

Galway Harbour Company

Directors' Report and Financial Statements

for the year ended 31st December 2014

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

Galway Harbour Company

Company Information

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

Galway Harbour Company

Contents

	Page
Chairman's Statement	1 - 3
Directors' Report	4 - 5
Statement of Directors' Responsibilities	6
Auditors' Report	7 - 8
Profit and Loss Account	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12 - 29

Galway Harbour Company

Chairman's Statement **for the year ended 31st December 2014**

Galway Harbour Company handled 563,000 tonnes of cargo in 2014. This was an increase of 7.9% on the 2013 figure. The corresponding increase in 2013 was 4.4%

The company's profit after taxation for the year amounted to €582,986, compared to a profit after taxation of €455,546 in 2013.

During the year, the company's total revenue increased by 6% to €3,796,837 (2013 : €3,578,830).

The company's operating costs increased by 20% in 2014 to €3,337,021 (2013 : €2,771,999). (See under costs below.)

Galway Port Extension

A planning application was lodged with An Bord Pleanála on Friday the 10th of January 2014. It was by way of an IROPI planning application i.e. Imperative Reasons of Overriding Public Interest. An Oral Hearing took place from the 13th to the 23rd of January 2015. This proposed extension to the port is the most significant milestone in the port's history for the past 100 years. The An Bord Pleanála senior inspector commented in his closing statement that the hearing was one of the best presented and orderly Oral Hearings he had chaired. The Port of Galway submission was strongly supported by its customers, potential customers, the commercial representatives of Galway City and the West of Ireland, The Galway Chamber of Commerce representing a number of business associations in the city, tourist interests, retail interests, the Planning Committee of An Taisce, Galway, members of the Oireachtas, both the Dail and the Seanad, Galway City Councillors, The Mayor of Galway, public bodies/government agencies and private citizens. There were numerous submissions from various parties expressing support, objecting to the planning application or commenting on various aspects of the plan.

Trade

2014 was a very good year for the Port of Galway with an increase in annual tonnage of 7.9%. This increase built on the good performance of 2013 i.e. +4.4%. Exports (+60%) continue to be the driving force although the return of wood imports was a feature of 2014. Limestone Extracts and RDF exports increased significantly and will grow further in 2015. The importation of wind energy components are expected to continue during 2015 and beyond. On the back of detailed discussions with our existing and new customers a substantial increase in tonnage is expected in 2015. This is in line with the port's five year plan and the business plan submitted to the oral hearing as part of the EIS. It remains clear that the proposed extension to the port is essential if it is to cater for the future shipping requirements of the western region. The restrictions of a gated port remain a serious impediment to the development of business in the West of Ireland. In addition the redevelopment of a modern extended port is essential for the future viability of the company. The suggestion that West of Ireland businesses could readily use alternative ports and maintain competitiveness is a myth. The latter view was expressed strongly and convincingly at the Oral Hearing.

Turnover

Turnover increased by €218K or 6%. This is very much linked to tonnage throughput which is expected to continue on a growth path in 2015. There are commitments from existing clients to grow their tonnage throughput in 2015.

Galway Harbour Company

Chairman's Statement **for the year ended 31st December 2014**

Costs

There was a substantial increase in costs of €565K. A continuous assessment of costs is in place. The Defined Benefit Pension scheme continues to be a major drain on resources and the triennial valuation undertaken in 2013 resulted in additional payments of €225,000 per annum in 2014 and will again in 2015. In addition the unplanned cost of refurbishing an unused part of the centre pier amounted to €160K but was linked to identified new business. Additional short lead developments amounting to €200K were also undertaken in light of the strong financial state of the company. In all some €600K in unplanned but value driven expenditure took place. 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 (€1M) or major overhaul (€5M) of the gates to the port is imminent unless the port extension is completed within the current decade. Dredging (€5M) of the main channel is considerably overdue, last completed in 2001, and will need to be undertaken this year in the absence of the port extension proceeding.

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 8 cruise liners in 2014 and visitors totalling 10,000. Unfortunately due to weather conditions and a lack of a deepwater facility 2 of the cruise liners departed without disembarking their passengers. Once again the West of Ireland has suffered economically due to the absence of a deepwater commercial port. A further 8 cruise liners are booked to visit Galway in 2015. Written confirmation is to hand that the mega cruise liners will call to Galway when proper disembarking facilities are made available. In addition the building of the port extension will allow for the redevelopment of the inner dock area for marine leisure.

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 3rd largest urban area and the gateway to the West its designation was disappointing and contrary to earlier commitments. Notwithstanding the designation the company has concentrated on its role as a regional port and it was on this basis that its recent planning application, for an extension to the port, was based. Developments in 2014 would further convince the board of the Galway Harbour Company that a review of this aspect of the National Port's Policy is essential. In the interim the port is dedicated to providing a proper commercial facility to its clients in the greater western area as mandated under the NPP. The board of the Port of Galway is looking forward positively to a close working relationship with Galway City Council, the company's proposed new shareholder. A number of meetings of the steering committee have taken place.

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.

Galway Harbour Company

Chairman's Statement
for the year ended 31st December 2014

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.

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.

Paul Carey
Chairman

Date: 27th March 2015

Galway Harbour Company
Directors' Report
for the year ended 31st December 2014

The Directors present their report and the audited financial statements for the year ended 31st December 2014.

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 risk facing the company is 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 2014 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 €582,986 (2013 - €455,546).

Directors and Secretary and their Interests

The Directors and the Secretary who held office at 31st December 2014 have no interests in the shares of the company.

Details of the share capital for the year ended 31st December 2014 are set out in Note 18.

Galway Harbour Company

Directors' Report
for the year ended 31st December 2014

Post Balance Sheet Events

There have been no other significant events other than those disclosed in the Chairman's Statement 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: 27th March 2015

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: 27th March 2015.

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 2014 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 2014, 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 2014, 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.

Stephen Crowley F.C.A.,

For and on behalf of,

DHKN Limited
Registered Auditors
Galway Financial Services Centre
Moneenageisha Road
Galway

Date: 27th March 2015

Galway Harbour Company

Profit and Loss Account
for the year ended 31st December 2014

	Notes	2014 €	2013 €
Turnover - Continuing Operations	2	3,796,837	3,578,830
Operating Costs		(3,337,021)	(2,771,999)
Operating Profit - Continuing Operations	3	459,816	806,831
Investment Income	4	176,273	166,824
Interest Payable and Similar Charges	5	(227,564)	(223,705)
		408,525	749,950
Provision for Increase in Value of Investments	10	1,355	5,324
Profit on Ordinary Activities before Taxation		409,880	755,274
Tax on Profit on Ordinary Activities	8	173,106	(299,728)
Profit on Ordinary Activities after Taxation		582,986	455,546
Dividends		-	(30,000)
Retained Profit for the year		582,986	425,546
Statement of Total Recognised Gains and Losses			
		2014 €	2013 €
Retained Profit for the year		582,986	425,546
Actuarial Gain	22	173,000	195,000
Deferred Tax on Actuarial Gain	8	(21,625)	(24,375)
Total recognised gains relating to the year		734,361	596,171

The financial statements were approved by the board on 27th March 2015 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 2014

		2014		2013	
	Notes	€	€	€	€
Fixed Assets					
Tangible Assets	9	14,606,694		14,451,083	
Investments	10	11,119		9,764	
		<u>14,617,813</u>		<u>14,460,847</u>	
Current Assets					
Debtors	11	550,331	587,740		
Cash at Bank and in Hand		805,865	857,993		
		<u>1,356,196</u>	<u>1,445,733</u>		
Creditors: amounts falling due within one year	12	<u>(652,392)</u>	<u>(718,610)</u>		
Net Current Assets		<u>703,804</u>	<u>727,123</u>		
Total Assets Less Current Liabilities		<u>15,321,617</u>	<u>15,187,970</u>		
Creditors: amounts falling due after more than one year	13	(1,996,507)	(2,231,797)		
Government Grants Deferred	16	(90,998)	(111,672)		
Pension Asset	17	694,750	350,000		
Net Assets		<u>13,928,862</u>	<u>13,194,501</u>		
Capital and Reserves					
Called up Share Capital	18	8,926,840	8,926,840		
Other Reserves	19	137,644	137,644		
Profit and Loss Account		4,864,378	4,130,017		
Shareholder's Funds	21	<u>13,928,862</u>	<u>13,194,501</u>		

The financial statements were approved by the Board on 27th March 2015 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 2014

	Notes	2014 €	2013 €
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		459,816	806,831
Depreciation		651,374	715,962
Government grant released		(20,674)	(20,674)
Decrease in debtors		83,621	54,480
Increase / (decrease) in creditors		64,322	(30,591)
Defined benefit pension scheme adjustment		(249,625)	(24,375)
Net cash inflow from operating activities		<u>988,834</u>	<u>1,501,633</u>

Cash Flow Statement

Net cash inflow from operating activities		988,834	1,501,633
Returns on investments and servicing of finance	26	(44,291)	(56,881)
Taxation	26	58,611	(26,193)
Dividends paid		-	(30,000)
Capital expenditure and financial investment	26	(806,985)	(1,027,041)
		<u>196,169</u>	<u>361,518</u>
Financing	26	(248,297)	121,988
(Decrease) / increase in cash in the year		<u>(52,128)</u>	<u>483,506</u>

Reconciliation of net cash flow to movement in net debt (Note 27)

(Decrease) / increase in cash in the year		(52,128)	483,506
Financing		<u>248,297</u>	<u>(121,988)</u>
Change in net debt resulting from cash flows		196,169	361,518
Net Debt at 1st January 2014		<u>(1,666,745)</u>	<u>(2,028,263)</u>
Net Debt at 31st December 2014	27	<u>(1,470,576)</u>	<u>(1,666,745)</u>

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

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 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 2014

..... 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 2014

..... 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 2014

..... continued

2. Turnover

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

	2014	2013
	€	€
Turnover by category		
Docking Fees	1,396,902	1,293,254
Rental Income	1,143,920	1,108,767
Parking Income	849,146	844,168
Pilotage Income	121,772	118,210
Stevedoring Income	285,097	214,431
	<u>3,796,837</u>	<u>3,578,830</u>

3. Operating Profit

2014
€

2013
€

Operating Profit is stated after charging:

Depreciation and other amounts written off:

Depreciation on Tangible Fixed Assets	651,374	715,962
Amortisation of Government Grants	<u>(20,674)</u>	<u>(20,674)</u>

4. Investment Income

2014
€

2013
€

Bank Deposit Interest	11,273	6,824
Return on Pension Scheme Assets	165,000	160,000
	<u>176,273</u>	<u>166,824</u>

5. Interest Payable and Similar Charges

2014
€

2013
€

Term Loan Interest	50,562	57,012
Bank Interest and Charges	3,867	4,468
Finance Lease Interest Payable	1,135	2,225
Interest on Pension Scheme Liabilities	172,000	160,000
	<u>227,564</u>	<u>223,705</u>

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

6. Employees	2014	2013
	No.	No.
Number of Employees		
The average number of employees during the year (including executive directors) was:		
Pilots	2	2
General operatives	5	5
Administration	4	4
Management	2	2
	<u>13</u>	<u>13</u>
Employment Costs	2014	2013
	€	€
Wages and Salaries	849,581	833,723
Directors' Fees	54,600	47,250
Social Welfare Costs	91,213	89,243
Pension Costs	168,083	191,518
	<u>1,163,477</u>	<u>1,161,734</u>

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

7. Directors' Remuneration	2014	2013
	€	€
<i>Chief Executive Officer</i>		
Remuneration	129,908	130,637
Directors' fees	6,300	6,300
Pension contributions	25,937	25,937
	<hr/> 162,145	<hr/> 162,874
<i>Other Directors</i>		
Directors' remuneration	48,300	40,950
	<hr/> 210,445	<hr/> 203,824

The following Board Fees were paid in the year:

Paul Carey (Chairman)	9,450	9,450
Eamon Bradshaw (Chief Executive)	6,300	6,300
Ollie Crowe	5,775	6,300
John Mulholland	6,300	6,300
Frank Greene	6,300	6,300
Kevin Carey	6,300	6,300
Natasha Evers	6,300	6,300
Padraic Mc Cormack	7,875	-
	<hr/> 54,600	<hr/> 47,250

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

8. Taxation	2014	2013
	€	€
<i>(a) Analysis of charge in year</i>		
Current Year Taxation		
Corporation Tax Charge (Note 8(b))	146,292	275,353
Movement in Deferred Taxation	49,250	24,375
Tax on Profit on Ordinary Activities	195,542	299,728
Adjustments in Respect of Prior Years		
Corporation Tax	(368,648)	-
Tax in Statement of Total Recognised Gains and Losses		
Deferred Taxation	21,625	24,375

(b) Factors affecting tax charge for year

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:

	2014	2013
	€	€
Profit on ordinary activities before tax	409,880	755,274
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2013 - 12.5%)	51,235	94,409
Effects of:		
Depreciation and capital allowances	49,124	61,041
Government grant adjustment	(2,584)	(2,584)
Finance lease repayments	(2,168)	(1,839)
Other non taxable adjustments	25,286	536
Pension adjustment	(24,787)	(4,026)
Passive income adjustment	48,946	118,348
Provision for increase in value of investments	(169)	(666)
Franked investment income	1,409	853
Over provision in respect of prior year	-	9,281
	146,292	275,353

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

9. Tangible Assets	Land & Buildings Freehold €	Plant & Machinery €	Fixtures, Fittings & Equipment €	Total €
Cost				
At 1st January 2014	18,754,070	2,677,421	175,021	21,606,512
Additions	760,732	15,607	30,646	806,985
At 31st December 2014	19,514,802	2,693,028	205,667	22,413,497
Depreciation				
At 1st January 2014	5,022,772	1,964,614	168,043	7,155,429
Charge for the year	494,263	145,824	11,287	651,374
At 31st December 2014	5,517,035	2,110,438	179,330	7,806,803
Net Book Values				
At 31st December 2014	13,997,767	582,590	26,337	14,606,694
At 31st December 2013	13,731,298	712,807	6,978	14,451,083

Tangible Fixed Assets held under Lease Agreements

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

Asset description	2014		2013	
	Net book value €	Depreciation charge €	Net book value €	Depreciation charge €
Plant and Equipment	59,782	15,110	74,892	18,970
	59,782	15,110	74,892	18,970

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

10. Financial Fixed Assets

	Quoted Investments €	Total €
Cost		
At 31st December 2014	541,501	541,501
Provisions for diminution in value:		
At 1st January 2014	531,737	531,737
Movement	(1,355)	(1,355)
At 31st December 2014	530,382	530,382
Net book values		
At 31st December 2014	11,119	11,119
At 31st December 2013	9,764	9,764

The market value of these investments at 31st December 2014 was €11,119 (2013: €9,764).

11. Debtors

	2014 €	2013 €
Trade Debtors	313,526	392,416
Accrued Income	77,434	40,944
Corporation Tax Repayable	46,212	-
VAT Repayable	40,436	36,425
Deferred Taxation - Accelerated Capital Allowances	36,631	36,631
Prepayments	36,092	81,324
	550,331	587,740

All balances are deemed recoverable within one year.

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

12. Creditors: amounts falling due within one year	2014 €	2013 €
Trade Creditors	178,856	221,152
Bank Loan	233,231	231,844
Net Obligations under Hire Purchase and Finance Leases	2,953	17,345
PAYE Payable	28,915	30,121
PRSI Payable	10,142	10,359
Corporation Tax Payable	-	117,533
Other Creditors	43,750	49,938
Accruals and Deferred Income	154,545	40,318
	<u>652,392</u>	<u>718,610</u>

13. Creditors: amounts falling due after more than one year	2014 €	2013 €
Bank Loan	1,766,821	1,955,410
Other Creditors	229,686	273,434
Net Obligations under Hire Purchase and Finance Leases	-	2,953
	<u>1,996,507</u>	<u>2,231,797</u>

14. Details of Borrowings - Maturity Analysis

	Within one year €	Between one & two years €	Between two & five years €	After five years €	Total €
<i>Repayable other than by Installments:</i>					
Bank Loans and Overdrafts	233,231	466,460	654,426	645,935	2,000,052
Hire Purchase and Finance Lease	2,953	-	-	-	2,953
Other Creditors	43,750	87,500	131,250	10,936	273,436
	<u>279,934</u>	<u>553,960</u>	<u>785,676</u>	<u>656,871</u>	<u>2,276,441</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 2014

..... continued

16. Government Grants Deferred	2014	2013
	€	€
At 1st January 2014	111,672	132,346
Amortised during the year	(20,674)	(20,674)
At 31st December 2014	<u>90,998</u>	<u>111,672</u>
17. Pension Asset	2014	2013
	€	€
Gross Pension Asset (Note 22)	794,000	400,000
Deferred Tax Liability	(99,250)	(50,000)
At 31st December 2014	<u>694,750</u>	<u>350,000</u>
18. Share Capital	2014	2013
	€	€
Authorised equity		
8,000,000 Ordinary shares of €1.25 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid equity		
7,141,472 Ordinary shares of €1.25 each	<u>8,926,840</u>	<u>8,926,840</u>
19. Capital Conversion Reserve Fund	2014	2013
	€	€
Balance as at 31st December 2014	<u>137,644</u>	<u>137,644</u>

Arising from the renominatisation 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 2014

..... 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:

Director / Secretary	Date of Resignation	Date of Appointment	31/12/14 No.	01/01/14 No.
Paul Carey	N/a	N/a	Nil	Nil
Eamon Bradshaw	N/a	N/a	Nil	Nil
Ollie Crowe	23/11/2014	N/a	N/a	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	N/a	Nil	Nil

21. Reconciliation of Movements in Shareholders' Funds

	2014 €	2013 €
Profit for the year	582,986	455,546
Dividends	-	(30,000)
	<hr/> 582,986	<hr/> 425,546
Other recognised gains or losses	151,375	170,625
	<hr/> 734,361	<hr/> 596,171
Net addition to shareholders' funds	13,194,501	12,598,330
Opening Shareholders' Funds	<hr/> 13,928,862	<hr/> 13,194,501
Closing Shareholders' Funds	<hr/> <hr/>	<hr/> <hr/>

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... 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 €225,000 per annum, payable monthly, for two years from 1st January 2014 - 31st December 2015. The principal actuarial assumptions issued were as follows:

Details	%
Price inflation	2.00%
Increase in pensionable earnings	2.50%
Increase in pensions payment	3.00%
Return on investments (pre retirement)	4.50%
Return on investments (post retirement)	3.50%

The actuarial report showed that at that date the market value of the schemes assets was €4,841,000 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:

	2014	2013	2012	2011	2010
	€	€	€	€	€
Defined benefit scheme - current service cost	104,000	107,000	98,000	91,000	133,000
Contributions to the scheme during the year	332,000	107,000	111,000	129,000	308,000

The current contribution rate is 26.5% of pensionable salary plus €225,000 per annum, payable monthly, for two years from 1st January 2014 - 31st December 2015.

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... 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 2014 were as follows:

	2014	2013	2012	2011	2010
	%	%	%	%	%
Discount rate	2.20%	3.70%	3.40%	5.40%	5.50%
Inflation rate	1.25%	2.00%	2.00%	2.00%	2.00%
Rate of increase in pay	2.00%	3.00%	3.00%	3.00%	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	1.25%	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. It also shows the most recent valuation of the scheme liabilities updated for movements in the financial assumptions.

	2014	2013	2012	2011	2010
	€	€	€	€	€
Equities	2,190,000	1,904,000	1,547,000	2,679,000	3,088,000
Bonds	3,944,000	2,722,000	2,909,000	555,000	513,000
Other	363,000	397,000	425,000	1,245,000	1,063,000
Total market value of assets	6,497,000	5,023,000	4,881,000	4,479,000	4,664,000
Present value of scheme liabilities	(5,703,000)	(4,623,000)	(4,676,000)	(3,559,000)	(4,407,000)
Surplus	794,000	400,000	205,000	920,000	257,000
Related deferred tax liability	(99,250)	(50,000)	(25,625)	(115,000)	(32,125)
Net pension asset	<u>694,750</u>	<u>350,000</u>	<u>179,375</u>	<u>805,000</u>	<u>224,875</u>

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 2014

..... continued

22. Pensions (continued)

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

	2014	2013	2012	2011	2010
	€	€	€	€	€
Surplus / (Deficit) at beginning of year	400,000	205,000	920,000	257,000	(355,000)
<i>Charged to profit</i>					
Current service cost	(104,000)	(107,000)	(98,000)	(91,000)	(133,000)
Past service cost	-	-	-	1,002,000	-
Other finance income/(charge)	(7,000)	-	42,000	82,000	(6,000)
<i>Charged to the statement of total recognised gains and losses</i>					
Actuarial gain / (loss)	173,000	195,000	(770,000)	(459,000)	443,000
<i>Cash movements</i>					
Contributions	332,000	107,000	111,000	129,000	308,000
Surplus at end of year	<u>794,000</u>	<u>400,000</u>	<u>205,000</u>	<u>920,000</u>	<u>257,000</u>

The actuarial gains and losses may be analysed as follows:

	2014	2013	2012	2011	2010
	€	€	€	€	€
Difference between expected and actual return on assets	1,118,000	14,000	198,000	(451,000)	213,000
Experience movements on scheme liabilities	55,000	71,000	104,000	40,000	41,000
Changes in assumptions underlying the present value of scheme liabilities / (assets)	(1,000,000)	110,000	(1,072,000)	(48,000)	189,000
Actuarial Gain / (Loss) in Statement of Total Recognised Gains and Losses	<u>173,000</u>	<u>195,000</u>	<u>(770,000)</u>	<u>(459,000)</u>	<u>443,000</u>

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

	2014	2013	2012	2011	2010
	€	€	€	€	€
Difference between expected and actual return on assets/(liabilities)	1,118,000	14,000	198,000	(451,000)	213,000
Expressed as a percentage of assets	17.2%	0.3%	4.1%	(10.1%)	4.6%
Experience gains on liabilities	55,000	71,000	104,000	40,000	41,000
Expressed as a percentage of liabilities	(1.0%)	(1.5%)	2.2%	1.1%	0.9%
Change in assumptions	(1,000,000)	110,000	(1,072,000)	(48,000)	189,000
Expressed as a percentage of liabilities	(17.5%)	2.4%	(22.9%)	(1.3%)	4.3%
Total actuarial gains and (losses)	173,000	195,000	(770,000)	(459,000)	443,000
Expressed as a percentage of liabilities	3.0%	4.2%	(16.5%)	(12.9%)	10.1%

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

23. Capital Commitments	2014	2013
	€	€
Details of capital commitments at the accounting date are as follows:	-	100,000
	<u> </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 2014.

25. Related Party Transactions

During the year, no Directors had business dealings with Galway Harbour Company.

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... continued

26.	Gross Cash Flows	2014	2013	
		€	€	
	Returns on investments and servicing of finance			
	Interest income	11,273	6,824	
	Interest on bank loans and overdrafts	(54,429)	(61,480)	
	Interest on lease agreements	(1,135)	(2,225)	
		<u>(44,291)</u>	<u>(56,881)</u>	
		<u><u></u></u>	<u><u></u></u>	
	Taxation			
	Corporation tax recovered / (paid)	58,611	(26,193)	
		<u>58,611</u>	<u>(26,193)</u>	
		<u><u></u></u>	<u><u></u></u>	
	Capital expenditure and financial investment			
	Payments to acquire tangible assets	(806,985)	(1,027,041)	
		<u>(806,985)</u>	<u>(1,027,041)</u>	
		<u><u></u></u>	<u><u></u></u>	
	Financing			
	Capital movement in other loans	(43,750)	317,186	
	Capital movement in bank loan	(187,202)	(180,483)	
	Capital movement in lease agreements	(17,345)	(14,715)	
		<u>(248,297)</u>	<u>121,988</u>	
		<u><u></u></u>	<u><u></u></u>	
27.	Analysis of changes in Net Debt	Opening balance	Cash flows	Closing balance
		€	€	€
	Cash at bank and in hand	857,993	(52,128)	805,865
		<u>857,993</u>	<u>(52,128)</u>	<u>805,865</u>
		<u><u></u></u>	<u><u></u></u>	<u><u></u></u>
	Debt due within one year	(275,596)	(1,385)	(276,981)
	Debt due after one year	(2,228,844)	232,337	(1,996,507)
	Finance leases	(20,298)	17,345	(2,953)
		<u>(2,524,738)</u>	<u>248,297</u>	<u>(2,276,441)</u>
		<u><u></u></u>	<u><u></u></u>	<u><u></u></u>
	Net Debt	(1,666,745)	196,169	(1,470,576)

Galway Harbour Company

Notes to the Financial Statements
for the year ended 31st December 2014

..... 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 27th March 2015.