INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DUBLIN PORT COMPANY

Report on the audit of the financial statements

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

In our opinion the Dublin Port Company financial statements:

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

The financial statements we have audited comprise:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report 2018, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Directors' Responsibility for Financial Statements included in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements and the Directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

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

1st April 2019

ACCOUNTING POLICIES

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

Basis of preparation

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

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

Going concern

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

Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

Grants are not recognised until there is reasonable certainty that:

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

(ii) the grants will be received.

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

Tangible fixed assets

(i) Cost

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

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

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

(ii) Depreciation and residual values

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

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

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

(iii) Subsequent additions and major components

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

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

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

(iv) Assets in the course of construction

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

(v) Derecognition

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

Dredging

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

Investment properties

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

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

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

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

ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

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

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

Employee benefits

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

(i) Short term benefits

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

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

(ii) Post-employment benefits

Defined contribution plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

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

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

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

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

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

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

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

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Exceptional items

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

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

Reclassification

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

Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provisions and contingencies

Provisions are liabilities of uncertain timing or amount.

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

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

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

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

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

Distributions to equity holders

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

Share capital

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

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

Turnover and Operating Profit arose solely from continuing activities.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

BALANCE SHEET

AS AT 31 DECEMBER 2018

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

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

On behalf of the Board

Lucy McCaffrey
Eamonn O'Reilly

29th March 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

NOTES TO THE FINANCIAL STATEMENTS

1. General information

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

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

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

2. Statement of compliance

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

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

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

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

(i) Useful economic lives of tangible assets

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

(ii) Defined benefit pension scheme

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

4. Assets and liabilities acquired on Vesting Day

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

5. Turnover

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

6. Other Operating Income

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

7. Net Interest Expense

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

8. Operating Profit

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

Auditors remuneration:

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

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

External Support and Specialist Advisory Costs

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Operating Profit (continued)

Legal Costs and Settlements

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

Travel and Subsistence Expenditure

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

Hospitality Expenditure

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

9. Dividend Paid

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

10. Taxation

(a) Tax expense included in Profit and Loss

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Taxation (continued)

(c) Reconciliation of tax charge

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

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

11. Tangible Assets

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

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

11. Tangible Assets (continued)

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

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

12. Intangible assets

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

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

13. Development Land

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Inventories

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

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

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

15. Debtors – Amounts falling due within one year

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

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

16. Investments

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

17. Creditors – Amounts falling due within one year

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

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

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

18. Creditors – Amounts falling due after one year

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

19. Bank Loans

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Deferred Income

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

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

21. Provisions for Liabilities

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

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

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

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

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

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

22. Share Capital and Reserves

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

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

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

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

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

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

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

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

23. Note to the statement of cash flow

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

24. Commitments

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

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

25. Lessor Operating Leases

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

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

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

26. Financial Instruments

The Company has the following financial instruments:

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

27. Directors' Remuneration

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Directors' Remuneration (continued)

Directors' Fees

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

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

Key management compensation

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

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

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

28. Employees

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

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

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

Short-term employee benefits

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

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

29. Related Party Transactions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Post-employment benefits

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

Defined Contribution Scheme

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

Defined Benefit Schemes

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

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

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

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

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

(b) Actuarial Valuation

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

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

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

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

30. Post-employment benefits (continued)

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

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

Long-term valuation basis (unaudited information):
The Company's intention is to continue to provide funding in accordance with the actuary's recommendation to ensure that the schemes continue to operate and provide for pension payments in the long term future.

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

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

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

30. Post-employment benefits (continued)

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

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

Financial Assumptions:

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

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

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

Demographic Assumptions:

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

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

Scheme Assets:

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

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

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

30. Post-employment benefits (continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Post-employment benefits (continued)

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

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

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

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

Movement in scheme assets and benefit obligations

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

Movement in scheme assets and benefit obligations

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

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

30. Post-employment benefits (continued)

Sensitivity Analysis of Scheme Benefit obligations:

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

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

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

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

31. Events after the reporting date

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

32. Approval of the Financial Statements

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

PORT STATISTICS (UN-AUDITED)

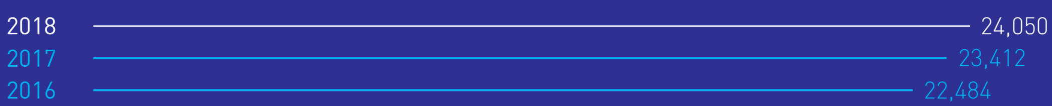
The financial statements cover the year ended 31 December 2018 together with comparative figures for 2017.

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

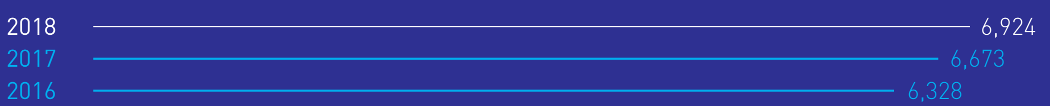
	2018	2017	2016
Vessels – Total Arrivals	**7,969**	**7,802**	**7,749**
Throughput ('000 tonnes)			
Ro-Ro	24,050	23,412	22,484
Lo-Lo	6,924	6,673	6,328
Bulk Liquid	4,621	4,281	4,017
Bulk Solid	2,375	2,034	2,053
Break Bulk	24	22	47
	37,994	**36,422**	**34,929**
Ro-Ro units ('000)	**1,032**	**992**	**945**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

Vessels – Total Arrivals

Ro-Ro ('000 tonnes)



Lo-Lo ('000 tonnes)



Bulk Liquid ('000 tonnes)

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

Bulk Solid ('000 tonnes)

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

Break Bulk ('000 tonnes)

2018	24
2017	22
2016	47

Ro-Ro units ('000)

2018	1,032
2017	992
2016	945

Lo-Lo TEU's ('000)

2018	726
2017	698
2016	664

Passenger Numbers (millions)

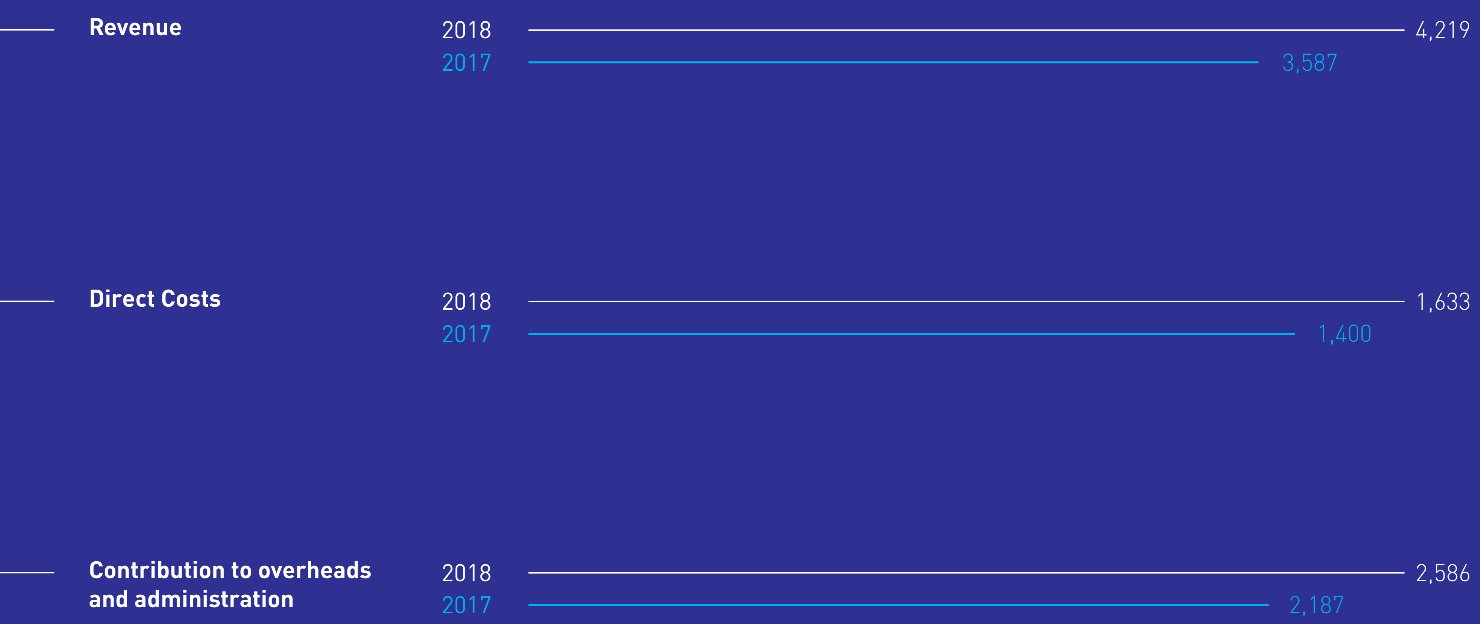
2018	1.8
2017	1.8
2016	1.8

TOWAGE ACCOUNTS (UN-AUDITED)

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

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

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



COMHLACHT CHALAFORT
ÁTHA CLIATH
DUBLIN PORT COMPANY

Alexandra Basin Redevelopment Project

Facilitating growth at Ireland's No.1 Port

Co-financed by the European Union
Connecting Europe Facility

COMHLACHT CHALAFORT ÁTHA CLIATH
DUBLIN PORT COMPANY

Dublin Port Company
Port Centre, Alexandra Road
Dublin 1, Ireland

Email: info@dublinport.ie
Phone: +353 1 8876000
Fax: +353 1 8551241

www.dublinport.ie