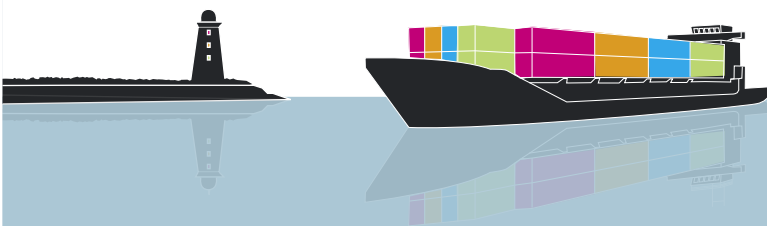




**DUBLIN  
PORT CO**

**Annual Report 2007**

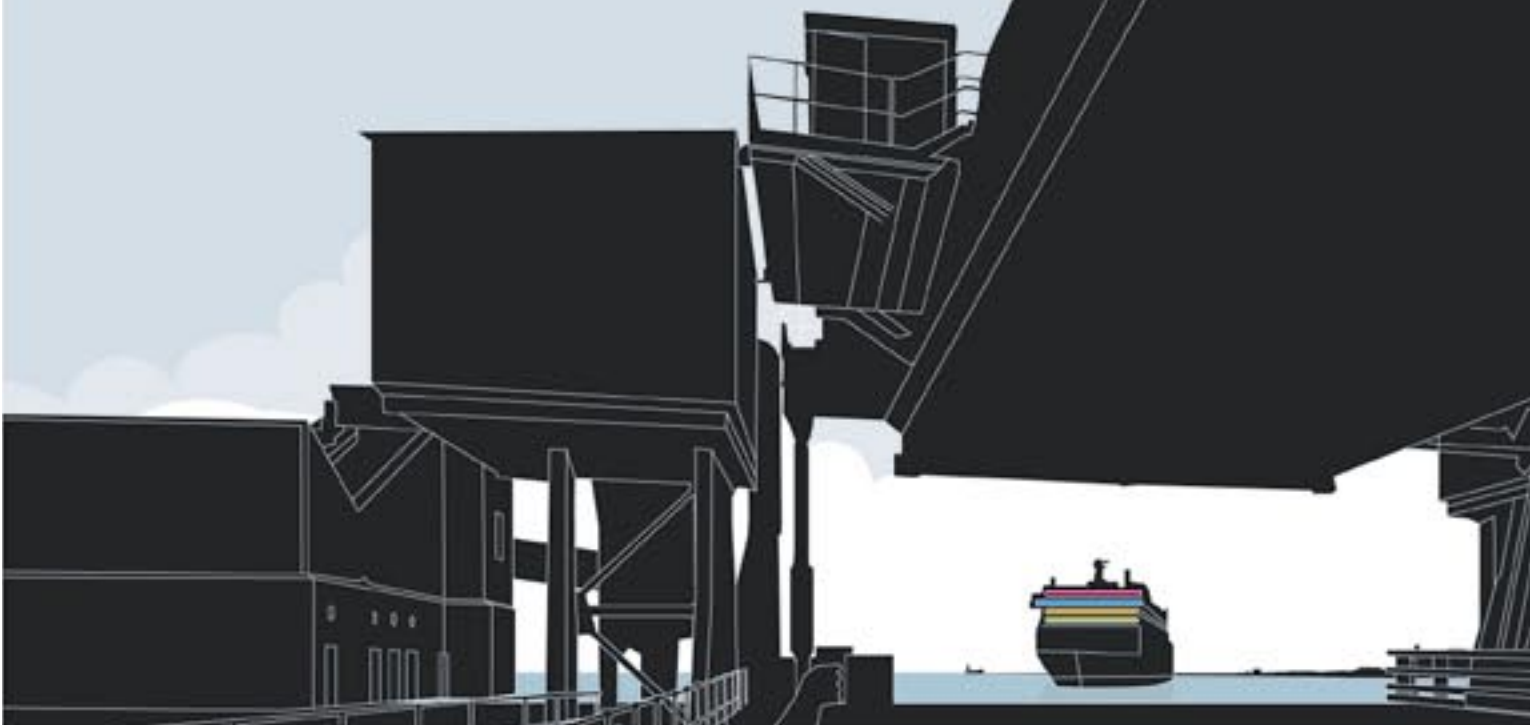


**Our mission is to facilitate the movement of goods, passengers and attendant information flows by being the best medium sized port management company in Europe.**



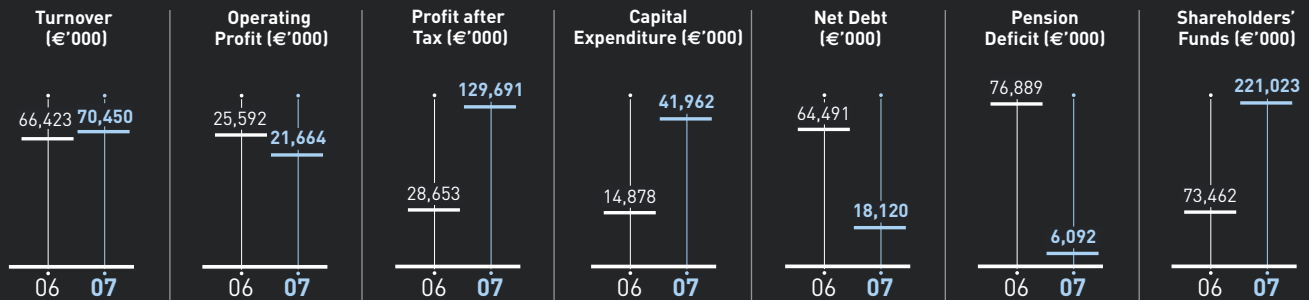
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# Financial Highlights

	Year Ended 31 December 2007 €'000	Year Ended 31 December 2006 €'000
Turnover	70,450	66,423
Operating Profit	21,664	25,592
Profit after Tax	129,691	28,653
Capital Expenditure	41,962	14,878
Net Debt	18,120	64,491
Pension Deficit	6,092	76,889
Shareholders' Funds	221,023	73,462



## Other Information

Secretary and  
Registered Office  
Michael Sheary  
Port Centre  
Alexandra Road  
Dublin 1

Registered Number: 262367

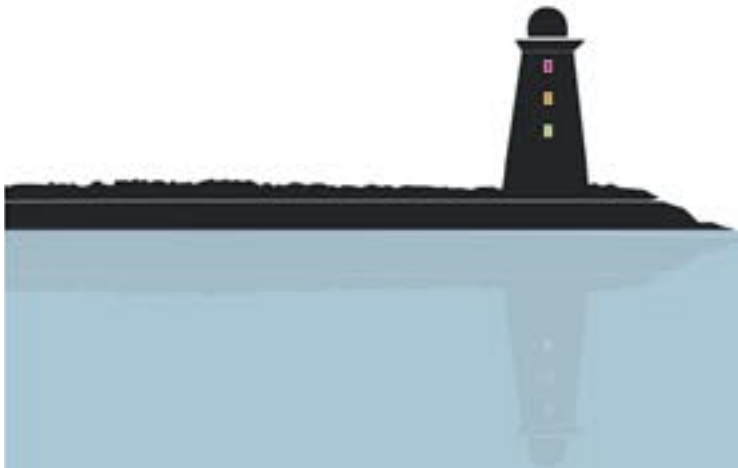
Principal Bankers  
Bank of Ireland  
IIB Bank

Auditors  
PricewaterhouseCoopers  
Chartered Accountants and  
Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1

Solicitors  
Arthur Cox  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

Actuaries  
Mercer  
Charlotte House  
Charlemont Street  
Dublin 2

# Directors & Management





Michael Sheary  
Company Secretary &  
Chief Financial Officer

**Board of Directors**

- |                                       |                    |                  |                      |
|---------------------------------------|--------------------|------------------|----------------------|
| 1. Joe Burke,<br>Chairman             | 3. Paddy Bourke    | 7. Brian W Kerr  | 11. Charles Rochfort |
| 2. Enda Connellan,<br>Chief Executive | 4. Cathy Bryce     | 8. Jerry Kiersey | 12. Tom Stafford     |
|                                       | 5. Kevin Humphreys | 9. Pat Magner    |                      |
|                                       | 6. Tom Hussey      | 10. John Moore   |                      |

**Executive Management Team**

- |   |                   |
|---|-------------------|
| <b>Chief Executive</b>                                | Enda Connellan    |
| <b>Company Secretary/<br/>Chief Financial Officer</b> | Michael Sheary    |
| <b>Head of Operations</b>                             | Seamus McLoughlin |
| <b>Head of Research for Development</b>               | Ken Whelan        |
| <b>Human Resources Manager</b>                        | Joanne M Doyle    |

**Senior Management Group**

- |   |                    |
|---|--------------------|
| <b>Harbour Master</b>                     | Capt. David Dignam |
| <b>Maintenance &amp; Services Manager</b> | Ciarán Callan      |
| <b>Finance Manager</b>                    | Marie Porter       |
| <b>IT Manager</b>                         | Conor Farrell      |
| <b>Marketing/Public Relations Manager</b> | Brenda Daly        |
| <b>Properties Manager</b>                 | Gerry Barry        |
| <b>Research for Development Manager</b>   | Joe Hiney          |
| <b>Security Manager</b>                   | John Fairley       |

# Chairman's Statement



**I am very pleased to report that 2007 has been an excellent year for Dublin Port Company. Dublin Port was once again named Port of the Year at the All Ireland Transport and Logistics Awards. We are continuing to deliver on our commitment to facilitate the movement of goods, passengers and attendant information flows as we strive to be the best medium sized port management company in Europe, providing world-class facilities and services, in a cost-efficient manner.**

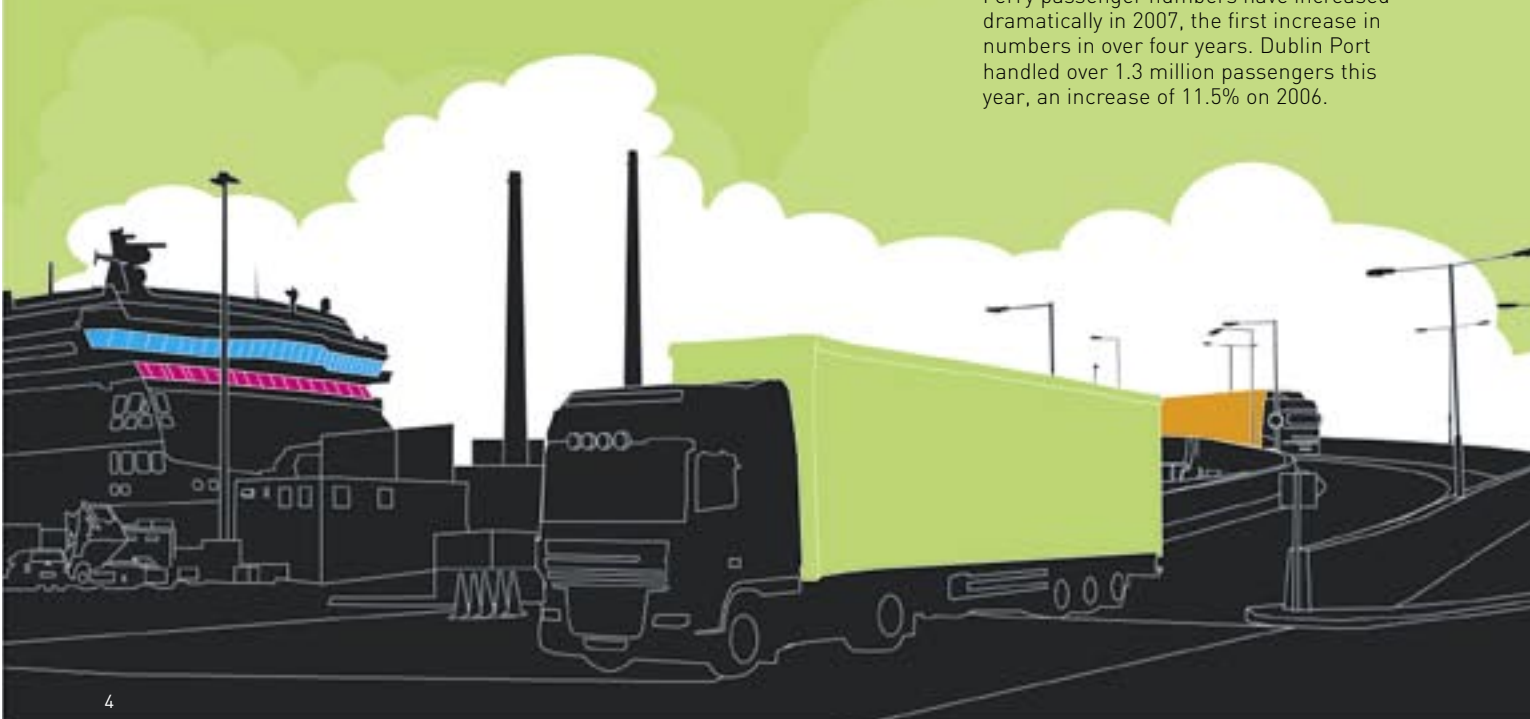
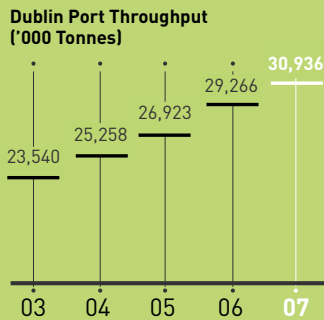
2007 was a record-breaking year as trade levels exceeded 30 million tonnes. This record growth in throughput was largely driven by the unitised trade sector. The strong trading performance is reflected in the financial performance of the Company as manifested by the record turnover and profitability levels achieved. As we look to the future we must be aware that there are significant challenges ahead. We must respond to the changing business environment and adapt to the external forces that shape the conditions in which consumers and companies operate.

A significant challenge we face is the issue of capacity at the Port. With the increase in volumes of trade continuing to grow year-on-year, prevention of congestion continues to be a main priority for Dublin Port Company. If it is not addressed properly there is a real danger of damaging our national competitiveness. Our proposal to build a 21- hectare facility at the North Port qualifies to be considered under the Strategic Infrastructure legislation and the detailed planning application will be submitted to An Bord Pleanála in the summer of 2008.

We will respond to the changing Irish economy in order to ensure that we are in a position to meet the demands it brings. It is hard to believe that, in the last 15 years, Dublin alone has seen the development of The Square Tallaght, Blanchardstown Centre, Liffey Valley and more recently the new Dundrum Town Centre. The vast majority of the goods in these centres arrive in containers or on trucks at Dublin Port. Demand for consumer goods is projected to grow, as evidenced by the proposed development of a further 4 million sq. ft. of retail space within the M50 corridor, over the coming years.

Dublin Port Company will continue to invest heavily in the Port's infrastructure and to adapt to the changing economy. In the last two years alone, we have invested €55 million in port infrastructure and maximising land efficiencies and we will continue to look for ways to improve and invest in the future.

We will continue with our strong support of the tourism side of the business. This year we recorded a welcome reversal in the decline in ferry passenger numbers. Ferry passenger numbers have increased dramatically in 2007, the first increase in numbers in over four years. Dublin Port handled over 1.3 million passengers this year, an increase of 11.5% on 2006.



## 2007 was a record-breaking year as trade levels exceeded 30 million tonnes



Dublin Port Company was to the forefront in 2007 in supporting and promoting this sector through a major marketing campaign which centred on the use of ferry travel by many of the great Irish writers. This campaign continues into 2008 and we are very pleased with the positive impact it has had in bringing passengers back to this mode of transport.

We will also maintain our focus on the cruise industry. In 2007 we continued our advances in this area. I must once again point out the huge benefit to the local economy in promoting Dublin as a leading cruise destination. It has generated a major cash boost of between €35 million and €50 million for the local economy through direct and indirect spend every year.

We will continue to develop our Corporate Social Responsibility programme and cement our relationships with the local communities and beyond. In 2007 alone we involved ourselves in a number of exciting projects. We continued our support of The Ringsend and District Response to Drugs Project, which has provided invaluable services to the local community, in tackling drug abuse and issues such as social exclusion.

Our scholarship programme continues to thrive and to date has helped 250 people in the local community. We followed up the very successful '100 Flowers to Bloom' community art project undertaken in 2006 by publishing a commemorative book which included all of the aspects of the project.

We also had reason to celebrate in 2007, as it was the 10th anniversary of Dublin Port Company and the 300th anniversary since the committee was first established in 1707 to oversee and manage Dublin Port. Part of our festivities was an exhibition of eighteen prints inspired by Dublin Port. The exhibition, sponsored by Dublin Port Company, featured the work of eighteen artists from Graphic Studio Dublin. We also held a very well attended and exciting Open Day in the Port and brought all of our friends from the local community to participate in the festivities. It was an occasion that brought the local communities and all at Dublin Port together and we hope to repeat it in the future.

We are very proud of our local sponsorships including Clontarf Rugby Club and Clann na nGael. We hope to continue this on into the future. We believe strongly in supporting organisations and clubs in our community.

For over ten years we have been the silent engine of Ireland's economy and we have strengthened our position as Ireland's port of choice. We now look forward to building on these successes and delivering on our commitments every day.

Finally, I would like to thank our customers for their continued business and their ongoing commitment, which is evidenced through their high investment in Dublin Port. I would also like to acknowledge the management and staff of Dublin Port Company, particularly our Chief Executive, Enda Connellan and I would like to congratulate the Dublin Port Company Community Liaison Committee for their significant contribution and excellent work and on Dublin Port Company winning the good neighbour category in the Chambers Ireland President's Award for Corporate Social Responsibility.

Also to my fellow Board of Directors, I thank you for your continued commitment, support and input.

**J Burke**  
Chairman  
27 March 2008

# Chief Executive's Review



**I am delighted to report that 2007 was yet another successful year for Dublin Port Company. In a year in which we marked our 10th anniversary as a corporate entity we have maintained our continued strong financial performance. We have maintained progress in operational developments, as well as achieving our goals of customer focus, modernisation and cost reduction.**

Dublin Port remains Ireland's premier port, handling two-thirds of containerised trade to and from Ireland and 50% of all Ireland's imports and exports. Today as Ireland's largest and busiest port, trade volumes are at an all time record level breaking the 30 million tonne barrier for the first time.

### Financial Review

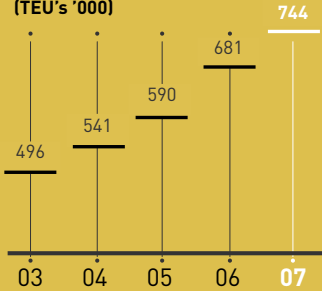
2007 represented another year of robust financial performance for Dublin Port Company.

Turnover increased to over €70.4m (2006: €66.4m), an increase of over 6% on the previous year. This was driven in the main by volume growth as cargo and vessel dues, applied to the unitised sector, were not increased in the year under review.

Underlying Operating Expenditure (i.e. excluding exceptional operating items) increased by €2.2m to €41.9m (2006: €39.7m). Approximately 70% of this increase arises from further increases in the level of commercial and water rates imposed by Dublin City Council. Excluding City rates the Company's underlying operating expenditure rose by just 1.8%.

As a result of the foregoing, underlying Operating Profit increased to €28.5m in 2007 (2006: €26.7m), an increase of almost 7% year on year.

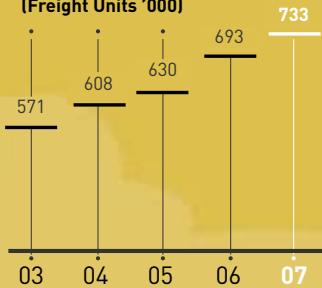
**Dublin Port Lo Lo Trade (TEU's '000)**

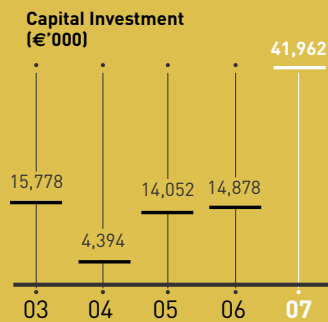


A key factor in driving trade growth in 2007 was again the unitised trade comprising Roll-on Roll-off (RoRo) and Lift-on Lift-off (LoLo). This sector now accounts for almost 80% of total throughput. In 2007, the number of RoRo units handled increased to over 733,000 units representing a 5.8% increase on the previous year. On the LoLo side, trade increased to 744,000 twenty-foot equivalent units (teu's), which was a 9.3% increase on 2006.

In addition to the strong growth experienced in the unitised sector, the Bulk Solid sector (including grain, animal feed, cement fines and ore) increased by 9.5% to over 2.5 million tonnes while the Bulk Liquid sector increased marginally to reach almost 4.1 million tonnes.

**Dublin Port Ro Ro Trade (Freight Units '000)**





As I indicated in my review last year, in addition to infrastructural investment, Dublin Port Company has focused on investment in the modernisation of systems, processes and work practices. This commitment means that 2007 is the sixth consecutive year in which the Company's payroll costs have been reduced. More importantly our continued commitment to reducing the cost base means that our payroll cost in 2007 was almost 33% lower than the out-turn six years previously in 2001.

Below the Operating Profit line, the Profit and Loss Account benefits from the joint sale of the former IGB site at Ringsend. The Company received in excess of €138m for its share of the proceeds from this sale, i.e. approximately one-third of the total proceeds. The net proceeds after allowing for disposal expenses and Capital Gains Tax amounted to approximately €109m. These funds were applied to the Company's pension fund, borrowings and capital programme over the course of the year.

2007 represents a significant milestone for the Company, as it is the first year in which the Company paid a dividend to the state. This dividend amounting to €4.2m was paid in June 2007. The Company is committed to providing a return to the shareholder in line with the policies of other profitable state companies with robust Balance Sheets and in line with other relevant publicly quoted port and utility providers.

One of the most significant financial achievements since the Company was formed in 1997 has been the elimination as at 31 December 2007 of the Pension Fund Deficit as measured by the Minimum Funding Standard under the Pensions Act, 1990. As a result of strong cash injections by the Company since March 1997 we have seen pension fund assets increase from €10m to over €200m at the end of 2007. This is a significant achievement and one we should all be proud of.

# Chief Executive's Review

continued



## Constant Improvement

As an organisation we are constantly adapting to the changing economy in Ireland. These changes will place a greater emphasis on the smooth, reliable, secure and cost efficient movement of goods. Dublin Port Company is committed to making the necessary investments in infrastructure to adapt as seamlessly as possible. In the last two years alone we have invested €55 million in port infrastructure and maximising land efficiencies.

With our customers' needs in mind, and to sustain our robust financial performance, we have continued to improve the Port's facilities. This year we partnered with Topaz Energy Group to develop Ireland's largest service station at the gateway to the Port Tunnel at a cost of €7 million, the majority being invested by Dublin Port Company. The development is up to four times larger than a typical Irish service station. The new facility is the first integrated forecourt and truck park facility of its kind in the country. Our focus of constantly investing in our facilities to keep pace with the requirements of our increasing volume of customers will continue.

## Future Needs, Future Solutions

With volumes of trade continuing to accelerate year-on-year, congestion in ports will become a serious issue for our small, open economy, which relies heavily on trade with other countries.

The main driver of this growth is the increased demand for consumer goods. It is worth noting that 50% of all consumer goods coming through Dublin Port stay within the M50 belt. Bearing in mind that a further 4 million sq. ft. of retail space is destined to be developed within this M50 belt, it is clear that if it is to be serviced efficiently there will be significantly more capacity demanded at Dublin Port. Dublin Port Company is committed to playing its full part in the provision of this much needed capacity from existing assets and from our proposal to build a 21 hectare extension at the North Eastern perimeter of the Port. This will better allow Dublin Port Company to provide more efficient deep berths to meet this increasing and changing demand. As part of our commitment to providing solutions for our economy we made a preliminary application to An Bord Pleanála to have our North Port extension proposal considered under the Strategic

**Turnover increased to over €70.4m (2006: €66.4m), an increase of over 6% on the previous year**



Infrastructure Legislation. Since then it has been designated a Strategic Infrastructure Project by An Bord Pleanála and we have now commenced work on the formal application which we hope to submit in Summer 2008.

A number of years ago the Board took a farsighted decision, with future capacity constraints in mind, to invest in Greenore. Together with One51 we established a Joint Venture Company, Renore Ltd. on a 50/50 basis. We then purchased Greenore, Co. Louth, the deepest natural port on the East Coast. This provided us with a solution for non-Dublin based trade. Currently plans are advanced to build two LoLo and two RoRo berths.

There has been much speculation and discussion about the future of Dublin Port and its current location. The latest contribution was the Dublin City Council Dublin Bay Report – “Dublin Bay, An Integrated Economic, Cultural and Social Vision for Sustainable Development”. We have carried out a comprehensive review of the Report and made a detailed submission to DCC setting out our considered view that the Report was fundamentally flawed in arriving at its recommendation that the Port be relocated to an unknown location. Our response deals in some detail with the economic perspective, property valuation issues and strategic planning and development considerations, which need to be taken into account in any rational debate on this issue.

We welcome the debate on the future of the Port and we will play our full part in it. We will continue to work, consistent with our statutory role, to manage Ireland’s busiest port and facilitate trade in what is one of the world’s most open economies. Given the crucial role the Port plays in the life of the City, we cannot bring this country’s economy to its knees purely for the sake of aesthetics.

#### **Continued Focus on Efficiencies**

To continue to offer world-class services to our customers, and to meet the high investment by Port customers in terms of new services and facilities, in the last ten years Dublin Port Company has invested over €225 million in infrastructure. We have also made significant improvements to Port security with the introduction of a state of the art CCTV system. Dublin Port is a safe, secure place to do business and we are meeting our obligations under the international ISPS code. Our customers expect security when conducting their business and we are continuing to strive to ensure that the Port environment is as safe and secure as possible.

**Dublin Port Company has invested over €225 million in infrastructure. We have also made significant improvements to Port security with the introduction of a state of the art CCTV system**



# Chief Executive's Review

continued

## Partners in the Community

Each year we highlight our commitment to our Corporate Social Responsibility programme. CSR is now in the sinews of this organisation and something that we commit our resources and staff to.

This year Dublin Port Company won the Chambers Ireland President's Good Neighbour Award for a second consecutive year.

This demonstrates our commitment to our Corporate Social Responsibility agenda. We were given the award for our support of The Ringsend and District Response to Drugs Project, which has provided invaluable services to the local community in tackling drug abuse, and issues such as social exclusion.

Our scholarship programme continues to thrive and has improved the lives of over 325 people in the local community by giving them access to third level education. To date over €200,000 has been invested by Dublin Port Company in the seven years since we initiated the programme.

In another development Dublin Port Company, in partnership with FÁS, launched Ireland's first maritime transport learning and development network in January of this year. This new training network aims to further develop skills across the shipping and logistics industry in Ireland. It has already proved very successful in attracting 30 companies seeking training for employees. We have over 70 courses on offer, facilitated by the Dublin Port Company Training Learning & Development Centre, FÁS, the National College of Ireland, the Copenhagen Business School and Hamburg Technical University. Courses include strategic planning, human resources, computer skills, hazardous cargo handling skills and management courses. This demonstrates Dublin Port Company's commitment to improving standards of service in the Port.

## Tourism

Dublin Port Company places a lot of importance on developing and promoting tourism through the Port. 2007 has proven to be an excellent year for the ferry travel sector. Ferry passenger numbers have increased in 2007, a welcome reversal in the decline we have recorded over the previous four years. Dublin Port handled over 1.3 million passengers this year an increase of 11.5% on 2006. These results come on the back of a major investment by Dublin Port Company in support of this sector. In July of this year we launched a €1.5 million marketing campaign. At the time of writing this review, Oscar Wilde is our featured writer and as he once famously quipped "*The only thing worse than being talked about, is not being talked about*", clearly the campaign has got people talking. The campaign, which will run until April 2008, celebrates the rich heritage of ferry travel of the great Irish writers and featured, Brendan Behan, James Joyce, Sean Ó Casey, G.B. Shaw, Oscar Wilde and William B. Yeats.

The cruise industry is still driving forward and in 2007 Dublin Port Company hosted 63 cruise liners carrying in excess of 50,000 high-spend passengers and 25,000 crew members. Dublin Port Company's work in promoting Dublin as a leading cruise destination has

generated a major cash boost of between €35 million and €50 million for the local economy through direct and indirect spend every year. We expect to welcome over 80 cruise liners in 2008.

## International

We are also involved in many positive projects internationally. This year we hosted a major three-day United Nations Conference on Trade and Development (UNCTAD). The conference was attended by over 20 countries from Asia and Africa including Ghana, Sierra Leone, Benin, Maldives, Namibia, India and Cambodia. The conference was focused on the port sector of developing countries to help strengthen their training capacities and develop human resources. We were delighted to have been chosen as the UN's English-speaking port partner in delivering training to ports in developing countries. Our involvement in the Train-For-Trade programme demonstrates that the Company is well placed to share our knowledge and skills with ports of developing countries.

## Outlook 2008

2007 has been a strong year for Dublin Port Company in terms of growth levels and financial performance, and while all the indicators point toward more modest growth expectations in 2008, Dublin Port Company is well positioned to deliver another robust performance.

**Dublin Port handled over 1.3 million passengers this year an increase of 11.5% on 2006**





We will continue to meet our mandate of facilitating trade in the context of growing the country's economy and the growing population on the East coast. We will maintain our role as the pre-eminent port management company in the country.

We have committed to investing €100m in the next five years to better utilise the best available technology to grow the business. We will continue to exploit the full potential of the cruise industry and make Dublin Port the 'Home Port' for cruise-liners. We will continue to develop the Port in line with the City's social, cultural and economic objective in a responsible and sustainable way.

I congratulate the Dublin Port Company Community Liaison Committee for their significant contribution and excellent work and on Dublin Port Company winning the good neighbour category in the Chambers Ireland President's Award for Corporate Social Responsibility.

The continued success of Dublin Port Company, and Dublin Port, is down to the joint contributions made by our customers, our staff and our Board of Directors. I would like to express my thanks to our customers for their continued investment in Dublin Port.

I would sincerely like to thank all of our staff for their commitment and contribution to the Company. I would also like to thank the Board of Directors for their significant advice and support. It is a real testament to all that we were named Port of the Year for 2007 at the All Ireland Transport and Logistics Awards. The award measures the experience and skill of the Management, the infrastructure of the Port and the business itself, this proves that to win took a real team effort.

A handwritten signature in black ink, appearing to read 'E. Connellan'.

**Enda Connellan**  
Chief Executive  
27 March 2008



# Corporate Social Responsibility



Being a good corporate citizen is a commitment that we take very seriously at Dublin Port Company. Each year we actively seek ways to become involved with the local community and beyond in a meaningful way. Throughout the last year, Dublin Port Company sought to make a positive contribution to the local community through investment in people and assisting economic and social development of the local area. In 2007 we were involved in a number of important and exciting initiatives. We were also honoured by winning the Chambers Ireland President's CSR "Good Neighbour" Award for a second consecutive year.

## Flowers to Bloom 100

One of the most exciting projects to stem from 2006 was the 100 Flowers to Bloom community art project, commissioned by Dublin Port Company in partnership with the Fire Station Artists' Studio. The community arts project celebrated the hundreds of species of non-native plant life brought into Ireland through the thousands of ships that have visited Dublin Port from around the world in the past 100 years.

In 2007 we continued our support of this project by publishing a commemorative book to celebrate all the work undertaken in the development of the project. The publication includes images from all of the art.

## Education and Training

Our scholarship programme continues to thrive and has improved the lives of many people in the local community by giving them access to third level education. To date over €200,000 has been invested by Dublin Port Company in the seven years since we initiated the programme and over 325 people have gained access to the programme.

In another exciting development Dublin Port Company in partnership with FÁS launched Ireland's first maritime transport learning and development network in January of this year. This new training network aims to further develop skills across the shipping and logistics industry in Ireland. It has already proved very successful, attracting 30 companies and 2,500 employees, over half the total number of employees working on the Dublin Port estate.





There are over 70 courses on offer, facilitated by the Dublin Port Company Training Learning & Development Centre, FÁS, the National College of Ireland, the Copenhagen Business School and Hamburg Technical University. Courses include strategic planning, human resources, computer skills, hazardous cargo handling skills and management courses.

#### **Local Community Initiatives**

Dublin Port Company also supports the Ringsend District Response to Drugs (RDRD) project, a community based drug response group. Since its formation eleven years ago, Dublin Port Company has supported key initiatives including the Family Support Group, Weekends Away, Annual Graduation Ceremony Gala Dinner and the RDRD's Annual Report. Other key community initiatives, which were ongoing in 2007, included our sponsorships of Clann na nGael Fontenoy GAA Club and Clontarf RFA, with both clubs being a key focal point for the community.

#### **International Community Initiatives**

Dublin Port Company has taken part in a school reconstruction project in Banda Aceh, Indonesia. The school was designed for 250 pupils and was completed in 2006, and today over 70 pupils attend classes there regularly. We resourced the project by providing funding of €200,000. The local communities of Dublin Port held a number of fundraising events, which brought the total fund to €250,000. With this funding we have also purchased a plot of land close to the school for a new Community & Health Centre to help the local community and businesses. This centre should be completed in 2008. We have also continued our sponsorship of the school's education fund. This fund helps to buy books and uniforms for the children, as well as ensuring transport to and from the school.

In June we held a major three-day United Nations Conference on Trade and Development (UNCTAD). The conference was attended by over 20 countries from Asia and Africa including Ghana, Sierra Leone, Benin, Maldives, Namibia, India and Cambodia. Dublin Port Company was chosen as the UN's English-speaking port partner in delivering training to ports in developing countries. Dublin Port Company's involvement in the Train-For-Trade programme demonstrates that the Company is well placed to share our knowledge and skills with ports of developing countries.

#### **Community Liaison Committee**

Finally, many thanks must be expressed to the Dublin Port Company Community Liaison Committee whose efforts ensure that a meaningful community programme is developed and delivered year on year. The Committee, which is made up of representatives from the local community and Dublin Port Company, plays a pivotal role in ensuring that local communities have a platform to share their views with the Company and that the Company is supporting the community in a significant way.



# Directors' Report

The Directors submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2007.

## Legal Status

Dublin Port Company is a limited liability company established pursuant to the Harbours Act, 1996. On 3 March 1997 the Company became the successor entity to Dublin Port & Docks Board, the former statutory entity with responsibility for the Port of Dublin. On that date Dublin Port Company took over the functions and acquired the assets and liabilities of the predecessor organisation at valuations agreed with the Minister for Communications, Marine and Natural Resources. In consideration for the assets and liabilities, the Company issued share capital in the amount of €7.648m to the Minister for Communications, Marine and Natural Resources.

With effect from 26 July 1997 the Company became the pilotage authority for Dublin Bay.

Responsibility for the Commercial Port Sector was transferred from the Minister for Communications, Marine and Natural Resources to the Minister for Transport with effect from 1 January 2006.

## Principal Activities

The business purpose of Dublin Port Company is to facilitate the movement of goods and passengers, and attendant information flows through the Port.

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

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

## Going Concern

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on the going concern basis.

## Books of Account

The Directors have taken measures to ensure compliance with the Company's obligations under S.202 of the Companies Act 1990 with regard to keeping proper books of account. The measures taken are the use of appropriate systems and procedures and the employment of competent accounting personnel. The books of account are kept at the Company's registered office, Port Centre, Alexandra Road, Dublin 1.

## Business Review

Details of the profit for the year, together with comparative figures for 2006, are set out in the Profit and Loss Account on page 24 and the related notes.

Throughput grew by 5.7% from 29.3 million tonnes in 2006 to 30.9 million tonnes in 2007. This growth reflects the continued strength of the Irish economy with strong growth experienced in the unities sector, which accounts for over 78% of the business.

Turnover for the year amounted to €70.4m, an increase of over 6% on 2006 (2006: €66.4m). Total Operating Costs increased to €48.8m in 2007 from €40.8m in 2006. This was mainly due to an increase in Exceptional Operating Costs of €5.8m relating to redundancy payments and associated early retirement pension costs, together with pension costs arising from restructuring plans. In addition, further increases in commercial and water rates imposed by Dublin City Council resulted in an increase of €1.5m in the Company's Operating Costs. Operating Profit decreased to €21.7m in 2007 from €25.6m in 2006 resulting in an Operating Margin of 31% (2006: 38%). The underlying Operating Profit, before Exceptional Operating Items, increased to €28.5m in 2007 from €26.7m in 2006 resulting in an underlying Profit Margin of 40.5% (2006: 40.2%).

The Company received a further dividend of €375,000 during the year from its investment in Renore Ltd, the Joint Venture Company established in 2002 to purchase the Greenore Port group of Companies. This was the third dividend payment having received €375,000 each year in 2005 and 2006.

Profit retained for the financial year was €125.5m (2006: €28.7m). The 2007 figure reflects a gain of €109.2m, relating to profit from the sale of the former IGB site in January 2007, net of costs and related Capital Gains Tax of €26.2m. The 2006 figure reflects a €10.6m distribution from the Company's joint arrangement with Earlsfort Developments relating to the development of the Eastpoint Business Park.

The Profit and Loss Reserve increased from €58.9m at 31 December 2006 to €206.4m and Shareholders' Funds increased from €73.5m to €221.0m during the same period.

The Company has a target throughput of 32.5 million tonnes for 2008. Throughput of 30.9 million tonnes was achieved in 2007, ahead of its target of 30.8 million tonnes.

#### Environmental Matters

Dublin Port Company (DPC) has continued throughout 2007 to demonstrate its commitment to the highest standards in environmental performance. The environmental policy was signed by the CEO and, with the support of the Management Team, the Environmental Management System (EMS) project was initiated. Work done to date has resulted in accreditation and Certification with EcoPorts in February 2008. The target for 2008 is to achieve ISO 14001 standard.

The Company continues to make a significant contribution to the protection and improvement of water quality in Dublin Bay. Phase 2 of a drainage survey on the estate surface water systems was undertaken with new monitoring equipment purchased by the Company. This intensive and focused quantitative drainage contamination survey will result in corrective remedial works to be undertaken in 2008 by both Dublin Port Company and its tenants. Dublin Port Company continues to work proactively with DCC to ensure environmental matters relating to the bay are dealt with effectively.

The Company's proactive approach to the implementation of the Water Framework Directive (WFD) was illustrated by its organising, and co-sponsorship with the South Western River Basin District, of a workshop for all Irish Ports on the challenges involved with the WFD. Further the Company has made a commitment to participating on the steering group for Heavily Modified Water Bodies (HMWB) / Artificial Water Bodies (AWB).

#### Employee Matters

In line with the ongoing commitment to an extensive change management programme, the Company concluded a significant agreement relating to the reorganisation of Dublin Port security during the year under review. The Company will focus on enhancing its Performance Management and team based working during 2008.

#### Equality Review

In 2004 an equality review was undertaken by the Company. This involved a comprehensive examination of the policies, practices, procedures and perceptions which operate in the workplace and their contribution to both the quality outcomes and to an organisational culture that values equality and diversity. From this an Equality Action Plan was designed with the aim of setting objectives and taking initiatives that would improve equality outcomes and enhance the organisational culture.

Dublin Port Company is presently carrying out a review in order to determine the extent to which the Review and Action Plans were disseminated and mainstreamed throughout the organisation and review the structures that were put in place to ensure the implementation of the Action Plan.

#### Principal Risks and Uncertainties

Dublin Port's unitised trade has grown by an average of 7% per annum over the last 10 years. The principal risk inhibiting the Company's continued growth and ability to facilitate the movement of goods and passengers arises from the potential shortage of operational capacity. In this regard the Company has put forward its plan to address the capacity shortfall and awaits a decision on its foreshore application made to the Minister in March 2002, in relation to its proposal to expand the Port at the North Eastern perimeter. The Company's proposal to expand the Port at the North Eastern perimeter qualifies to be considered under the Strategic Infrastructure legislation and it is expected that a detailed planning application and Environmental Impact Statement will be submitted to an Bord Pleanála in the summer of 2008.

The Company is also exposed, through the normal course of its operations, to the impact of an economic slowdown on port activities.

# Directors' Report

## continued

### Financial Risk Management

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk, credit risk and liquidity and cash flow risk. Policies to protect the Company from financial risks are kept under regular review. The Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Policies are set out by the Board of Directors and are implemented by the Company's Finance Department.

#### Foreign Exchange Risk:

The Company transacts the majority of its business in Euro and therefore has limited exposure to foreign currency movement. The Company also borrows directly in Euro.

#### Interest Rate Risk:

In order to manage the Company's exposure to significant adverse interest rate movements, the Company has a policy of maintaining a minimum of 60 per cent (2006: 60 per cent) of its debt at fixed interest rates. In order to achieve this objective, the Company has in place interest rate swap/cap agreements.

#### Credit Risk:

The Company is exposed to credit risk in the course of trading and to manage this risk it carries out appropriate credit checks on potential customers and trades only with recognised creditworthy third parties.

#### Liquidity and Cash Flow Risk:

The Company maintains a mix of short and medium term debt finance to ensure sufficient funds are available for planned capital investment. At the end of 2007 the Company had in place un-drawn committed facilities of €25 million. The Company's policy is to hold minimal levels of surplus cash and where surplus cash balances are available these are invested on a short-term basis in low-risk cash deposits.

### Post Balance Sheet Events

There have been no events between the Balance Sheet date and the date on which the financial statements were approved by the Board.

### Future Developments

The Company anticipates continued growth in throughput in the year 2008 and has a budgeted Capital Investment Programme of €53m with the aim of underpinning and enhancing this growth potential. The planned Capital Investment Programme includes:

- Berth 50 Development;
- Alexandra Quay East Phase II and Phase III;
- Development works at No. 1 Graving Dock;
- New Tugs;
- Fire Main Upgrade;
- Completion of Retail Development.

### Results and Dividends

The Company's profit for the financial year amounted to €129.7m. The Directors' allocations and recommendations in respect of this amount were as follows:

	€'000
Interim Dividend of €0.363 per share paid	4,200
Increase in Profit Retained	125,491
<b>Profit for the Financial Year</b>	<b>129,691</b>

The Directors do not propose to declare a final dividend.

### Directors' and Secretary's Interests in Shares in the Company

There were no contracts or arrangements of any significance in relation to the Company's business or that of its related Company in which the Directors and Secretary of the Company or their families had any interest, as defined in the Companies Act, 1990.

The Directors and Secretary and their families had no other beneficial interest in the share capital of the Company at 31 December 2007 and 2006.

### Joint Venture

Details of our interest in a Joint Venture are set out in note 12 to the financial statements.

### Prompt Payments Act

It is Company policy to pay suppliers in accordance with the terms of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 and the Prompt Payments of Accounts Act, 1997.

To this end, the Company's payment routines are designed to provide reasonable assurance against material non-compliance with the terms of the Regulations. The standard credit period is 30 days unless otherwise specified in contractual arrangements. Substantially all payments by number and value were made within the appropriate credit period as required. Consequently, the Directors are satisfied that the Company has complied with the requirements of the Act.

### Directors

The names of the persons who were Directors at any time during the year ended 31 December 2007 are set out below. Unless otherwise indicated they served as Directors for the entire year.

J Burke	(term of office renewed with effect from 13 June 2007)
E Connellan	
P Bourke	
C Bryce	(term of office renewed with effect from 13 June 2007)
B Daly	(term of office expired 18 September 2007)
T Ennis	(term of office expired 24 April 2007)
K Humphreys	
T Hussey	(term of office renewed with effect from 13 June 2007)
B W Kerr	(term of office renewed with effect from 13 June 2007)
J Kiersey	(term of office renewed with effect from 13 June 2007)
P Magner	(appointed 25 July 2007)
S Martin	(term of office expired 18 September 2007)
J Moore	(appointed 19 September 2007)
C Rochfort	(appointed 19 September 2007)
T Stafford	

### Auditors

The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with section 160(2) of the Companies Act, 1963.

### On behalf of the Board

J Burke  
E Connellan

27 March 2008

# Statement of Directors' Responsibilities

## Financial Statements

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 the Institute of Chartered Accountants in Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 books of account, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Harbours Act, 1996 and the Companies Acts, 1963 to 2006. 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.

## Corporate Governance

Dublin Port Company is committed to maintaining the highest standards of corporate governance and has adopted the principles of corporate governance and the Code of Practice for the Governance of State Bodies issued by the Department of Finance in October 2001. The Company also complies with its obligations under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

The majority of Directors are non-executive and are appointed by the Minister. The Board meets formally on a monthly basis and has a formal schedule of matters specifically reserved to it for decision. The Board has access to the advice and services of the Company Secretary and can take independent professional advice as and when deemed necessary.

The Board established an Audit Committee in 1997 under formal terms of reference. The members of the Committee during the year were Mr. T. Ennis (Chairman), Mr. B. W. Kerr and Ms. C. Bryce. Mr. T. Ennis' term of office expired on 24 April 2007. On 31 January 2008 Ms. C. Bryce was appointed Chairperson and Mr. K. Humphreys was appointed to the Audit Committee.

**Internal Controls**

The Board has overall responsibility for the Company's systems of internal control, which have been designed to give reasonable assurance that transactions are executed in accordance with management's authorisation, that assets are safeguarded, that fraud is prevented and that proper financial records are maintained. To ensure the effective application of the Company's internal controls, the services of qualified personnel have been secured and duties properly allocated among them.

The systems of internal control include the following:

- The process of identifying business risks and the evaluation of their financial implications is carried out through regular reviews of the Company's strategic plan. The latest strategic plan for the period 2007 to 2011 was adopted by the Board in January 2007 and a further strategy review took place in October 2007;
- An annual budget approved by the Board and monthly consideration of actual results compared with budget forecasts;
- An Audit Committee which has been established to review and discuss, with the internal and external auditors, the Company's internal accounting controls, Internal Audit function, choice of accounting policies, internal and external audit plans, statutory auditors' report, financial reporting and other related matters;
- An Internal Audit function which reviews key business processes and controls;
- Formal codes of conduct for Directors and employees;
- Procurement policies and procedures. These ensure, firstly, that procurement activities are carried out so as to provide value for money in terms of overall lifecycle costs and, secondly, that all relevant State Guidelines and EU Directives applicable to Public Utilities are complied with.

The Board through the Audit Committee is responsible for reviewing the effectiveness of the systems of internal control.

**On behalf of the Board**

**J Burke  
E Connellan**

**27 March 2008**

# Independent Auditors' Report

## to the members of Dublin Port Company

We have audited the financial statements on pages 22 to 43. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on pages 22 and 23.

### Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities for the financial statements on page 18.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account;
- whether the Directors' Report is consistent with the financial statements; and
- whether at the Balance Sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the Company, as stated in the Balance Sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, Chief Executive's Review of Operations, the Directors' Report and the Statement of Directors' Responsibilities for corporate governance and internal controls. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 December 2007 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

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 on pages 14 to 17 is consistent with the financial statements.

The net assets of the Company, as stated in the Balance Sheet on page 26, 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 31 December 2007 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.

**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**

**27 March 2008**

# Accounting Policies

The significant accounting policies adopted by the Company are as follows:

## 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 2006. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

## Historical Cost Convention

The financial statements are prepared under the historical cost convention.

## Turnover

Turnover comprises the value of all services provided to third parties exclusive of value added tax and is expressed by class of business in note 2 to the Financial Statements.

## Port Dues:

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

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

## Rents:

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

## Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Freehold land is not depreciated.

Depreciation is calculated in order to write off the cost of tangible fixed assets, other than freehold land and infrastructure assets, over their estimated useful lives by equal annual instalments.

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

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

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

The Company does not adopt a policy of revaluing tangible fixed assets.

## Stocks

Stocks are stated at the lower of cost and net realisable value.

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

Net realisable value is determined as cost less provision for damaged, deteriorated, obsolete and unusable items.

**Leases**

All operating lease rentals are charged to the Profit and Loss Account on a straight-line basis.

**Capital Grants and Contributions to Fixed Assets' Cost**

Capital grants and contributions to fixed assets' costs are treated as deferred credits, which are amortised to the Profit and Loss Account on the same basis as the related tangible fixed assets are depreciated.

Grants are recognised, by inclusion in the financial statements, when their ultimate cash realisation can be established with reasonable certainty.

**Development Land**

Development land comprises land which is not held for long-term business usage, but which is held for development or re-sale purposes and is carried at the lower of cost or market value.

**Foreign Currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the Balance Sheet date and revenues, costs and non-monetary assets at the exchange rate ruling at the date of the transaction.

Profits and losses arising from foreign currency translation and on settlement of amounts receivable and payable in foreign currency are dealt with in the Profit and Loss Account.

Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

**Retirement Benefits**

Defined benefit pension fund assets are measured at fair value. Defined benefit pension fund liabilities are measured on an actuarial basis using the projected unit actuarial cost method. The excess of pension fund liabilities over pension fund assets is presented on the Balance Sheet as a liability net of related deferred tax. The defined benefit pension charge to Operating Profit comprises the current service cost and past service costs. The excess of the interest cost on the fund liabilities over the expected return on fund assets is presented in the Profit and Loss Account under "Financing charges". Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur.

**Dredging**

The cost of routine or ongoing dredging projects is charged to Profit and Loss Account as incurred. Capital dredging which enhances Port access or infrastructure is capitalised as part of the related fixed asset and depreciated over its estimated useful life.

**Deferred Tax**

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is not discounted.

**Interest Rate Risk Management**

Interest rate swaps/caps are used to hedge the Company's exposure to interest rate movements. The amount payable or receivable on such hedging instruments is accrued in the same way as interest arising on borrowings.

**Dividends**

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the Company. Interim dividends declared by the Directors are recognised when paid.

# Profit and Loss Account

For the year ended 31 December 2007

	Notes	2007 €'000	2006 €'000
<b>Turnover</b>	2	70,450	66,423
Cost of sales		(23,992)	(24,706)
		<hr/>	<hr/>
<b>Gross Profit</b>		<b>46,458</b>	<b>41,717</b>
Administration and general expenditure		(17,919)	(15,024)
		<hr/>	<hr/>
		28,539	26,693
Exceptional Operating Items	5	(6,875)	(1,101)
		<hr/>	<hr/>
<b>Operating Profit</b>		<b>21,664</b>	<b>25,592</b>
Income from Other Financial Assets	12	375	375
Exceptional Items	6	135,408	10,576
		<hr/>	<hr/>
<b>Profit on Ordinary Activities Before Interest and Taxation</b>		<b>157,447</b>	<b>36,543</b>
Net financing income/(expense)	7	454	(2,685)
		<hr/>	<hr/>
<b>Profit on Ordinary Activities Before Taxation</b>	8	<b>157,901</b>	<b>33,858</b>
Taxation	9	(28,210)	(5,205)
		<hr/>	<hr/>
<b>Profit for the Financial Year</b>		<b>129,691</b>	<b>28,653</b>
Dividends	10	(4,200)	-
		<hr/>	<hr/>
<b>Profit for the Financial Year Retained</b>		<b>125,491</b>	<b>28,653</b>
		<hr/> <hr/>	<hr/> <hr/>

Turnover and Operating Profit arose solely from continuing activities.

On behalf of the Board

J Burke  
E Connellan

27 March 2008

# Statement of Total Recognised Gains and Losses

For the year ended 31 December 2007

	Notes	2007 €'000	2006 €'000
Profit for the financial year		125,491	28,653
Actuarial gain/(loss) recognised on pension funds	31	25,223	(24,436)
Deferred tax related to actuarial gain/(loss)	20	(3,153)	3,054
<b>Total recognised gains since the last annual report</b>		<b>147,561</b>	<b>7,271</b>

On behalf of the Board

J Burke  
E Connellan

27 March 2008

# Balance Sheet

As at 31 December 2007

	Notes	2007 €'000	2006 €'000
<b>Fixed Assets</b>			
Tangible assets	11	250,501	217,004
<b>Investments</b>			
Joint Venture	12	7,250	7,250
<b>Current Assets</b>			
Development land	13	1,246	1,246
Stocks	14	805	802
Debtors and prepayments	15	20,800	14,857
Cash at bank and in hand		1,880	13,971
		24,731	30,876
<b>Creditors - Amounts falling due within one year</b>	16	(30,144)	(35,355)
<b>Net Current Liabilities</b>		(5,413)	(4,479)
<b>Total Assets less Current Liabilities</b>		252,338	219,775
<b>Creditors - Amounts falling due after one year</b>			
	17	11,000	62,000
<b>Deferred Income</b>	19	14,985	15,739
<b>Provisions for Liabilities and Charges</b>	20	-	1,296
<b>Pension Liability</b>	31	5,330	67,278
		31,315	146,313
<b>Capital and Reserves</b>			
Called up share capital	21	14,464	14,464
Capital Conversion Reserve Fund	22	119	119
Profit and Loss Account	23	206,440	58,879
<b>Shareholders' Funds</b>	24	221,023	73,462
		252,338	219,775

On behalf of the Board

J Burke  
E Connellan

27 March 2008

# Cash Flow Statement

For the year ended 31 December 2007

	Notes	2007 €'000	2006 €'000
<b>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b>			
Operating Profit		21,664	25,592
Amortisation of capital grants	19	(763)	(772)
Depreciation charges		6,941	8,485
Profit on disposal of tangible assets		(3)	(8)
Increase in stocks		(3)	(2)
Increase in debtors		(2,776)	(1,520)
Increase/(Decrease) in creditors		5,998	(1,361)
Change in relation to pension provision		(46,055)	(20,073)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(14,997)</b>	<b>10,341</b>

## Cash Flow Statement

Net cash (outflow)/inflow from operating activities		(14,997)	10,341
Dividends from Joint Ventures and Associates	12	375	375
Returns on investments and servicing of finance	25	225	(2,666)
Taxation		(29,880)	(222)
Exceptional items		-	10,576
Capital Expenditure	25	94,848	(14,712)
		50,571	3,692
Dividends paid		(4,200)	-
		46,371	3,692
<b>Financing</b>	25	<b>(58,462)</b>	<b>4,671</b>
<b>(Decrease)/Increase in cash</b>		<b>(12,091)</b>	<b>8,363</b>

## Reconciliation of Net Cash Flow to Movement in Net Debt

(Decrease)/increase in cash in the year	26	(12,091)	8,363
Cash flow from Decrease/(Increase) in debt	26	58,462	(4,671)
<b>Change in net debt</b>		<b>46,371</b>	<b>3,692</b>
Opening net debt	26	(64,491)	(68,183)
Closing net debt	26	<b>(18,120)</b>	<b>(64,491)</b>

On behalf of the Board

J Burke  
E Connellan

27 March 2008

# Notes to the Financial Statements

## 1. Assets and liabilities acquired on Vesting Day

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

The cost to the Company of the assets acquired on Vesting Day was determined by the then Minister for Communications, Marine and Natural Resources. Liabilities (including pensions and capital grants) were taken over at their actual or determined amounts. Pension liabilities (see note 31) include those in respect of pre-Vesting Day pension entitlements of the Company's employees and the current and deferred pensioners of its predecessor entity, Dublin Port and Docks Board.

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

The consideration for the net assets transferred to the Company was satisfied by the creation and issue of 6.023 million ordinary shares of IRE1 (€1.27) each fully paid. One ordinary share is held by the Minister for Finance and the remainder were held by the Minister for Transport at 31 December 2007.

## 2. Turnover

	2007 €'000	2006 €'000
<b>By class of business</b>		
Port dues	58,708	55,512
Rents	8,829	8,658
East Link (see note 3)	1,719	1,213
Licences	710	754
Other	484	286
	<u>70,450</u>	<u>66,423</u>

## 3. East-Link

Under agreements dated the 16 March 1983 and 24 November 1983, the latter being in consideration for the loss of limited berthage and the disposal of certain lands, the Board acquired the right to participate in the future profits of the Toll Scheme for a period of 25 years from the date on which the building costs were finally discharged or until 31 December 2015, whichever date first occurs. The appropriate date, therefore, is 31 December 2015.

## 4. Provision for municipal rates

Dublin City Council has levied full rates on the Company dating back to 1998. However, in accordance with the provisions of the Local Government (Dublin) Act, 1930, the Company paid at a rate of 21% of this amount. The Company appealed both the basis and quantum of these assessments and the High Court decision issued on 30 October 2002 confirmed the Company's position in relation to the basis of assessment. Accordingly provision has been made up to 2002 at 21% of the amount levied by Dublin City Council. As a result of the provisions of the Valuation Act, 2001 the Company is liable to full rates with effect from 1 January 2003. Full provision has been made in the accounts for the amount levied by Dublin City Council since that date.

On 21 October 2004 the Valuation Tribunal rejected an appeal by the ports against the quantum of the assessment made under the receipts and expenditure method of valuation, which fails to allow depreciation as a deductible in arriving at the valuation. The matter was appealed to the High Court and was heard on 18 and 19 July 2007. Judgement was issued on 31 July 2007 upholding the finding of the Valuation Tribunal i.e. that depreciation of assets in the accounts of port companies should not be taken into account in calculating the rateable valuation. As a result of this decision the amounts provided in the accounts will become payable but will not impact on the Profit and Loss Account. As at 31 December 2007 the provision stood at €8.7 million.

**5. Exceptional Operating Items**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
Redundancy payments	(2,770)	(1,101)
Past Service Cost [see note 31]	(4,105)	-
	<u>(6,875)</u>	<u>(1,101)</u>

The above costs would have been classified in the Profit and Loss Account under the heading Cost of Sales if they had not been classified as Exceptional Operating Items by virtue of their size or incidence under FRS 3 – "Reporting Financial Performance".

**6. Exceptional Items**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
Net Profit on disposal of Fixed Assets	135,408	-
Eastpoint Distribution [see note 13]	-	10,576
	<u>135,408</u>	<u>10,576</u>

Net Profit on disposal of Fixed Assets arises in respect of the disposal of the former IGB site in January 2007. Sales Proceeds amounted to €138.4m. The gain on disposal, net of costs associated with the disposal of the site, is presented above. Capital Gains Tax arising on the disposal is separately disclosed in note 9.

**7. Net financing (income)/expense**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
Bank overdraft and Loans		
- borrowings wholly repayable within five years	974	116
- borrowings not wholly repayable within five years	-	2,901
Interest receivable	(1,909)	(127)
	<u>(935)</u>	<u>2,890</u>
Pension fund deficit - financing cost/(income) [see note 31]	481	(205)
	<u>(454)</u>	<u>2,685</u>

# Notes to the Financial Statements

continued

## 8. Profit on Ordinary Activities Before Taxation

	2007 €'000	2006 €'000
Profit on ordinary activities before taxation has been arrived at after charging/(crediting):		
Staff costs		
- wages and salaries	12,154	12,254
- social welfare costs (PRSI)	810	850
- other pension costs (see note 31)	2,051	1,929
	<u>15,015</u>	<u>15,033</u>
Auditors' remuneration	41	37
Depreciation	6,941	8,485
Redundancy payments (see note 5)	2,770	1,101
Amortisation of capital grants (see note 19)	(763)	(772)

## 9. Taxation

	2007 €'000	2006 €'000
<b>Current tax charge:</b>		
Based on Port activity profits for the year:		
Corporation Tax at an effective rate of 12.5% (2006:12.5%)	-	-
Based on non Port activity profits		
Corporation Tax at an effective rate of 25% (2006:25%)	-	(2,905)
Capital Gains Tax (see below)	(26,152)	-
<b>Current tax charge for the year</b>	<u>(26,152)</u>	<u>(2,905)</u>
<b>Deferred Tax charge:</b>		
Timing differences on accelerated Capital Allowances	(421)	(82)
Timing differences between pension contributions paid and pensions charged	(5,696)	(2,534)
Deferred Tax on unutilised tax losses c/fwd to future years	1,857	-
Deferred Tax on pension contributions c/fwd to future years	2,159	-
Deferred tax charge for the year	(2,101)	(2,616)
Over provision in prior year - Deferred Tax	43	316
	<u>(2,058)</u>	<u>(2,300)</u>
<b>Total tax charge</b>	<u>(28,210)</u>	<u>(5,205)</u>

**9. Taxation** - continued**Capital Gains Tax**

During 2007 the Company had a Capital Gains Tax liability in respect of the disposal of the former IGB site (see note 6).

**Lands subject to Compulsory Purchase Order**

As part of the construction of the Dublin Port Tunnel approximately 34 acres of land were compulsory acquired from the Company by Dublin City Council. Under tax rules the disposal of these lands took place in the accounting period ended 31 December 2001. No charge to tax has been provided in the accounts in respect of the Capital Gains Tax liability of approximately €6m on the disposal of these lands, on the grounds that the transaction qualifies for Capital Gains Tax deferral under the rollover provisions contained in Section 605 Taxes Consolidation Act, 1997.

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

	2007 €'000	2006 €'000
<b>Profit on ordinary activities before tax</b>	<b>157,901</b>	<b>33,858</b>
Profit on ordinary activities multiplied by the average rate of Irish Corporation Tax for the year of 12.5% (2006:12.5%)	19,738	4,232
Effects of:		
Disallowable expenses	270	(1,105)
Net Profit on disposal of Fixed Assets liable to Capital Gains Tax	(16,925)	-
Difference between depreciation and capital allowances	(421)	(82)
Pension contributions in excess of pensions charge	(5,696)	(2,534)
Pension contributions c/fwd to future years	2,159	-
Carry forward/(Utilisation) of tax losses	140	(511)
Passive income liable to tax at 25%	735	2,905
<b>Current tax charge for the year</b>	<b>-</b>	<b>2,905</b>

**10. Dividend Paid**

	2007 €'000	2006 €'000
Ordinary dividend paid of €0.363 per share	4,200	-

# Notes to the Financial Statements

continued

## 11. Tangible Assets

	Land and Buildings	Terminals	Dock Structures Dry Docks and Quays	Floating Craft	Cranes	Plant and Machinery	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>							
At 1 January 2007	57,943	178,677	32,586	6,483	3,786	7,447	286,922
Additions during period	15,348	9,589	9,091	4,495	-	3,439	41,962
Reclassification	26	-	-	-	-	(26)	-
Write-Offs	(122)	-	-	-	-	-	(122)
Disposals	(1,405)	-	-	-	-	-	(1,405)
<b>At 31 December 2007</b>	<b>71,790</b>	<b>188,266</b>	<b>41,677</b>	<b>10,978</b>	<b>3,786</b>	<b>10,860</b>	<b>327,357</b>
<b>Accumulated Depreciation</b>							
At 1 January 2007	4,388	44,563	12,545	2,326	1,925	4,171	69,918
Charge for period	1,051	3,709	796	242	232	911	6,941
Reclassification	5	-	-	-	-	(5)	-
Write-Offs	(3)	-	-	-	-	-	(3)
Disposals	-	-	-	-	-	-	-
<b>At 31 December 2007</b>	<b>5,441</b>	<b>48,272</b>	<b>13,341</b>	<b>2,568</b>	<b>2,157</b>	<b>5,077</b>	<b>76,856</b>
<b>Net Book Amounts</b>							
At 1 January 2007	53,555	134,114	20,041	4,157	1,861	3,276	217,004
<b>At 31 December 2007</b>	<b>66,349</b>	<b>139,994</b>	<b>28,336</b>	<b>8,410</b>	<b>1,629</b>	<b>5,783</b>	<b>250,501</b>

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

## 12. Investment in Joint Venture

During 2002, the Company established a Joint Venture Company, Renore Ltd., on a 50/50 basis with One51 Ltd. This Joint Venture was established in order to purchase the Greenore Port group of Companies. This purchase was completed in April 2002 at a cost to Dublin Port Company of €7.25m.

Renore's financial statements for 2007 are not yet available. Renore's financial statements for 2006 showed a turnover of €10.9m (2005: €6.8m) and retained profit for the financial year amounted to €1,423,284 (2005: €852,750). Trade handled through the Port amounted to 865,000 tonnes.

A dividend in respect of the Company's shareholding in Renore Ltd. was received during the year amounting to €375,000 (2006: €375,000).

**13. Development Land**

In July 1999 the Company entered into a joint business arrangement with Earlsfort East Point and Eastpoint (Development) Two Ltd., for a development comprising approximately 14 acres of land adjoining the East Point Business Park Development Phase I.

In addition to consideration for the land sold, the Company is entitled to share in the ultimate profits realised on the sale of the developed properties by Eastpoint (Development) Two Ltd. These profits will be recognised in the financial statements when they are realised by Dublin Port Company. In December 2006 a distribution of €10.6m was received. During the year 2007 no profit was realised and there were no disposals of land during the year.

**14. Stocks**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
	<b>805</b>	<b>802</b>

Stocks comprise consumable items, spare parts and stores used in the maintenance of plant. There was no material difference between the replacement cost of stocks and the book amount.

**15. Debtors** - Amounts falling due within one year

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
Trade Debtors	14,972	12,452
VAT	473	494
Tax Recoverable	824	-
Deferred Tax Asset (see note 20)	2,342	-
Other	2,189	1,911
	<b>20,800</b>	<b>14,857</b>

**16. Creditors** - Amounts falling due within one year

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
Bank Loans (see note 18)	9,000	16,462
Trade creditors and accruals	20,046	14,868
Deferred income (see note 19)	763	772
Corporation Tax	-	2,905
Income tax deducted under PAYE	235	237
Pay related social insurance	100	111
	<b>30,144</b>	<b>35,355</b>
Creditors for taxation and social welfare included above	<b>335</b>	<b>3,253</b>

# Notes to the Financial Statements

continued

## 17. Creditors - Amounts falling due after one year

	2007 €'000	2006 €'000
Bank Loans (see note 18)	11,000	62,000

## 18. Bank Loans

	2007 €'000	2006 €'000
Bank Loans	20,000	75,000
Other financing - Local Loans Fund	-	3,462
	<b>20,000</b>	<b>78,462</b>

These loans are repayable in the following periods after the year end:

Within one year	9,000	16,462
Between one and two years	9,000	22,000
Between two and five years	2,000	40,000
Over five years	-	-
	11,000	62,000
	<b>20,000</b>	<b>78,462</b>

## 19. Deferred Income

	2007 €'000	2006 €'000
<b>Capital grants and contributions to fixed assets</b>		
Opening Balance	16,511	17,283
Amortised to Profit and Loss Account during the year	(763)	(772)
<b>Closing Balance</b>	<b>15,748</b>	<b>16,511</b>
Creditors - amounts falling due within one year (see note 16)	763	772
Deferred Income	14,985	15,739
	<b>15,748</b>	<b>16,511</b>

**20. Provisions for liabilities and charges****Deferred Tax Assets and Liabilities**

	2007 €'000	2006 €'000
Deferred Tax on accelerated Capital Allowances	1,674	1,296
Deferred Tax on pension contribution timing difference	(2,159)	-
Deferred Tax on unutilised tax losses forward	(1,857)	-
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(2,342)</b>	<b>1,296</b>

Net Deferred Tax Assets of €2.342m are included in Debtors and prepayments (see note 15)

**Movement in Deferred Tax Assets and Liabilities**

	2007 €'000
Opening Balance	1,296
Transfer (to)/from Profit and Loss (see note 9)	
In respect of accelerated Capital Allowances	421
Over-provision in prior year	(43)
Unutilised tax losses c/fwd to future years	(1,857)
Pension contributions c/fwd to future years	(2,159)
<b>Closing Balance</b>	<b>(2,342)</b>

**Deferred Tax Asset on Pension fund liability (see note 31)**

	2007 €'000	2006 €'000
Opening Balance	(9,611)	(9,091)
Transfer to Profit and Loss (see note 9)	5,696	2,534
Transfer to/(from) Statement of Total Recognised Gains and Losses	3,153	(3,054)
<b>Closing Balance</b>	<b>(762)</b>	<b>(9,611)</b>

The above Deferred Tax Asset is included in the Pension Liability Balance on the Balance Sheet.

**21. Share Capital**

	No. ('000)	€'000
Authorised - 96.5m ordinary shares of €1.25 each at 31 December 2007 and 2006	96,500	120,625
Allotted and fully paid at 31 December 2007 and 2006	11,571	14,464

# Notes to the Financial Statements

continued

## 22. Capital Conversion Reserve Fund

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

## 23. Profit and Loss Reserve

	2007 €'000	2006 €'000
<b>Opening Balance</b>	<b>58,879</b>	<b>51,608</b>
Profit for the financial year retained	125,491	28,653
Actuarial gain/(loss) recognised on pension funds	25,223	(24,436)
Deferred Tax related to actuarial gain/(loss)	(3,153)	3,054
<b>Closing Balance</b>	<b>206,440</b>	<b>58,879</b>
Pension Deficit (see note 31)	5,330	67,278
<b>Profit and Loss Reserve excluding pension liability</b>	<b>211,770</b>	<b>126,157</b>

## 24. Reconciliation of Movements in Shareholders' Funds

	2007 €'000	2006 €'000
<b>Profit for the financial year</b>	<b>129,691</b>	<b>28,653</b>
Dividend Paid	(4,200)	-
Actuarial gain/(loss) recognised on pension funds	25,223	(24,436)
Deferred Tax related to actuarial gain/(loss)	(3,153)	3,054
Net increase in Shareholders' Funds	147,561	7,271
Opening Shareholders' Funds	73,462	66,191
<b>Closing Shareholders' Funds</b>	<b>221,023</b>	<b>73,462</b>

**25. Gross Cash Flows**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
<b>Return on investments and servicing of finance</b>		
Interest received	1,909	127
Interest paid	(1,684)	(2,793)
	<u>225</u>	<u>(2,666)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(41,966)	(14,753)
Receipts from sales of development land and tangible fixed assets	136,814	41
	<u>94,848</u>	<u>(14,712)</u>
<b>Financing</b>		
Receipts from medium term borrowings	20,000	15,000
Repayment of amounts borrowed	(78,462)	(10,329)
	<u>(58,462)</u>	<u>4,671</u>

**26. Analysis of changes in net debt**

	<b>1 January</b>	<b>Cash</b>	<b>Non Cash</b>	<b>31 December</b>
	<b>2007</b>	<b>Flows</b>	<b>Changes</b>	<b>2007</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Net cash at bank and in hand	13,971	(12,091)	-	1,880
Debt due within one year	(16,462)	58,462	(51,000)	(9,000)
Debt due after one year	(62,000)	-	51,000	(11,000)
Total	<u>(64,491)</u>	<u>46,371</u>	<u>-</u>	<u>(18,120)</u>

**27. Commitments**

	<b>2007</b>	<b>2006</b>
	<b>€'000</b>	<b>€'000</b>
<b>Future capital expenditure not provided for</b>		
Contracted for	23,367	12,075
Authorised by the Directors but not contracted for	4,500	3,500
	<u>27,867</u>	<u>15,575</u>

**Interest Rate SWAP Agreements**

Interest Rate SWAP's were held at year-end at a rate of 3.9875% covering all the borrowings of the Company.

# Notes to the Financial Statements

continued

## 28. Directors' Remuneration

	2007 €'000	2006 €'000
Remuneration		
- fees for services as Directors	164	176
- emoluments for other services	284	364
- pension contributions	43	57
	491	597

## 29. Employees

The average number of persons employed by the Company during the year was 193 (2006: 208).

## 30. Related Party Transactions

In common with many other entities, Dublin Port Company deals in the normal course of business with Government entities and other state owned companies on an arm's length basis.

During the year the Company had sales transactions with Conway Shipping Ltd., Port Logistics Services Ltd. and McAndrews Shipping Ltd. Mr. T. Ennis, whose term of office expired on 24 April 2007, is also a Director of these companies. Sales were on normal trading terms and amounted to €0.3m during the period of Mr. Ennis' directorship with the Company. There were no amounts outstanding at the Balance Sheet date in respect of these sales.

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

## 31. Pensions

### a) Defined Benefit Pension Funds

The Company operates two defined benefit type pension funds based on final pensionable pay for eligible employees, including employees and former employees of the Company's predecessor entity, Dublin Port & Docks Board. Pensions in payment are currently paid by the Company out of operating cash flows.

Under the provisions of the Harbours Act, 1996 the Company is responsible for funding the payment of pension entitlements (including the entitlements relating to pre-Vesting Day service with Dublin Port & Docks Board) of:

- all eligible current employees of the Company;
- all eligible current and deferred pensioners of Dublin Port & Docks Board;
- former eligible employees of the Company who since Vesting Day have or may become current or deferred pensioners of the Company;
- eligible spouses and children of eligible employees or former employees.

Separate trustee administered funds have been established for this purpose. The most recent trustee elections for one of the funds was held on 15 December 2005 and the appointment of the four successful candidates was ratified by the Board at its meeting on 26 January 2006. In addition to the four member trustees, the Company also appointed a further four trustees. The Company are the trustees of the second fund.

**b) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits"**

The funds have been valued by independent actuaries for the purposes of FRS 17 based on data provided for the actuarial valuations of the funds as at 1 January 2006. This data has been updated to reflect:

- fund asset data at 31 December 2007 and
- member data as at 31 December 2007 and salary information as of 1 January 2008

and used to calculate the liabilities of the funds at the Balance Sheet date. The fund assets are stated at market value at the Balance Sheet date.

As required by FRS 17 the valuation was carried out using the projected unit actuarial cost method.

**Financial Assumptions:**

The main financial assumptions used by the actuaries to calculate the liabilities under FRS 17 at the Balance Sheet date were:

	<b>31 December 2007</b>	<b>31 December 2006</b>	<b>31 December 2005</b>
Rate of increase in salaries	4.00%	4.00%	4.00%
Rate of increase in pensions in payment	3.50%	4.00%	4.00%
Rate of increase of pensions in deferment	3.50%	4.00%	4.00%
Discount rate	5.50%	4.50%	4.00%
Price inflation	2.25%	2.25%	2.25%

**Plan Assets:**

The market value of the assets in the pension funds at 31 December were:

	<b>Market value at 31 December 2007 €'000</b>	<b>Market value at 31 December 2006 €'000</b>	<b>Market value at 31 December 2005 €'000</b>
Equities	59,036	69,355	89,915
Bonds	137,718	81,594	42,679
Property	7,637	5,178	4,834
Other	313	784	691
<b>Total Market value of Assets</b>	<b>204,704</b>	<b>156,911</b>	<b>138,119</b>

The long term expected rates of return at 31 December were:

	<b>Rate of Return Expected at 31 December 2007 €'000</b>	<b>Rate of Return Expected at 31 December 2006 €'000</b>	<b>Rate of Return Expected at 31 December 2005 €'000</b>
Equities	7.75%	7.50%	7.00%
Bonds	4.50%	4.00%	3.50%
Property	6.75%	6.50%	6.50%
Other	2.50%	2.25%	2.25%

# Notes to the Financial Statements

continued

## b) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" - continued

The amounts recognised in the Balance Sheet are as follows:

	31 December 2007 €'000	31 December 2006 €'000	31 December 2005 €'000
Total Market Value of Assets	204,704	156,911	138,119
Actuarial value of fund liabilities	(210,796)	(233,800)	(210,850)
<b>Net deficit in the pension funds</b>	<b>(6,092)</b>	<b>(76,889)</b>	<b>(72,731)</b>
Related deferred tax asset	762	9,611	9,091
<b>Net Pension liability</b>	<b>(5,330)</b>	<b>(67,278)</b>	<b>(63,640)</b>

### Movement in Fund Assets and Liabilities

	Defined Benefit Obligation	Fair Value of Fund Assets	Net Pension (Liability)
<b>Value at 31 December 2006</b>	<b>(233,800)</b>	<b>156,911</b>	<b>(76,889)</b>
<b>Operating Costs</b>			
- Current service cost	(2,051)	-	(2,051)
- Past service cost	(4,105)	-	(4,105)
<b>Finance Income</b>			
- Expected return on pension fund assets	-	10,035	10,035
- Interest on fund liabilities	(10,516)	-	(10,516)
<b>STRGL Charges</b>			
- Actual less expected return on fund assets	-	(5,492)	(5,492)
- Experience gains and losses arising on fund liabilities	(1,503)	-	(1,503)
- Gains/losses due to changes in assumptions underlying the present value of the fund liabilities	32,218	-	32,218
<b>Cash Flow</b>			
- Employer contributions	-	52,211	52,211
- Member contributions	(525)	525	-
- Benefit payments and expenses	9,486	(9,486)	-
<b>Value at 31 December 2007</b>	<b>210,796</b>	<b>204,704</b>	<b>(6,092)</b>

The agreed minimum Company contribution rate for the next year is 46% of pensionable salaries.

## b) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" - continued

**Demographic Assumptions:**

The mortality assumptions used have been updated since the last actuarial valuation of the funds. The assumed life expectancy for a male and female member age 65 is 21.8 years and 24.8 years respectively. The impact of the change in mortality assumption results in an actuarial loss of €12.0m recognised in the Statement of Total Recognised Gains and Losses.

All other demographic assumptions used are the same as those used in the actuarial valuation of the fund at 1 January 2006.

**Analysis of the amounts recognised in the Profit and Loss Account:**

	2007 €'000	2006 €'000	2005 €'000
<b>Charged to Operating Profit</b>			
Current service cost	2,051	1,929	1,573
Past service cost	4,105	-	-
	<b>6,156</b>	<b>1,929</b>	<b>1,573</b>
<b>Charged/(Credited) to financing (income)/expense</b>			
Expected return on pension fund assets	(10,035)	(8,492)	(6,650)
Interest on pension fund liabilities	10,516	8,287	8,541
Net financing cost/(income)	<b>481</b>	<b>(205)</b>	<b>1,891</b>
<b>Total Charge in the Profit and Loss Account</b>	<b>6,637</b>	<b>1,724</b>	<b>3,464</b>

**Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):**

	2007 €'000	2006 €'000	2005 €'000
Actual less expected return on fund assets	(5,492)	(2,445)	19,713
Experience gains and losses arising on fund liabilities	(1,503)	(13,091)	(875)
Changes in assumptions underlying the present value of the fund liabilities	32,218	(8,900)	(14,910)
<b>Actuarial gain/(loss) recognised in the STRGL</b>	<b>25,223</b>	<b>(24,436)</b>	<b>3,928</b>

# Notes to the Financial Statements

continued

## b) Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" - continued

### History of experience gains and losses for the year 31 December:

	2007	2006	2005	2004	2003
Difference between the actual and expected return on fund assets:					
Amount (€m)	(5.5)	(2.4)	19.7	(1.6)	1.9
Percentage of fund assets	(2.7%)	(1.6%)	14.3%	(1.6%)	2.9%
Experience gains and losses on fund liabilities:					
Amount (€m)	(1.5)	(13.1)	(0.9)	(12.6)	1.7
Percentage of the present value of the fund liabilities:	(0.7%)	(5.6%)	(0.4%)	(6.5%)	1.2%
Total amount recognised in Statement of Total Recognised gains and Losses:					
Amount (€m)	25.2	(24.4)	3.9	(33.4)	(1.6)
Percentage of the present value of the fund liabilities:	12.0%	(10.5%)	1.9%	(17.3%)	(1.1%)

## c) Funding:

Contributions to the funds have been determined by the actuary using the attained age method and the Company intends to make regular contributions to the trustee administered funds in accordance with these funding recommendations. The intention of the Company is that the funds should be fully funded and that they should meet the Minimum Funding Standard (MFS) in accordance with Section 44 of the Pensions Act, 1990 and section 41(3) of the Harbours Act, 1996 by the "appropriate date". The MFS, in general terms, measures whether the accumulated assets cover liabilities accrued to members assuming the funds were wound up, using a prescribed basis. The Minister has intimated, following consultation with the Company, that the "appropriate date" for the funds to meet the MFS would be 30 April 2008. The contribution rate recommended by the actuaries is intended to ensure that the Company achieves this funding requirement. Provision has been made for the pre-Vesting Day accrued liabilities in respect of the past service of employees and current and deferred pensioners.

An actuarial review was carried out at 1 January 2008 in order to confirm the funding position in relation to the Minimum Funding Standard. This review shows that the funds in aggregate exceed the Minimum Funding Standard as at 31 December 2007. Assets of the Funds were €204.7m and accrued liabilities were €167.0m resulting in an aggregate surplus of €37.7m.

In certain circumstances, such as where the Company or its pension funds is unable to meet its superannuation benefit obligations as they fall due, the Minister for Transport may, under the provisions of the Harbours Act, 1996 pay to the trustees, such amounts as may be determined by the Minister in respect of liabilities of the relevant funds that have arisen prior to 3 March 1997.

Having achieved the Minimum Funding Standard it is the Company's intention to continue to provide funding to the funds to ensure that the funds meet the actuarially assessed ongoing valuation. The liability measured under this basis at 31 December amounts to €226.9m resulting in a 90% level of funding at that date.

**d) Actuarial Valuation**

The most recent formal long-term actuarial valuation for funding purposes was carried out by a qualified independent actuary as at 1 January 2006 and is available for inspection by the fund members but not for public inspection. This long-term actuarial valuation for funding purposes resulted in a pension deficit of €32.3m.

The principal actuarial assumptions adopted in the valuation were that the annual rate of return on pre-retirement investments would be 5.5% per annum, the annual rate of return on post-retirement investments would be 4.75% per annum, salary increases would average 4.0% per annum and pensions would increase at 3.25% per annum. The fair market value of the assets of the funds at 1 January 2006 was €138.1m and the actuarial value of the accrued liabilities based on the present value of projected plan benefits was €170.4m. When compared to the actuarial value of assets this results in a funding deficit of €32.3m. The funding ratio (assets:liabilities) as at 1 January 2006 had increased to 81% from 65% at the previous valuation.

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**32. Post Balance Sheet Events**

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

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**33. Approval of the Financial Statements**

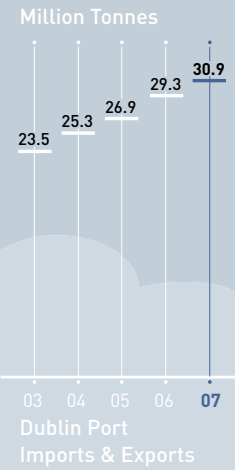
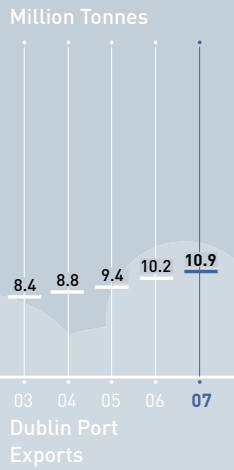
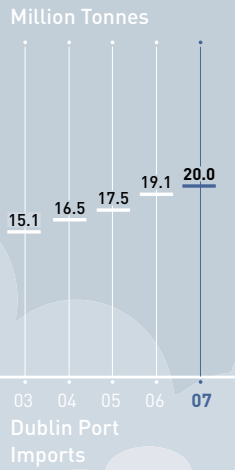
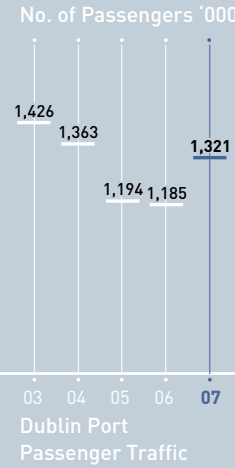
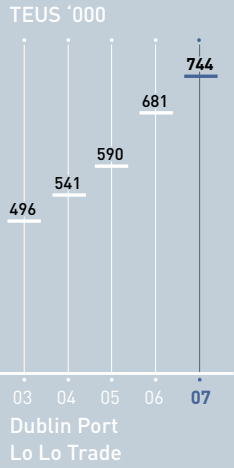
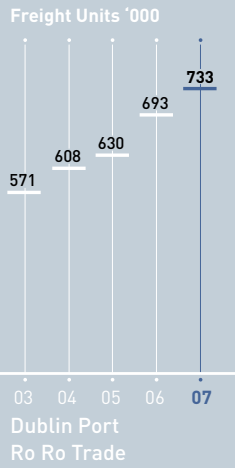
The Directors approved the financial statements on 27 March 2008.

# Port Statistics

The financial statements set out on pages 22 to 43 cover the year ended 31 December 2007 together with comparative figures for 2006.

For comparison purposes, the unaudited statistics reproduced below cover trade for Dublin Port Company for the calendar years 2005 – 2007.

	2007	2006	2005
<b>Vessels – Total Arrivals</b>	<b>7,872</b>	<b>7,427</b>	<b>7,579</b>
<b>Throughput ('000 tonnes)</b>			
RoRo	17,137	16,075	14,901
LoLo	7,151	6,778	5,811
Bulk Liquid	4,075	4,055	4,037
Bulk Solid	2,503	2,285	2,085
Break Bulk	70	73	89
	<b>30,936</b>	<b>29,266</b>	<b>26,923</b>
<b>RoRo units ('000)</b>	<b>733</b>	<b>693</b>	<b>630</b>
<b>LoLo TEU's ('000)</b>	<b>744</b>	<b>681</b>	<b>590</b>
<b>Passenger Numbers ('000)</b>	<b>1,321</b>	<b>1,185</b>	<b>1,194</b>




# Ferry Travel

Q. Other than being great Irish writers, what do the following have in common?

Samuel Beckett  
Brendan Behan  
James Joyce  
Seán O'Casey  
G. B. Shaw  
Oscar Wilde  
W. B. Yeats

A. THEY ALL USED FERRIES FROM DUBLIN TO MAKE GOOD THEIR GETAWAYS.

Why not you?




SEVENTEEN DALLINGS PER DAY

JAMES JOYCE LEFT DUBLIN WITH NORA, HIS WIFE TO BE, IN 1904. THEY LIVED ABROAD 'TILL HIS DEATH IN ZURICH, 13th JANUARY 1941.


"When I die Dublin will be written in my heart."

TO ACHIEVE THIS HE WROTE "ECLIPSES".



THEY TOOK A FERRY FROM DUBLIN TO MAKE GOOD THEIR GETAWAY, SO CAN YOU?


Travel in their footsteps.



SEVENTEEN DALLINGS PER DAY


WILLIAM BUTLER YEATS LEFT DUBLIN BY FERRY IN 1907 RETURNING EACH YEAR. DESPAIRING OF LIFE IN LONDON, HE LONGED TO RECOVER HIS GREEN FOOTPRINT.

"I will arise and go now, and go to Innisfree... Nine bean rows will I have there and a hive for the honey bee."



HE TRAVELLED BY FERRY TO RECOVER HIS DREAM


Why not you?



SEVENTEEN DALLINGS PER DAY


SEÁN O'CASEY LEFT DUBLIN BY FERRY IN 1926 HOPING NEVER TO RETURN, AFTER THE ARMY REJECTED HIS PLAY "THE SILVER TASSIE".

"Laughter is wine for our souls...the hilarious declaration made by man that life is worth living."



JUST AS SEA FERRIES MAKE TRAVEL WORTH TAKING

Just take it.



SEVENTEEN DALLINGS PER DAY

In 2007 Dublin Port Company was placed to the forefront in supporting the promotion of the tourism sector through a major marketing campaign centred on the use of ferry travel. Many of the great Irish writers featured in the campaign continues into 2008. The campaign has been short listed for a number of Pan European Sabre Awards and an integrated marketing campaign.

MAGNIFICENT

THE



SEVENTEEN DALLINGS PER DAY

ON FERRIES FROM DUBLIN  
A FERRY IS LEAVING

SEVENTEEN DALLINGS PER DAY



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# OUR EFFICIENT SEVEN

IF WE WERE BUT 7, THEY WROTE LIKE 700!

JAMES JOYCE "THE SLACKER"  
 OSCAR WILDE "THE STRANGER"  
 SAMUEL BECKETT "THE STRANGER"  
 GEORGE BERNARD SHAW "THE WOODLAND"  
 OSCAR WILDE "THE REVEREND"  
 WILLIAM BUTLER YEATS "THE AMBITIOUS"

DUBLIN THEY MADE GOOD THEIR GETAWAYS.  
 TOWN - BE ON IT!

DUBLIN PORT C?

OSCAR WILDE LEFT DUBLIN BY FERRY IN 1874, NEVER TO RETURN. HE WROTE "THE PICTURE OF DORIAN GRAY" (OSCAR WILDE TITLE CHARACTER, LIKE WILDE), SPENT SEVERAL YEARS IN THE CLOSET.

"I have nothing to declare but my **genius**", he replied to customs.

DECLARE YOUR GENIUS  
 Ferry Travel. Smart Travel. Take It.

DUBLIN PORT C?

SAMUEL BECKETT LEFT DUBLIN BY FERRY FOR GOOD IN 1939 TO MEET WITH JOYCE. WON NOBEL PRIZE 1969. TO DISTINGUISH BETWEEN HIMSELF AND JOYCE HE WROTE:

"Mr. Joyce tries to put everything in, I try to leave everything out."  
 "Who knows what the **ostrich** sees in the sand?"

ART, LITERATURE, SEA TRAVEL. THE GREAT LIFE!  
 Just have it.

DUBLIN PORT C?

BROGDAN BERNAN LEFT DUBLIN BY FERRY AS AN AGENT FOR THE IRA (1906). HE RETURNED A "BORISAL BOY".

"I was courtmartialled in my absence and sentenced to **death** in my absence, so I said they could **shoot me** in my absence!!"

HE TRAVELLED ROUND TRIP  
 Why not you?

DUBLIN PORT C?

GEORGE BERNARD SHAW LEFT DUBLIN BY FERRY IN 1874. WON NOBEL PRIZE 1925. WON ACADEMY AWARD (SCREENPLAY) 1938.

"Give **WOMEN** the vote, and in five years there will be a crushing **tax** on bachelors."

HE WROTE PYGALION ON WHICH "MY FAIR LADY" IS BASED (1914)  
 TAKE YOUR FAIR LADY TO SEA OR HAVE HER TAKE YOU  
 Travel by Ferry.

DUBLIN PORT C?

The background of the page is a stylized landscape. It features a light blue sky at the top, followed by two layers of white, rounded, cloud-like shapes. Below the clouds is a dark, solid black silhouette of a landmass or coastline. At the bottom of the page is a horizontal band of light blue, representing water. The overall aesthetic is clean and modern.

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