PORT of CORK
DEEPWATER MULTI-MODAL PORT

Annual Report 2022

Port of Cork Company Annual Report 2022

Comprising of the Consolidated Financial Statements for the financial year ended 31 December 2022, the Chairperson's Statement and the Port of Cork Company Chief Executive's Report.

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Board of Directors

Mr. Michael Walsh *(Chairperson)*

Mr. Eoin McGettigan *(Chief Executive)*

Mr. David Browne

Ms. Gillian Keating

Ms. Joan McGrath

Dr. Celine McInerney

Mr. Philip Smith

Mr. Finbarr Synnott

Management Team

Mr. Eoin McGettigan
Chief Executive

Mr. Donal Crowley
Deputy Chief Executive, Chief Financial Officer and Company Secretary

Capt. Paul O'Regan
Harbour Master and Chief Operations Officer

Mr. Conor Mowlds
Chief Commercial Officer

Mr. Henry Kingston
Chief Land Development Officer

Mr. Peter O'Shaughnessy
Head of Human Resources

Mr. Tim Murphy
Head of Port Engineering

Registered Office and Business Address

Port of Cork Company
Finance Department,
Tivoli Terminal Building,
Tivoli Dock & Industrial Estate,
Cork T23 YNT9

Solicitors

JW O'Donovan
53 South Mall,
Cork.

Philip Lee
7/8 Wilton Terrace,
Dublin 2

Coakley Moloney
49 South Mall
Cork

Bankers

Allied Irish Banks plc.
66 South Mall,
Cork

Bank of Ireland
2nd Floor,
Baggot Plaza,
27-33 Baggot Street Upper,
Dublin 4

European Investment Bank
100 Blvd Konrad Adenauer,
Luxembourg L-2950

Auditor

Deloitte Ireland LLP
Chartered Accountants
and Statutory Audit Firm,
No. 6 Lapps Quay,
Cork

Actuaries

Mercer Limited
23/25 South Terrace,
Cork

Port of Cork Company Board of Directors

Michael Walsh

Chairperson

Eoin McGettigan

CEO and Director

Joan McGrath

Director

David Browne

Director

Gillian Keating

Director

Michael Walsh

Michael was appointed Chairperson of the Port of Cork Company in 2021 on a five year term. He has a wealth of executive management experience governing major infrastructure projects, as well as extensive board experience.

Michael is responsible for global commercial operations for the US energy technology company Smart Wires and before this held senior leadership positions in EirGrid, ESB, IWEA as well as a lecturer in UCD. He also currently chairs the Research Advisory Committee for the Global Power System Transformation Consortium. He has a PhD in Engineering and a Masters in Business Administration.

Eoin McGettigan

Eoin has been a leading business figure in Ireland over the last three decades with experience as a Senior Executive in Retail, Wholesale and Property businesses.

Prior to joining the Port of Cork Company in 2020, Eoin held senior board positions in Musgrave PLC as Chief Executive of Supervalu and Centra. He also fulfilled the role of Group Finance Director of Dunnes Stores and CEO of Lifestyle Sports.

Since joining the Port of Cork Company, Eoin has overseen the development of several large scale projects including the launch of the new €94 million Cork Container Terminal and is leading the next phase of growth for the Port as it develops as a key global port of the future.

He holds an MBA and is a Fellow of the Chartered Institute of Management Accountants.

Joan McGrath

Joan was appointed as a Director of the Board in 2021 and brings her HR expertise and experience over 35 years, along with her experience as a current board member of the Irish Aviation Authority. She is also a Director of Tobin Consulting Engineers, and lectures part-time at UCD Professional Academy.

David Browne

David is a Business Development Support Manager and has been working with the Port of Cork Company for almost 22 years. David began his career as an Electrician with Dornan Engineering, and since joining the port in 2001, David has worked in a number of roles across Maintenance and Health & Safety before starting his current role in Business Development in 2011. David has been a member of the Port of Cork Company Board of Directors since 2017.

David studied Occupational Health & Safety in UCD, and in recent years has obtained a HDip in Safety Health and Welfare at Work, as well as a M.Sc in Occupational Health from University College Cork (UCC). He also has a Diploma in Employment Law from Technological University Dublin, and will be returning to UCC in the coming months to study for an MBA.

Gillian Keating

Gillian is a Partner with one of Ireland's leading law firms, RDJ and leads their Corporate and Commercial Department. With over 25 years' experience Gillian is ranked in Legal 500 and Chambers for her transaction and advisory work.

Gillian is an Adjunct Professor in the College of Business and Law at University College Cork (UCC) and in 2017 received an Alumni Achievement Award from UCC.

Gillian is a co-founder of the highly successful and award winning I WISH (Inspiring Women in Stem) social enterprise. I WISH is an initiative to inspire young women to consider careers in Science, Technology, Engineering and Maths (STEM).

From 2013 to 2019, Gillian was a member of the Governing Body of UCC and chaired the Audit Committee. Gillian is a past president of Cork Chamber of Commerce. As well as being a board member of Port of Cork Company, Gillian currently chairs the Board of the South Infirmary Victoria University Hospital.

Port of Cork Company Board of Directors

Philip Smith

Director

Celine McInerney

Director

Barry Synnott

Director

Donal Crowley

Company Secretary

Philip Smith

Philip owns a corporate finance firm, Penrick Advisors and was appointed to the Board at the Port of Cork Company at the beginning of 2018. Philip is also an Advisor for global investment banking and asset management firm, Atlantra. Prior to this, Philip worked as Managing Director for C.W Downer & Co. for 18 years.

Barry Synnott

Barry is group CEO and Member of the Board of Directors for Boyne Valley Group and was appointed as a Director to the Board of Port of Cork Company in 2019. Prior to his role in Boyne Valley Group, Barry worked with Kerry Group for 10 years, and during this time he undertook various roles as President of two functions and Managing Director, bringing with him broad Managing Director experience. He also spent nine years of his career working for International Flavors & Fragrances (IFF).

Donal Crowley

Donal is Chief Financial Officer / Company Secretary of the Port of Cork Company and subsidiary companies. He is a director of Aniram MDA DAC and a Trustee of the defined benefit pension fund. He is a Chartered Accountant having qualified with EY and has a B.Comm degree from UCC. He previously held senior management positions with a number of multi national companies.

Celine McInerney

Celine spent her early career as an investment banker specialising

in Mergers and Acquisitions in London and New York with Deutsche Bank and Lehman Brothers.

On returning to Ireland in the early 2000's, her focus moved to renewable energy finance with SWS Energy and then Merrion Capital where she was a founding partner

of the Cork office.

In 2010, she took up a role in University College Cork where she ran a successful research group focused on renewables investment and was a Senior Lecturer in Finance. She has published widely and is a regular speaker at conferences. She is a guest lecturer on a number of sustainable leadership programmes with a focus on Environment, Social and Governance.

Celine is a director of University College Cork's 1,500-bed campus accommodation company since 2018. She chaired the board of the Money Advice and Budgeting Service in Cork and Kerry from 2018-2021 and sat on the Audit and Risk committee. She chaired the Audit, Finance and Risk committee of Cork charity Deaf Enterprises from 2015 to 2018. She is a member of the Audit and Risk committee of ComReg the Irish electronic communications regulator since May 2023. She is owner-director of family businesses in the energy sector.

Celine holds an undergraduate finance degree from Dublin City University, a master's degree in finance and a post graduate diploma in Statistics from Trinity College Dublin and a PhD in energy finance from UCC. Celine completed the Institute of Directors diploma in company direction with distinction in 2020.


MSC MERAVIGLIA
MSC

Port of Cork Company Chairperson's Report

Port of Cork Company Chairperson's Statement

Michael Walsh
Chairperson

2022 will be remembered as the year that Port of Cork Company (PoCC) opened the €94m Cork Container Terminal (CCT) in Ringaskiddy. Officially launching CCT was a huge milestone for the PoCC and will go down in history. Port Trade in the year 2022 was very successful for the Ports of Cork and Bantry who reported a total consolidated traffic throughput of 10.2 million tonnes (2021: 10.5 million), given the challenging economic environment. Tourist traffic re-commenced with 82 Cruise Liners calling to Cork and 9 calling to Bantry along with a twice weekly Brittany Ferry service to Rosscoff. Imports of Trade cars and dry bulks also increased while container traffic was in line with 2021. These improvements off-set declines in liquid and break bulk traffic. The 2022 Consolidated turnover of €48.4m (2021: €39.8m) and Operating profit €9.2m (2021: €7.8m) reached record levels due to the improved trading situation including the return of the tourist traffic, a positive pension FRS outcome and a strong focus on efficiency.

Table 1: Port of Cork and Bantry Summary of Trade Figures to December

Metric Tonnes '000	Dec-22	Dec-21	Difference	%
Port of Cork	9.915	10,075	(160)	(2%)
Bantry Bay Port	327	501	(175)	(35%)
Total	10,242	10,577	(335)	(3)%

PoCC turnover for the year 2022 amounted to €48.4m (2021: €39.8m), an increase of 21.5% or €8.6m. The profit before the gain on disposal of fixed assets and taxation amounted to €8.5m (2021: €6.9m), an increase of €1.6m or 23% due to additional trading, a positive pension FRS result, and despite an increase in the depreciation charge to €7m (2021: €3.8m) as a result of the opening of the new Cork Container Terminal (CCT) in Ringaskiddy. The Company closed the sale of the Buckeye Warehouse in Ringaskiddy in July 2022 which generated a profit on disposal of Fixed Asset of €4.9m (2021 sale of the Custom house gain €4.2m) giving a profit on ordinary activities before taxation of €13.3m (2021: €11.1m). PoCC had a taxation charge of €1.7m (2021: €1.1m) resulting in a profit for the financial year of €11.7m (2021: €9.9m). The 12 month continuing EBITDA improved significantly to €16.1m (2021: €11.5m).

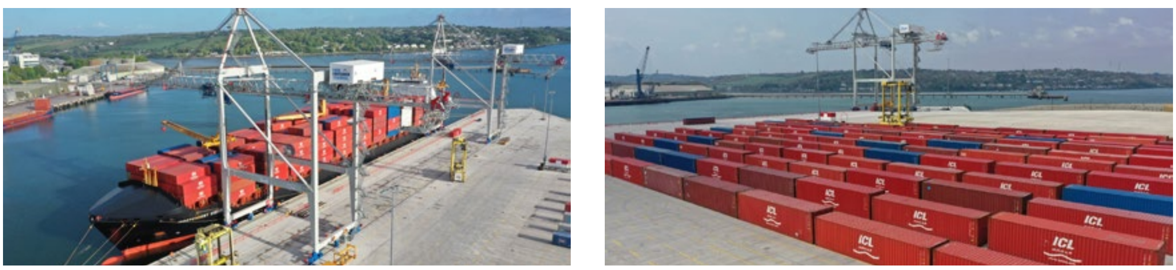
v 1: Improved Operational Income (Turnover), EBITDA and Operating Surplus in 2022 compared to 2021 - 2018 and a decline in capital expenditure following the completion of CCT.

PoCC benefited from uncertainty in the market place during 2022, as a result of congestion at large European hub ports, Covid-19, the situation in the Ukraine and rising energy prices. As the markets settled in Q4, 2022 especially the cost of energy, port trade and revenues softened into Q1, 2023, especially container storage revenues which PoCC will monitor closely.

Achievements in 2022 at PoCC include:

- The Ringaskiddy CCT Engineer (RPS) issued the "Taking over Certificate for the Whole of the Works" in July 2021 and a number of car vessels docked at CCT in December 2021. Following a number of months of container transition planning, Container vessels were facilitated at CCT in April 2022.

  This marked a momentous day for PoCC as it will ensure that for the next five decades and more, ships will arrive from distant ports to collect or discharge their cargoes at this amazing facility.



Picture 1: The Completed €94m Cork Container Terminal in Ringaskiddy photographed on the 26th July 2021 with the two Ship to Shore Cranes moved on to the quay.

This investment of €94 million in CCT in Ringaskiddy delivers, an Optimised 360m Single Berth, two new Liebherr ship to shore cranes, additional straddle carriers were purchased and moved from Tivoli, a new straddle carrier maintenance building and new Customs & Excise facilities. It also includes a Recreation Area at Paddy's Point and a new Deepwater Berth entrance and internal port roads network.

The PoCC agreed a funding structure in 2017 for the CCT Ringaskiddy Port Redevelopment with the EIB, AIB and ISIF, following receipt of the approval from the relevant Ministers.

The completion of the M28 to connect Ringaskiddy to the state's motorway network is now more critical than ever. Without this vital link, CCT cannot operate to its design capacity.

- As additional source of funds to finance current and future essential port developments,
  - PoCC sold and vacated the Custom House property located at Custom House Quay in the centre of Cork Docklands on the 31st January 2021.
  - The Company successfully donated art works formerly held in the Custom House, to the State and received in return, tax relief under section 1003 Taxes Consolidation Act 1997 from the Department of Arts, Heritage and the Gaeltacht.
  - The sale of the Buckeye Warehouse Building in Ringaskiddy was completed in July 2021 following approval by the Ministers for Transport and Public Expenditure & Reform which significantly reduced the PoCC net borrowing position.
  - Discussions to agree heads of terms for the port to vacate the City Quays on an acceptable basis over the next few years are at an advanced stage with Cork City Council representatives.
- Achieving a throughput of 10.2m tonnes, Turnover of €48.4m, Profit before taxation of €13.3m, Profit after tax of €11.7m, a bank balance of €33.4m and reduced net borrowings to circa €20m.
- Liquid Bulk traffic at Whitegate amounted to 5.3m tonnes.
- Total Container Traffic amounted to 282,781 TEU.
- Imports of Dry Bulk Cargos amounted to 1.43m tonnes an increase on 2021.
- There was 82 Cruise liner calls to Cork, carrying 115,000 visitors and 9 cruise liner calls to Bantry.
- The Port of Cork 2050Masterplan was published on the 19th May 2023.
- Health & Safety is a priority for the PoCC and our Safety Management System is certified to ISO 45001:2018 the international Occupational H&S Standard. The trends for reportable incidents and lost time due to accidents at work has continued to decline as a result of the focus to improve the H&S environment.
- The Company adopted the Government's Climate Action Plan and environmental sustainability will be a consideration for all future capital investments.

- A Diversity & Inclusion (D&I) ESG Committee was formed by the Board in 2022 and a Board approved policy statement was drafted for publication to all employees in Q2, 2023. D&I key performance indicators were set for achievement over the period of the Corporate strategy.
- A Marino Point master plan was finalised by Belvelly Marino Development Company DAC (BMDC). An enabling works planning application was approved by Cork County Council (CCoC) and subsequently by An Bord Pleanala (ABP). A further planning application by Gouldings to construct a bulk import facility was approved by CCoC on the 17th February 2022. This planning application was appealed to ABP with a decision expected in April 2023.
- The PoCC increased it's BMDC shareholding to 51% following approval by the Ministers for Transport and Public Expenditure & Reform on the 2nd June 2022, as it is strategically important for the PoCC to have a controlling interest in this key port asset.
- With Phase 1 of the Bantry Inner Harbour Development completed, further developments in Bantry continue to be considered.
- The Company made an application to the Department of Agriculture for the establishment of a Border Inspection Post in Cork which will increase overall transport efficiency of operations by circa €1m per annum and reduce the carbon CO_2 pollutant impact of trade by an estimated 166 tonnes per annum.
- A wage agreement, covering 2021 – 2023, was reached with all trade unions securing IR stability.
- Discussions were held with the LDA under the terms of the Land Development Agency Act 2021, with the assistance of the DoT, with a view to preparing a mutually acceptable MOU to promote the development of the Tivoli Estate.
- Constant engagement with Key Customers.
- OHSAS 18001 (H&S), ISO14001 (Environment), ISO 50001 (Energy), IPSEM and ISPO (Marine Pilotage) continued accreditations.

Financial challenge:

As noted PoCC drew down loans from EIB (€30m) and AIB (€30m) to finance the Ringaskiddy CCT re-development. These loans will require annual repayments of interest and capital each year of circa. €5m per annum over the next 5 years, alongside the requirement to replace cargo handling equipment and finance further critical port infrastructure. EY carried out a valuation of the PoCC as at 31st December 2020 for DoT based on future cashflows and it valued the Company at €99m despite a balance sheet asset value of circa €163m at that date. An updated valuation will be carried out in December 2023.

The servicing of this future debt burden is the critical issue facing the PoCC which can only be addressed by continuing to reduce costs, by operating our business as efficiently as possible, by reviewing our asset base to reduce under-performing non-core assets, by adding value to our services and gaining new business. In this context timely ministerial approvals on the Freehold of Tivoli, and of a customs BIP facilities at Ringaskiddy, would all be very helpful.

Port of Cork 2050 Masterplan:

During 2022, PoCC completed a long term Masterplan 2050 process including a full Public Consultation. This Masterplan outlines the future port critical infrastructure required, with estimated cost, as the port moves from being a river port to a sea port. The plan identifies the potential future port traffic growth based on GDP and increased population, along with the key constraints and sustainable opportunities to meet customer requirements and the economic demands of the region. This plan will provide an integrated framework for strategic planning for the Port of Cork, the Local Authorities and planning authorities having received input from port users, local communities and employees. The final PoCC Masterplan 2050, which was approved by the Board on the 27th March 2023, was launched by Minister for Transport Eamonn Ryan T.D. on Friday 19th May 2023.

Dividends to Department of Finance:

It is the policy of the Board of Directors of the PoCC to support the Shareholder and pay an annual dividend taking into account the capital expenditure programme and pension deficit facing the Company when declaring the annual dividend. PoCC will have incurred a capital expenditure programme in excess of €100m in the five year period to the 31st December 2022, to the benefit of the state, local, regional and national economies and customers. The Board of Directors at the Board meeting on the 27th March 2023 approved the payment of a dividend in 2023 of €260,000 (2022: €250,000) taking the current Company gearing levels into account.

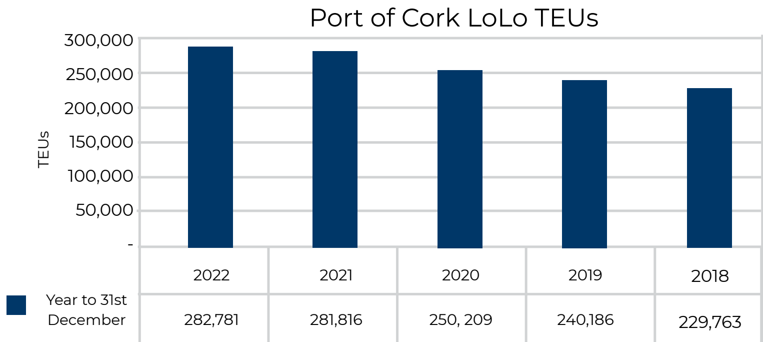
Trade performance:

During 2022, Port of Cork oil traffic at the Irving Whitegate Oil Refinery, amounted to 5m tonnes, a decrease of 0.18 million tonnes or 3% from 2021. Oil traffic at the Zenith Whiddy Oil Storage Facility in Bantry Bay amounted to 326,943 tonnes, a decrease of 174,509 tonnes or 35% on 2021, demonstrating a large decline in trading at Whiddy Island.

Port of Cork Trade Volumes (Metric Tonnes '000)	Dec-22	Dec-21	Dec-20
Oil Traffic	5,332	5,528	5,968
Non-Oil Traffic (excl Containers)	1,764	1,983	1,937
Containerised Traffic (Lo-Lo & Ro-Ro)	3,146	3,065	2,631
Total PoC Traffic Volumes	**10,242**	**10,576**	**10,536**
Containerised Traffic (TEUs)	282,781	281,816	250,209

Table 2 – Port of Cork and Bantry 2022 Consolidated Trade Volumes:

PoC 2022 non-oil traffic excluding containers amounted to 1.76m tonnes compared to 1.98m tonnes in 2021, a decrease of 0.22m tonnes or 11% primarily due to a reduction in offshore activity, import of salt and fertiliser and export of baled waste and scrap.



Graph 2: TEU throughput continues to increase.

In 2022, the Port's container traffic amounted to a record 282,781 TEU's, a slight increase of 965 TEU's on 2021, primarily as a result of the commencement of new Con-Ro services direct with Europe to Ringaskiddy. The CLDN ConRo services linking directly to Belgium continued in 2022 as did the Brittany Ferries freight service to northern France. These services enhance the use of the significant RoRo facilities in Ringaskiddy and assist direct routes to the continent. The ICL and Maersk LoLo service direct links to America also continued with a positive impact on TEUs. The transition of LoLo services from Tivoli to Ringaskiddy commenced in April 2022 and the Company decision to keep the Tivoli Container Terminal open has doubled the Port of Cork container capacity.

Following the DoT introduction of a Covid-19 protocol in April 2022 cruise calls and tourist traffic re-commenced in H1, 2022. There were 82 cruise liner calls to Cork, carrying 115,000 visitors and 9 cruise liner calls to Bantry. Brittany Ferries returned to normal pre-Covid-19 trading levels with 117,350 passengers.

ORE – Offshore Renewable Energy:

In December of 2021 the Government (through the DoT) published a Policy Statement setting out the strategy for commercial ports to facilitate offshore renewable energy (ORE) activity in the seas around Ireland. The Policy Statement will assist the PoCC in applying for EU funding to develop new infrastructure. This move is part of a series of Government measures to prepare for the anticipated expansion of ORE. The Government has also decided that a multi-Port approach will be adopted, with a number of Ports being required to provide facilities for the different activities at several locations around the country, and at different times for the various phases of the fixed ORE developments. In support of this approach the DoT has established a Ports Co-ordination Group to coordinate Port responses and maintain policy alignment, the group is attended by both Ports and relevant state bodies with the PoCC being represented on this group by the CEO.

The PoCC has been active in business development / networking activity in the ORE sector (wind & hydrogen) with attendance at various networking events & conferences and direct engagements. Currently the Port is dealing with enquiries from numerous offshore wind developers including EDF, Inis Offshore/Temporis, Orsted, DP Energy and Simply Blue. The company has also engaged with relevant industry bodies such as ESB, Eirgrid, Wind Energy Ireland and the Marine Renewable Industry Assoc (MRIA) and government agencies such as, IMDO, DoT & DECC. The PoCC has current planning permission for two additional berths in Ringaskiddy which can immediately be utilised to facilitate fixed ORE when constructed. The Port's 2050 Masterplan, has thoroughly evaluated the requirements to support ORE from both an 'assembly & marshalling' and O&M perspective, identifying the areas in both Cork Harbour and Bantry (Leahill Quarry) that may be suitable, with investment, to support Ireland's future ORE sector. Going forward, the PoCC will collaborate with DSG (Doyle Shipping Group at Cork Dockyard) to explore what possibilities may lie with 3rd party investment in this area.

Environmental Sustainability Climate Action Plan:

Sustaining the quality of the environment in Cork Harbour, particularly in areas which have the potential to be affected or influenced by Port Operations remains a priority for the Company. We are committed to the highest standards of environmental management through the implementation of our environmental and energy management programmes, operated to global best practices consistent with international standards - ISO14001, ISO 50001 and ESPO / EcoPorts foundation accreditation.

As part of an on-going commitment to a more sustainable future, the PoCC encouraged a company-wide transition to electric vehicles (EVs) and announced plans to invest in more sustainable equipment. This included the selection of four new straddle carriers, two in March 2022 and two in November 2022, costing €4.3m. The efficiency of the equipment, the reduction in the associated CO2 that will be emitted by the equipment and the shadow price of carbon were taken into account during the tendering process. The Port therefore, procured the most environmentally sustainable equipment available. PoCC has purchased its first new fully electric van for its operations and maintenance team and plans to add further EVs to its fleet, as part of this transition.

Picture 2: PoCC is committed to switch to EVs and support and implement conservation measures for the Common Tern population.

PoCC have continued to support and implement conservation measures for the re-nesting of the Common Tern population breeding in Cork Harbour during 2022, leading to record numbers of chicks for this breeding season. PoCC in co-operation with UCC monitor the Tern population and provide pontoons for nesting, designed to protect the birds and their young from predators.

PoCC has adopted the NewERA designed Climate Action Framework for commercial semi-state bodies. This framework reflects the exemplar role commercial semi-state bodies are to play in decarbonisation, while also recognising the need for commercial independence in their respective operating environments. The framework contains a series of five commitments by companies in relation to their climate action objectives. PoCC is fully supportive of these objectives and is working with the DoT to ensure compliance with the targets. By signing up to the framework, the company has formally adopted the government's emission reduction target for the public sector i.e. achieve at least a 51% reduction in greenhouse gas emissions by 2030. The PoCC climate ambition is to achieve a 51% reduction in overall greenhouse gas emissions by 2030 which will set us on a path to reach net-zero emissions by 2050.

Container Handling Facilities – Urgent requirement to complete the M28:

In the past five years, the Board approved over €100m of capital investments primarily in the container terminal facilities, at both CCT in Ringaskiddy and Tivoli, to accommodate port container traffic growth of over 30%. These investments included the construction of CCT in Ringaskiddy, installation of additional reefers, accommodating the movement of adjacent licence tenants, the purchase of straddle carriers, digitisation with the implementation of a new automatic truck gate operating system and vehicle booking system. These measures resulted in improved container facilities, quicker truck turn-around and less congestion at both Container Terminals.

Urgent Requirement for M28:

TII (Transport Infrastructure Ireland) published their capital plans for the next decade in January 2022. In these plans they say that the work on the M28 dual carriageway to Ringaskiddy will commence in "2026-2030". If this timing comes to pass it is then most likely that the M28 will not be complete until 2030 at the earliest. This delay has implications for the capacity of CCT which is constrained by conditions in the CCT planning consent to not exceed 320k TEUs. The PoCC Master Plan shows that PoC will reach this capacity in 2024/2025 and therefore, PoC will need to continue to operate container operations in Tivoli to meet the capacity demand until the M28 is complete.

The PoCC investments in accommodating the container business in the CCT in Ringaskiddy and Tivoli demonstrate the PoCC's commitment to continue to grow the container business and in turn, provide a much needed stimulus in Ireland's import and export trade. The container vessels being accommodated in Ringaskiddy are the largest which can be accommodated in Ireland, thus highlighting the deep-water capabilities of the PoC with available LoLo, ConRo and RoRo capacity.

Cork Container Terminal (CCT) Port Redevelopment at Ringaskiddy:

The limitations at the Lo-Lo container facilities in the Tivoli Container Terminal (water depth, width for vessel swinging, landside terminal capacity) required the relocation of the container business downstream to the lower harbour at Ringaskiddy. Maritime traders want to enter and exit the harbour as quickly as possible. The Port CCT re-development in Ringaskiddy will be beneficial to the Port, Port Customers, the City, the wider Cork Community and the Region.

The appointed Contractor (BAM) commenced construction of CCT in Ringaskiddy in May 2018 and completed construction in July 2021. This CCT re-development delivers, an Optimised 360m Single Berth, two new ship to shore cranes, a Straddle Carrier Operating System, new straddle carriers maintenance and Customs & Excise buildings and a digitised vehicle booking system. It also includes a Recreation Area at Paddy's Point, a new Deepwater Berth entrance and internal port road network.

The CCT development cost €94m including infrastructure and superstructure (cranes / straddle carriers). In addition to utilising Company cash reserves and EU CEF financial support, the Company, with Ministerial consent agreed a funding structure for the Ringaskiddy CCT Port Redevelopment with the EIB (€30m), AIB (€30m) and unutilised additional funding from the Ireland Strategic Investment Fund ISIF.

Picture 3: demonstrates the limitations at the existing Lo-Lo facilities in the Tivoli Container Terminal (water depth, width for vessel swinging, landside terminal capacity).

Figure 1: Ringaskiddy Phase 1 Development now complete, includes an Optimised 360m Single Berth, a Straddle Carrier Operating System, new maintenance and Customs & Excise buildings.

This CCT development represents the first phase of the implementation of the PoCC's Strategic Development Plan, the core principles of which were endorsed in the 2013 National Ports Policy, which designated Cork as a Tier 1 port of national significance.

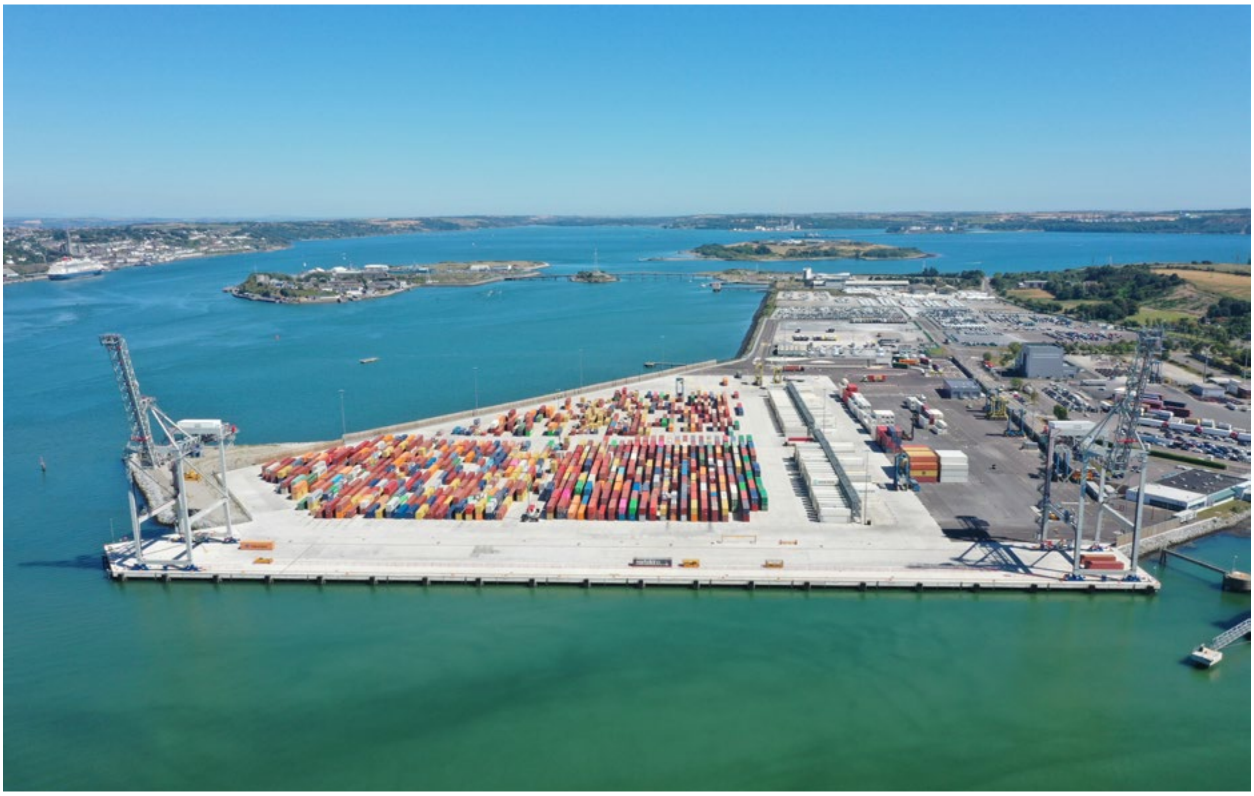
Community liaison:

During construction the Company consulted residents and stakeholders and this project liaison strategy was successful, as the development was completed in line with all consents. Following completion of the CCT project, PoCC took the decision to appoint a dedicated Community Liaison Resource. This resource now has open lines of communication to all community representative associations, and together with the CEO, they meet community representatives on a quarterly basis. This current arrangement was very well received and successful in developing and maintaining a positive relationship between the PoCC and our local communities.

Picture 4: The CCT development includes Paddy's Point Marine Recreation Area, a new Deep-Water Berth entrance and significantly advanced internal port roads.

CCT official opening September 2022:

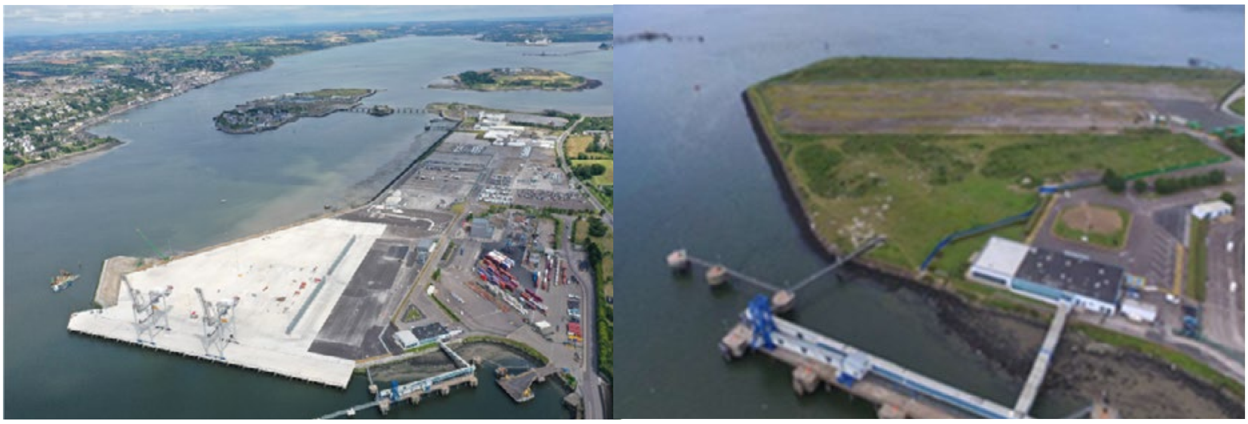
An internal staff official opening ceremony was held on Thursday 22nd September 2022 and an external official opening ceremony was held on Friday 23rd September 2022. Ministers Hildegarde Naughton T.D., Michael McGrath T.D., Simon Coveney T.D. assisted by children representing Crosshaven Boys' N.S. officially cut the tape. As part of the CCT journey and to help welcome the new colossal cranes to the Cork harbour community, PoCC hosted a competition with local primary schools to 'Name the Cranes'. The winning names for the two giant 50m ship-to-shore Liebherr cranes, as chosen by Crosshaven Boys' National School were 'Mahain' and 'Binne', inspired by the old Irish folklore story about two giants who lived in Cork harbour.



Picture 5: Cork Container Terminal, Ringaskiddy.,

This CCT development in the PoC, translates into significant economic benefits for Cork and the Munster region, as well as the national economy. 98% of goods imported or exported from Ireland are moved by ship, estimated at the time of the planning application to be over €14 billion annually in Cork alone, highlighting the importance of ports to the economy of the region.

CCT will allow the port to fully relocate its container business from the current city centre Tivoli location to Ringaskiddy once the M28 is complete and will enable the Port to future proof Cork as an international gateway for trade. PoCC intend to maintain some container operating capacity in Tivoli in the medium term to ensure that the Port will be in a position to continue to meet the capacity needs of our customers, the local and national economies until the M28 is complete and also to meet any additional national capacity shortfall.



Picture 6: CCT Berth and Terminal Area- July 2021 v. Commencement January 2018.

Connecting Europe Facility (CEF) TEN-T funding application:

At a European level, PoC is included within the new TEN-T Regulation as a ‘core’ port on the North Sea Mediterranean and Atlantic Corridors, along with being identified as a Tier 1 Port in the 2013 National Ports Policy. In line with this TEN-T designation the port secured funding under the Ten-T and the Connecting Europe Facility (CEF) grant aid schemes for its CCT Ringaskiddy developments.

The PoCC was successful in 2013 with its funding application made under “The Acceleration / Facilitation for the implementation of TEN-T projects”. Fifty percent grant aid, amounting to €1.8m, was made available to obtain statutory consents for the Ringaskiddy developments, complete financial and economic appraisals, detailed designs, communication plan and prepare tender documents.

PoCC was successful with an application for TEN-T Transport Section CEF Funding to the European Commission DG-Move (Directorate General for Mobility and Transport) during 2015 following DoT endorsement. The European Commission allocated €12.74m (17.5% of eligible expenditure) to fund the construction of the proposed Ringaskiddy projects. Amendment agreements with CINEA CEF were signed in December 2019, 2020 and 2021 to accommodate the delay, including the Covid-19 delay, in the completion of the project. PoCC received €8.6m to date and the final account will be submitted to CINEA in the EU before the end of Q3, 2023 to claim the balance of the grant due.

In January 2023 PoCC submitted, with the approval of the DoT, a new works grant application to CINEA in the EU to expand current port infrastructure facilities at the Ringaskiddy deep-water port in the context of national capacity bottlenecks and required ORE (off-shore renewable energy) facilities. Having secured all the necessary consents, for an extension to CCT and deepwater berths in Ringaskiddy, these projects are ‘shovel ready’.

Additionally, a new studies grant application was submitted to consider further extensions of CCT, Marino Point re-development and ORE port infrastructure requirements. We expect to receive the results of these applications in Q3, 2023.

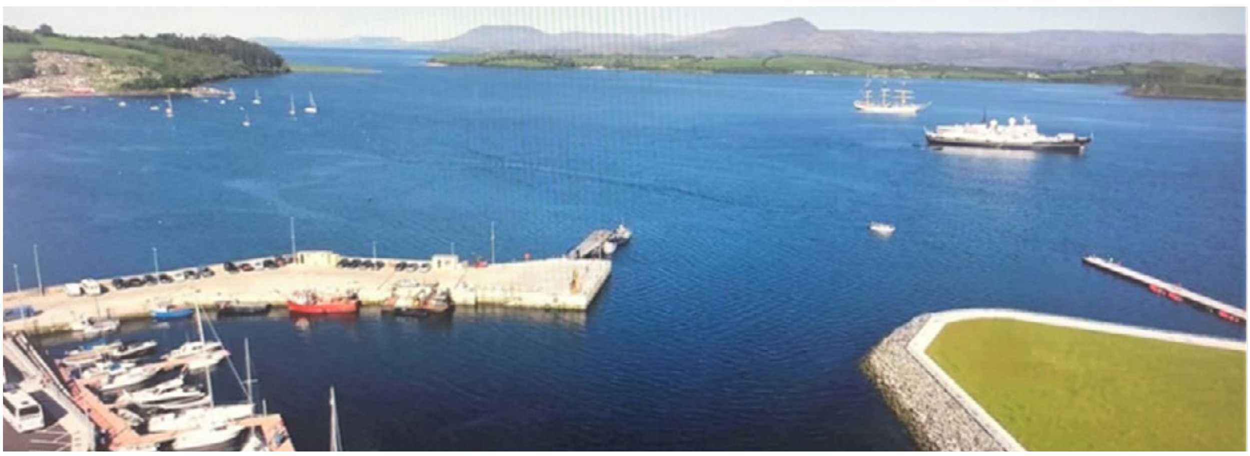
Bantry Bay Port Company DAC:

The amalgamation and consolidation of the Bantry Bay Harbour Commissioners assets with the PoCC was completed on the 1st January 2014 and a 100% subsidiary Bantry Bay Port Company DAC (BBPC) was created to manage the Bantry Bay operation. BBPC opened the new Bantry Harbour Marina at a cost of circa €9.4m, for local and visiting boats in 2017. This Inner Harbour Development provides improved access and facilities on the town pier and it has benefited existing businesses to promote and increase commercial and leisure activity in Bantry Harbour and town.

The BBPC objectives include:

- To have in place the appropriate facilities and plant for all port users;
- To grow port trade, cruise activity, leisure and tourism;
- To ensure that BBPC continues to comply with all regulatory matters including H&S, Security, Environmental, Governance and Risk Management;
- To continue to promote marine activity and be supportive of relevant community initiatives in Bantry Bay including full co-operation with the Bantry Business community.

Zenith Energy announced plans to join with EI-H2 for a joint venture to develop a 3.2 gigawatt (GW) green energy facility at Bantry Bay to produce green hydrogen and green ammonia. The project will involve the engagement of key stakeholders in conducting a detailed feasibility study to explore the project's full potential. When fully operational, the new facility would significantly reduce Irish carbon emissions and will operate alongside Zenith Energy's existing Bantry Bay Terminal. A second Bantry local private company met DoT representatives during 2022 to outline plans to service ORE potential developments near the South West coast.



Picture 7: Bantry Harbour Marina.

Marino Point:

PoCC entered into a joint venture – Belvelly Marino Development Company DAC (BMDC) - with Lanber Holdings which purchased Marino Point in June 2017 with the objective of developing the site for port related purposes.

It is envisaged that Marino Point will become an integral part of the PoC infrastructure into the future. The minority shareholding in BMDC represented a weakness in these plans and on this basis, following the submission of a detailed business case to the DoT, an agreement with Lanber to increase the PoCC shareholding in BMDC to 51% was approved on 2nd June 2022 by the Ministers. It is strategically important for the PoCC to have a controlling interest 51% in this key port asset.

The Marino Point site has, for a long time, been identified as a suitable Port site to complement facilities in Ringaskiddy. The site has:

- Rail connectivity;
- An Existing Jetty – 10m draft – Access and Berthage;
- Seveso designation; and
- Significant development potential as a Cork Harbour Port site.

However, the site also has a number of potential challenges related to planning, foreshore licence consents, bridge and road access and the cost of redevelopment.

BMDC completed legal documents to sell a 15-acre portion of the Marino Point Facility to Origin (subject to planning) for a Seveso compliant site to relocate its Seveso Goulding fertiliser business from Cork City Centre Docklands. Cork City Council want all Seveso facilities moved out of the city centre to facilitate Docklands re-development and Gouldings is the last Seveso site in the docks area. There is no other Seveso site in the South West region which will give Origin its requirement of 15 acres with port facility access.

A Marino Point master plan was finalised by BMDC and an enabling works planning application was approved by both CCoC and ABP. A further planning application by Gouldings to construct a bulk import facility was approved by CCoC on the 17th February 2022, but subsequently appealed to ABP. These are very welcome positive developments at Marino Point and a final ABP planning decision is expected in 2023. Discussions are on-going with the Department of the Environment regarding an extension to the foreshore licence and relief previously available from 2009 to 2014 for the re-location of certain industries is also under review.

Cork City Docklands Development:

PoCC maintains its support for the Cork Docklands redevelopment potential being realised. It is an objective of the PoCC that all Port City Centre business will relocate downriver towards Tivoli, Marino Point and Ringaskiddy. This should result in the City Quays site becoming vacant for redevelopment. However, the City Quays are currently not surplus assets as these quays accommodate circa 320 ships annually.

The purchase of the Marino Point by the joint venture Company BMDC, should facilitate the redevelopment of the Docklands by allowing the transfer of the Gouldings, Seveso activity from the docklands downriver to Marino Point. The upgrade of the Belvelly bridge and the R624 road to Cobh are priorities for the Marino Point developments.

PoCC management were discussing the future operation of the City Quays with CCiC for a number of years. At a meeting with CCiC on the 28th January 2022, they offered PoCC €10m to vacate these quays over a period to be agreed between the parties. The PoCC Board of Directors are confident that an agreement on this matter can be achieved and they agreed at a Board meeting in February 2022 that both parties should:

(i) Agree Heads of Terms, including an agreement on a period over which the PoCC could continue to use the City Quays emphasizing that the port can only vacate the City Quays when the M28 dual carriageway to Ringaskiddy is complete which will allow the Port ensure alternative arrangements are put in place for customers, and

(ii) Prepare a Business case for submission to the DoT to consider allowing PoCC to dispose of the City Quays, in compliance with the Code of Practice for the Governance of State Bodies, reflecting that inflation and interest rates have increased since the initial 2022 offer.

We expect these negotiations to be complete and a business case submitted to the DoT during 2023.

Urban Design Process Tivoli Dock & Industrial Estate:

The Tivoli Dock and Industrial Estate is a 61.5 hectare south facing docklands site, facing Blackrock castle on the River Lee, with short, medium and long term development potential as the PoCC begins to move some of its operations to deeper water locations in lower Cork Harbour. In anticipation of the future redevelopment of the Tivoli site, the PoCC commissioned the Royal Institute of Architects to consider the potential future uses of this estate. This 'New Perspective for Tivoli' Design Review was completed in 2017 and presented to the Department of Housing, Planning, and Local Government (DHPLG) and the Irish Strategic Investment Fund (ISIF).

In January 2019, with the support of the Urban Regeneration and Development Fund (URDF) of €338k, the PoCC announced the appointment of urban design (Tyrens Reddy) and property (Savills) specialists to prepare options for the potential development of the Tivoli Dock & Industrial Estate, in line with the Government Policy objectives set for the Docklands in the National Planning Framework – Ireland 2040. A comprehensive business case including applications to form a TivDevCo 100% subsidiary Company and obtain freehold title were submitted to the DoT and are currently still under review. The future redevelopment of the Tivoli estate must play a key role in funding future port critical infrastructure whilst presenting a marquee urban redevelopment opportunity.

In 2021, this Tivoli re-development project was successful in attracting 75% of €1.3m in funding from the URDF Extension of Round 1. This application was successful in respect of technical design, environmental studies, stakeholder engagement, and bringing to planning stage, the following infrastructure for the Tivoli Dock & Industrial Estate:

- Upgrade of the western access road,
- An additional eastern access road junction into the site over the railway track,
- A commuter rail station on the Tivoli site, and
- A cycleway / walkway through the site.

These design works have now commenced and a number of consultation meetings have been held with both CCiC and TII.

Tivoli Docks are recognised as a "Key Development Area" in the 2022 City Development Plan. They are proposed for phased urban regeneration as a key employment generation / sustainable mixed use development for the city. Discussions were also held with the LDA under the terms of the Land Development Agency Act 2021 with the assistance of the DoT with a view to preparing a mutually acceptable MOU. PoCC is willing to work with the LDA to progress the future development of Tivoli taking into account the Tivoli Dock and Industrial Estate challenges. If the development of Tivoli is successfully progressed, the sales proceeds from any Tivoli lands will be required to finance critical port infrastructure e.g. CCT phase 2 as additional ORE facilities and projected long term container capacity is required, extension to the Ringaskiddy Deepwater berth as a replacement for the City quays, Marino Point developments, the purchase of additional land in Ringaskiddy etc. PoCC accepts that the delivery of housing is a national priority and that Tivoli development represents an opportunity for a unique brownfield urban regeneration project similar to a number of other benchmark cities.

Ringaskiddy lands and properties:

With the opening of CCT, the PoCC has a severe shortage of land in Ringaskiddy to facilitate international container LoLo, RoRo, ConRo and bulk trades. The Company has tried to identify suitable available land close to the port with little success. The sourcing of additional land near Ringaskiddy is now a Corporate Strategic Plan priority for the Company.

As part of the original IMERC (Irish Maritime and Energy Research Cluster) project at Ringaskiddy, the PoCC was committed to the transfer of lands (20 acres) under its control, in consideration for IDA lands (of circa 20 acres), to UCC for the construction of a world-renowned research and development Maritime Research Centre to unlock the country's maritime and energy potential. This would have benefited all parties involved. PoCC was disappointed to learn that as a result of a review commissioned by UCC and MTU, in 2016, the involvement of UCC & MTU in the IMERC project reduced, in particular with the PoCC having already transferred 3.5 acres to UCC in respect of this project. The Port obtained planning permission to store cargo off-dock on the remaining 12 acres adjacent to the Maritime College.

Sale of Ringaskiddy warehouse:

As part of the Corporate Plan process, the Board and management are tasked with identifying non-core port assets. Following a detailed review by management, with the assistance of the Company Property advisers, the Directors at their October 2021 Board meeting agreed that the Buckeye Warehouse building in Ringaskiddy should be put on the market for sale. A sales agreement was reached with a third party in early January 2022 to dispose of this Warehouse and the Ministers approved this sale on Thursday 16th June 2022 for €16m. This transaction was completed in early July and significantly reduced the PoCC net borrowing position in Q3, 2022.

M28 – land CPO:

CCoC, in co-operation with TII, issued a CPO on critical limited dockside PoCC lands in Ringaskiddy to facilitate the completion of the M28. PoCC continues to be in discussion and negotiation with CCoC and TII on the completion of these CPO's.

Tourism & Cruise:

Cobh is synonymous with the Harbour's history and today boasts that it is home to Ireland's only dedicated Cruise terminal with vessels of up to 340m in length being accommodated. In 2020 and 2021 all liner calls were cancelled due to the impact of Covid-19. PoCC is thankful that the DoT put a Covid-19 protocol in place in April 2022 to allow 91 cruise calls in total to the ports of Cork and Bantry. In 2023, circa 100 liners are scheduled to call to the Port of Cork and 7 are scheduled to call to Bantry.

The Cobh Deepwater Cruise Berthing Facilities have been expanded and improved over a number of years to provide sufficient mooring infrastructure and water depth to accommodate the largest Quantum Class cruise vessels at the Cobh cruise terminal.

The Ports of Cork and Bantry are active participants in a number of initiatives aimed at developing the tourism potential in Cork and Bantry Harbours. These include participating in Cruise Ireland, the CCoC Spike Island working group, the Cork Harbour Management Group, working with the Cobh and Harbour Chamber of Commerce, the Bantry Bay User Forum and the Whiddy Island Association.

The combination of Spike Island, Cobh, Titanic, Lusitania and Harbour Forts represents a unique tourism opportunity for the region. The Port is actively involved in these projects and believes the experiences they offer are complimentary to Cruise traffic.

It is the view of the PoCC that considerable potential exists for commercial tourism opportunities in both Cork and Bantry Harbours which would support the growth of the established cruise and other tourism related businesses. PoCC continues to play a leading role in the promotion of the rich maritime, emigration and trading heritage and history of Cork and Bantry Harbours.

The PoCC and CoCC were jointly investigating additional access points across the Harbour and jointly purchased Lynch's Quay in Cobh to facilitate additional access for vessels including cruise vessels in the longer term. This will be considered further at a more economically suitable time. Cobh Maritime Development Company Limited is a non-trading Company, involving CCoC, CCiC and the PoCC to develop an area in the Cobh Railway Station to offer tourists and cruise passengers additional facilities and exhibition accommodation.

Picture 8: A cruise ship at the Cobh Deepwater Berth with over 20 tourist buses alongside waiting to take passengers on shore excursions to key attractions located in Cork City, Blarney, Kinsale, Midleton and Killarney etc.

Leisure and Recreation Strategy:

The Port Leisure and Recreation Strategy, for Cork and Bantry Harbours, has identified a number of marine recreation initiatives for further development. The implementation of this strategy will help and support an important source of enjoyment and economic gain for local residents and visitors alike.

Spike Island was previously voted as Europe's leading Tourist Attraction at the prestigious World Travel Awards. In February 2019, the Board of Directors, with agreement and financial assistance from CCoC, approved the installation of a new Pontoon and Gangway at the JFK Pier in Cobh to accommodate all visitors to Spike Island. JFK Pier is now the primary access point used for Spike Island visitors (exceeding 50,000 annually), harbour tours, leisure, fishing and public access to the water.

The Company, through its Corporate Social Responsibility Policy continues to have wide involvement with and support all Port stakeholders and Harbour Community Groups including Cork Harbour Missing Persons Search & Rescue, Sail Training Ireland and developments at Ringaskiddy, Shanbally, Monkstown and Aghada. Bantry Bay Port Company DAC, continued to support local leisure, recreation and tourism activities.

Defined Benefit Pension Fund Deficit:

PoCC operates defined benefit pension schemes for employees who joined the Company prior to the 6th March 2006. For employees recruited after 6th March 2006, the Company operates a Defined Contribution Pension Scheme.

The FRS valuation confirmed a deficit at the 2022 year end of €0.57m (2021: €3.20m) due to the increased corporate bond rates with matching port pension bond assets.

A Funding Agreement is in place between the Trustees and the Company, approved by the Pensions Authority on a programme to fund the Pension Fund by 2025. A full tri-annual Actuarial valuation was carried out at the 1 January 2021 which using the Statutory Funding Obligation method of calculation gave an Actuarial funding level of over 90% at that date. During 2022, the Actuary Mercer confirmed that the valuation was on track with the funding proposal agreed with the Pensions Authority to be funded by 31st December 2025.

The estimated funding position was 92% at the end of December 2022 (2021: 95%) as measured using AON's Funding Level tool, with the reduction primarily due to the volatile markets and challenging economic circumstances during 2022.

Direct links to Europe:

The PoC RoRo activity is directly linked with the EU and therefore is not impacted by BREXIT. CLDN continues their twice a week ConRo calls to Ringaskiddy from Zeebrugge and Brittany Ferries have also maintained a twice a week trade RoRo call to Rosscoff during the summer season. PoCC highlights to our customers, Cork as a Port suitable for additional direct LoLo, RoRo or ConRo links to Europe.

Immediate Priorities:

The immediate priorities of the PoCC, are to:

- Ensure the PoCC continues on its transformational journey to maximise revenue, focus on cost reduction and cash generation in a very challenging economic environment;
- Implement the PoCC Dignity, Diversity and Inclusion policy;
- Finalise the 2023 – 2027 PoC Corporate Plan following submission to the Department of Transport and NewEra in March 2023;
- Emphasise efficiency of service to all customers;
- Continue to highlight the PoC as a Port suitable for additional direct LoLo, RoRo or ConRo links to Europe;
- Continue to pursue Tivoli lands development;
- Complete a Heads of Terms with CCiC regarding the City Quays;
- Review and complete the reduction in non-core and under-performing assets;
- Continue to develop Marino Point now with a majority shareholding in BMDC;
- Continue to grow the business for the betterment of the South of Ireland and the State through promotion of our heritage, tourism, maritime research and industrial expansion.

Affirmation of procedures:

I confirm that all appropriate procedures for financial reporting, internal audit, travel, procurement, asset purchases and disposals have been complied with during 2022 in accordance with the Code of Practice and the Public Spending Code.

I confirm that the requirements of the Harbours Acts 1996-2015 or any other enactment in relation to the accounts of the company and statements as to the financial affairs of the company have been complied with during 2022.

Statement of the system of internal financial control for year under review:

I confirm compliance with Appendix D of the Guidance Document on Business and Financial Reporting requirements as follows:

1. I acknowledge that the Board is responsible for the company's system of internal financial control as outlined on page 12 of the 2022 Financial Statements in the "Directors' Responsibilities Statement".
2. The Directors have overall responsibility for the company's systems of internal control and for reviewing their effectiveness. These systems are designed to ensure that transactions are executed in accordance with management's authorisation that reasonable steps are taken to safeguard assets and to prevent fraud, and that proper financial records are maintained. These systems are designed to manage risk and can give reasonable, but not absolute, assurance against material error.
3. The principal procedures which have been put in place by the Board to provide effective internal control include:
    - Clearly defined management responsibilities have been established throughout the company and the services of qualified personnel have been secured and duties properly allocated among them;
    - A formal budgeting process is in operation, culminating with the annual budget approved by the Audit & Risk Committee and the Board;
    - Actual performance against budget is reported monthly to the Board;
    - Management at all levels are responsible for internal control over their business function;
    - Internal control procedures are continuously updated and monitored by management and are audited by an independent internal auditor – Grant Thornton;
    - External Audit by the international firm of Chartered Accountants, Deloitte, who concluded that the Port of Cork Company's internal financial controls and systems were operating satisfactorily.

An Audit & Risk Committee is established to review and discuss, with the internal and external auditors, the Company's internal accounting procedures and controls, choice of accounting policies, statutory auditors' report, financial accounts, budgets and other related matters.

4. I confirm that the company has engaged appropriate external expertise to carry out its internal audit function, which operates in accordance with section 7 of the Code of Practice for the Governance of State Bodies. During 2022 the company had an independent internal audit carried out by Grant Thornton, Chartered Accountants, which concluded that the company's internal controls and internal control systems were operating satisfactorily.
5. I confirm that the requirements for procurement, in accordance with Section 8 of the Code, have been fulfilled. I confirm adherence to the relevant procurement policy and procedures and the development and implementation of the Company Procurement Policy and that procedures are in place to ensure compliance with procurement policy and guidelines.
6. I confirm that there were no weaknesses in internal financial control that have resulted in material losses, contingencies or uncertainties, which require disclosure in the financial statements or the auditors' report on the financial statements.
7. I confirm that this statement of internal financial control has been reviewed by external auditors.
8. The Board carried out an assessment of the Company's principle risks during 2022 and identified associated mitigation measures.

Disposal and acquisition of assets:

I confirm compliance with the requirements of Section 8 of the Code with regard to the 'Disposal of Assets and Access to Assets by Third Parties' and with the provisions of Section 15 of the Act relating to land transactions. The Company during 2022 received the consent from the Minister for Transport to dispose of a warehouse, a port surplus asset, in Ringaskiddy.

Establishment of subsidiaries, participation in joint ventures and the acquisition of shares by state bodies:

I confirm that the Port of Cork Company did not establish any subsidiaries or associated joint venture companies during 2022 and did not engage in any diversification without the consent of the Minister.

PoCC received the consent of the Minister to increase its Shareholding in BMDC from 40% to 51% and also make an additional investment into BMDC, as outlined above.

There is full disclosure with regard to subsidiaries and associated companies of the Port of Cork Company contained in note 13, page 34 of the 2022 Financial Statements, all of which continue to operate solely for the purpose of which it was established, and remains in full compliance with the terms and conditions of consent under which they were established.

Codes of conduct and protected disclosures:

I confirm that the Port of Cork Company has complied with and adhered to Codes of Conduct for Directors and members of staff of State Enterprises issued by the Government and the Minister for Finance. A copy of the Codes of Conduct are available on the Company web-site.

I confirm that the Port of Cork Company has a Protected Disclosures (Whistle Blowing) Policy in compliance with the Protected Disclosures Acts 2014-22 and no disclosures were received which required publication.

I confirm that each board member and each person holding a designated position of employment in the company has complied with the statutory obligations imposed by the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

Remuneration:

I confirm that the Port of Cork Company has complied with and adhered to the statutory obligations under the Harbours Acts 1996-2015 and notified applicable Government policy and guidelines in relation to the remuneration of the Chief Executive and all State body employees.

I confirm that the Port of Cork Company has complied with and adhered to the Code of Practice and the Government Guidelines on the payment of fees to the Chairperson and directors of the Boards of State bodies.

I confirm that the company's annual Consolidated Financial Statements for the year ended 31 December 2022 include details of fees paid to the directors and the expenses paid to the board (at page 4) and the salary of the Chief Executive Officers (contained in note 9, page 29 of the 2022 financial statements).

Significant post balance sheet events:

There were no significant events affecting the company since the year end that require disclosure.

Capital investment:

I confirm that during 2022, the Port of Cork Company has complied with the Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector, the Public Sector Spending Code.

Code of practice for the governance of state bodies:

I confirm that the Port of Cork Company has adopted and complied with the Code of Practice for the Governance of State Bodies dated August 2016. I confirm the Government travel policy requirements are being complied with in all respects. The Company has put in place practices and internal control procedures to comply with this Code of Practice for the Governance of State Bodies and supplied all required information including the Compliance Checklist requested by the Department of Transport.

Gender balance requirements:

I confirm that Government guidelines on Board appointments in assisting the Department of Transport in drawing up the specification for the Board appointment, with due regard for the benefits of diversity on the Board including gender, have been complied with.

The future:

Looking ahead to 2023, the Port of Cork Company will continue to meet future challenges by maintaining cost control and the Port's high level of facilities, services and customer service. I confirm that the Port of Cork Company will provide an interim report to the relevant Minister and NewERA on significant commercially sensitive developments in the preceding six months and likely developments for the rest of the year, as well as six monthly unaudited accounts.

Tax compliance:

I confirm that the company complied with its obligations under tax law in 2022 and our taxation advisers, Deloitte carried out a comprehensive review to confirm same.

I have outlined above the significant commercially sensitive developments at the Port of Cork Company during 2022 and so far in 2023. The Port of Cork Company will remain in continuous contact with the Department of Transport who we will update regularly on commercial developments. I trust this report is of assistance and please contact Eoin Mcgettigan Chief Executive or myself with any questions.

Acknowledgements:

I would like to thank Minister Eamon Ryan T.D. Minister for Transport and Minister for Environment Climate and Communications and Minister Jack Chambers T.D. Minister of State at the Dept. of Transport and at the Dept. of the Environment, Climate and Communications (and his predecessor Hildegarde Naughton T.D.) for their continued support, help and advice. I acknowledge the dedicated manner in which all staff at the Department of Transport and NewEra, engage with the Port of Cork Company. I am thankful to the Minister for restoring the Board to a full compliment of eight members at such a challenging economic time for the port, with Dr. Celine McInerney appointed as a Director on the 10th January 2023 to replace Mr. Noel Cregan whose term of office ended on the 26th February 2022.

I would like to thank the Chief Executive, Mr. Eoin McGettigan, the management and all the employees for their continued dedication and contribution to the company during 2022.

Finally, I would like to thank my fellow Directors, for their commitment and interest in the affairs of the Company together with their loyal support and diligence in attending board, committee, subsidiary company, trustee meetings both in person and remotely.

Mr. Michael Walsh,
Chairperson,
May 2023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Port of Cork Company Chief Executive's Report

Port of Cork Company Chief Executive's 2023 Report

Eoin McGettigan
CEO

The Port of Cork Company 2022 financial results reflect the recovery post the Covid 19 pandemic. Port of Cork Trade in the year 2022 was very successful and when combined with the Port of Bantry, a total consolidated traffic throughput of 10.2 million tonnes was achieved.

In summary, the 2022 consolidated group turnover amounted to €48.4m, €8.6m ahead of 2021. Operating profit from continuing activities improved to €9.2m up €1.4m as a result of increased trade. In particular, tourist traffic re-commenced with 82 Cruise Liners calling to Cork and 9 calling to Bantry along with a twice weekly Brittany Ferry service to Rosscoff. Imports of Trade cars and dry bulks also increased while container traffic was in line with 2021. These improvements off-set declines in liquid and break bulk traffic.

The profit on ordinary activities before disposal of fixed assets and taxation amounted to €8.35m (2021: €6.9m). After taking into account the gain on disposal of a warehouse in Ringaskiddy (€4.9m) the profit before taxation amounted to €13.28m. After deducting taxation, profit for the financial year attributable to the equity shareholders of the Company amounted to €11.66m (2021: €9.96m).

Group capital expenditure in 2022 amounted to €14.7m, predominantly on the new Cork Container Terminal (CCT) in Ringaskiddy including the purchase of two new straddle carriers and the Bantry inner harbour development. The group cash balance increased by €9.4m to €33.4m, helped significantly by the sale of the warehouse in Ringaskiddy. Capital debt decreased by €3.9m to €53.3m and net debt decreased to a very acceptable €19.9m.

The Recurring Consolidated EBITDA amounted to €16.1m (2021: €11.5m). I expect the Company will need to generate a sustainable annual recurring EBITDA of at least €12m, in order to:-

- finance and repay existing loans commitments of circa €5m per annum,
- generate enough cash to replace our operating assets, and
- fund other key strategic investments identified in the Port of Cork 2050 Masterplan.

These key strategic investments are also outlined in the Corporate Strategy 2023-2027 submitted to the Department of Transport in March 2023, which sets out the initial steps required to achieve the Company objectives.

Consolidation:

Port of Cork Company Consolidated Financial Statements were produced as at 31st December 2022 incorporating its' 100% subsidiaries Aniram MDA DAC, Bantry Bay Port Company DAC, Cork Port Terminals Services DAC and for the first time it's 51% subsidiary Belvelly Marino Development Company DAC (BMDC) (PoCC increased its interest by 11% to 51% during July 2022). Cork Port Terminals Services DAC is the subsidiary with responsibility for Lift on Lift off and Roll on Roll off stevedoring and Aniram MDA Limited is the 100% owner of the ADM Jetty. BMDC is a jointly owned subsidiary with Lanber owning 49% and the Port of Cork Company owning 51% as of July 2022 which purchased Marino Point in June 2017 with the objective of developing this site for port related purposes.

Belvelly Marino Development Company:

Port of Cork Company has a 51% shareholding in BMDC which acquired Marino Point in 2017, including 60 useable acres on both freehold and foreshore leasehold, alongside an existing deepwater rail connected jetty. It is envisaged that this site will become an integral part of the Port of Cork Company infrastructure into the future, having obtained enabling works planning consent in 2021 and currently an ABP decision on the construction of a bulk import facility is imminent.

Dividend 2023:

The stated policy of the Board of the Port of Cork Company is to support the Shareholder and pay an annual dividend. In making a declaration of an annual dividend, the Board takes into account the company gearing level, the capital expenditure programme and pension deficit facing the Company. Port of Cork Company completed the CCT Ringaskiddy Re-development Contract in July 2021 at a final cost of €94m, with an agreed funding structure in place of €30m from both the EIB and AIB, requiring annual repayments of interest and capital of circa €5m.

In 2023, Port of Cork Company has budgeted for revenue of circa €47m with profits of circa €4m (essentially breakeven) on an asset base of €168m or less than 2.5% ROI, as the full depreciation of the new Ringaskiddy CCT kicks in. In the these circumstances the Port of Cork Company proposes to pay a dividend of €260,000 in 2023.

Cork Container Terminal - Strategic Planning of Port Infrastructure:

Port of Cork Company completed the CCT Ringaskiddy Port Redevelopment project in July 2021 which commenced operations in April 2022 and the official opening was held on the 23rd September 2022. The operation of this new world class container terminal, represents the conclusion of years of planning, financing, and construction. The capability of accommodating larger vessels is of utmost importance to allow the Port of Cork Company remain competitive and continue to meet the needs of port customers, to the benefit of the Irish, regional and local economies.

The first phase of the Ringaskiddy development includes an Optimised 360m Berth and a new Container terminal which can immediately accommodate 330,000 TEU’s with the attached necessary maintenance and Customs buildings. BAM completed the infrastructure works over a three year period, two ship to shore cranes were delivered by Liebherr and four new environmentally friendly energy efficient straddle carriers were delivered by the end of 2022 with two more on order to be delivered in 2023 by Konecranes. The Company along with utilising it’s own cash reserves secured funding from the (CEF) Continuing Europe Facility grant aid, EIB, AIB and ISIF (the Ireland Strategic Investment Fund).

The Ringaskiddy development also includes the construction of a new and improved slipway and amenity area at Paddy’s Point. This impressive facility opened to the public in 2019 and the Port of Cork Company has also made a €1 million contribution to a Ringaskiddy Village community gain initiative which is designed to enhance the amenities in the village. Port of Cork Company has continued to engage with the residents of Cork harbour in relation to the Ringaskiddy development and are very conscious of the need to fully cooperate with residents and local stakeholders.

The Ringaskiddy Port re-development project is endorsed by the Government’s National Ports Policy which identified the Port of Cork Company as a Tier 1 port of national significance. It also has EU recognition by designation as an EU Core Port currently on the North Sea Mediterranean and Atlantic Corridors.

The Port of Cork Company Economic Challenge:

The Port faces significant cash outflows in the immediate future. As noted above, to finance the Ringaskiddy Re-development the Company drew down loans from EIB and AIB . These loans will require annual repayments of interest and capital each year of circa €5m per annum over the next 5 years. In addition, the Company is faced with the requirement to replace ageing cargo handling equipment and make key strategic investments including additional berths at Ringaskiddy to meet future demand and meet the national off-shore energy port infrastructure requirements. Port of Cork Company will address these challenges by continuing to improve efficiencies, by reviewing our asset and cost base, by adding value to our services, retaining existing and gaining new business.

Port of Cork Master Plan 2050:

The consultation phase for the 2050 Master Plan is now complete and the final plan was approved by the board on the 27th March 2023. The Company engaged ARUP to assist with the preparation of this 2050 Masterplan which was published in May, 2023. This Masterplan informs the port's development for the next 30 years and will be one of the reference documents available to the Port of Cork Company when it is considering and evaluating future strategies and proposals. Few ports will undergo such a complete relocation and expansion programme and therefore this Master Plan will act as a regional plan considering Cork harbour as a whole taking into account maritime, landside and transport connectivity constraints and opportunities.

The Port team provided ARUP with all the relevant information who using established methodologies and assumptions assessed potential scenario volume growth across all trades to provide a sound basis to guide decisions for development activities.

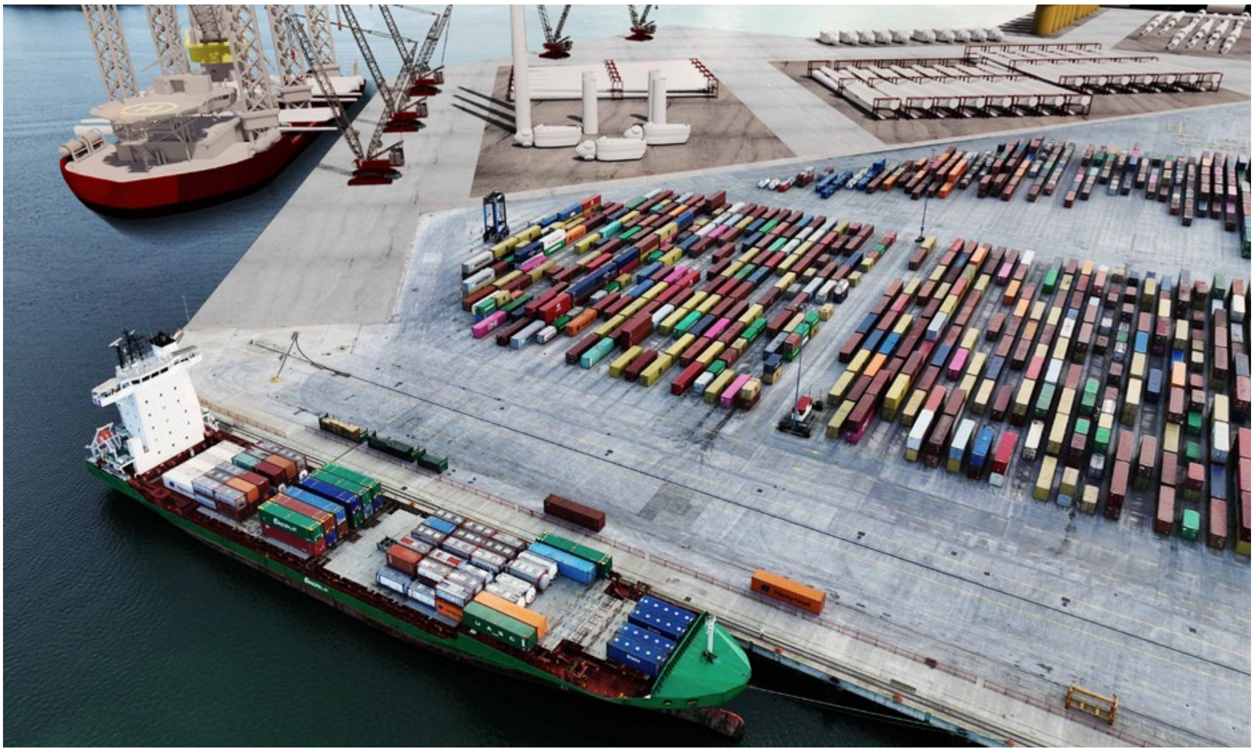
This Master Plan 2050 has identified that volumes will necessitate the operation of two terminals at Tivoli and CCT in order to accommodate the capacity demands and predicted trade growth until the M28 dual carriageway road to Ringaskiddy is complete. The relevant data to support this was presented to the Board during 2022. This forecast volume growth shows that the Company will need to plan for additional capital expenditure at CCT when the M28 is complete, extend the Ringaskiddy Deepwater Berth, purchase new cargo handling equipment and additional portside land and improve the Marino Point facility.

The optimisation of the value of our landbank is crucial to the Company being able to finance its future capital needs. Development potential at the City Quays and Tivoli are vital to the Company being in a position to expand our capacity in Ringaskiddy and Belvelly.

Port of Cork Company Corporate Strategy 2023 – 2027:

The Port of Cork Company Corporate Strategy 2023 – 2027 was submitted to the Board of Directors in March 2023 and sent in draft to the Department of Transport. In this strategy we set out what must be achieved over the next 5 years to ensure the Port of Cork Company's long term success and lasting legacy. While there are many challenges, we believe there is a great opportunity to improve Ireland's competitive position, to deliver a truly world class port for the benefit of our country, communities and customers.

In 2022 we completed the first phase of last year's strategy, to open CCT and relocate operations downriver to address the challenge of ever increasing vessel sizes and customer demand for quicker turnaround in port. The 2023 – 2027 Strategy sets out the next steps involved in meeting capacity demands, including the requirement to continue dual operations at the Tivoli Container Terminal and CCT in the medium term, while we await the construction and operation of the M28. We must continue to invest in port facilities to provide our customers with reliable, safe, high performing facilities and services in an efficient logistics chain.



To fund this future we must drive increased efficiency in our business, make the right commercial decisions and establish innovative funding solutions. This strategy outlines (i) a greater focus on cost control and efficiency taking into account the financial challenge now faced by the Company, (ii) increasing capital expenditure on infrastructure and equipment to replace ageing equipment, (iii) identifying new income streams, and (iv) divesting from inefficient or low return activities. Management are committed to using activity based costing and contribution analysis as tools to identify business sectors to invest in, to improve or divest.

The strategy also outlines that as a commercial port we are extremely aware of our heritage and the role we play in the local community, with the well being of the people of Cork embedded within our values.

Continuous Improvement Framework - EFQM:

There is always a challenge to connect strategy, the corporate plan, annual budgets, and day to day activity. The SMT have identified a framework, the EFQM (European Foundation for Quality Management), that can be deployed to aid this connection. The framework essentially describes a way that the Company can outline what it is setting out to achieve (objectives) and then measure performance in a structured way to adapt what the Company is doing, or Company objectives, in accordance with measured outcomes. EFQM was designed 25 years ago and is now being used by over 30,000 EU business organisations, including BMW, Bosch, ESB and many others. The EFQM model mechanic involves self-assessment, followed by corrective actions.

A number of middle management cross functional teams, supported by the Senior Management Team, successfully completed a number of projects during 2022 to drive EFQM delivery throughout the organisation.

Environment:

Sustaining the quality of the environment in Cork Harbour, particularly in areas which have the potential to be affected or influenced by Port Operations remains a priority for the Company. The new Corporate Strategy 2023 – 2027 has added a new strategic goal connected to achieving Net Zero with the Board having adopted the NewERA designed Climate Action Framework for commercial semi-state bodies in January 2023. We have consolidated previous strategic objectives related to this goal that sat within other strategic goals emphasising environmental compliance as a priority for the Company. We are committed to the highest standards of environmental management through the implementation of our environmental management programme, operated to global best practices and standards consistent with the renewed ISO14001 and Eco Ports foundation accreditation.

Corporate Social Responsibility:

The Port of Cork Company Corporate Social Responsibility (CSR) policy aims to align the Company's values and behaviour with the expectations and needs of its stakeholders and the community. This CSR Policy commits the Company to:

- engage with stakeholders,
- comply with all legislation including Health & Safety and Environmental legislation,
- enhance the international reputation of Cork Harbour as a unique natural amenity suitable for sustainable commercial development alongside leisure activities,
- provide best practice labour standards and employee welfare, and
- embrace new technologies and management systems to minimise the Company's carbon footprint.

The Company is committed to being involved in a number of local community-based projects around Cork Harbour and continues to support key marine leisure events. As part of its commitment to marine tourism/leisure, Port of Cork Company initiatives included, facilitating a very successful schools "name the two new CCT ship to shore cranes" competition (local folklore inspired 'Mahain' and 'Binne'), the public use of the Millennium Garden in Tivoli, Hugh Coveney Pier in Crosshaven, and in Ringaskiddy the playground developed on port lands and amenity area at Paddy's Point.

Tourism:

Port of Cork Company is very thankful to the Department of Transport who worked with the Department of Health to put a protocol in place to allow Cruise visits to Ireland to re-commence in 2022. The first cruise liner "Borealis" to call to Cork in over two years, docked in Cobh on Friday 15th April 2022, with a combined total of 91 cruise liner calls to Cork and Bantry in 2022. In 2023, circa 100 liners are scheduled to call to the Port of Cork and 7 are scheduled to call Bantry.

Employees and Communication:

The Port of Cork Company is committed to developing and harnessing the skills and knowledge of its employees in the achievement of Company goals. Specific actions are being taken to improve communications, industrial relations, employee engagement and development, along with management systems. Training and development continues to be proactive in response to the ever improving customer orientated services within the company.

In 2022, I recorded short videos which were made available to staff to view on the Connect app and now I also meet small groups of employees at interactive 'town hall' gatherings as Covid 19 restrictions have eased. The overall communication framework in the organisation continues to be enhanced and improved through the use of technology.

Diversity and Inclusion:

During 2022, the Board of Directors appointed a Diversity and Inclusion Sub-committee to oversee the organization's ethical, sustainable, and responsible practices. A Port of Cork Company value is to "respect our people and value their contribution". We therefore as a Company are committed to:

- Create a more inclusive workplace culture where all employees feel welcome, valued, and supported.
- Promote diversity and equity throughout the organization by identifying and addressing barriers to inclusion and developing and implementing strategies to increase diversity and equity.
- Ensure that all employees, regardless of their background or identity, have equal access to opportunities, resources, and support.

Safety, Health and Welfare:

With the support of all employees the Company operates a rigorous health and safety regime. This policy is based on the requirements of employment legislation and health and safety standards, including the requirements contained in the Safety, Health and Welfare at Work Acts. The achievement of the Health & Safety OHSAS 18001 accreditation has made the Company improve awareness levels throughout the Port. This standard is recognised as the international benchmark for best practice in Occupational Health & Safety and was awarded in recognition of the high standards of safe practice and awareness in the Port of Cork Company.

Earlier in 2022, Covid 19 again presented a significant challenge as the port was designated an essential service by Government. The Company managed its Covid-19 Risk with diligence and well understood protocols throughout the organisation and continued to supply the services required by every vessel. Port office employees returned to the office on a regular scheduled basis during Q2, 2022.

The Company has a strong view that all operations of the Port must be carried out in a safe and efficient manner. During 2022, the Health and Safety Awareness Campaign continued and all employees participated in safety awareness training. The Company also has an Employee Well Being programme which includes a comprehensive Employee Assistance Programme, biennial voluntary health screenings and health surveillance programmes.

Operational Risk Management – International Code for Safety and Environmental Management in Ports (IPSEM):

The Port of Cork Company certificate of compliance under the IPSEM code by the international organisation Bureau Veritas was renewed in 2022. IPSEM is a code of practice and certification scheme which covers safety and environmental management of operations and maintenance of all port facilities. It provides the Company with a powerful tool to improve port operating systems, safety and environmental protection.

Strategic Risk Management:

In November 2022, the Port of Cork Company updated its strategic risk management assessment and based on this analysis, the key risks facing the Company were identified. Strategic Risk Management continues to be a priority in the management and development of the Port of Cork Company. In addition to regular external and internal audit reviews, the company is committed to health and safety, environmental, IPSEM, Port Security and other accreditations. The company continually reviews procedures to ensure that robust management processes are in place for the management and control of risk.

Acknowledgements:

With the direction and support of the Chairman and Board of Directors and the continued commitment, dedication and professionalism of the staff, the Port of Cork Company is committed to meeting the many challenges it faces in the future and to providing an excellent service to our customers.

I wish to thank the Chairman Mr. Michael Walsh and all the Directors for their support and guidance. I wish to thank all the staff of the Department of Transport under Minister Eamonn Ryan T.D. and the Secretary General, for their continued assistance. I would like to express my thanks to our many customers for their continued investment in and support of the Port of Cork Company.

Finally, I would sincerely like to thank the management and all the staff for their commitment and dedication to the Company ensuring that an excellent performance was returned by the Company during a challenging unusual year. I am confident that with a commitment to the business, the Company can face its' many challenges, with confidence and look forward to continued success in the future.

Eoin McGettigan,
Chief Executive,
April 2023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Port of Cork Company Report of The Directors

REPORT OF THE DIRECTORS

The directors present their annual report and the audited consolidated financial statements of the group for the financial year ended 31 December 2022. The company's subsidiary companies are listed in note 13 of the financial statements.

Principal Activities:

The company is committed to providing, on a sound commercial basis, safe, efficient and cost-effective Port facilities, services, accommodation, and lands in its harbour which meet the needs of its customers.

Results and Dividends	€
Profit on Ordinary Activities before Taxation	13,284,734
Taxation	(1,670,217)
Profit for the Financial Year	11,614,517

Review of the Business:

Details of the profit for the financial year, together with comparative figures for 2021 are set out in the Consolidated Income Statement on page 16 and the related notes.

Total revenue for 2022 amounted to €48.41 million, a 21.54% increase on 2021 (€39.83 million). Operating profit increased by 17.71% to €9.16 million from €7.78 million in 2021. There was a profit on Ordinary Activities before Taxation of €13.29 million in 2022 compared with €11.08 million in 2021.

Port Redevelopment at Ringaskiddy:

Following a number of months of container transition planning in Q1 2022, container vessels were facilitated at Cork Container Terminal (CCT) in April 2022. The delivery of this redevelopment project will ensure that for the next five decades and more, ships will arrive from distant ports to collect or discharge their cargoes at this amazing facility.

Port of Cork Company Pension Schemes - Actuarial Valuation:

The Port of Cork Company operates defined benefit pension schemes. The latest full actuarial valuation of the Company's pension schemes was carried out at 1 January 2021 by Mercer Limited, Actuaries and Consultants, using the minimum funding standard valuation of liabilities. At the date of the actuarial valuation the market value of the assets of the Port of Cork Company Superannuation schemes was €50.40 million and the actuarial valuation showed that the actuarial value of those assets was 90% of the benefits that had accrued to members.

Retirement Benefits:

The company has a Pension Fund deficit of €0.57 million at 31 December 2022 calculated in accordance with FRS 102, compared to a deficit of €3.19 million at 31 December 2021. The company, following legal opinion, considers it prudent to provide for the Port of Cork Pilotage Authority Pension Schemes. Consequently, the liability arising has been accounted for at 31 December 2022. The impact of FRS 102 in respect of pensions is outlined in detail in note 22 to the financial statements.

Future Developments:

The immediate objective of the company is to continue to operate as a commercial state-owned company. This is being accomplished by putting in place the correct structures and procedures so as to provide a solid foundation which will:

(a) ensure continuation of the high safety and regulatory standards of services provided to ships operating in Cork Harbour,

(b) ensure all proper measures are taken for the management, control, operation and development of its harbour and the approach channels thereto,

(c) encourage investment in its harbour,

(d) enable the development of profitable ancillary commercial activities related to core activities,

(e) ensure that the resources available to the company are utilised and managed in a manner consistent with the objects of the company.

Principal Risks and Uncertainties:

During 2022 the Port of Cork Company carried out a risk assessment. Risks were prioritised using a Total Risk Score (TRS) determined as the product of the impact and likelihood scores. Based on this analysis, the key risks facing the Company were identified.

Key Performance Indicators (KPIs):

The company is result orientated and prepares an annual budget and corporate business plan for the next five financial years. Actual performance is measured against budget. The main KPI's used by the company to measure performance are throughput, revenue, direct expenses, non-operational income, departmental overheads, profit before tax and cash flow.

There is also a broad range of KPI's used within the organisation which are broken down by department and responsible person. These KPI's are in turn monitored and reported on to ensure that KPI targets are achieved.

Environmental Matters:

The Port of Cork Company is committed to the highest standards in environmental management programmes and is accredited under ISO14001 and ECOPORTS foundation. The 2023 Climate Action Plan was adopted by the Board of Directors in January 2023.

Energy:

The Port of Cork Company is committed to operating to the highest possible energy efficiency standards and obtained certificate of Registration of Energy Management System to I.S. ENISO 50001:2018 in 2019.

The Port of Cork has signed a Partnership agreement with SEAI and reports annually on energy usage and actions to reduce energy consumption in accordance with S.I. 542 of 2009.

Shareholders:

As at 31 December 2022, the Minister for Transport beneficially held all of the Share Capital of the Company with the exception of one share which was held by the Minister for Public Expenditure and Reform, under Section 9 (2) Statutory Instrument 842 of 2005 Maritime Transport, Safety & Security (Transfer of Departmental Administration and Ministerial Functions) Order 2005.

Directors and Secretary

The following directors and secretary as listed below served throughout the financial year.

Mr. Michael Walsh (Chairperson)

Mr. Eoin McGettigan (Chief Executive Officer)

Mr. David Browne,

Ms. Gillian Keating,

Ms. Joan McGrath,

Mr. Philip Smith, and

Mr. Donal Crowley (Company Secretary)

Mr. Finbarr Synnott resigned on 8th January 2022 and Mr. Noel Cregan resigned on 26th February 2022 as directors as their warrants of appointment expired. Mr. Finbarr Synnott was re-appointed as a director on 7th March 2022. Dr. Celine McInerney was appointed for a five-year term as a Director with effect from 10th January 2023.

The table below details the appointment dates of the current members.

Board Structure

Board Member	Role	Date Appointed
Mr. Michael Walsh	Chairperson	26 November 2021
Mr. Eoin McGettigan	Ordinary Member	1 October 2020
Mr. David Browne	Ordinary Member	11 October 2017
Ms. Gillian Keating	Ordinary Member	14 October 2020
Ms. Joan McGrath	Ordinary Member	1 October 2021
Dr. Celine McInerney	Ordinary Member	10 January 2023
Mr. Philip Smith	Ordinary Member	26 February 2021
Mr. Finbarr Synnott	Ordinary Member	7 March 2022

In accordance with the Code of Practice for the Governance of State Bodies the following is a breakdown of the Directors' fees and attendance at Board Meetings during the period under review:

	Board	Audit & Risk Committee	Fees 2022 €	Expenses 2022 €
Number of Meetings	**9**	**4**		
Mr. M. Walsh	9		21,600	749
Mr. E.McGettigan	9		-	-
Mr. D. Browne	9	4	12,600	27
Mr. N. Cregan	1		1,995	-
Ms. G. Keating	9	4	12,600	-
Ms. J. McGrath	9		12,600	1,191
Mr. P. Smith	9	4	12,600	-
Mr. F. Synnott	8/8		10,570	219
			84,565	2,186

Directors' and Secretary's Interests in Shares:

The directors and secretary who held office at 31 December 2022 had no interest in the shares of the company.

Corporate Governance:

The Port of Cork Company complies with the principles of corporate governance outlined in the Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform and has applied the principles of good corporate governance and Government Guidelines for State Bodies. The company complies with all recommendations that the company considers applicable for a State-owned company.

Board Meetings:

The Board met nine times during the financial year.

Post Balance Sheet Events

There were no significant events affecting the company since the financial year end that require disclosure in the financial statements.

Committees and other duties of the Board:

Each Committee of the Board operates under specific terms of reference.

The members of the Audit & Risk Committee in 2022 were Mr. P. Smith (Chairperson), Mr. D. Browne and Ms. G. Keating. The Audit & Risk Committee held four meetings during 2022.

The members of the Remuneration Committee were Ms. J. McGrath (Chairperson) and Mr. M. Walsh. The Remuneration Committee members meet to deal with the remuneration and contract of the Chief Executive and review human resource matters within Government Guidelines.

Mr. E. McGettigan and Mr. F. Synnott were trustees of the Port of Cork Company Superannuation Fund during 2022.

Internal Controls and Internal Audit:

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

The principal procedures which have been put in place by the Board to provide effective internal control include:

- Clearly defined management responsibilities have been established throughout the company and the services of qualified personnel have been secured and duties properly allocated among them;
- A formal budgeting process is in operation, culminating with the annual budget approved by the Audit & Risk Committee and the Board;
- Actual performance against budget is reported monthly to the Board;
- Management at all levels are responsible for internal control over their business function;
- Internal control procedures are continuously updated and monitored by the Audit & Risk Committee and management and are audited by an independent internal auditor; and
- Defined procedures for the appraisal, review, and control of capital expenditure.

During 2022 the company had an independent internal audit carried out by Grant Thornton, Chartered Accountants, which concluded that the company's internal controls and internal control systems were operating satisfactorily.

The directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations and confirm that the following matters have been completed:

(a) The drawing up of a "compliance policy statement" setting out the company's policies (that, in the directors' opinion, are appropriate to the company) respecting compliance by the company with its relevant obligations;

(b) The putting in place of appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations (i.e., the arrangements or structures provide reasonable assurance that the company has complied in all material respects); and

(c) The conducting of a review, during the financial year of any arrangements or structures that have been put in place.

Going Concern:

The financial statements are prepared on the going-concern basis, as the directors are satisfied that the Port of Cork Company has adequate resources to continue in business for the foreseeable future.

Financial Risk Management Objectives and Policies:

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial instruments is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial instruments to manage these risks.

Cash Flow Risk:

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Interest bearing assets are held at fixed rate to ensure certainty of cash flows. Interest bearing liabilities are held at both variable and fixed rates.

Credit Risk:

The company’s principal financial assets are bank balances, loans and cash, trade and other receivables, and investments.

The company’s credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity Risk:

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Political Donations:

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

Prompt Payment of Accounts Act, 1997:

It is the company's policy to pay all creditors in accordance with the terms of the Prompt Payment of Accounts Act, 1997. This provides reasonable assurance that the terms of the Act are complied with, at all times. The company complied with the terms of the Act during 2022 and interest payments were not required.

Welfare of Employees:

It is the company’s policy to ensure the health and welfare of employees by maintaining a safe place and system of work. This policy is based on the requirements of employment and health and safety legislation and rigorous health and safety standards. The company is accredited under OHSAS18001.

Code of Practice for Governance of State Bodies:

The following disclosures are required in the Annual Financial Statements and the Annual Report, for the year ended 31 December 2022 in compliance with the Code of Practice for the Governance of State Bodies.

I. Consultancy Costs:

Consultancy costs include the cost of external advice to management and excludes outsourced 'business-as-usual' functions.

	2022	2021
	€	€
Legal advice	189,387	77,465
Financial / actuarial advice	255,950	212,066
Public relations / marketing	124,833	1,779
Human Resources	-	-
Business Improvement	-	-
Other	1,376,996	1,331,390
Total Consultancy costs	1,947,166	1,622,700
Consultancy costs capitalised	985,532	1,102,663
Consultancy charged to the Income Statement	961,634	520,037
Total	1,947,166	1,622,700

The capitalised costs refer to supports required for the Ringaskiddy development, and other asset developments.

II. Travel and Subsistence Expenditure:

Travel and subsistence expenditure is categorised as follows:

	2022 €	2021 €
Domestic		
- Board	-	-
- Employees	1,591	3,000
International		
- Board	-	-
- Employees	21,179	2,395
Total	22,770	5,395

III. Hospitality Expenditure:

The Income Statement includes the following:

	2022 €	2021 €
Staff hospitality	104,531	83,281
Client hospitality	3,976	-
Total	108,507	83,281

IV. Remuneration:

(a) Aggregate Employee Benefits

	2022 €'000	2021 €'000
Staff short-term benefits	13,536	10,715
Termination benefits	-	-
Retirement benefit costs*	1,798	1,637
Employer's contribution to social welfare	1,498	1,138
	16,832	13,490

The total number of staff employed (WTE) during 2022 was 170 (2021: 154).

* Retirement benefit costs disclosed are amounts paid and exclude the FRS102 adjustment in respect of Defined Benefit Pension Schemes. Retirement benefits as disclosed in note 9 take account of FRS102.

(b) Staff Short-Term Benefits:

	2022 €'000	2021 €'000
Basic pay	12,212	9,591
Overtime	1,324	1,124
	13,536	10,715

(c) Key Management Personnel:

Key management personnel in 2022 in the Port of Cork Company consists of the Chief Executive Officer, the Chief Financial Officer and Company Secretary, the Harbour Master and Chief Operations Officer, the Chief Commercial Officer, the Head of Port Engineering , Chief Land Development Officer and the Head of Human Resources. The total value of employee benefits including pension contribution and company cars for key management personnel is set out below:

	2022 €'000	2021 €'000
Salary	1,365	1,132
Allowances	21	18
Health Insurance	17	14
	1,403	1,164

(d) Chief Executive Officer Salary and Benefits:

The Chief Executive Officer Salary and Benefits are disclosed in note 9 to the financial statements.

V. Short Term Benefits:

Employees' short-term benefits in excess of €50,000 are categorised into the following bands:

Short-Term Employee Benefits	2022	2021
	No of Employees in Band	**No of Employees in Band**
€		
50,000 - 74,999	36	68
75,000 - 99,999	78	40
100,000 - 124,999	10	5
125,000 - 149,999	2	0
150,000 – 174,999	1	4
175,000 - 199,999	4	2
200,000- 225,000	1	0

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period included salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

VI. Legal Costs and Settlements:

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Port of Cork Company which is disclosed in Consultancy costs above.

Legal Costs and Settlements	**2022**	**2021**
	€	**€**
Legal fees – legal proceedings	-	-
Conciliation and arbitration payments	7,738	391,861
Settlements	-	-
Total	7,738	391,861

Accounting Records:

The measures that the directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Port of Cork Company, Tivoli Terminal Building, Tivoli Dock & Industrial Estate, Cork T32 YNT9.

Independent Auditor:

The independent auditor, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act 2014.

So far as each of the directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

The financial statements were approved by the Board of Directors on 27th March 2023 and signed on its behalf by:

Michael Walsh, *Chairperson / Director*

Eoin McGettigan, *Chief Executive / Director*

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

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

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

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

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

Irish legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

On behalf of the Board:

Michael Walsh, *Chairperson / Director*

Eoin McGettigan, *Chief Executive / Director*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PORT OF CORK COMPANY

Report on the audit of the financial statements:

Opinion on the financial statements of Port of Cork Company (the 'company')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2022 and of the profit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:

- the Consolidated Profit and Loss Account;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 27, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:

- the Company Statement of Financial Position
- the related notes 1 to 27, including a summary of significant accounting policies as set out in note 1.

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

Basis for opinion:

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

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

Conclusions relating to going concern:

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively , may cast significant doubt on the group and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information:

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

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

We have nothing to report in this regard.

Responsibilities of directors:

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

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

Auditor's responsibilities for the audit of the financial statements:

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:

https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor's report.

Report on other legal and regulatory requirements:

Opinion on other matters prescribed by the Companies Act 2014

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

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

Matters on which we are required to report by exceptio:

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

We review whether the statement regarding the system of internal financial control required by the code of Practice for the Governance of State Bodies made in the Directors' Report reflects the Company's compliance with paragraph 13.1 (iii) of the code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures.

Use of our report:

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

Honor Moore

For and on behalf of Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

No. 6 Lapp's Quay, Cork

Date: 29 March 2023

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		€	€
Turnover – continuing operations	(3)	48,410,830	39,832,650
Cost of sales	(4)	(28,836,850)	(22,444,558)
Gross profit		19,573,980	17,388,092
Administration and general expenditure	(5)	(10,416,556)	(9,608,608)
Operating profit – continuing operations	(6)	9,157,424	7,779,484
Profit on disposal of fixed assets		4,935,568	4,183,765
Share of loss of associated company	(7)	-	(61,446)
Finance costs (net)		(808,258)	(818,354)
Profit on ordinary activities before taxation	(8)	13,284,734	11,083,449
Taxation	(10)	(1,670,217)	(1,125,105)
Profit on ordinary activities after taxation		11,614,517	9,958,344
Minority interest	(24)	44,582	-
Profit for the financial year attributable to the equity shareholders of the company		11,659,099	9,958,344

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		€	€
Profit for the financial year		11,659,099	9,958,344
Actuarial gain recognised on pension schemes	(22)	1,539,000	2,135,000
Actuarial gain recognised on Port of Cork Superannuation Fund liability		325,000	155,000
Deferred tax related to actuarial liability		(414,625)	(328,874)
Total comprehensive income attributable to equity shareholders of the company		13,108,474	11,919,470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022	2021
Fixed Assets:		**€**	**€**
Tangible Assets	(11)	167,656,434	166,716,371
Financial Assets	(13)	-	2,651,884
Intangible Assets	(12)	323,953	-
		167,980,387	169,368,255
Current Assets:			
Stocks	(14)	2,619,370	512,724
Debtors	(15)	9,457,877	11,447,605
Cash and Funds on Deposit		33,385,384	23,972,795
		45,462,631	35,933,124
Creditors			
(amounts falling due within one financial year)	(16)	(12,378,331)	(13,489,418)
Net Current Assets		33,084,300	22,443,706
Total Assets less Current Liabilities		201,064,687	191,811,961
Represented By:			
Creditors (amounts falling due after one financial year)			
Other Loan	(17)	4,608,882	-
Capital Debt	(17)	49,355,028	53,272,481
Capital Grants	(18)	26,323,460	26,992,261
Provision for Liabilities	(19)	3,774,850	6,701,572
		84,062,220	86,966,314
Capital and Reserves			
Called up Share Capital presented as equity	(20)	22,518,722	22,518,722
Capital Conversion Reserve Fund	(21)	267,320	267,320
Capital Reserve Fund	(21)	989	989
Profit and Loss Account	(21)	94,917,090	82,058,616
Shareholders' Funds		117,704,121	104,845,647
Minority interest	(24)	(701,654)	-
		201,064,687	191,811,961

The profit after taxation in the company for the year ended 31st December 2022 was €11,827,676.

The financial statements were approved by the Board of Directors on 27th March 2023 and signed on its behalf by:

Michael Walsh, Chairperson / Director

Eoin McGettigan, Chief Executive / Director

PARENT COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022	2021
Fixed Assets:		€	€
Tangible Assets	(11)	158,356,186	162,689,983
Financial Assets	(13)	3,595,985	6,592,985
		161,952,171	169,282,968
Current Assets:			
Stocks	(14)	922,421	512,724
Debtors	(15)	13,843,953	11,504,710
Cash and Funds on Deposit		30,770,983	23,528,946
		45,537,357	35,546,380
Creditors			
(amounts falling due within one financial year)	(16)	(10,186,308)	(13,040,202)
Net Current Assets		35,351,049	22,506,178
Total Assets less Current Liabilities		197,303,220	191,789,146
Represented By:			
Creditors (amounts falling due after one financial year)			
Capital Debt	(17)	49,355,028	53,272,481
Capital Grants	(18)	26,323,460	26,992,261
Provision for Liabilities	(19)	3,774,850	6,701,573
		79,453,338	86,966,315
Capital and Reserves			
Called up Share Capital presented as equity		22,518,722	22,518,722
Capital Conversion Reserve Fund	(20)	267,320	267,320
Capital Reserve Fund	(21)	95,063,840	82,036,789
Profit and Loss Account	(21)	117,849,882	104,822,831
Shareholders' Funds		197,303,220	191,789,146

The financial statements were approved by the Board of Directors on 27th March 2023 and signed on its behalf by:

Michael Walsh, Chairperson / Director

Eoin McGettigan, Chief Executive / Director

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022	2021
	€	€
Profit on Ordinary Activities before Taxation	13,284,734	11,083,449
Profit on Disposal of Fixed Assets	(4,935,568)	(4,183,765)
Share of Loss of Associated Company	-	61,446
Finance Costs (net)	808,258	818,354
Depreciation Less Grants Released	6,952,593	3,824,908
Amortisation of Intangible Fixed Assets	14,821	-
Increase in Stocks	(409,695)	(97,341)
Decrease/(Increase) in Debtors	1,550,015	(2,874,610)
Decrease in Creditors	(3,676,901)	(972,981)
Taxation Paid	(864,902)	(1,470,626)
Net Cash Inflow from Operating Activities	12,723,355	6,188,834
Investing Activities		
Purchase of Fixed Assets	(15,010,036)	(16,842,289)
Purchase of Subsidiary Undertaking	(163,000)	-
Grants Received	292,908	3,542,356
Proceeds on Disposal of Fixed Assets	15,909,263	6,091,766
Net Cash Inflow/(Outflow) from Investing Activities	1,029,135	(7,208,167)
Financing		
(Payments)/Receipt of Loans	(4,052,367)	16,830,115
Dividend Paid	(250,000)	-
Interest Paid	(778,257)	(766,354)
Net Cash (Outflow)/Inflow from Financing Activities	(5,080,624)	16,063,761
Increase in Cash	8,671,866	15,044,428
Opening Cash Balance	23,972,795	8,928,367
Cash acquired in subsidiary	740,723	-
Closing Cash Balance	33,385,384	23,972,795

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022	2022	2021	2021
	Group	Company	Group	Company
	€	€	€	€
Profit for the financial year	11,659,099	11,827,676	9,958,344	9,711,418
Actuarial Gain Recognised on Pension Schemes	1,539,000	1,539,000	2,135,000	2,135,000
Actuarial Gain Recognised on Port of Cork Superannuation Fund Liability	325,000	325,000	155,000	155,000
Deferred Tax related to Actuarial Liability	(414,625)	(414,625)	(328,874)	(328,874)
Dividend payment to Shareholder	(250,000)	(250,000)	-	-
Increase in Shareholders' Funds	12,858,474	13,027,051	11,919,470	11,672,544
Opening Shareholders' Funds	104,845,647	104,822,831	92,926,177	93,150,287
Closing Shareholders' Funds	117,704,121	117,849,882	104,845,647	104,822.831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Note

(1) Statement of Accounting Policies

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

General Information and Basis of Accounting

Port of Cork Company is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is Tivoli Terminal Building, Tivoli Dock and Industrial Estate, Cork T23 YNT9 and its registered company number is 262368. The nature of the company operations and its principal activities are set out on pages 2 to 11 of the directors' report.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Port of Cork Company is considered to be Euro because that is the currency of the primary economic environment in which the company operates.

These financial statements are consolidated financial statements.

Basis of Consolidation:

These financial statements consolidate the financial statements of the company and its subsidiaries for the financial year ended 31 December 2022.

Turnover:

This comprises revenue from charges to port users and rental of property. Charges to port users are recognised as revenue when the provision of services are completed. Rental income is recognised in the period to which it relates.

Fixed Assets and Depreciation:

The Fixed Assets of the Cork Harbour Commissioners were revalued on 2 March 1997 after consultation with the Minister for the Marine and Natural Resources. The revalued assets were transferred to the Port of Cork Company on vesting day, 3 March 1997, under the Harbours Act 1996 in consideration for shares issued to the Minister for the Marine and Natural Resources and the Minister for Finance. The valuation of assets was carried out by independent valuation experts, specialist machinery manufacturers and by the company's own professional staff.

The cost of operational fixed assets comprises the purchase price of land, buildings, site developments and roadways, quays and piers, capital dredging, pontoons, cranes, winches, hoists, floating crafts, motor vehicles and other plant and equipment. Historical Cost includes construction and installation expenditure where incurred. It is the policy of the Port of Cork Company to allocate part of the relevant overheads to the cost of capital works.

It is company policy not to depreciate construction in progress projects. Projects are depreciated only when complete and the asset brought into use.

No provision is made for the depreciation of land. Other operational fixed assets are being depreciated by the straight-line method according to their estimated useful lives as follows:

	Years
Buildings, Quays, Piers, Docks etc.	20-50
Site Development, Roadways, etc.	10-20
Capital Dredging	25
Pontoons	20
Cranes, Winches, Hoists	10-20
Floating Crafts - Vessels	15-25
Motor Vehicles	4
IT Expenditure	3-10
Other Plant and Equipment	5-20

Intangible Assets:

Goodwill, arising on the acquisition of an entity representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and is amortised over its useful economic life which is set at 10 years.

Grants and Contributions to Tangible Fixed Asset Costs:

European Regional Development Fund, European Cohesion Fund, TEN-T, CEF (Connecting Europe Facility) and other grants and contributions to tangible fixed asset costs are shown separately on the Balance Sheet as deferred credits, pending transfer to the Income Statement on the same basis as the relevant assets are depreciated.

Foreign Currency:

Transactions arising in foreign currencies are translated into Euro at the rates of exchange ruling at the date of the transaction. There were no Monetary Assets or Liabilities denominated in foreign currencies at the year end. All exchange gains or losses are accounted for in income statement in the period in which they arise.

Stocks:

Stores and materials are valued at cost and charged out at that price. Items in stock are written off when held for more than 3 years.

Stock of development land is stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value.

Financial Assets:

Investments in subsidiary companies are stated at cost less provision for impairment.

Leases:

Where tangible assets are financed by leasing agreements which give rights approximating to ownership ("Finance Leases") they are treated as if they had been purchased outright at the present value of the minimum lease payments and the corresponding leasing liabilities are shown in the statement of financial position as finance lease obligations.

Depreciation on leased assets is calculated on a straight-line basis over the estimated useful lives of the individual assets. Interest arising on finance leases is charged to the income statement in proportion to the amounts outstanding under the leases.

Payments under operating leases are expended as they accrue over the period of the leases.

Impairment of Assets:

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(a) Non-financial assets:

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

(b) Financial assets:

If at the end of the reporting period, there is objective evidence of impairment, the company recognises an impairment loss in profit or loss immediately.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation:

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events 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 statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the company and the company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Retirement costs:

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit option at the reporting date.

Financial Instruments:

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities:

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks, and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty:

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical judgements in applying the company's accounting policies:

The following are the critical judgements, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - Defined benefit obligations:

The directors have considered the assumptions necessary to value the liability of the company in respect of the defined benefit pension scheme. The assumptions made in respect of the discount rate, inflation, future pension increases, and materiality are the best estimates of the directors and have been made in association with the company's pension advisors.

(2) Key source of estimation – Estimated Useful Lives:

Determining the annual depreciation charge and grant amortisation amount for each asset category requires the company to make an estimate of the estimated useful lives of its assets over which to depreciate the asset or amortise the grant.

(3) Turnover:

Turnover comprises the invoice value of services supplied by the company exclusive of V.A.T. All turnover arises in the Republic of Ireland.

	2022	2021
	€	€
(4) Cost of Sales:		
Operating and Maintenance	21,297,564	18,032,977
Dredging	586,793	586,673
Depreciation (Net)	6,952,493	3,824,908
	28,836,850	22,444,558

	2022	2021
(5) Administration and general expenditure:	**€**	**€**
General Administration Expenditure	8,099,486	6,805,394
Local Authority Rates	791,474	700,504
Trade Promotion	122,794	39,517
Pension Provision and Contributions	1,357,802	2,019,193
Audit Fee	45,000	44,000
	10,416,556	9,608,608

	2022	2021
(6) Disposal of Fixed Assets:	**€**	**€**
Profit on Disposal of Fixed Assets	4,935,568	4,183,765
	4,935,568	4,183,765

	2022	2021
(7) Finance costs (net):	**€**	**€**
Bank and Other Interest payable	(778,258)	(766,354)
Net Interest Cost on Pension Schemes	(30,000)	(52,000)
	(808,258)	(818,354)

		2022	2021
(8)	**Profit on Ordinary Activities before Taxation:**	**€**	**€**
	The Profit on Ordinary Activities is stated after charging:		
	Auditors' Remuneration:		
	Audit Services	45,000	44,000
	Other Assurance Services	4,100	4,100
	Tax Compliance and Advisory Services	9,345	20,000
	Non-Audit Services	2,344	1,600
	Profit on Disposal of Fixed Assets	4,935,568	4,183,765
	Depreciation	7,914,302	4,688,737
	and after Crediting:		
	EU and Government Grants	961,709	863,829

Profit after taxation for the year attributable to equity shareholders amounting to €11,827,676 (2021: €9,711,418) has been accounted for in the financial statements of the company. In accordance with Section 304(2) Companies Act 2014, the company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by the Companies Act 2014.

(9) Staff Numbers and Costs:

	2022	2021
The average monthly number of persons employed by the company during the financial year was as follows:	170	154

The Aggregate Payroll Costs of these persons were as follows:	2022	2021
	€	€
Wages, Salaries, arrears and other	14,399,384	11,309,377
Social Security Costs	1,497,505	1,138,416
Retirement Benefit Cost	1,357,802	2,019,193
	17,254,691	14,466,986

	2022	2021
	€	€
Directors' Fees	84,565	69,466
Directors' Other Emoluments	301,414	301,281
Contributions to defined contribution pension scheme	43,750	45,476

The other amounts required to be disclosed by S.305/306 Companies Act 2014 are €Nil for both years. Included in the above directors' fees and other emoluments is the remuneration package of the post of Chief Executive as follows:

Directors' Fees	-	-
Total Salary	175,000	175,000
Other Benefits including Pension Costs & Cost of Company Car	46,335	47,926
	221,335	222,296

Compensation to key management personnel amounted to €1,360,205 (2022: €1,206,627).

(10)	**Taxation:**	**2022**	**2021**
(a)	**Analysis of Tax Charge:**	**€**	**€**
	Corporation Tax Charge on Profit for the financial year	(1,370,201)	(782,119)
	Overprovision in prior year	59,507	-
	Deferred Taxation Charge	(359,523)	(342,986)
		(1,670,217)	(1,125,105)

(b)	**Factors affecting the Tax Charge:**	**2022**	**2021**
	The tax assessed for the financial year is higher than the standard rate of corporation tax in the Republic of Ireland. The differences are explained below:	**€**	**€**
	Profit on ordinary activities before taxation	13,284,734	11,083,449
	Profit at the standard tax rate of 12.5%	1,660,592	1,385,431
	Difference between capital allowances over depreciation	(536,213)	(441,434)
	Net amounts non-taxable	(519,851)	(530,854)
	Tax on chargeable gain	765,673	368,976
	Overprovision in prior year	(59,507)	-
	Deferred tax charge	359,523	342,986
		1,670,217	1,125,105

(11) Tangible Assets - Group:	Dock Structures	Plant and Machinery €	Floating Craft €	Capital Dredging €	Buildings €	Land & Leaseholds €	Total €
Gross Amount:							
Cost as at 1 January 2022	160,129,654	53,011,635	10,888,217	6,490,541	16,356,832	23,877,280	270,754,159
Acquisitions	-	42,193	-	-	931,324	4,283,065	5,256,582
Additions	9,488,964	3,493,372	8,500	886,329	773,525	22,570	14,673,260
Disposals	(656,462)	(88,054)	-	-	(6,529,531)	(6,605,343)	(13,879,390)
Cost as at 31 December 2022	168,962,156	56,459,146	10,896,717	7,376,870	11,532,150	21,577,572	276,804,611
Depreciation:							
As at 1 January 2022	53,678,085	30,293,338	8,983,542	4,269,762	6,914,843	-	104,139,570
Acquisitions	-	-	-	-	101,782	-	101,782
Provided during the financial year	4,746,194	2,192,198	378,546	151,798	445,566	-	7,914,302
Disposals	-	(32,278)	-	-	(2,873,417)	-	(2,905,695)
As at 31 December 2022	58,424,279	32,453,258	9,362,088	4,421,560	4,486,992	-	109,148,177
Carrying Amount:							
As at 1 January 2022	106,451,569	22,718,297	1,904,675	2,220,779	9,543,771	23,877,280	166,716,371
As at 31 December 2022	110,537,877	24,005,888	1,534,629	2,955,310	7,045,158	21,577,572	167,656,434

(11) Tangible Assets - Company:	Dock Structures	Plant and Machinery €	Floating Craft €	Capital Dredging €	Buildings €	Land & Leaseholds €	Total €
Gross Amount:							
Cost as at 1 January 2022	160,129,654	52,930,200	10,888,217	6,490,541	16,356,832	19,850,892	266,646,336
Additions	9,303,875	3,493,372	8,500	886,329	773,525	22,570	14,488,171
Disposals	(656,462)	(88,054)	-	-	(6,529,531)	(6,605,343)	(13,879,390)
Cost as at 31 December 2022	168,777,067	56,335,518	10,896,717	7,376,870	10,600,826	13,268,119	267,255,117
Depreciation:							
As at 1 January 2022	53,678,085	30,211,903	8,983,542	4,269,762	6,813,061	-	103,956,353
Provided during the financial year	4,746,194	2,165,881	378,546	151,798	405,854	-	7,848,273
Disposals	-	(32,278)	-	-	(2,873,417)	-	(2,905,695)
As at 31 December 2022	58,424,279	32,345,506	9,362,088	4,421,560	4,345,498	-	108,898,931
Carrying Amount:							
As at 1 January 2022	106,451,569	22,718,297	1,904,675	2,220,779	9,543,771	19,850,892	162,689,983
As at 31 December 2022	110,352,788	23,990,012	1,534,629	2,955,310	6,255,328	13,268,119	158,356,186

(12) Intangible Assets – Group

	Goodwill
	€
Gross Amount	
Cost as at 1 January 2022	-
Additions	338,774
Disposals	-
Cost as at 31 December 2022	338,774
Amortisation:	
As at 1 January 2022	-
Provided during the financial year	(14,821)
Disposals	-
As at 31 December 2022	(14,821)
Carrying Amount:	
At at 1 January 2022	-
As at 31 December 2022	323,953

The goodwill asset addition of €338,774 relates to the acquisition of the additional 11% interest acquired in Belvelly Marino Development Company DAC during the year under review. Goodwill is being amortised over 10 years from the date of acquisition, being the director's estimate of the period over which the value of Belvelly business acquired is expected to exceed the value of the underlying assets.

	2022 GROUP €	2022 COMPANY €	2021 GROUP €	2021 COMPANY €
(13) Financial Assets:	-			
Investments in Subsidiary, Associated Companies and Other Investments				
Cost		3,595,985	-	3,392,985
Investment in Associated Company		-	40,000	40,000
Loan to Associated Company		-	3,160,000	3,160,000
Share of Associated Company Loss		-	(548,116)	-
Balance as at 31 December		3,595,985	2,651,884	6,592,985

Investments in Subsidiary, Associated Companies and Other Investments include:

(a) Cork Port Terminals Services DAC. of which nominees of the Port of Cork Company are 100% registered shareholders. This company is incorporated in the Republic of Ireland, with a registered address at Tivoli Terminal Building, Tivoli Dock and Industrial Estate, Cork, T23 YNT9. The company provides stevedoring services in the Port of Cork.

(b) Aniram MDA DAC. is 100% owned by the Port of Cork Company. This company is incorporated in the Republic of Ireland, with a registered address at Tivoli Terminal Building, Tivoli Dock and Industrial Estate, Cork, T23 YNT9. The principal activity of the company is the management and development of the leasehold property owned by the company.

(c) Bantry Bay Port Company DAC. On 1st January 2014 the activities, assets and trade of Bantry Bay Harbour Commissioners were transferred to the Port of Cork Company. A subsidiary company Bantry Bay Port Company Limited was established to manage the activities of Bantry Harbour.

(d)Belvelly Marino Development Company DAC. The company was previously 40% owned by Port of Cork Company. Port of Cork Company acquired an additional 11% interest in Belvelly Marino Development Company DAC during the year under review. The analysis of assets and liabilities acquired are as follows:

	€
Fixed Assets	5,154,800
Current Assets	3,045,519
Current Liabilities	(176,099)
Shareholders Loans	(9,405,882)
Minority Interest	657,072
Losses previously recognised	548,816
Goodwill	338,774
Satisfied by Consideration Paid	163,000

(14)	Stock	2022	2021
		€	€
	General Engineering Stores	922,421	512,724
	Development Land	1,696,949	-
		2,619,370	512,724

(15)	Debtors:	2022	2022	2021	2021
		GROUP	COMPANY	GROUP	COMPANY
	Amounts falling due within one financial year:	€	€	€	€
	Trade Debtors	6,154,656	5,089,019	6,116,822	5,575,851
	Port of Cork Superannuation Fund	2,716,338	2,716,338	2,996,042	2,996,042
	Value Added Tax	53,487	34,061	321,355	316,863
	Other Debtors	443,708	341,639	1,094,036	888,945
	Corporation Taxes	89,688	15,393	919,350	876,506
	Amounts due from Subsidiary Companies	-	850,503	-	850,503
		9,457,877	9,046,953	11,447,605	11,504,710
	Amounts falling due after one financial year from Subsidiary Companies	-	4,797,000	-	-
		9,457,877	13,843,953	11,447,605	11,504,710

The amounts due from subsidiary companies are unsecured and interest free.

(16)	Creditors:	2022	2022	2021	2021
		GROUP	COMPANY	GROUP	COMPANY
	Amounts falling due within one financial year:	€	€	€	€
	Trade Creditors	846,786	838,544	1,640,876	1,613,629
	Accruals	6,772,968	4,560,625	7,230,492	6,231,296
	Loans (Note 17)	3,917,000	3,917,000	3,920,795	3,920,795
	Payroll Taxes	582,347	546,762	517,157	479,357
	Pay Related Social Insurance	259,230	242,732	180,098	166,326
	Amounts owed to Subsidiary Companies	-	80,645	-	628,799
		12,378,331	10,186,308	13,489,418	13,040,202

The amount due to subsidiary companies are unsecured, interest free and is repayable on demand.

(17) Lender and Other Debt - Group and Company:

	2022	2021
(a) Amounts falling due after more than one financial year:	**€**	**€**
Other Loan – Repayable 3 – 5 years	4,608,882	-
Bank Loans – Repayable by instalment 2 - 3 years	7,353,758	7,481,591
Bank Loans – Repayable by instalment 4 - 5 years	6,750,000	6,804,625
Bank Loans – Repayable by instalment after 5 years	35,251,270	38,626,265
	49,355,028	53,272,481

	2022	2022	2021	2021
(b) Lender debt is held as follows:	**€**	**€**	**€**	**€**
Payable	within 1 year	after 1 year	within 1 year	after 1 year
Irredeemable Stock	-	1,270	-	1,270
Bank Loan:				
Repayable by 2035	3,917,000	49,355,028	3,920,795	53,272,481
Total Capital Debt	3,917,000	49,356,298	3,920,795	53,273,751

(18) Capital Grants - Group and Company:

	2022	2021
	€	**€**
Opening Balance	26,992,261	24,313,734
Grants Received	293,007	3,542,356
Grants Amortised	(961,808)	(863,829)
Closing Balance	26,323,460	26,992,261

(19) Provision for Liabilities– Group and Company:

	2022	2021
	€	€
Deferred Taxation	1,699,850	1,309,572
Port of Cork Superannuation Fund	1,426,000	1,751,000
Pensions (see note 22)	649,000	3,641,000
	3,774,850	6,701,572

Deferred Taxation:

The amounts provided for the total potential deferred taxation liability are set out below:

On difference between accumulated depreciation and amortisation of Capital Allowances	1,959,225	1,983,572
On Defined Benefit Pension Scheme	(178,250)	(218,875)
On Port of Cork Superannuation Scheme	(81,125)	(455,125)
	1,699,850	1,309,572

(20) Called up Share Capital Presented as Equity- Group and Company:

	2022	2021
	€	€
Equity:		
Authorised:		
47,000,000 Ordinary Shares of €1.25 each	58,750,000	58,750,000
Allotted issued and fully paid:		
18,014,977 Allotted issued and fully paid Ordinary Shares of €1.25 each	22,518,722	22,518,722

(21) Movements on Reserves:	2022	2022	2021	2021
Capital Conversion Reserve Fund:	**GROUP**	**COMPANY**	**GROUP**	**COMPANY**
	€	**€**	**€**	**€**
Opening Balance as at 1 January	267,320	267,320	267,320	267,320
Movement for financial year	-	-	-	-
Closing Balance as at 31 December:	267,320	267,320	267,320	267,320
Capital Reserve Fund:	**€**	**€**	**€**	**€**
Opening Balance as at 1 January	989	-	989	-
Movement for financial year	-	-	-	-
Closing Balance as at 31 December	989	-	989	-
Profit and Loss Account:	**€**	**€**	**€**	**€**
Opening Balance as at 1 January	82,058,616	82,036,789	70,139,146	70,364,245
Profit for the financial year	11,659,099	11,827,676	9,958,344	9,711,418
Actuarial Gain Recognised on Pension Schemes	1,539,000	1,539,000	2,135,000	2,135,000
Actuarial Gain Recognised on Port of Cork Superannuation Fund Liability	325,000	325,000	155,000	155,000
Dividend Paid	(250,000)	(250,000)	-	-
Deferred Tax related to Actuarial Liability	(414,625)	(414,625)	(328,874)	(328,874)
Closing Balance as at 31 December:	94,917,090	95,063,840	82,058,616	82,036,789
Total Reserves	95,185,399	95,331,160	82,326,925	82,304,109

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital conversion reserve represents the difference which arose on the conversion of the company's shares arising from the introduction of the euro.

(22) Pension Schemes:

(a) Actuarial Valuation:

The Port of Cork Company operates defined benefit pension schemes. The latest full actuarial valua-tion of the Company's Pension Schemes was carried out at 1 January 2021 by Mercer Limited, Actu-aries and Consultants, using the minimum funding standard valuation of liabilities. At the date of the actuarial valuation the market value of the assets of the Port of Cork Company Superannuation schemes was €50.4 million and the actuarial valuation showed that the actuarial value of those assets was 90% of the benefits that had accrued to members. The contributions for the financial year amounted to €2.24 million (2021: €1.84 million) in accordance with independent professionally qualified actuary advice.

The Port of Cork Company made pension payments totalling €3.16 million during 2022 (2021: €3.08 million), on behalf of the Port of Cork Company Superannuation Fund.

The Board of Directors of the Port of Cork Company established a defined contribution pension scheme for new employees with effect from 1 January 2006. The Company paid an amount of €625,215 (2021: €482,021) into defined contribution pension schemes during 2022. The defined benefit pension schemes continue for existing members.

(b) Disclosures:

Financial Assumptions:

The financial assumptions used to calculate the retirement liabilities at December 31, were as follows:

Valuation Method	Projected Unit 2022	Projected Unit 2021
Discount Rate	4.15%	1.25%
Inflation Rate	2.50%	2.00%
Salary Increases	2.90%	2.50%
Pension Increases	0.00%	0.00%

Mortality Assumptions:

The assumptions relating to life expectancy at retirement for members who retire at age 65 are as follows:

Retiring Today	2022	2021
Males	22.6	22.6
Females	24.3	24.3
Retiring in 25 years		
Males	23.8	23.8
Females	25.7	25.7

(22) Pension Schemes –continued:

The market value of the assets in the pension schemes (Port of Cork Company and Port of Cork Pilotage Authority) (the 'schemes') and liabilities as at 31 December 2022, were:

	Market Value at December 31	
	2022	2021
	€'000	€'000
Equities	12,375	15,653
Bonds	25,657	36,778
Cash/Other	2,777	2,885
	40,809	55,316
Present value of pension scheme liabilities	(41,458)	(58,957)
Net deficit in pension schemes	(649)	(3,641)
Related deferred tax asset	81	455
Net pension liability	(568)	(3,186)

In calculating the market value of the assets above, an amount of €2.772m (2021: €2.996m) due to the Port of Cork Company has been deducted. The Port of Cork Company has a separate Capital Liability of €1.43m (2021: €1.75m) excluded from the above calculations, which refers exclusively to the Port of Cork Company Superannuation Fund. However, these amounts are included in the Consolidated Statement of Financial Position as outlined in notes 15 and 19 respectively.

		2022	2021
		€'000	€'000
(i)	Analysis of the amount charged to operating profit		
	Current Service Cost	730	763
	Loss on curtailments/changes/introductions	-	648
		730	1,411
(ii)	Analysis of the amount charged to other finance income is:		
	Interest on scheme liabilities	717	614
	Interest income	(687)	(562)
		30	52

Financial Assumptions:	**2022**	**2021**
	€'000	**€'000**
(iii) Analysis of the amount recognised in statement of total recognised gains and losses (consolidated statement of comprehensive income):		
Actual return less expected return on scheme assets	(14,403)	(912)
Experience losses	(771)	(160)
Changes in assumptions	16,713	3,207
Actuarial gain recognised in consolidated statement of comprehensive income	1,539	2,135

(22) Pension Schemes –continued:

(b) Disclosures - continued
Financial Assumptions- continued:

(iv) Analysis of the movement in deficit during the financial year is:

		2022	2021
		€'000	€'000
(a)	Change in benefit obligation	58,957	62,898
	Service cost	730	763
	Changes/Introductions	-	648
	Interest cost	717	614
	Plan participants' contributions	158	157
	Actuarial loss	(15,942)	(3,047)
	Benefits paid	(3,162)	(3,076)
	Benefit obligation at end of financial year	41,458	58,957

		2022	2021
		€'000	€'000
(b)	Change in plan assets		
	Fair value of plan assets at beginning of financial year	55,316	56,781
	Interest income	687	562
	Actuarial loss	(14,403)	(912)
	Employer contributions	2,242	1,842
	Plan participants' contributions	158	157
	Benefits paid from plan	(3,162)	(3,076)
	Expenses paid	(29)	(38)
	Fair value of plan assets at end of financial year:	40,809	55,316

The estimated income statement disclosure for 2023 is set out below. This will be finalised at the end of 2023 to reflect actual salaries paid during the year, any augmentations granted and any significant changes in membership. The expected rate of return on assets disclosed at 31 December 2022 is a factor in determining this expense.

Amount Charged to Operating Profit:	€'000
Current Service Cost	338
	338

Amount Credited to Other Finance Income:	
Interest on Liabilities	1,662
Expected Return on Assets	(1,646)
	16

2023 Income Statement	354

(c) Disclosures - continued
Financial Assumptions- continued:

History of Experience Gains and Losses:	2022	2021	2020	2019	2018
	€'000	€'000	€'000	€'000	€'000
Actual return less expected return on scheme assets	(14,403)	(912)	3,005	5,081	(1,665)
% of scheme assets	(35.29%)	(1.64%)	5.92%	9.34%	(3.35%)
Experience gains and losses	(771)	(160)	735	(374)	301
% of present value of scheme liabilities	(1.89%)	(0.27%)	1.17%	(0.59%)	0.52%
Actuarial Gains and Losses recognised in consolidated statement of comprehensive income	1,539	2,135	1,573	(861)	(277)
% of present value of scheme liabilities	3.71%	3.62%	2.50%	(1.58%)	(0.56%)

(23) Capital Commitments – Group and Company:

	2022	2021
	€	€
Capital expenditure which has been contracted for but has not been provided in the Financial Statements.	4,050,000	2,258,327

(24) Minority interest:

	2022	2021
	€	€
Arising on the acquisition of a subsidiary	657,072	-
Arising during the year	44,582	-
Total	701,654	-

(25) Financial Instruments:

	2022	2021
	€	€
The carrying values of the group financial assets and liabilities are summarised below:		
Financial Assets		
Measured at undiscounted amount receivable:		
• Trade debtors	6,314,299	6,300,583
Financial Liabilities		
Measured at undiscounted amount payable:		
• Trade payables	846,786	1,526,365
Measured at amortised cost		
• Capital Debt	49,355,028	53,272,481

(26) Related Party Transactions:

In common with many other entities, Port of Cork Company deals in the normal course of business with Government entities, Local Authorities: Cork City Council and Cork County Council, and other state-owned companies on an arm's length basis. Noel Cregan, Director (resigned 26/02/2022) is also a director of ADT Ire-land Limited which provides services to the group. The total value so provided as at 26/02/2022 was €20,326 (2021: €15,001).

(27) Post Balance Sheet Events:

There were no significant events affecting the company since the financial year end that require disclosure in the financial statements.

Port of Cork Company

Tivoli Terminal Building,
Tivoli Dock & Industrial Estate,
Cork.

Tel:+353 21 427 3125
Email:info@portofcork.ie