

**Galway Harbour Company**

**Directors' Report and Financial Statements**

**for the year ended 31st December 2013**

**DHKN Limited,  
Registered Auditors,  
Galway Financial Services Centre,  
Moneenageisha Road,  
Galway.**

## Galway Harbour Company

### Company Information

<b>Directors</b>	Paul Carey (Chairman) Eamon Bradshaw (Chief Executive) Oliver Crowe John Mulholland Frank Greene Natasha Evers Kevin Carey Padraic Mc Cormack (Appointed 20th August 2013)	
<b>Secretary</b>	Eamon Bradshaw	
<b>Company Number</b>	262364	
<b>Registered Office</b>	Harbour Office New Docks Galway	
<b>Auditors</b>	DHKN Limited Registered Auditors Galway Financial Services Centre Moneenageisha Road Galway	
<b>Bankers</b>	Bank of Ireland 19 Eyre Square Galway	KBC Bank Sandwith Street Dublin 2
<b>Solicitors</b>	Blake & Kenny Solicitors St Francis Street Galway	
<b>Actuaries</b>	Joseph G. Byrne & Sons Consulting Actuaries 28 Dale Road Kilmacud Stillorgan Co Dublin	

## Galway Harbour Company

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## **Galway Harbour Company**

### **Chairman's Statement** **for the year ended 31st December 2013**

Galway Harbour Company handled 522,000 tonnes of cargo in 2013. This was an increase of 4.4% on the 2012 figure.

The Company's profit before taxation for the year amounted to €755,274, compared to a loss before taxation of €80,234 in 2012.

During the year, the Company's total revenue increased by 9% to €5,578,830 (2012 : €3,275,302).

The company's operating costs decreased by 18% in 2013 to €2,771,999 (2012 : €3,374,904).

#### **Galway Port Extension**

A planning application was lodged with An Bord Pleanála on Friday the 10th of January 2014. It is by way of an IROPI planning application i.e. Imperative Reasons of Overriding Public Interest. An Oral Hearing will take place in the first half of 2014. This proposed extension to the port is the most significant milestone in the port's history for the past 100 years. The target date for completion of phase one of the development is 2018. An independent Cost Benefit Analysis ("CBA") has clearly identified the future viability of the extended port and the major benefits accruing to the West of Ireland. The application is aimed at returning Galway to the forefront of the commercial, marine & maritime tourism industries in Ireland in addition to being a major service hub for the wind, wave and ocean energy and the offshore oil and gas industries. In support of the development a comprehensive Business Plan was submitted to the Department of Transport, Tourism & Sport. The future viability of the Port of Galway as a commercial entity is very much dependent on planning being obtained and the first phase of the port extension commencing within two years. Increased emphasis on funding the build cost of the port extension will have priority attention in 2014.

#### **Trade**

2013 was a very good year for Galway Harbour Company with an increase in annual tonnage for the first time since 2006. Overall tonnage grew by 4.4% with exports the major contributor. New export markets were established for Limestone Extracts and RDF. On the import side a major consignment of wind energy components commenced in late 2013. Further substantial increases in tonnage are expected in 2014. New import/export opportunities have been identified. Notwithstanding the export successes of 2012/2013 the restrictions of a gated port remain a serious impediment to the development of the port's business. The redevelopment of a modern extended port is essential for the future viability of the company. Due to the port restrictions the level of trade that the port cannot accept continues to grow on an annual basis.

#### **Costs**

A substantial reduction in costs of €602,905 (18%) was achieved in 2013. A continuous assessment of costs is in place. The Defined Benefit Pension scheme is a major drain on resources and the triennial valuation undertaken in 2013 will result in additional payments of €25,000 per annum over the next two years. The gated port, while a major obstacle to developing a viable commercial business, is also a major cost factor both in terms of staff costs and maintenance. In addition the replacement (€1,000,000) or major overhaul (€500,000) of the gates to the port is imminent unless the port extension is completed within the current decade. Dredging (€500,000) of the main channel is considerably overdue, last completed in 2001, and will need to be undertaken next year in the absence of the port extension proceeding.

## **Galway Harbour Company**

### **Chairman's Statement** **for the year ended 31st December 2013**

#### **Marine and Maritime Leisure/Tourism**

In line with our three pronged approach to the redevelopment of the port the cruise line business continues to evolve with the arrival of eight cruise liners in 2014 and potential visitors of circa 10,000 likely to disembark. In 2013 the residential cruise liner "The World" paid a two-day visit to Galway. The new disembarkment facility for cruise line passengers proved to be a major success. Following on from the Volvo Ocean Race in 2012 Galway Harbour hosted the inaugural "Galway Sea Festival" in June. The demand for marina berths remains high with an increasing number of visiting vessels. The Ocean Sports Centre on the Galway Harbour Enterprise Park now hosts a mixture of 20 marine related clubs and businesses and is part of Galway Harbour's contribution to the public realm.

#### **National Ports Policy**

Under the above policy Galway Harbour Company was designated a Port of Regional Significance. The firm expectation of the board was that Galway Harbour would be designated a Port of National Significance. As the only commercial port in the West of Ireland, located in Ireland's third largest urban area and the gateway to the West, its designation was disappointing. The board is looking forward to a close working relationship with Galway City Council, the company's proposed new shareholder.

#### **Trading Name**

Galway Harbour Company will in future operate and be known by the registered trade name of The Port of Galway. The Trade name Galway Port has also been registered with the CRO.

#### **Internal Controls**

The Directors have overall responsibility for the company's systems of internal control and for reviewing their effectiveness. These systems are designed to ensure that transactions are executed in accordance with management's authorisation, that reasonable steps are taken to safeguard assets and to prevent fraud, and that proper financial records are maintained. These systems are designed to manage risk and can give reasonable, but not absolute, assurance against material error.

Galway Harbour Company is fully tax compliant.

To the best of my knowledge and belief with respect to the Company each of the following has been complied with or adhered to during the year:

1. The requirements of the Harbours Act 1996, subsequent amendments or any other relevant enactments;
2. Relevant guidelines issued by the Government or Minister for Finance;
3. The disclosure requirements in Section 32 of the Harbours Act, 1996 by Directors with respect to any interest that they may have in regard to any contract or other agreement with the Company;
4. The Code of Conduct issued by the Government;
5. The provisions of Section 15 of the Harbours Act 1996 with respect to the sale, leasing and acquisition of land;
6. E.U. Regulations and Government guidelines in relation to contracts for the provisions of goods or services; and
7. The company is complying with the "Ethics in Public Office" Regulations.

**Galway Harbour Company**

**Chairman's Statement**  
**for the year ended 31st December 2013**

I would like to express my thanks to my Board colleagues for their support and for their dedication and extended commitment during the year. On their behalf I would like to thank the CEO, Harbour Master and staff, for their efforts in achieving continued success. I am also very pleased to state that the Board enjoyed working with the Minister for Transport, Tourism & Sport and with the Officials in the Department of Transport, Tourism & Sport during the year.

Chairman

Paul Carey

19th March 2014

## **Galway Harbour Company**

### **Directors' Report** **for the year ended 31st December 2013**

The Directors present their report and the audited financial statements for the year ended 31st December 2013.

The Company is exempt pursuant to Section 8(2) of the Harbours Act 1996 from the requirement of the Companies Act, 1963 to include the word "Limited" in its title.

#### **Principal Activity and Review of the Business**

The Company manages the activities of Galway Port and Harbour.

#### **Review of the Business**

The Directors note the company's trading performance and will make every effort to improve profitability in the coming year. A detailed commentary on the activities for the year is included in the Chairman's Statement.

The Directors acknowledge that the main risks facing the Company are competition between ports. We are satisfied that we will continue to attract new business to Galway Port.

#### **Principal Risks and Uncertainties**

##### Economic Environment

Economic activity in the port improved in 2013 due to a determined effort by staff to attract new core business. Trade however continues to be difficult and in the absence of proper port facilities the ability of the port to compete for new business, on an equal competitive basis with other ports, is very limited. The development of the new port extension and the facilities it will provide are deemed essential and critical to the future wellbeing of the port.

##### Port Extension

The development of the proposed port extension is essential if the port's economic future is to be sustained and grown. In the absence of the port extension a question mark will arise over the future economic viability of the port and its ability to grow its core business.

##### Dock Gates

In the unlikely event of the gates going unshipped or being damaged there would be a period when the port might not be able to function. We have insured against consequential loss.

##### Ship

In the event of a ship running aground in the channel the same disturbance as the dock gates would apply.

#### **Results and Dividends**

Details of the results for the year are set out in the annexed profit and loss account. The profit for the year after providing for depreciation and taxation amounted to €455,546 (2012 - €130,114 - Loss).

#### **Directors and Secretary and their Interests**

The Directors and the Secretary who held office at 31st December 2013 have no interests in the shares of the Company.

Details of the share capital for the year ended 31st December 2013 are set out in Note 20.

**Galway Harbour Company**

**Directors' Report**

**for the year ended 31st December 2013**

**Post Balance Sheet Events**

There have been no other significant events affecting the company since the year end.

**Books of Account**

The measures taken by the Directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the engagement of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at Harbour Office, New Docks, Galway.

**Auditors**

The Auditors, DHKN Limited have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Paul Carey

)  
) Directors  
)

Eamon Bradshaw

Date: 19th March 2014.



**Galway Harbour Company**

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the annual 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 Accounting Standards Board and published by Chartered Accountants Ireland.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these the Directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Paul Carey	)
	) Directors
Eamon Bradshaw	)

Date: 19th March 2014.

## **Galway Harbour Company**

### **Independent Auditors' Report to the Shareholders of Galway Harbour Company**

We have audited the financial statements of Galway Harbour Company for the year ended 31st December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Practice 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 Directors' 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.

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at the 31st December 2013, and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

**Galway Harbour Company**

**Independent Auditors' Report to the Shareholders of Galway Harbour Company**

**Matters on which we are required to report by the Companies Acts 1963 to 2013**

- We have obtained all the information and explanations we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the Balance Sheet are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31st December 2013, a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the company.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

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Proinsias J. Kitt F.C.A,

For and on behalf of,

DHKN Limited  
Registered Auditors  
Galway Financial Services Centre  
Moneenageisha Road  
Galway

19th March 2014.

**Galway Harbour Company**

**Profit and Loss Account**  
**for the year ended 31st December 2013**

	Notes	2013 €	2012 €
<b>Turnover - Continuing Operations</b>	<b>2</b>	3,578,830	3,275,302
Operating Costs		(2,771,999)	(3,374,904)
<b>Operating Profit / (Loss) - Continuing Operations</b>	<b>3</b>	806,831	(99,602)
Investment Income	<b>4</b>	166,824	239,587
Interest Payable and Similar Charges	<b>5</b>	(223,705)	(220,911)
		749,950	(80,926)
Provision for Increase in Value of Investments	<b>10</b>	5,324	692
<b>Profit/(Loss) on Ordinary Activities before Taxation</b>		755,274	(80,234)
Tax on Profit/(Loss) on Ordinary Activities	<b>8</b>	(299,728)	(49,880)
<b>Profit/(Loss) on Ordinary Activities after Taxation</b>		455,546	(130,114)
Dividends		(30,000)	-
<b>Retained Profit/(Retained Loss) for the year</b>		425,546	(130,114)
<b>Statement of Total Recognised Gains and Losses</b>		<b>2013</b> €	<b>2012</b> €
<b>Retained Profit/(Retained Loss) for the year</b>		425,546	(130,114)
Actuarial Gain / (Loss)	<b>22</b>	195,000	(770,000)
Deferred Tax on Actuarial (Gain) / Loss	<b>8</b>	(24,375)	96,250
Total recognised gains / (losses) relating to the year		596,171	(803,864)

The financial statements were approved by the board on 19th March 2014 and signed on its behalf by

Paul Carey  
Director

Eamon Bradshaw  
Director

The notes on pages 12 - 29 form an integral part of the financial statements.

**Galway Harbour Company**

**Balance Sheet**  
**as at 31st December 2013**

	Notes	€	2013 €	€	2012 €
<b>Fixed Assets</b>					
Tangible Assets	9		14,451,083		14,140,004
Investments	10		9,764		4,440
			<u>14,460,847</u>		<u>14,144,444</u>
<b>Current Assets</b>					
Debtors	11	587,740		773,847	
Cash at Bank and in Hand		857,993		374,487	
		<u>1,445,733</u>		<u>1,148,334</u>	
<b>Creditors: amounts falling due within one year</b>	12	(718,610)		(581,351)	
<b>Net Current Assets</b>			<u>727,123</u>		<u>566,983</u>
<b>Total Assets Less Current Liabilities</b>			15,187,970		14,711,427
<b>Creditors: amounts falling due after more than one year</b>	13	(2,231,797)		(2,160,126)	
<b>Government Grants Deferred</b>	16	(111,672)		(132,346)	
<b>Pension Asset</b>	17	350,000		179,375	
<b>Net Assets</b>			<u>13,194,501</u>		<u>12,598,330</u>
<b>Capital and Reserves</b>					
Called up Share Capital	18	8,926,840		8,926,840	
Other Reserves	19	137,644		137,644	
Profit and Loss Account		4,130,017		3,533,846	
<b>Shareholder's Funds</b>	21		<u>13,194,501</u>		<u>12,598,330</u>

The financial statements were approved by the Board on 19th March 2014 and signed on its behalf by

Paul Carey  
Director

Eamon Bradshaw  
Director

The notes on pages 12 - 29 form an integral part of the financial statements.

**Galway Harbour Company**

**Cash Flow Statement**  
**for the year ended 31st December 2013**

	Notes	2013 €	2012 €
<b>Reconciliation of operating Profit/(Loss) to net cash inflow from operating activities</b>			
Operating Profit/(Loss)		806,831	(99,602)
Depreciation		715,962	743,583
Government grant released		(20,674)	(20,674)
Decrease / (Increase) in debtors		54,480	(165,916)
(Decrease) / Increase in creditors		(30,591)	108,183
Defined Benefit Pension Scheme Adjustment		(24,375)	83,250
<b>Net cash inflow from operating activities</b>		<u>1,501,633</u>	<u>648,824</u>
<b>Cash Flow Statement</b>			
<b>Net cash inflow from operating activities</b>		1,501,633	648,824
<b>Returns on investments and servicing of finance</b>	26	(56,881)	(23,324)
<b>Taxation</b>	26	(26,193)	(289,573)
<b>Dividends Paid</b>		(30,000)	-
<b>Capital expenditure and financial investment</b>	26	(1,027,041)	(1,588,413)
		<u>361,518</u>	<u>(1,252,486)</u>
<b>Financing</b>	26	121,988	1,034,695
<b>Increase / (Decrease) in cash in the year</b>		<u>483,506</u>	<u>(217,791)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 27)</b>			
<b>Increase / (Decrease) in cash in the year</b>		483,506	(217,791)
Financing		(121,988)	(1,034,695)
Change in net debt resulting from cash flows		<u>361,518</u>	<u>(1,252,486)</u>
<b>Net Debt at 1st January 2013</b>		<u>(2,028,263)</u>	<u>(775,777)</u>
<b>Net Debt at 31st December 2013</b>	27	<u>(1,666,745)</u>	<u>(2,028,263)</u>

## Galway Harbour Company

### Notes to the Financial Statements for the year ended 31st December 2013

#### **1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### **1.1. Basis of Preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by Chartered Accountants Ireland and issued by the Accounting Standards Board.

##### **1.2. Turnover**

Turnover consists of the invoiced sales value of sales and is net of value added tax.

##### **1.3. Tangible Fixed Assets and Depreciation**

Tangible Fixed Assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the original cost of tangible fixed assets on a reducing balance basis over their expected useful lives as follows:

Land	-	Not Depreciated
Buildings	-	2% - 10% Reducing Balance
Plant and Equipment	-	15% - 33.33% Reducing Balance
Office Equipment	-	30% Reducing Balance

##### **1.4. Investments**

Investments are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the year in which it is receivable.

##### **1.5. Government Grants**

Capital government grants received are shown as deferred income and credited to the profit and loss account by instalments on a basis consistent with the depreciation policy of the relevant assets.

Other grants are credited to the profit and loss account to offset the matching expenditure.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**1.6. Taxation**

The charge for taxation where applicable is based on the profit for the financial period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.7. Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the profit and loss account.



**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**1.8. Pensions**

The company provides pensions to its employees under a defined contribution scheme and a defined benefit scheme.

In relation to the defined contribution scheme, contributions are accrued and recognised in the operating profit or loss in the period in which they are earned by the relevant employees.

For the defined benefit scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability on the balance sheet, net of deferred tax (to the extent that it is recoverable).

The amount charged to the operating profit is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The expected return on the pension scheme's assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are shown as financing costs in the profit and loss account.

Any difference between the expected return on assets and that actually achieved and any changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

**1.9. Leasing Commitments**

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

**1.10. Dredging**

The cost of dredging is charged to the profit and loss account as incurred.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in Ireland.

<b>Turnover by category</b>	<b>2013</b>	<b>2012</b>
	€	€
Docking Fees	1,293,254	1,230,469
Rental Income	1,108,767	996,358
Parking Income	844,168	785,090
Pilotage Income	118,210	106,817
Stevedoring Income	214,431	156,568
	<u>3,578,830</u>	<u>3,275,302</u>

**3. Operating Profit/(Loss)**

**2013**      **2012**  
€              €

Operating Profit/(Loss) is stated after charging:

**Depreciation and other amounts written off:**

Depreciation on Tangible Fixed Assets	715,962	743,583
Amortisation of Government Grants	<u>(20,674)</u>	<u>(20,674)</u>

**4. Investment Income**

**2013**      **2012**  
€              €

Bank Deposit Interest	6,824	9,587
Return on Pension Scheme Assets	160,000	230,000
	<u>166,824</u>	<u>239,587</u>

**5. Interest Payable and Similar Charges**

**2013**      **2012**  
€              €

Term Loan Interest	57,012	25,421
Bank Interest and Charges	4,468	5,424
Finance Lease Interest Payable	2,225	2,066
Interest on Pension Scheme Liabilities	160,000	188,000
	<u>223,705</u>	<u>220,911</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>6. Employees</b>	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
<b>Number of Employees</b>		
The average number of employees during the year (including executive directors) was:		
Pilots	2	2
General operatives	5	6
Administration	4	4
Management	2	2
	<u>13</u>	<u>14</u>
	<u><u>13</u></u>	<u><u>14</u></u>
 <b>Employment Costs</b>		
	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Wages and Salaries	833,723	854,184
Directors' Fees	47,250	47,250
Social Welfare Costs	89,243	91,319
Pension Costs	212,422	311,885
	<u>1,182,638</u>	<u>1,304,638</u>
	<u><u>1,182,638</u></u>	<u><u>1,304,638</u></u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>7. Directors' Remuneration</b>	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<i>Chief Executive Officer</i>		
Remuneration	130,637	128,862
Directors' fees	6,300	6,300
Pension contributions	25,937	25,937
	<hr/>	<hr/>
	162,874	161,099
<i>Other Directors</i>		
Directors' remuneration	40,950	40,950
	<hr/>	<hr/>
	203,824	202,049
	<hr/> <hr/>	<hr/> <hr/>

The following Board Fees were paid in the year:

Paul Carey (Chairman)	9,450	9,450
Eamon Bradshaw (Chief Executive)	6,300	6,300
Marie Clery	-	3,150
Mairéad Cosgrave	-	3,150
Thomas McElwain	-	3,150
Robert Molloy	-	6,300
John McNamara	-	3,150
Ollie Crowe	6,300	6,300
John Mulholland	6,300	2,100
Frank Greene	6,300	2,100
Kevin Carey	6,300	-
Natasha Evers	6,300	2,100
	<hr/>	<hr/>
	47,250	47,250
	<hr/> <hr/>	<hr/> <hr/>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>8. Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<i>(a) Analysis of charge in year</i>		
<b>Current Year Taxation</b>		
Corporation Tax Charge (Note 8(b))	275,353	139,255
Movement in Deferred Taxation	24,375	(89,375)
<b>Tax on Profit on Ordinary Activities</b>	<u>299,728</u>	<u>49,880</u>
<b>Tax in Statement of Total Recognised Gains and Losses</b>		
Deferred Taxation	<u>24,375</u>	<u>(96,250)</u>
<i>(b) Factors affecting tax charge for year</i>		
The effective rate of tax for the year is different to the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below:		
	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Profit / (Loss) on ordinary activities before tax	<u>755,274</u>	<u>(80,234)</u>
Profit / (Loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2012 - 12.5%)	94,409	(10,029)
<b>Effects of:</b>		
Depreciation and capital allowances	61,041	61,955
Government grant adjustment	(2,584)	(2,584)
Finance lease repayments	(1,839)	(5,120)
Other Non Taxable Adjustments	536	3,539
Pension adjustment	(4,026)	(5,250)
Passive income adjustment	118,348	95,633
Provision for increase in value of investments	(666)	(87)
Franked Investment Income	853	1,198
Over Provision in respect of Prior Year	9,281	-
	<u>275,353</u>	<u>139,255</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>9. Tangible Assets</b>	<b>Land &amp; Buildings Freehold</b>	<b>Plant &amp; Machinery</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost</b>				
At 1st January 2013	17,777,375	2,628,501	173,595	20,579,471
Additions	976,695	48,920	1,426	1,027,041
At 31st December 2013	<u>18,754,070</u>	<u>2,677,421</u>	<u>175,021</u>	<u>21,606,512</u>
<b>Depreciation</b>				
At 1st January 2013	4,490,268	1,784,147	165,052	6,439,467
Charge for the year	532,504	180,467	2,991	715,962
At 31st December 2013	<u>5,022,772</u>	<u>1,964,614</u>	<u>168,043</u>	<u>7,155,429</u>
<b>Net Book Values</b>				
At 31st December 2013	<u>13,731,298</u>	<u>712,807</u>	<u>6,978</u>	<u>14,451,083</u>
At 31st December 2012	<u>13,287,107</u>	<u>844,354</u>	<u>8,543</u>	<u>14,140,004</u>

**Tangible Fixed Assets held under Lease Agreements**

Included in Tangible Fixed Assets are the following Assets held under Lease Agreements:

<b>Asset description</b>	<b>2013</b>		<b>2012</b>	
	<b>Net book value</b>	<b>Depreciation charge</b>	<b>Net book value</b>	<b>Depreciation charge</b>
	€	€	€	€
Plant and Equipment	74,892	18,970	93,862	23,834
	<u>74,892</u>	<u>18,970</u>	<u>93,862</u>	<u>23,834</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>10. Financial Fixed Assets</b>	<b>Quoted Investments</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Cost</b>		
At 31st December 2013	541,501	541,501
	<hr/>	<hr/>
<b>Provisions for diminution in value:</b>		
At 1st January 2013	537,061	537,061
Movement	(5,324)	(5,324)
	<hr/>	<hr/>
At 31st December 2013	531,737	531,737
	<hr/>	<hr/>
<b>Net book values</b>		
At 31st December 2013	9,764	9,764
	<hr/> <hr/>	<hr/> <hr/>
At 31st December 2012	4,440	4,440
	<hr/> <hr/>	<hr/> <hr/>

The market value of these investments at 31st December 2013 was €9,764 (2012: €4,440).

<b>11. Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Trade Debtors	392,416	438,323
Accrued Income	40,944	40,060
Corporation Tax Repayable	-	131,627
VAT Repayable	36,425	51,896
Deferred Taxation - Accelerated Capital Allowances	36,631	36,631
Prepayments	81,324	75,310
	<hr/>	<hr/>
	587,740	773,847
	<hr/> <hr/>	<hr/> <hr/>

All balances are deemed recoverable within one year.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>12. Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Trade Creditors	221,152	244,033
Bank Loan	231,844	226,369
Net Obligations under Hire Purchase and Finance Leases	17,345	16,255
PAYE Payable	30,121	26,994
PRSI Payable	10,359	9,099
Corporation Tax payable	117,533	-
Other Creditors	49,938	5,718
Accruals and Deferred Income	40,318	52,883
	<u>718,610</u>	<u>581,351</u>

<b>13. Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Bank Loan	1,955,410	2,141,368
Other Creditors	273,434	-
Net Obligations under Hire Purchase and Finance Leases	2,953	18,758
	<u>2,231,797</u>	<u>2,160,126</u>

**14. Details of Borrowings - Maturity Analysis**

	<b>Within one year €</b>	<b>Between one &amp; two years €</b>	<b>Between two &amp; five years €</b>	<b>After five years €</b>	<b>Total €</b>
<i>Repayable other than by Installments:</i>					
Bank loans and overdrafts	231,844	463,688	688,253	803,469	2,187,254
Hire Purchase and Finance Lease	17,345	2,953	-	-	20,298
Other Creditors	43,752	87,504	131,256	54,674	317,186
	<u>292,941</u>	<u>554,145</u>	<u>819,509</u>	<u>858,143</u>	<u>2,524,738</u>

**15. Securities**

KBC bank borrowings are secured by a first fixed and floating charge over the Sennebogen Crane (Fixed Asset) owned by the company.



**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>16. Government Grants Deferred</b>	<b>2013</b>	<b>2012</b>
	€	€
At 1st January 2013	132,346	153,020
Amortised during the year	(20,674)	(20,674)
At 31st December 2013	<u>111,672</u>	<u>132,346</u>
<b>17. Pension Asset</b>	<b>2013</b>	<b>2012</b>
	€	€
Gross Pension Asset (Note 22)	400,000	205,000
Deferred Tax Liability	(50,000)	(25,625)
At 31st December 2013	<u>350,000</u>	<u>179,375</u>
<b>18. Share Capital</b>	<b>2013</b>	<b>2012</b>
	€	€
<b>Authorised equity</b>		
8,000,000 Ordinary shares of €1.25 each	<u>10,000,000</u>	<u>10,000,000</u>
<b>Allotted, called up and fully paid equity</b>		
7,141,472 Ordinary shares of €1.25 each	<u>8,926,840</u>	<u>8,926,840</u>
<b>19. Capital Conversion Reserve Fund</b>	<b>2013</b>	<b>2012</b>
	€	€
Balance as at 31st December 2013	<u>137,644</u>	<u>137,644</u>

Arising from the renominalisation of share capital in 2001, an amount equal to the aggregate amount by which the issued share capital of the company was reduced was transferred to the capital conversion reserve fund.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**20. Directors and Secretary and their Interests**

The Directors and Secretary who served during the year and their interests in the shares of the company are as stated below:

<b>Director / Secretary</b>	<b>Date of Resignation</b>	<b>Date of Appointment</b>	<b>31/12/13 No.</b>	<b>01/01/13 No.</b>
Paul Carey	N/a	N/a	Nil	Nil
Eamon Bradshaw	N/a	N/a	Nil	Nil
Ollie Crowe	N/a	N/a	Nil	Nil
John Mulholland	N/a	N/a	Nil	Nil
Frank Greene	N/a	N/a	Nil	Nil
Natasha Evers	N/a	N/a	Nil	Nil
Kevin Carey	N/a	N/a	Nil	Nil
Padraic Mc Cormack	N/a	20/08/2013	Nil	Nil

**21. Reconciliation of Movements in Shareholders' Funds**

	<b>2013 €</b>	<b>2012 €</b>
Profit/(Loss) for the year	455,546	(130,114)
Dividends	(30,000)	-
	<u>425,546</u>	<u>(130,114)</u>
Other recognised gains or losses	170,625	(673,750)
	<u>596,171</u>	<u>(803,864)</u>
Net addition to/deduction from shareholders' funds	12,598,330	13,402,194
Opening Shareholders' Funds	<u>13,194,501</u>	<u>12,598,330</u>
Closing Shareholders' Funds	<u>13,194,501</u>	<u>12,598,330</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**22. Pensions**

Galway Harbour Company operates a defined benefit scheme and a defined contribution scheme for its employees. The schemes are funded and the assets are held separately from those of Galway Harbour Company.

Contributions are made to the defined benefit scheme, which is closed to new membership, at rates recommended by independent qualified actuaries. The latest full actuarial valuation prepared using an attained age method of funding was at 31st December 2012 and recommended a funding rate of 26.5%, plus €25,000 per annum, payable monthly, for two years from 1st January 2014 - 31st December 2015. The principal actuarial assumptions issued were as follows:

<b>Details</b>	<b>%</b>
Price inflation	2.0%
Increase in pensionable earnings	2.5%
Increase in pensions payment	3.0%
Return on investments (pre retirement)	4.5%
Return on investments (post retirement)	3.5%

The actuarial report showed that at that date the market value of the schemes assets was €1,841,232 with a past service surplus of €445,000.

The defined benefit scheme is a closed scheme and under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

The amounts charged during the year to operating costs were as follows:

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Defined benefit scheme - current service cost	<u>107,000</u>	<u>98,000</u>	<u>91,000</u>	<u>133,000</u>	<u>130,000</u>
Contributions to the scheme during the year	<u>107,000</u>	<u>111,000</u>	<u>129,000</u>	<u>308,000</u>	<u>378,000</u>

The current contribution rate is 26.5% of pensionable salary.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**22. Pensions (continued)**

*FRS17 Retirement Benefits*

The valuation of the scheme used for the purposes of FRS 17 disclosures has been based on the most recent actuarial valuation as identified above and updated by an independent actuary to take account of the requirements of FRS17 in order to assess the liabilities at the balance sheet date. The major assumptions used by the actuary as at 31st December 2013 were as follows:

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	%	%	%	%	%
Discount Rate	3.70%	3.40%	5.40%	5.50%	5.50%
Inflation Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Rate of Increase in pay	3.00%	3.00%	3.00%	4.00%	4.00%
Rate of Increase of pensions in payment	3.00%	3.00%	3.00%	3.00%	3.00%
Rate of Increase for deferred pensioners	2.00%	2.00%	2.00%	2.00%	2.00%

Based on these assumptions, the following table sets out the market value of the assets of the defined benefit scheme together with details of the expected long term rates of return used to generate the amount shown in the profit and loss account. It also shows the most recent valuation of the scheme liabilities updated for movements in the financial assumptions.

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	%	%	%	%	%
Equities	6.75%	7.30%	7.50%	6.80%	6.60%
Bonds	2.00%	1.90%	2.76%	4.24%	4.10%
Other	4.00%	4.97%	3.27%	3.71%	3.93%

  

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	€	€	€	€	€
Equities	1,904,000	1,547,000	2,679,000	3,088,000	2,426,000
Bonds	2,722,000	2,909,000	555,000	513,000	606,000
Other	397,000	425,000	1,245,000	1,063,000	952,000
Total Market Value of Assets	5,023,000	4,881,000	4,479,000	4,664,000	3,984,000
Present value of scheme liabilities	(4,623,000)	(4,676,000)	(3,559,000)	(4,407,000)	(4,339,000)
Surplus / (Deficit)	400,000	205,000	920,000	257,000	(355,000)
Related deferred tax (Liability) / Asset	(50,000)	(25,625)	(115,000)	(32,125)	44,375
Net Pension Asset / (Liability)	350,000	179,375	805,000	224,875	(310,625)

The surplus in the company's pension scheme has been recognised as an asset as it will reduce future contributions to the scheme.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**22. Pensions (continued)**

The movement during the year in the total net pension liability is as follows:

	2013	2012	2011	2010	2009
	€	€	€	€	€
<b>Surplus / (Deficit) at beginning of year</b>	205,000	920,000	257,000	(355,000)	(1,037,000)
<i>Charged to Profit</i>					
Current service cost	(107,000)	(98,000)	(91,000)	(133,000)	(130,000)
Past service cost	-	-	1,002,000	-	-
Other finance income/(charge)	-	42,000	82,000	(6,000)	(25,000)
<i>Charged to the Statement of Total Recognised Gains and Losses</i>					
Actuarial gain / (loss)	195,000	(770,000)	(459,000)	443,000	459,000
<i>Cash Movements</i>					
Contributions	107,000	111,000	129,000	308,000	378,000
<b>Surplus/(Deficit) at end of year</b>	<u>400,000</u>	<u>205,000</u>	<u>920,000</u>	<u>257,000</u>	<u>(355,000)</u>

The actuarial gains and losses may be analysed as follows:

	2013	2012	2011	2010	2009
	€	€	€	€	€
Difference between expected and actual return on assets	14,000	198,000	(451,000)	213,000	442,000
Experience movements on scheme liabilities	71,000	104,000	40,000	41,000	89,000
Changes in assumptions underlying the present value of scheme liabilities / (assets)	110,000	(1,072,000)	(48,000)	189,000	(72,000)
<b>Actuarial Gain / (Loss) in Statement of Total Recognised Gains and Losses</b>	<u>195,000</u>	<u>(770,000)</u>	<u>(459,000)</u>	<u>443,000</u>	<u>459,000</u>

The following table sets out a history of actuarial gains and losses over the past five years:

	2013	2012	2011	2010	2009
	€	€	€	€	€
Difference between expected and actual return on assets/(liabilities)	14,000	198,000	(451,000)	213,000	442,000
Expressed as a percentage of assets	0.03%	4.06%	(10.07%)	4.57%	11.09%
Experience gains on liabilities	71,000	104,000	40,000	41,000	89,000
Expressed as a percentage of liabilities	(1.5%)	2.22%	1.12%	0.92%	2.05%
Change in assumptions	110,000	(1,072,000)	(48,000)	189,000	(72,000)
Expressed as a percentage of liabilities	2.4%	(22.93%)	(1.35%)	4.29%	1.66%
Total actuarial gains and (losses)	<u>195,000</u>	<u>(770,000)</u>	<u>(459,000)</u>	<u>443,000</u>	<u>459,000</u>
Expressed as a percentage of liabilities	<u>4.2%</u>	<u>(16.47%)</u>	<u>(12.89%)</u>	<u>10.05%</u>	<u>10.57%</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>23. Capital Commitments</b>	<b>2013</b>	<b>2012</b>
	€	€
Details of capital commitments at the accounting date are as follows:	<u>100,000</u>	<u>-</u>

**24. Contingent Liabilities**

There are contingent liabilities to repay in certain circumstances in whole or in part government grants of €413,471 received by the company. The Directors believe that it is unlikely that these liabilities will materialise and therefore have not provided for such contingent liabilities in the financial statements.

At the year end the Company and a previous service provider were involved in a litigation process. The information usually required by Financial Reporting Standard 12, Accounting for Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. As the Directors are of the opinion that the claim can be successfully defended by the company, no liability is reflected in the financial statements for the year ended 31 December 2013.

**25. Related Party Transactions**

During the year, certain Directors had business dealings with Galway Harbour Company due to common Directorships and shareholdings. The following related party transactions occurred during the year and the balance at the end of the year was:

**Amounts Invoiced by Related Parties during the year was;**

<b>Related Director</b>	<b>Net</b>	<b>Purpose</b>
Natasha Evers	€3,240	Consultancy

**Amounts Owed to Related Parties at the year end was;**

<b>Related Director</b>	<b>Gross</b>	<b>Purpose</b>
Natasha Evers	€Nil	Consultancy

All dealings were in the normal course of business and at an arm's length basis.

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

<b>26. Gross Cash Flows</b>	<b>2013</b>	<b>2012</b>
	€	€
<b>Returns on investments and servicing of finance</b>		
Interest income	6,824	9,587
Interest on bank loans and overdrafts	(61,480)	(30,845)
Interest on lease agreements	(2,225)	(2,066)
	<u>(56,881)</u>	<u>(23,324)</u>
<b>Taxation</b>		
Corporation tax paid	(26,193)	(289,573)
	<u>(26,193)</u>	<u>(289,573)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire Tangible Assets	(1,027,041)	(1,588,413)
	<u>(1,027,041)</u>	<u>(1,588,413)</u>
<b>Financing</b>		
Capital movement in other loans	317,186	-
Capital movement in bank loan	(180,483)	1,022,969
Capital movement in lease agreements	(14,715)	11,726
	<u>121,988</u>	<u>1,034,695</u>

<b>27. Analysis of changes in Net Debt</b>	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	€	€	€
Cash at bank and in hand	374,487	483,506	857,993
	<u>374,487</u>	<u>483,506</u>	<u>857,993</u>
Debt due within one year	(226,369)	(49,227)	(275,596)
Debt due after one year	(2,141,368)	(87,476)	(2,228,844)
Finance leases	(35,013)	14,715	(20,298)
	<u>(2,402,750)</u>	<u>(121,988)</u>	<u>(2,524,738)</u>
Net Debt	<u>(2,028,263)</u>	<u>361,518</u>	<u>(1,666,745)</u>

**Galway Harbour Company**

**Notes to the Financial Statements**  
**for the year ended 31st December 2013**

..... continued

**28. Controlling Parties**

The company was controlled during the year by the Minister for Transport, Tourism and Sport through the appointment of the Directors to the company with the exception of the Chief Executive Officer who is an ex officio officer of the board.

The company provides to and receives services from various Government Departments and other State Bodies, in the normal course of business.

**29. Approval of Financial Statements**

The financial statements were approved by the Board on 19th March 2014.



**Galway Harbour Company**

We, the undersigned, being a Director and Secretary of Galway Harbour Company hereby certify that the Chairman's Statement, the Report of the Directors, the Statement of Directors' Responsibilities, the Report of the Auditors, the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and Notes to the Financial Statements set out on pages 1 to 29 herewith are true copies of the originals of the Chairman's Statement, the Report of the Directors, the Statement of Directors' Responsibilities, the Report of the Auditors, the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and Notes to the Financial Statements as laid before the Members at the Annual General Meeting of the Company held on the 19th March 2014.

Signed:

Director: Paul Carey

Secretary: Eamon Bradshaw

Date: 19th March 2014.