financial year

	Land Wharves & Buildings	Motor Vehicles, Cranes and Plant	Capital Dredging	Office Equipment	Total
	€	€	€	€	€
Cost:					
At 1st January 2014	50,634,601	13,712,837	1,229,678	15,903	65,593,019
Additions during Year	361,186	170,362	43,727	7,466	582,741
Disposals during Year	(160,757)	(750)	-	-	(161,507)
At 31st December 2014	50,835,030	13,882,449	1,273,405	23,369	66,014,253
Depreciation and impairment:					
At 1st January 2014	14,198,595	13,196,016	558,073	13,755	27,966,439
Depreciation charged in the year	1,022,776	183,649	39,238	1,650	1,247,313
Eliminated in respect of disposals	(50,955)	(750)	-	-	(51,705)
At 31st December 2014	15,170,416	13,378,915	597,311	15,405	29,162,047
Carrying Amount					
At 31st December 2014	35,664,614	503,534	676,094	7,964	36,852,205
At 31st December 2013	36,436,006	516,821	671,605	2,148	37,626,580

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets - Company

Current financial year

	Land Wharves & Buildings	Motor Vehicles, Cranes and Plant	Capital Dredging	Total
	€	€	€	€
Cost				
At 1 January 2015	50,835,030	13,423,945	1,273,405	65,532,380
Additions	189,749	122,944	44,862	357,555
Disposals	(13,784)	(43,800)	-	(57,584)
At 31 December 2015	<u>51,010,995</u>	<u>13,503,089</u>	<u>1,318,267</u>	<u>65,832,351</u>
Depreciation and impairment				
At 1 January 2015	15,170,416	12,922,488	597,311	28,690,215
Depreciation charged in the year	1,044,022	106,052	36,379	1,186,453
Eliminated in respect of disposals	(6,963)	(30,700)	-	(37,663)
At 31 December 2015	<u>16,207,475</u>	<u>12,997,840</u>	<u>633,690</u>	<u>29,839,005</u>
Carrying amount				
At 31 December 2015	<u>34,803,520</u>	<u>505,249</u>	<u>684,577</u>	<u>35,993,346</u>
At 31 December 2014	<u>35,664,614</u>	<u>501,457</u>	<u>676,094</u>	<u>36,842,165</u>

12 Tangible fixed assets - Company

Prior financial year

	Land Wharves & Buildings	Motor Vehicles, Cranes and Plant	Capital Dredging	Total
	€	€	€	€
Cost				
At 1 January 2014	50,634,601	13,254,333	1,229,678	65,118,612
Additions	361,186	170,362	43,727	575,275
Disposals	(160,757)	(750)	-	(161,507)
At 31 December 2014	<u>50,835,030</u>	<u>13,423,945</u>	<u>1,273,405</u>	<u>65,532,380</u>
Depreciation and impairment				
At 1 January 2014	14,198,595	12,740,104	558,073	27,496,772
Depreciation charged in the year	1,022,776	183,134	39,238	1,245,148
Eliminated in respect of disposals	(50,955)	(750)	-	(51,705)
At 31 December 2014	<u>15,170,416</u>	<u>12,922,488</u>	<u>597,311</u>	<u>28,690,215</u>
Carrying amount				
At 31 December 2014	<u>35,664,614</u>	<u>501,457</u>	<u>676,094</u>	<u>36,842,165</u>
At 31 December 2013	<u>36,436,006</u>	<u>514,229</u>	<u>671,605</u>	<u>37,621,840</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Fixed Asset Investments

	Company	
	2015	2014
	€	€
Group undertaking	<u>100</u>	<u>100</u>

The investment comprises 100% of the share capital of Waterford Container Terminal Limited, whose registered office is at 3rd Floor, Marine Point, Belview Port, Slieverue, Waterford. Waterford Container Terminal Limited is engaged in the provision of stevedoring services. The investment comprises 100 Ordinary Shares of €1 each.

In the opinion of the directors, the value to the company of the unlisted investment is not less than the book amount shown above

14 Stocks

	2015	2014
	€	€
Development land - Land bank	<u>1,369,601</u>	<u>1,369,601</u>

The company is engaged in the development of land adjacent to the port for industrial purposes. The value as stated above was reviewed for appropriateness.

15 Debtors

	Group		Company	
	2015	2014	2015	2014
	€	€	€	€
Amounts falling due within one year:				
Trade debtors	1,132,105	1,794,967	1,015,797	1,657,964
Amounts due from subsidiary	-	-	171	41,240
Prepayments and accrued income	142,519	212,404	134,727	168,209
Other Debtors	<u>13,653</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,288,277</u>	<u>2,007,371</u>	<u>1,150,695</u>	<u>1,867,413</u>

16 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	€	€	€	€
Amounts falling due within one year:				
Trade creditors	221,099	518,199	192,548	483,637
Amounts due to subsidiary undertakings			7,563	7,957
Corporation tax payable	460	205	460	205
Other taxation and social security	88,463	87,428	72,038	92,016
Accruals and deferred income	<u>1,042,049</u>	<u>833,629</u>	<u>989,916</u>	<u>765,798</u>
	<u>1,352,071</u>	<u>1,439,461</u>	<u>1,262,525</u>	<u>1,349,613</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Creditors: amounts falling due within

	Group		Company	
	2015	2014	2015	2014
Include in other taxation and social VAT control account	22,648	24,646	22,648	41,643
PAYE control account	65,815	62,782	49,390	50,373
	88,463	87,428	72,038	92,016

17 Provisions for liabilities

	Notes	2015 €	2014 €
Deferred tax liabilities	18	357,866	395,213
Retirement benefit obligations	20	3,489,560	5,483,095
		3,847,426	5,878,308

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2015 €	Liabilities 2014 €
Tax losses & timing differences	357,866	395,213
		2015 €
Movements in the year:		
Liability at 1 January 2015		395,213
Credit to profit and loss		(37,347)
		357,866

The deferred tax liability set out above relates to tax losses and accelerated capital allowances that are expected to mature within the same period.

19 Deferred income

	2015 €	2014 €
Capital Grants brought forward	9,929,139	10,257,801
Credited in year	(328,656)	(328,662)
	9,600,483	9,929,139

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The advice of a professional actuary was taken in the setting up and maintenance of the schemes

The charge to profit and loss in respect of defined contribution schemes was €115,943 (2014 - €93,764).

Defined benefit schemes

The company operates defined benefit schemes for certain of its permanent employees, including employees and former employees of the company's predecessor entity Waterford Harbour Commissioners. Contributions to the scheme are based on the advice of an independent qualified actuary. The scheme is funded by the payment of contributions to a separately administered fund.

The company has agreed with the Pensions Board, the funding of the scheme over a period which is longer than the maximum normally allowed. To facilitate this extended funding period the company has granted a charge over certain non-core assets in favour of the Trustees of the Pension Scheme. This charge is granted as security for any deficit of funds as certified by the scheme actuary in relation to the Pension Scheme until such time as the Trustees are satisfied that the deficit is unconditionally and irrevocably paid in full.

Other information

Movements in the fair value of plan assets:

Key assumptions

	2015	2014
	%	%
Discount rate	2.15	1.75
Expected rate of increase of pensions in payment	0.5	0.5
Expected rate of salary increases	2.25	2.5
Expected rate of increase in Consumer Price Index	1.75	2.0

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2015	2014
	Years	Years
Retiring today		
- Males	24.9	24.8
- Females	27.9	27.9

Amounts recognised in the profit and loss account:

	2015	2014
	€	€
Current service cost	64,634	63,765
Net interest on defined benefit liability/(asset)	101,105	194,001
Total costs	165,739	257,766

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefit schemes (continued)

Amounts taken to other comprehensive income:

	2015	2014
	€	€
Actual return on scheme assets	(640,596)	(2,317,405)
Less: calculated interest element	175,528	241,585
	<u>(465,068)</u>	<u>(2,075,820)</u>
Return on scheme assets excluding interest income	(465,068)	(2,075,820)
Actuarial changes related to obligations	(868,120)	2,668,473
	<u>(1,333,188)</u>	<u>592,653</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2015	2014
	€	€
Present value of defined benefit obligations	14,236,810	15,436,647
Fair value of plan assets	(10,747,250)	(9,953,552)
	<u>3,489,560</u>	<u>5,483,095</u>

Movements in the present value of defined benefit obligations:

	2015
	€
Liabilities at 1 January 2015	15,436,647
Current service cost	64,634
Benefits paid	(962,108)
Contributions from scheme members	4,475
Actuarial gains and losses	(868,120)
Interest cost	276,633
Other	284,649
	<u>14,236,810</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2015
	€
Fair value of assets at 1 January 2015	9,953,552
Interest income	175,528
Return on plan assets (excluding amounts included in net interest)	465,068
Benefits paid	(962,108)
Contributions by the employer	1,110,734
Contributions by scheme members	4,476
	<u>10,747,250</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefit schemes (continued)

The fair value of plan assets at the reporting period end was as follows:

	2015	2014
	€	€
Bonds	10,655,888	9,904,794
Cash	91,362	48,758
	<u>10,747,250</u>	<u>9,953,552</u>

21 Contingent Liabilities

(i) Section 357 Companies Act 2014

The company has guaranteed the liabilities (as defined in 357(1) (b) of the Companies Act 2014) of its subsidiary set out at Note 13 and consequently, the subsidiary undertaking does not file its financial statements.

(ii) The company is currently involved in a legal case of which the outcome is uncertain.

22 Share capital

	2015	2014
	€	€
Ordinary share capital		
Authorised equity		
32,000,000 Ordinary of €1.25 each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
Issued and fully paid equity		
14,940,642 Ordinary of €1.25 each	18,675,803	18,675,803
	<u>18,675,803</u>	<u>18,675,803</u>

23 Capital conversion reserve fund

	€
At 1 January 2014	92,523
	<u>92,523</u>
At 31 December 2014	92,523
	<u>92,523</u>
At 31 December 2015	<u>92,523</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

24 Profit and loss reserves

Company

	2015	2014
	€	€
At beginning of year	9,736,319	9,135,879
Profit for the year	536,311	1,231,761
Actuarial differences recognised in other comprehensive	1,333,188	(592,653)
Tax on actuarial differences	(284,773)	(38,668)
	<u>11,321,045</u>	<u>9,736,319</u>

Group

	2015	2014
	€	€
At beginning of year	9,861,672	9,203,408
Profit for the year	568,985	1,289,585
Actuarial differences recognised in other comprehensive	1,333,188	(592,653)
Tax on actuarial differences	(284,773)	(38,668)
	<u>11,479,072</u>	<u>9,861,672</u>

25 Related party transactions

Transactions with related parties

Mr. Des Whelan, a director of the company, is managing director/shareholder of Southeast Broadcasting Co Ltd T/A WLR FM, with which the company had transactions on normal commercial terms amounting to €1,080 plus VAT.

Ms. Helen Noble, a director of the company, is partner of Campbell Johnston Clark, with which the company had transactions on normal commercial terms amounting to €2,405 plus VAT.

The only other transaction between the company and its directors were the payment for services as executive, director or chairman.

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

26 Director's Disclosures

Director		Meetings* attended	Fees €
Des Whelan (Chairman)		8/8	12,600
Stan McIlvenny (CEO)	<i>resigned 30/09/2015</i>	6/6	6,075
Frank Ronan (CEO)	<i>appointed 01/10/2015</i>	2/2	-
Pat Heffernan	<i>resigned 05/05/2015</i>	4/4	3,115
Helen Noble		7/8	8,100
Joe Dreeelan		8/8	8,100
Louise Grubb		5/8	8,100
Mary Mosse		8/8	4,050
Jack Walsh		7/8	8,100
John Keogh	<i>appointed 02/07/2015</i>	3/3	4,018

*Meetings attended/meetings eligible

The total of expenses paid to directors (excluding the CEO) was €1,273 broken down as follows:

	€
Travel expenses	1,075
Other	198
	<hr/>
	1,273
	<hr/> <hr/>

27 Controlling party

The company's immediate and ultimate controlling party is the Minister for Transport, Tourism and Sport

PORT OF WATERFORD COMPANY & SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

28 Cash generated from operations

	2015	2014
	€	€
Profit for the year	568,985	1,289,585
Adjustments for:		
Income tax expense	(29,816)	(157,243)
Finance costs	111,736	201,964
Investment income	(56,847)	(64,965)
Loss/(gain) on disposal of tangible fixed assets	72,176	(234,945)
Depreciation and impairment of tangible fixed assets	1,189,788	1,247,313
Pension scheme non-cash movement	450,387	300,774
(Decrease) in deferred income	(328,656)	(328,662)
Movements in working capital:		
(Increase)/decrease in stocks	-	435,399
Decrease in debtors	718,841	1,083,489
(Decrease) in creditors	(87,390)	(64,697)
Cash generated from operations	<u>2,609,204</u>	<u>3,708,012</u>

29 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 January	31 December
	2014	2014
	€	€
Equity as reported under previous Irish GAAP and under FRS 102	28,661,369	29,261,809

Reconciliation of profit or loss

	2014
	€
Profit or loss as reported under previous Irish GAAP and under FRS 102	1,175,427
Adjustments to prior year	56,334
As restated	<u>1,231,761</u>

PORT OF WATERFORD COMPANY & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

29 Notes to reconciliations on adoption of FRS 102

In line with the transitional arrangement upon first time adoption of FRS 102, the company has re-assessed the fair value of fixed assets held. As a result, the following adjustment has been made:

The company identified a number of assets which were not in use and were not generating any past or present economic benefits to the company and as such assessed the fair value as nil at the date of transition. This has resulted in a reduction in the fair value of fixed assets of €757,164 at 01 January 2014.

Under previous GAAP the company recognised an expected return on defined plan assets in the profit and loss account. Under FRS 102 a net interest expense is recognised the profit and loss account. There has been no change to the defined liability at January 2014 however the effect of the change has reduced the charge in the profit and loss and reduced the credit in other comprehensive income by an equivalent amount of €56,334 at 01 January 2014.

30 Profit for the year attributable to members of the Parent Company and auditors remuneration

- (i) As provided under Section 304 of the Companies Act 2014 a separate profit and loss account of the holding company is not presented.
The amount of the profit dealt with in the accounts of the holding company for the year ended 31 December 2015 was €536,311.
- (ii) The fees paid to Moore Stephens Nathans for the audit of the parent company were €11,081 for 2015 and €14,464 (Previous auditors Ernst & Young) for 2014. Note 6 provides additional information regarding auditors' remuneration applicable to the group.

31 Approval of financial statements

The directors approved the financial statements on the 21 March 2016