Irish Continental Group

2020 Annual Report and Financial Statements

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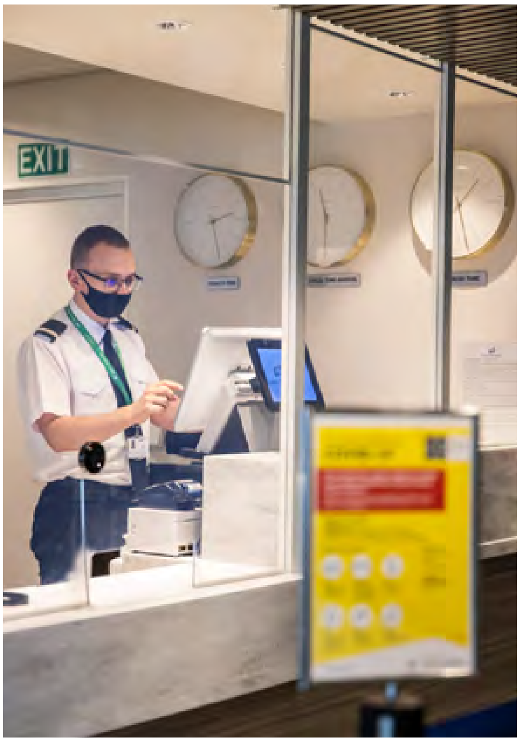


Who we are

Irish Continental Group (ICG) is the leading Irish-based maritime transport group. We carry passengers and cars, Roll on Roll off (RoRo) freight and container Lift on Lift off (LoLo) freight, on routes between Ireland, the United Kingdom and Continental Europe. We operate container terminals in the ports of Dublin and Belfast. The Group also carries out ship chartering activities.

- **We aim for continued success** in our chosen markets and focus our efforts on the provision of a safe, reliable, timely, good value and high-quality experience for all our customers in a way that minimises our impact on the environment.
- **We will achieve success** by anticipating our customers' needs and matching their requirements with superior services through constant innovation and the rapid application of technology.
- **We measure our success through the quality of our service**, as seen by our customers, which should result in delivering sustained and profitable growth for the benefit of all our stakeholders.

Business Review

The Business Review contains certain forward-looking statements and these statements are made by the Directors in good faith, based on the information available to them up to the time of their approval of this report. These statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Business Review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group and its subsidiaries when viewed as a whole.

The Group

The Group operates through two divisions: the Ferries Division, whose principal activities include passenger and RoRo freight shipping services under the Irish Ferries brand together with ship chartering activities, and the Container and Terminal Division, whose principal activities include LoLo shipping activities under the Eucon brand and the operation of two container terminals, Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT), within the two main ports on the island of Ireland.

Ferries Division

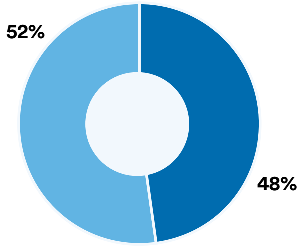
- **Modern fleet** of multi-purpose ferries and LoLo container vessels operating between the Republic of Ireland and Britain and Continental Europe, and on charter.
- **Capacity to operate** up to 17 daily sailings.
- **Key freight positions** on short sea routes between the Republic of Ireland and Britain.
- **Vessel chartering activities** both within and outside the Group.

Container and Terminal Division

- **Container shipping services** between Ireland and Continental Europe, operating modern fleet and equipment.
- **Full door-to-door container transport** service between Ireland and over 20 countries.
- **Strategically located** container terminals in Ireland's main ports of Dublin and Belfast.

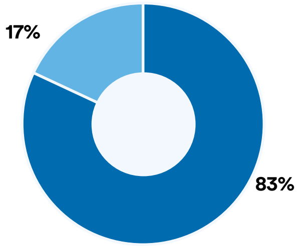
Revenue

€277.1m



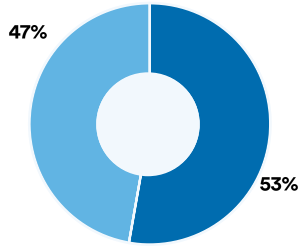
Capital Employed

€352.3m

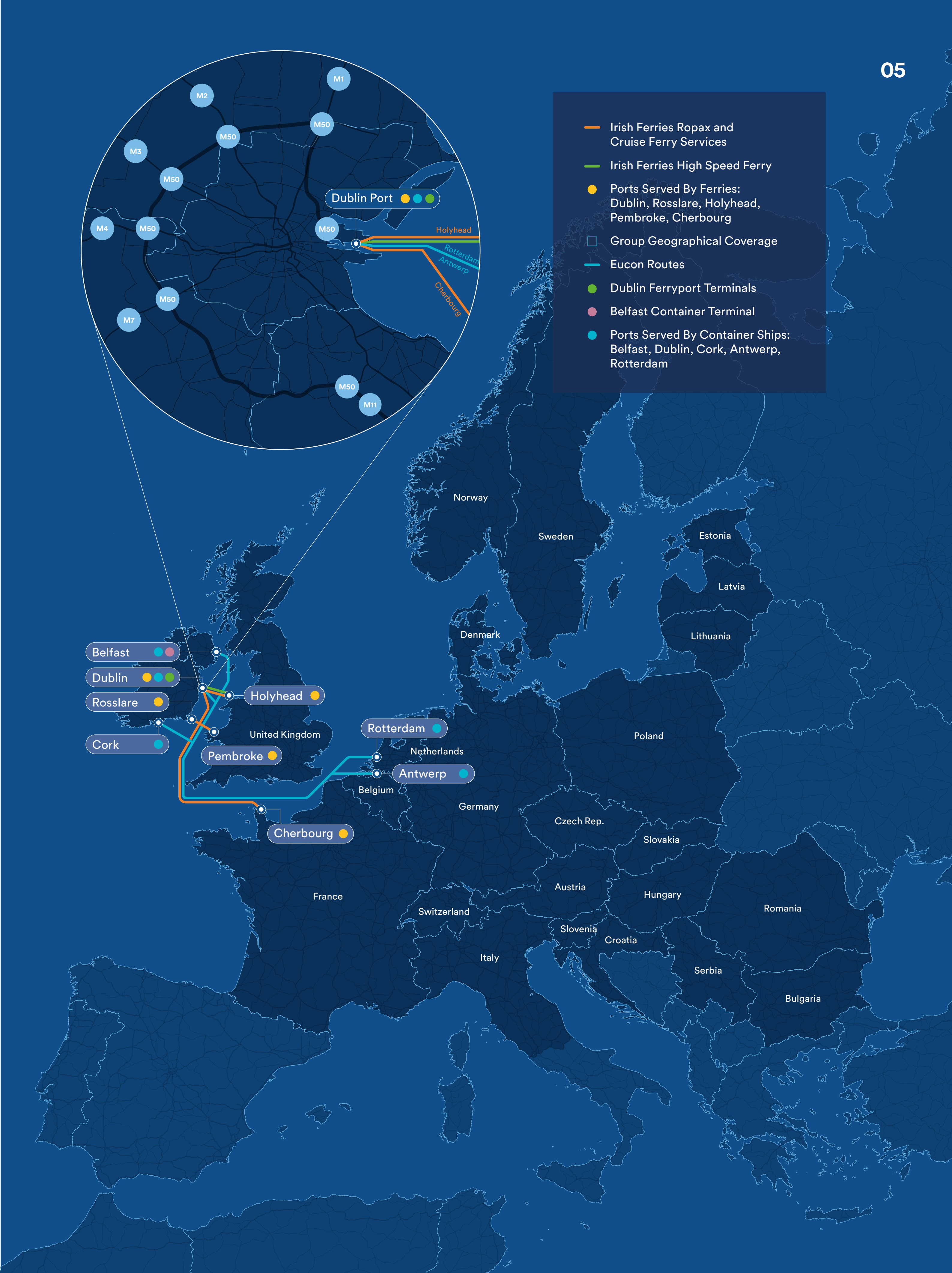


EBITDA

€42.1m



● Ferries ● Container & Terminal

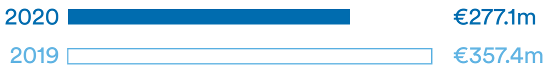

Irish Ferries Ropax and Cruise Ferry Services
Irish Ferries High Speed Ferry
Ports Served By Ferries: Dublin, Rosslare, Holyhead, Pembroke, Cherbourg
Group Geographical Coverage
Eucon Routes
Dublin Ferryport Terminals
Belfast Container Terminal
Ports Served By Container Ships: Belfast, Dublin, Cork, Antwerp, Rotterdam
M1
M2
M3
M4
M7
M11
M50
Dublin Port
Holyhead
Rotterdam
Antwerp
Cherbourg
Belfast
Dublin
Rosslare
Cork
Holyhead
Pembroke
Cherbourg
Rotterdam
Antwerp
United Kingdom
Norway
Sweden
Estonia
Latvia
Lithuania
Denmark
Poland
Netherlands
Belgium
Germany
Czech Rep.
Slovakia
Austria
Hungary
Romania
France
Switzerland
Slovenia
Croatia
Italy
Serbia
Bulgaria

Financial Highlights

Revenue

€277.1m -22.5%

2019: €357.4m



Adjusted earnings per share*

(4.3) cent -118.1%

2019: 23.8 cent

EBITDA (pre non-trading items)*

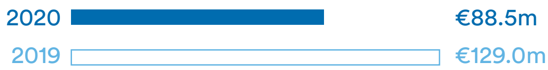
€42.1m -51.5%

2019: €86.8m

Net debt*

€(88.5)m -31.4%

2019: €(129.0)m



EBIT (including non-trading items)*

€(10.4)m -116.0%

2019: €64.9m

Return on average capital employed*

0.2% -19.4pts

2019: 19.6%

Basic earnings per share

(10.2) cent -132.2%

2019: 31.7 cent

* The Group uses alternative performance measures 'APMs' which are non-IFRS measures to monitor Group performance. Definitions and reconciliation to IFRS measures are set out on pages 22 to 25.

Our Group at a Glance

Irish Continental Group is a customer focused business with a pivotal position in the logistics chain facilitating Ireland's international trade and tourism.

Strategic short sea RoRo routes operated by Irish Ferries providing a seamless connection from Ireland to the UK and continental motorway network for the 335,500 RoRo units carried in 2020.

Strategically located container terminals which handled 292,400 container units during 2020 in Ireland's main ports of Dublin and Belfast for shipping operators providing services to key continental hub ports and onwards access to global markets.

Always on, always in touch, our shipping and terminal services operate 24/7, assisted by investment in modern booking and tracking systems to ensure our customers can keep in touch over a variety of platforms.

Key contributor to regional tourism in Ireland, Irish Ferries carried 519,000 passengers and 137,100 cars during 2020 with research indicating that car tourists stay longer and travel outside the main urban centres.

Reliability underpinned by major investment in tonnage and maintenance of quality assets ensuring the high levels of schedule integrity demanded by our customers.

Connected container transport services provided by Eucon, transporting 316,300 teu (twenty foot equivalent) in 2020 between Ireland and 20 countries throughout Europe by sea, road, rail and barge.

Fastest crossing on the Irish sea on board the Irish Ferries Dublin Swift fastcraft service with a sailing time of two hours between Dublin and Holyhead at speeds of up to 65 kph.

High standard on-board experience enjoyed by our Irish Ferries customers encompasses quality food, beverage, entertainment and accommodation services. Passengers are never out of touch with free satellite wi-fi services.

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Five Year Summary

Summary extract of Income Statement	2020 €m	2019[3] €m	2018 €m	2017 €m	2016 €m
Revenue	277.1	357.4	330.2	335.1	325.4
Operating expenses and employee benefits expense	(235.0)	(270.6)	(261.8)	(254.1)	(241.9)
Depreciation, impairment and amortisation	(41.3)	(36.8)	(22.1)	(20.7)	(20.9)
	0.8	50.0	46.3	60.3	62.6
Non-trading items [1]	(11.2)	14.9	13.7	28.7	-
Interest (net)	(7.6)	(3.4)	(0.8)	(1.3)	(2.2)
(Loss) / profit before taxation	(18.0)	61.5	59.2	87.7	60.4
Taxation	(1.0)	(1.3)	(1.4)	(4.4)	(1.6)
(Loss) / profit for the year	(19.0)	60.2	57.8	83.3	58.8
EBITDA (including trading from discontinued operations)	42.1	86.8	68.4	81.0	83.5
Per share information:	€cent	€cent	€cent	€cent	€cent
Earnings per share					
-Basic	(10.2)	31.7	30.4	44.1	31.4
-Adjusted [2]	(4.3)	23.8	23.1	31.0	31.4
Dividend per share	-	13.410	12.770	12.160	11.580
Shares in issue at year end:	m	m	m	m	m
-At year end	187.0	187.4	190.3	189.9	188.3
-Average during the year	187.0	189.8	190.0	188.8	187.5

1 Non-trading items are material non-recurring items that derive from events or transactions that fall outside the ordinary activities of the Group and which individually, or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

2 Adjusted earnings exclude pension interest and non-trading items.

3 The figures for years prior to 2019 have not been restated for the effects of IFRS 16 which was adopted with effect 1 January 2019. The effect on the Consolidated Income Statement for financial year 2019 was to decrease operating expenses by €9.4 million, increase depreciation charges by €8.6 million, increase interest expenses by €1.0 million and a net reduction in profit after tax of €0.2 million. The effect on the Consolidated Statement of Financial Position was to increase assets by €35.3 million and liabilities by €35.5 million and reduce retained earnings by €0.2 million.

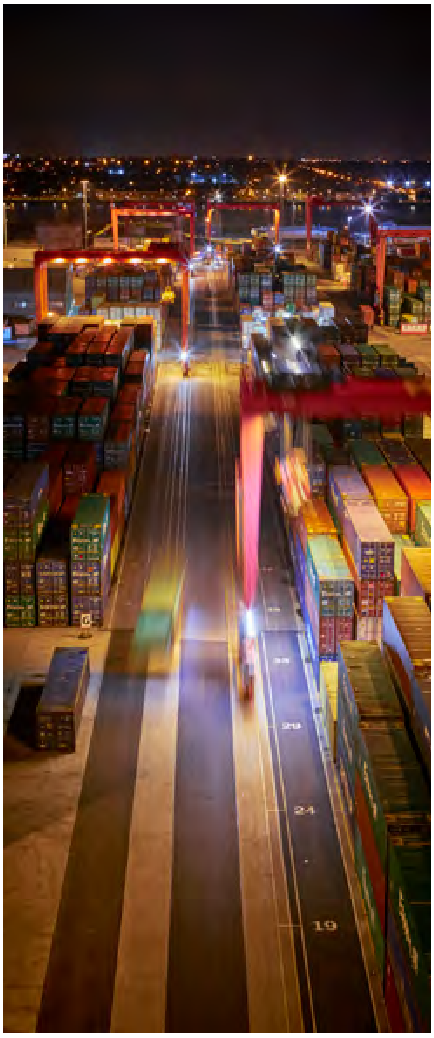
Summary extract of Statement of Financial Position	2020 €m	2019[3] €m	2018 €m	2017 €m	2016 €m
Property, plant and equipment and intangible assets	314.7	317.5	308.1	250.0	205.1
Retirement benefit surplus	1.0	12.5	2.5	8.1	2.4
Other assets	263.2	261.8	203.7	135.2	84.1
Total assets	578.9	591.8	514.3	393.3	291.6
Equity capital and reserves	265.9	287.9	252.9	223.8	144.4
Retirement benefit obligation	2.2	3.7	4.2	3.4	15.9
Other non-current liabilities	141.6	229.3	205.7	51.5	5.3
Current liabilities	169.2	70.9	51.5	114.6	126.0
Total equity and liabilities	578.9	591.8	514.3	393.3	291.6

Summary extract of Consolidated Statement of Cash Flows					
Net cash inflow from operating activities	46.1	84.8	61.5	71.8	82.1
Net cash inflow / (outflow) from investing activities	7.8	(52.3)	(158.8)	27.7	(55.6)
Net cash (outflow) / inflow from financing activities	(14.4)	(46.5)	131.4	(51.3)	(7.8)
Cash and cash equivalents at the beginning of the year	110.9	124.7	90.3	42.2	25.0
Effect of foreign exchange rate changes	-	0.2	0.3	(0.1)	(1.5)
Closing cash and cash equivalents	150.4	110.9	124.7	90.3	42.2

	€m	€m	€m	€m	€m
Net (debt) / cash	(88.5)	(129.0)	(80.3)	39.6	(37.9)

	Times	Times	Times	Times	Times
Net debt / EBITDA	2.1x	1.5x	1.2x	N/A	0.5x
Gearing (net debt as a percentage of shareholders' funds)	33%	45%	32%	N/A	26%

Chairman's Statement



2020 was an exceptionally challenging year for the Group, with the restrictions placed on travel due to the Covid-19 pandemic. While these restrictions brought large-scale disruption and reductions in our passenger business, the other parts of our business proved resilient throughout the entire year.

Our RoRo freight operations grew in 2020 despite the operational and market difficulties presented by the pandemic. The Container and Terminal Division largely maintained its profitability while it optimised capacity levels to market demands. The Group maintained services on all its shipping routes to the United Kingdom and Continental Europe, and operations at its container terminals. Both were critical to maintaining Ireland's supply chains during this challenging year.

I would like to take this opportunity to thank all our colleagues who made the retention of these critical services possible in these difficult times, but in particular our colleagues on our front line in the ports, on our ships and in our terminals. During this most difficult year, their dedication to their roles kept our ships sailing, our terminals operating and crucially, our supply lines open.

Financial Outcome

The overall financial outcome for the Group was a loss before tax of €18.0 million (2019: profit of €61.5 million) while operating profit before non-trading items was €0.8 million (2019: €50.0 million). EBITDA (pre non-trading items) generated was €42.1 million (2019: €86.8 million) from total revenues of €277.1 million (2019: €357.4 million).

The Group performance reflected the outcome in our Ferries Division where EBITDA before non-trading items was €22.3 million (2019: €67.2 million). The fall in EBITDA was primarily driven by a reduction in passenger revenue partially offset by lower fuel costs and reduced crewing costs.

Performance in our Container and Terminal Division was improved with an EBITDA of €19.8 million (2019: €19.6 million) through focus on cost optimisation against the backdrop of lower volumes shipped and lower terminal throughput.

Despite the challenging trading conditions in 2020, the Group, through our diversified revenue streams and cost containment measures protected our strong balance sheet. Net debt in the Group reduced from €129.0 million at the beginning of the year to €88.5 million at year end.

A non-trading item arose in 2020 from the transfer of pension liabilities to a third-party insurer.

Strategic Development

While 2020 has proved a difficult backdrop, the Group has progressed and completed a number of key strategic developments during the year.

On 1 January 2020, new low sulphur fuel regulations, IMO 2020, became effective. IMO 2020 requires all our vessels operating outside of sulphur emission control areas to reduce sulphur emissions to a level equivalent to consuming 0.5% sulphur content fuel oils compared to the previously generally permitted 1.5%. On its owned and operated fleet, the Group had taken the decision to install exhaust gas cleaning systems (EGCS) to comply with the latest requirements. EGCS allows a vessel to consume cheaper fuel oils while cleaning the exhaust emissions to within the levels mandated by IMO 2020. The W.B. Yeats was delivered with an EGCS system while the Dublin Swift by design consumes marine gas oil which typically has a sulphur content of less than 0.1%.

The installation and commissioning of new EGCS plant on the Ulysses has been completed. A decision was taken not to proceed with a similar installation on the Isle of Inishmore to avoid the risk of delays due to the Covid-19 pandemic. The Group also completed the installation of EGCS plant on the four owned container vessels utilised on Eucon services.

The Group took delivery of and commissioned two electrically powered remotely operated rubber-tyred gantries (RTGs) at its Dublin Ferryport Terminal following the previous successful commissioning of two similar units. We have now installed and commissioned four electric gantries in our Dublin Terminal continuing our transition to this more environmentally efficient mode of operation. The £40m re-investment project by Belfast Harbour Commissioners (BHC) is well underway which includes extensive civil works and the delivery of two new gantry cranes and eight new electrically operated RTGs incorporating the latest technologies to allow for remote operation similar to the RTGs operated at Dublin Ferryport Terminals. During 2020, two gantry cranes were delivered and commissioned to bring the total number on site to three. In December 2019, six RTGs were delivered with a further two delivered in June 2020. Of the eight RTGs, five are commissioned and in use with the remaining three to be commissioned during 2021. These RTGs are supplemented by two rail mounted gantry cranes that will be phased out of operation during 2021.

Chairman's Statement
Continued

During 2020 the Group was successful in the public tender to operate a container depot at the new Dublin Inland Port. The Group has signed an agreement to enter into a 20-year lease for this operation on completion of certain civil works by the landlord. The facility is expected to become operational during 2021. The facility will be used for the remote storage, maintenance and upgrade of empty container boxes, releasing valuable capacity for the handling of containers in the port area. The Dublin Inland Port will be located adjacent to Dublin Airport with direct access to the M50 Motorway (Dublin Ring Road) and Dublin Port via the Port Tunnel.

On 9 December 2020, the Trustee of the Group's principal defined benefit pension scheme entered into a transaction whereby the liabilities relating to pensions in payment at the transaction date were transferred to a third-party insurer on payment of a premium of €160.6 million. This gave rise to a non-cash settlement loss of €9.3 million being the difference between the present value of the transferred liabilities discounted at the AA corporate bond rate used for IAS 19 valuation purposes at the transaction date and the premium paid. The Trustee, in agreement with the Company, also augmented the pension benefits of certain members resulting in an augmentation cost of €1.1 million being the present value of the future benefit changes. The Group's subsidiary Irish Ferries Limited, the sponsoring employer of the scheme, underwrites the schemes administration expenses and incurred expenses totalling €0.8 million relating to the above transaction. This is an important step for the Group in both reducing the quantum and volatility of pension liabilities on its balance sheet and safeguarding pensioner benefits into the future.

With increasing awareness of the effects of economic activity on the environment the Group is furthering its existing efforts to minimise its environmental footprint. The Group's strategy is one of minimising costs and achieving economies of scale which very much aligns with reducing environmental impacts. In addition to the installation of EGCS and electric RTGs, the Group has and is currently undertaking additional investments all of which bring significant environmental improvements to our operations. The various initiatives are discussed in the sustainability review at pages 40 to 53.

Exit of the United Kingdom from the European Union

The UK exited the EU on 31 January 2020 and the subsequent transition period ended on 31 December 2020. The Group welcomes the EU-UK Trade and Cooperation Agreement between the UK and the EU agreed on 30 December 2020.

The Group is happy to note that the long standing Common Travel Area arrangements will remain allowing free movement of passengers (subject to the lifting of Covid-19 restrictions) between both jurisdictions. The Group also welcomes the reintroduction of duty free on its Ireland – UK routes.

It is also noted that the UK have confirmed their adherence to the Convention on the Contract for the International Carriage of Goods by Road which will facilitate retention of the landbridge route through the UK. Despite this, the Group is concerned by the growing perception throughout the transport industry that import controls into ROI ports are more onerous and complicated when compared to other routes into ROI. We continue to engage with all relevant authorities to ensure that a level playing field is in place for all routes onto the island of Ireland from the UK.

In advance of the end of the transition period, Irish Ferries committed to the deployment at short notice of additional capacity on our direct continental services. In early January, we committed to diverting the W.B. Yeats to the Dublin – Cherbourg route. This has added significant capacity to the direct continental services. In addition, due to the revised fleet configuration Irish Ferries has the ability to offer additional frequency on its direct continental services should demand justify it. This capacity is under constant review. However, the direct continental route will never replicate the efficiency, frequency, reliability and cost of the landbridge route for importers and exporters. Therefore, we would again urge all authorities to ensure that the landbridge route is not only retained but given priority at national level. If Ireland is to rely on long direct sea routes, our competitiveness will suffer.

The exit of the UK from the EU has not affected our container shipping operations between Ireland and the continent with no consequential delays or congestion affecting the movement of our containers at European ports.

Corporate Governance

The Board acknowledges the importance of good corporate governance practices. We have developed a corporate governance framework based on the application of the principles and provisions of the UK Corporate Governance Code (2018) and the Irish Corporate Governance Annex. I report on this framework in the Corporate Governance Report on pages 71 to 83.

During the year, I led the annual evaluation of Board performance of which further details are set out in the Corporate Governance Report on pages 77 to 78. As Chairman, I am satisfied that the Board operates effectively to ensure the long term success of the Group and that each Director is contributing effectively and demonstrating commitment to their role.

Dividend and share buyback

On 1 July, the Group announced that due to the effect of Covid-19, the Directors considered it prudent not to proceed with the 2019 final dividend previously announced. With the continuation of travel restrictions throughout 2020 and the consequential effects on the Group's financial results, no interim dividend was declared or paid relating to 2020.

In March, the Group bought back 570,000 shares which were cancelled. The total consideration paid for these shares was €1.7 million (2019: €12.9 million).

Outlook

Since the Interim Management Statement of November 2020, trading to the end of the year in our freight business was exceptionally strong. For the full year 2020 the Ferries Division recorded strong volume growth of 7.1% for RoRo freight. However, the continuation of Covid-19 travel restrictions resulted in a significant decline in both passenger and car numbers. Passenger numbers fell 66.3% and cars 65.8%. In the Container and Terminal Division overall container volumes shipped for the year were down 7.9%, while port lifts were down 8.9%.

In the period from 1 January 2021 to 6 March 2021, trading has been impacted by both the continuation of Covid-19 travel restrictions and new customs requirements following the exit of the UK from the EU. Irish Ferries carried 39,200 RoRo units in the period, a decrease of 30.2% on the prior year, while the number of cars decreased by 75.6% to 7,400. The number of passengers carried in the period decreased by 69.3% versus the prior year.

Covid-19 has had a material impact on our passenger business, and any recovery is unlikely while government restrictions remain in place, however we remain hopeful that the rollout of vaccinations will result in a return to international travel in our markets during 2021.

The material reduction in RoRo freight volumes in the first two months of the year mirror the same level of volume increases in pre-Brexit stockpiling in the last two months of 2020, leaving total volumes flat over the four month period. While volumes are down 30.2% year to date, testament to the flexibility of our fleet, we have adjusted to customer demand and increased tonnage on the Dublin – Cherbourg route. This has limited the decline in RoRo revenue to 8.1% versus the prior year. The current demand on the direct routes to the Continent is expected to decrease as importers, exporters and government agencies become more familiar with new requirements following Brexit. The decline will be in favour of the landbridge which has the benefits of cost, frequency, time and reliability.

The Container and Terminal Division has reintroduced a sixth vessel to the fleet from January 2021. In the period from 1 January 2021 to 6 March 2021, overall container volumes shipped were up 11.1% on the prior year and terminal volumes increased 9.2% on the prior year.

Despite the uncertainty created by the current Covid-19 pandemic and the recent exit of the UK from the EU, with our flexible and modern fleet and strong balance sheet, we are well placed to benefit from the return to growth in all our markets. We look forward to better years ahead.

John B. McGuckian,
Chairman

10 March 2021

Chief Executive's Review

2020 Performance

2020 was a challenging year for the Group which tested the resilience of our business model with the significant disruption caused by the Covid-19 pandemic measures.

Against the challenges presented by travel restrictions which essentially closed down all discretionary and leisure travel since March, the Group maintained essential shipping links on and off the island of Ireland through operating its conventional ferries. While the Group made a loss before tax of €18.0 million (2019: profit of €61.5 million), at an operating level pre non-trading items a modest profit of €0.8 million (2019: €50.0 million) is reported. Operations were cash generative at €46.1 million (2019: €84.8 million) and the Group maintained a strong balance sheet.

The Chairman in his review noted the progress we have made in the strategic development of the Group despite the difficult backdrop in our markets. These include significant environmental investments in both of our divisions.

The performance in the Ferries Division saw a decrease of 66.8% in EBITDA to €22.3 million (2019: €67.2 million). This was primarily due to Covid-19 travel restrictions on our passenger business. While the performance is disappointing, we take comfort and encouragement from the division's ability to introduce material cost containment measures that ensured it remained profitable at an EBITDA level. This is testament to the division's underlying cost base.

Performance in the Container and Terminal Division continued to grow at a steady rate. EBITDA in this division increased by 1.0% to €19.8 million (2019: €19.6 million). This was against the backdrop of reduced volumes in both containers shipped and terminal throughput.

Financial Position

The Group ended the year in a strong position financially, nothwithstanding that equity attributable to shareholders decreased by €22.0 million to €265.9 million. To protect the Group's already strong liquidity position against the short-term uncertain trading environment, a decision was made not to pay any dividends during 2020 (2019: €24.7 million paid). Prior to the known extent of the effects of the travel restrictions, 570,000 or 0.3% of issued equity had been repurchased in the market at a cost of €1.7 million.

Net debt at year end was €88.5 million compared to net debt of €129.0 million in the prior year. This represents a net debt / EBITDA leverage of 2.1 times. The decrease in net debt is due to cash generation in the year, the repayment of the deposit on Hull 777 of €33.0 million offset by capital expenditure of €30.1 million. Year end net debt of €88.5 million comprised gross borrowings of €200.4 million (2019: €203.9 million), lease obligations of €38.5 million (2019: €36.0 million) less gross cash balances of €150.4 million (2019: €110.9 million). Right-of-use lease obligations are excluded for banking covenant purposes.

Strategic Performance

As Chief Executive my key responsibility is to drive future profitable and sustainable growth of the Group. I'm happy to report that on a strategic level significant progress was made during 2020 in preparing the Group for future long-term growth opportunities.

Key Financial Highlights

● 2020 ● 2019

EBITDA (pre non-trading items)	EBIT (pre non-trading items)	Return on average capital employed	Adjusted earnings per share	Free cash flow before strategic capital expenditure
€42.1m	€0.8m	0.2%	(4.3)c	€35.3m
€86.8m | -51.5%	€50.0m | -98.4%	19.6% | -19.4pts	23.8c | -118.1%	€73.2m | -51.8%

Chief Executive's Review

Continued

The Group's principal defined benefit pension scheme entered into a buy-out transaction to transfer the liabilities relating to pensioners (at the transaction date) to a third-party insurer. This transaction materially reduces the size and risk of the scheme. This is a positive development for both the Group and the scheme's pensioners and current members. This is an important and significant step in the long-term journey to safeguard members' benefits and reduce any potential future cost or risk for the Group.

The Group was successful in the public tender to operate a container depot at the new Dublin Inland Port. This is an important contract for the Group as we look to expand our container operations in Dublin in the knowledge of the scarcity of space to expand in the core Dublin Port area. It is testament to the quality of our container operations in the port area that we have been selected as the first tenant in the new inland port facility.

The Group's management continually seeks investment opportunities which meet the Group's stringent return hurdles both in terms of return and risk appetite, a policy which is promoted at all levels within the organisation. These investments are funded through a combination of debt and cash generation from existing activities.

Strategy and the Environment

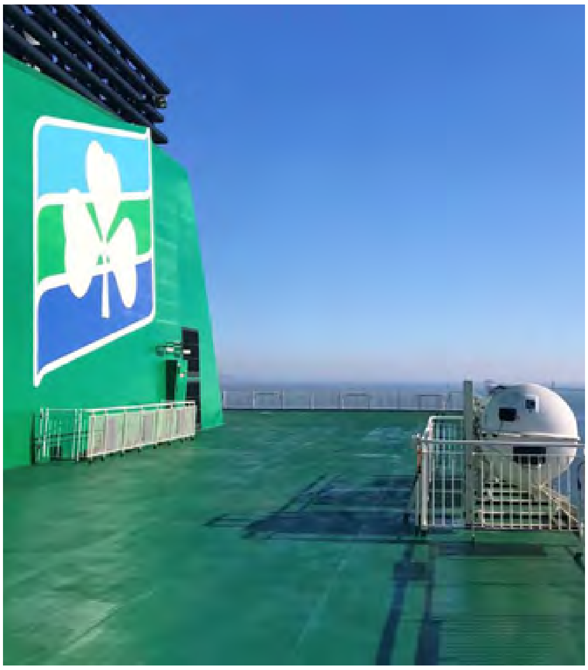
The Group is conscious that its activities have an environmental impact but is happy to note that reducing that impact aligns with our overall strategy. Notwithstanding the challenges faced by the Group during 2020, the Group proceeded with the significant investments in installing exhaust gas cleaning systems (EGCS) and the ongoing program of electrification of heavy plant at our container terminals. Both of these investments, while reducing harmful emissions, also bring health and safety benefits to our operatives and align with the strategic objective of delivering sustained and profitable growth. However, not all environmental initiatives require major capital investment and we continue our initiatives to replace single-use non-recyclable consumables with environmentally friendly alternatives across the Group. We have also commenced the roll-out of our Green Voyage initiative to our crews to promote optimal voyage efficiencies.

The Group gathers significant data in relation to its operations which can be harnessed to further drive awareness of the impact of individual actions. The Group currently collects various data related to its environmental impact of its operations for external reporting purposes. In recognition of the powerful effect that data can have on creating

awareness of individual actions, the Group has now commenced a program to collate and harness this data as a tool to promote environmental responsibility within the workforce. The object is to achieve measurable reductions in our environmental impact across the Group over time.

However, for certain aspects the Group will require the shipping sector as a whole to work together. This particularly relates to global regulation under the auspices of the International Maritime Organisation setting common standards and key equipment suppliers adopting the latest technologies. As a small operator in a global market, the Group will only apply proven technologies which generate an economic return.

The Group is aware that our stakeholders require us to be environmentally focused and the Group is committed to continuous improvement in both the big and small things that we do.



Exit of the United Kingdom from the European Union

The UK exited the EU on 31 January 2020 and ended its transition period on 31 December 2020. The Group welcomes the EU-UK Trade and Cooperation Agreement between the UK and the EU. It is the Group's position that Ireland as an island will continue to trade outside of its borders. Given the strong linkages between Ireland and the UK both culturally and commercially, it is the Group's view that trade between these two economies will remain robust over the longer term.

However, the Group's investment in vessels is designed to provide route planning flexibility to enable the Group to adapt its schedules to customer demand both over the short and long term. Should demand for the Group's existing services fall over the longer term, the vessels are capable of being deployed to most geographic areas given their design specification.

Following the end of the transition period, the Group has, as previously outlined, adjusted capacity on the direct continental services.

Of some concern is the lack of implementation of appropriate checks on goods arriving into Northern Ireland from Britain, which are required under the Northern Ireland Protocol. To the extent that these goods are heading for the Republic of Ireland this is causing a distortion in the level playing field as goods from Britain are being checked on arrival in Republic of Ireland ports. If the exemptions are continued or enforcement continues to be haphazard, jobs will be lost in the Republic of Ireland as companies migrate to Northern Ireland because of easier logistical connections for exports and imports.

As the UK is no longer a member of the EU, the Group can introduce duty-free retail facilities on board its ferries operating to the UK. This had been an important ancillary revenue stream prior to the abolition of duty-free retail under EU rules in 1999.

Legal Challenge to the National Transport Authority (NTA) interpretation of the EU Regulation No 1177/2010

As previously reported, Irish Ferries has commenced legal proceedings by way of judicial review against the NTA's interpretation of the EU Regulation No 1177/2010 in respect of the cancellations that arose during 2018 resulting from the delayed delivery by the shipyard of our cruise ferry W.B. Yeats, delivered in December 2018. The review has been admitted to the High Court of Ireland who have referred certain questions for interpretation to the European Court of Justice.

Chief Executive's Review

Continued

We believe this challenge is necessary, particularly in the context of whether landbridge is an alternative route to direct services. Greater clarity on the regulation has an important role to play in our island connectivity and the viability of direct links to the Continent. We further believe this challenge is in the best interests of our customers, to protect the viability of direct links to the Continent which is now all the more critical against the backdrop of the UK's exit from the EU. These direct links are threatened by what we strongly believe to be the NTA's incorrect interpretation of the Regulation.

Government support for essential shipping services during Covid-19

As noted, the Group's passenger carryings were severely affected by the travel restrictions imposed as part of governments' response to the Covid-19 pandemic. Notwithstanding the Group committed, without any government support, to continue operating our loss-making routes which provide a vital lifeline service to our island. However, we were disappointed to note that the Irish Government introduced a Public Services Obligation (PSO) model for part of 2020 covering the shortfall between variable revenue and certain variable costs of certain competitors. This was not an approach that we supported as we believe this model was liable to create distortions in the marketplace and could be open to legal challenge. For these reasons we decided not to participate in this PSO model.

The Group, where appropriate, has availed of governments' staff retention support schemes across Europe.

Stakeholders

The Group's performance is dependent on the support of our customers, suppliers and employees. I would like to thank all our customers for their support during this difficult year. We will continue to work with our customers to meet their expectations into the future.

Our suppliers are key to our ability to deliver quality services to our customers. We continually work with our suppliers whether they be port operators, contracted service providers or product suppliers to improve efficiencies and quality. We appreciate the co-operation and flexibility achieved in delivering our 24/7 services.

As in prior years, I would like to take this opportunity to thank our employees for their continued dedication to the operation of our services that are essential to the island of Ireland. This dedication has never before been so severely tested. It is testament to their dedication and skill that the Group's services on and off the island were maintained.

Outlook

The continued circulation of the Covid-19 virus in our communities has resulted in Covid-19 measures remaining in place, restricting travel to essential purposes and closing the hospitality sector. There is uncertainty as to when these restrictions will be eased and travel patterns return to previous levels. I note the various vaccine programs being rolled out in our immediate jurisdictions of Ireland and the UK and government commitments to ensuring the majority of the populations will have received some level of vaccination during the first half of 2021. Achievement of these commitments will assist with the return of travel between the closely integrated communities of Ireland and the UK in the second half of 2021. We are offering early booking flexibility and operate a travel safe program on all our Irish Ferries passenger services to protect our returning customers. Against that background Irish Ferries is well placed to benefit from a resumption in international tourism travel.

While the freight market between Ireland and the UK continues to adapt to the end of the transition period, I believe with a level playing field and protection of the landbridge, freight will move on the most efficient and quickest routes on and off the island of Ireland.

Our resilient business model has ensured that we have retained a strong financial position with significant liquidity resources. This will support the Group into the future where we will continue to seek out improvement and investment opportunities for our longer term success.

Eamonn Rothwell,
Chief Executive Officer

10 March 2021

Business Model and Strategy

The Group operates under two divisions:

- **The Ferries Division** which is reviewed in detail on pages 26 to 31; and
- **The Container and Terminal Division** which is reviewed in detail on pages 32 to 35.

Our strategy is to generate profitable and sustainable growth for the Group by embracing new services and technologies while minimising our impact on the environment. Key risks and uncertainties which may impact the successful delivery of this strategy are set out on pages 57 to 61.

There are two principal elements to the Group's strategy for delivering value to shareholders:

- **Investment in quality assets** to achieve economies of scale with a superior customer service.
- **Benchmarking costs to industry best practice** to enable the Group to compete vigorously in its chosen markets.

This strategy is supported by our five strategic pillars

- Quality service
- People and culture
- Financial management
- Safety
- Sustainability

The key resources supporting delivery of this strategy include;

- A modern vessel fleet
- Long term leasehold interests and operating agreements
- Access to strategically located ports and slot times
- Experienced qualified staff
- Recognised brand names
- Access to financial resources


Irish Ferries
IRISH FERRIES
maguire
swissport

Key Performance Indicators and Summary of 2020 Results

The Group uses a set of headline Key Performance Indicators (KPIs) to measure the performance of its operations and of the Group as a whole which are set out and defined below.

Certain financial measures used are not defined under International Financial Reporting Standards (IFRS). Presentation of these Alternative Performance Measures (APMs) provides useful supplementary information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group. These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS. Descriptions of the APMs included in this report are disclosed below.

APM	Description	Benefit of APM
EBITDA	EBITDA represents earnings before interest, tax, depreciation, impairment, amortisation and non-trading items.	Eliminates the effects of financing and accounting decisions to allow assessment of the profitability and performance of the Group.
EBIT	EBIT represents earnings before interest, tax and non-trading items.	Measures the Group's earnings from ongoing operations.
Free cash flow before strategic capital expenditure	Free cash flow comprises operating cash flow less capital expenditure before strategic capital expenditure which comprises expenditure on vessels excluding annual overhaul and repairs, and other assets with an expected economic life of over 10 years which increases capacity or efficiency of operations.	Assesses the availability to the Group of funds for reinvestment or for return to shareholders.
Net debt	Net debt comprises total borrowings plus lease liabilities less cash and cash equivalents.	Measures the Group's ability to repay its debts if they were to fall due immediately.
Adjusted Earnings Per Share (EPS)	EPS is adjusted to exclude the non-trading items and net interest cost on defined benefit obligations.	Directors consider Adjusted EPS to be a key indicator of long term financial performance and value creation of a public listed company.
ROACE	ROACE represents return on average capital employed. Operating profit (before non-trading items) expressed as a percentage of average capital employed (consolidated net assets, excluding net (debt) / cash, retirement benefit surplus / (obligation) and asset under construction net of related liabilities.	Measures the Group's profitability and the efficiency with which its capital is employed.
Pre-IFRS 16	Use of the term Pre-IFRS 16 denotes that the APM or IFRS measure has been adjusted to remove the effects of the application of IFRS 16 Leases.	Assists the year on year comparison of underlying performance.

Non-Financial KPI	Description	Benefit of non-financial KPI
Schedule integrity	Schedule integrity (the number of sailings completed versus scheduled sailings).	Schedule integrity is an important measure for Irish Ferries vessels as it reflects the reliability and punctuality of our service. This measure is meaningful to both our passenger and freight customers alike in facilitating them and their cargo to arrive on time at their final destination.

The following table sets forth the reconciliation from the Group's operating profit for the financial year to EBIT, EBITDA, free cash flow and net debt. See note 12 to the Consolidated Financial Statements for the calculation of Basic and Adjusted EPS.

Cash Flow	2020 €m	2019 €m
Operating (loss) / profit (EBIT)	(10.4)	64.9
Non-trading items (note 10)	11.2	(14.9)
Net depreciation, impairment and amortisation (note 9)	41.3	36.8
EBITDA	**42.1**	**86.8**
Working capital movements (note 34)	10.6	2.0
Pension payments in excess of service costs (note 34)	(1.1)	(1.3)
Share-based payments expense (note 31)	0.2	1.9
Other	(0.6)	0.1
Cash generated from operations	**51.2**	**89.5**
Interest paid (note 34)	(3.7)	(3.5)
Tax paid (note 34)	(1.4)	(1.2)
Maintenance capital expenditure	(10.8)	(11.6)
Free cash flow before strategic capital expenditure	**35.3**	**73.2**
Strategic capital expenditure	(19.3)	(42.5)
Repayment of vessel contract deposit	33.0	-
Free cash flow after strategic capital expenditure	49.0	30.7
Proceeds on disposal of property, plant and equipment	4.9	1.8
Dividends paid to equity holders of the Company	-	(24.7)
Buyback of equity	(1.7)	(12.9)
Proceeds on issue of ordinary share capital	0.2	0.1
Net cash flows	**52.4**	**(5.0)**
Opening net debt	(129.0)	(80.3)
Recognition of right-of-use asset lease obligations	(12.5)	(43.5)
Translation / other	0.6	(0.2)
Closing net debt	**(88.5)**	**(129.0)**

Key Performance Indicators and Summary of 2020 Results

The following table sets forth the reconciliation from the Group's ROACE calculation:

ROACE	2020 €m	2019 €m
Equity	265.9	287.9
Net debt	88.5	129.0
Asset under construction (including prepayment deposits)	(3.3)	(43.9)
Retirement benefit obligations	2.2	3.7
	353.3	376.7
Retirement benefit surplus	(1.0)	(12.5)
Capital employed	**352.3**	**364.2**
Average capital employed	358.3	254.6
Operating profit (before non-trading items)	0.8	50.0
ROACE	**0.2%**	**19.6%**

The following table sets forth the reconciliation from the Group's net debt calculation:

Net debt	2020 €m	2019 €m
Cash and cash equivalents (note 19)	150.4	110.9
Non-current borrowings (note 22)	(113.1)	(200.3)
Current borrowings (note 22)	(87.3)	(3.6)
Non-current lease obligations (note 23)	(27.8)	(27.6)
Current lease obligations (note 23)	(10.7)	(8.4)
Net debt	**(88.5)**	**(129.0)**

The calculation and performance of KPIs and a summary of the key financial results for the year is set out in the table below. A detailed review of the divisional operations is set out on pages 26 to 35.

		Ferries		Container & Terminal		Inter-Segment		Group	
	Comment	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Revenue		141.4	212.4	146.5	154.4	(10.8)	(9.4)	277.1	357.4
EBITDA	1	22.3	67.2	19.8	19.6	-	-	42.1	86.8
Depreciation, impairment and amortisation		(34.6)	(30.8)	(6.7)	(6.0)	-	-	(41.3)	(36.8)
Operating (loss) / profit (EBIT)	**2**	**(12.3)**	**36.4**	**13.1**	**13.6**	**-**	**-**	**0.8**	**50.0**
Non-trading item (note 10)		(11.2)	14.9	-	-	-	-	(11.2)	14.9
Finance costs (note 7)		(6.4)	(2.0)	(1.4)	(1.5)	-	-	(7.8)	(3.5)
Finance income (note 6)		0.2	0.1	-	-	-	-	0.2	0.1
(Loss) / profit before tax		**(29.7)**	**49.4**	**11.7**	**12.1**	**-**	**-**	**(18.0)**	**61.5**
ROACE	3	(4.2)%	17.6%	21.0%	28.6%	-	-	0.2%	19.6%
EPS: (note 12)									
EPS Basic	4	-	-	-	-	-	-	(10.2)c	31.7c
EPS Adjusted	4	-	-	-	-	-	-	(4.3)c	23.8c
Free cash flow	5	-	-	-	-	-	-	35.3	73.2

Comment:

Financial KPIs

1. **EBITDA:** Group EBITDA for the year decreased by 51.5%, to €42.1 million (2019: €86.8 million). The decrease in underlying EBITDA was primarily due to Covid-19 related travel restrictions, which materially reduced passenger traffic in the Ferries Division. EBITDA in the division decreased by 66.8%, to €22.3 million, while the Container and Terminal Division increased by 1.0%, to €19.8 million.

2. **EBIT:** Group EBIT (pre non-trading items) for the year decreased by 98.4% to €0.8 million (2019: €50.0 million). The Ferries Division decrease in underlying EBIT was 133.8%, primarily due to the effect of Covid-19 travel restrictions, while the Container and Terminal Division was 3.7% lower, as a result of higher depreciation charges. Group EBIT including non-trading items decreased by 116.0% to €(10.4) million (2019: €64.9 million). The non-trading item relates to the transfer of pension liabilities to a third-party insurer.

3. **ROACE:** The Group achieved a return on average capital employed of 0.2% (2019: 19.6%). The Ferries Division achieved a return on average capital employed of (4.2%) (2019: 17.6%) while the Container and Terminal Division achieved 21.0% (2019: 28.6%).

4. **EPS:** Adjusted EPS (before non-trading items and the net interest cost on defined benefit obligations) was (4.3) cent compared with 23.8 cent in 2019. Basic EPS was (10.2) cent compared with 31.7 cent in 2019.

5. **Free cash flow before strategic capital expenditure:** The Group's free cash flow before strategic capital expenditure was €35.3 million (2019: €73.2 million). The decrease in free cash flow is mainly due to the decrease in EBITDA which was partially offset by positive working capital movements. Free cash flow before strategic capital expenditure is a meaningful measure of cash generated for investment or return to shareholders.

Non-Financial KPIs

Schedule integrity: The Ferries Division delivered 98% of scheduled sailings compared with 92% in the previous year across all services. Due to Covid-19 travel restrictions, the fastcraft Dublin Swift did not operate any sailings during 2020.

The Ferries Division

The Ferries Division operates multi-purpose ferry services carrying both passengers and RoRo freight on strategic short sea routes between Ireland and the UK and direct ferry services between Ireland and France. The division also engages in chartering activities.

The ferry services trade under the Irish Ferries brand. Irish Ferries operates on three routes utilising a fleet of five vessels, four of which are owned and one which is chartered-in.

Due to Covid-19 travel restrictions the fastcraft Dublin Swift, which normally operates on the Dublin – Holyhead route, was layed-up for the year and did not operate any services.

In addition to the modern fleet, Irish Ferries retains rights to access appropriate berthing times at key ports allowing Irish Ferries to facilitate its customers' preferred sailing times.

The division also owns six container vessels which are time chartered.

Fleet Summary

Operated by Ferries Division

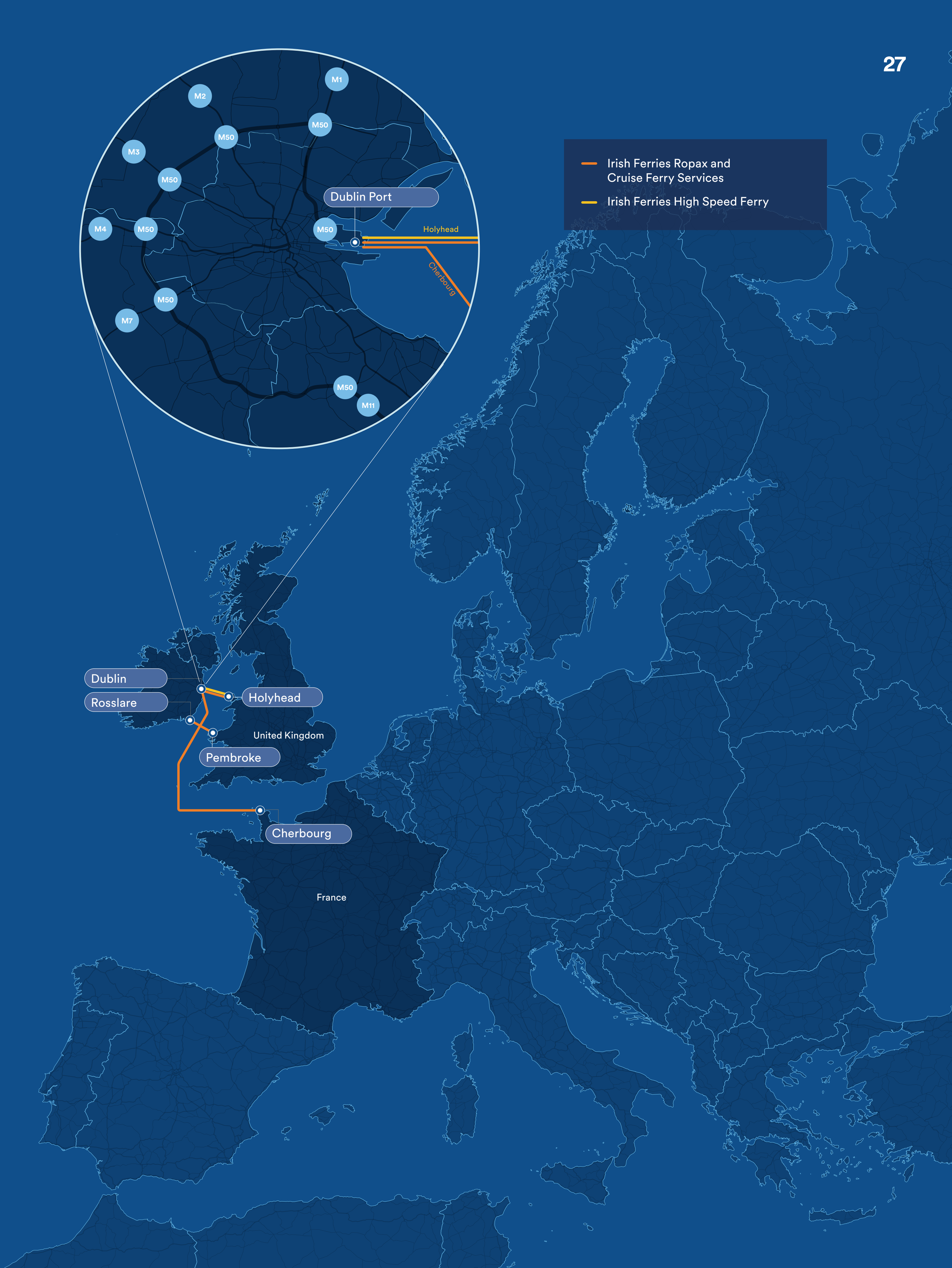
Vessel	Type	Employment
Ulysses	Cruise ferry	Dublin – Holyhead
Isle of Inishmore	Cruise ferry	Rosslare – Pembroke
Epsilon (chartered-in)	Ropax vessel*	Dublin – Holyhead / Cherbourg
Dublin Swift	High speed ferry	Dublin – Holyhead
W.B. Yeats	Cruise ferry	Dublin – Holyhead / Cherbourg

Chartered out by Ferries Division

Vessel	Type	Employment
Ranger	LoLo container vessel	Charter – 3rd Party
Elbfeeder	LoLo container vessel	Charter – Inter-Group
Elbtrader	LoLo container vessel	Charter – Inter-Group
Thetis D	LoLo container vessel	Charter – 3rd Party
CT Rotterdam	LoLo container vessel	Charter – Inter-Group
Elbcarrier	LoLo container vessel	Charter – Inter-Group

*A Ropax ferry is a vessel with RoRo freight and passenger capacity.

IRISH FERRIES


Irish Ferries Ropax and Cruise Ferry Services
Irish Ferries High Speed Ferry
M1
M2
M50
M3
M50
M50
Dublin Port
M4
M50
M50
Holyhead
Cherbourg
M50
M7
M50
M11
Dublin
Rosslare
Holyhead
United Kingdom
Pembroke
Cherbourg
France

The Ferries Division

Continued

2020 Overall Ferries Division Performance

● 2020 ● 2019

Revenue	EBITDA	EBIT	Non-trading item	ROACE
€141.4m	€22.3m	€(12.3)m	€(11.2)m	(4.2)%
€212.4m | -33.4%	€67.2m | -66.8%	€36.4m | -133.8%	€14.9m | -175.2%	17.6% | -21.8pts

Revenue in the division was 33.4% lower than the previous year at €141.4 million (2019: €212.4 million). Revenue in the first half of the year decreased by 33.2% to €61.6 million (2019: €92.3 million), while in the second half revenue decreased 33.5%, to €79.8 million (2019: €120.1 million). EBITDA decreased to €22.3 million (2019: €67.2 million) while EBIT was €(12.3) million compared with €36.4 million in 2019.

Fuel costs were €23.8 million, a decrease of €10.9 million on the prior year. The division achieved a return on capital employed of (4.2)% (2019: 17.6%).

In total Irish Ferries operated 4,501 sailings in 2020 (2019: 4,934), the decrease due to the lay-up of the Dublin Swift.

Car and Passenger Markets

It is estimated that the overall car market*, to and from the Republic of Ireland, fell by approximately 63.5% in 2020 to 284,000 cars, while the all-island market, i.e. including routes into Northern Ireland, is estimated to have decreased by 51.8%. Irish Ferries' car carryings during the year were down on the previous year by 65.8% to 137,100 cars (2019: 401,300 cars). The reduction in carryings were primarily due to the Covid-19 travel restrictions in place for most of the year.

The total sea passenger market (i.e. comprising car, coach and foot passengers) to and from the Republic of Ireland decreased by 62.5% on 2019 to a total of 1.1 million passengers, while the all-island market decreased by 56.2%. Irish Ferries' passenger numbers carried decreased by 66.3% at 519,000 (2019: 1.54 million). In the first half of the year, Irish Ferries passenger volumes fell by 63.9% and in the second half of the year, which is seasonally more significant, the decrease in passenger numbers was 68.1%.

The Ferries Division delivered 98% of scheduled sailings compared with 92% in the previous year across all services. Due to Covid-19 travel restrictions, the fastcraft Dublin Swift was layed-up for the year and did not operate any sailings.

In 2020, Irish Ferries rapidly adapted its planned marketing and promotional campaigns to respond to the evolving Covid-19 pandemic. Focus moved to our 'Travel Safe' programme and to providing information about our on-board environment with fresh air circulation, access to outdoor decks, space for social distancing, as well as the introduction of new cleaning regimes and procedures onboard to maximise the safety for all passengers undertaking essential travel.

Our website and social channels continued to be much visited and valued hubs for information on these safety measures, the latest updates on travel restrictions in the Irish, British and French marketplaces, as well as providing reassurance on the continuity of our sailing schedules. Our social following increased across the main platforms including Twitter, Facebook and Instagram. Where needed, Irish Ferries also liaised with relevant authorities for the repatriation requirements of citizens stranded because of the pandemic.

Irish Ferries continued to collaborate throughout the year with state tourism agencies in Ireland (Tourism Ireland and Fáilte Ireland) as well as in our tourism source markets for Wales (Visit Wales) and France (Normandy Tourism and Cotentin Tourism). This was to ensure we had the latest insights for each market and that we are ready to deliver co-operatively funded advertising and publicity initiatives once travel for leisure and tourism is advisable again.

*(Market figures source: Passenger Shipping Association and Cruise & Ferry)

In a year of unprecedented challenges, we continued to work in partnership with the travel trade. In 2020, we were delighted to be recognised once again by travel trade professionals and were voted 'Best Ferry Company' for the 10th year in a row at the Irish Travel Industry Awards and were awarded in the UK 'Best Ferry or Fixed Link Operator' in the Group Leisure & Travel awards for the second year running. These awards were a welcome recognition of our professionalism in handling the difficult circumstances this year.

Sunflower Lanyard

In February 2020, Irish Ferries became the first Irish travel operator to introduce the hidden disability Sunflower Lanyard scheme across its entire fleet. Available to all passengers with hidden disabilities, and an addition to the full range of services already available to passengers with restricted mobility, the discreet Sunflower Lanyard enables crew who are specially trained, to readily identify those on-board who may require some extra help, time or assistance.

Frontline Crew

Our frontline staff and crew adapted to the new challenges and requirements of the extraordinary Covid-19 circumstances, introduced new procedures and cleaning regimes as well as embracing a continuous testing protocol. These measures ensured they were kept safe while providing the highest standards onboard to ensure continued connectivity for our island and protection for our key freight workers and essential travellers.

(See website with details of our 'Travel Safe' programme: *https://www.irishferries.com/ie-en/offers/Travel-Safe/*)

The Ferries Division

Continued

RoRo Freight

The RoRo freight market* between the Republic of Ireland, and the UK and France, fell slightly in 2020 on the back of Covid-19 restrictions in the early part of the year, but was mostly offset in the second half as the Irish and UK economies opened up again. The market was further strengthened due to stockpiling in advance of the end of the UK's transition period upon exiting the EU. The total number of trucks and trailers was down 1.2%, to approximately 1.03 million units. On an all-island basis, the market decreased by approximately 1.9% to 1.84 million units.

Irish Ferries' carryings, at 335,500 freight units (2019: 313,200 freight units), increased by 7.1% in the year with volumes down 2.7% in the first half and up 16.6% in the second half. The performance against the market is principally related to the attraction of the short sea market over other routes.

Irish Ferries has also been proactive in the online environment for freight customers. In recent years high-quality mobile options have been developed, alongside the traditional desktop, whereby customers can access our freight reservations systems with ease. This has facilitated an increasing proportion of our business being booked via our website, *www.irishferriesfreight.com*.

Chartering

The Group continued to charter a number of ships to third parties during 2020. Overall external charter revenues were €5.9 million in 2020 (2019: €5.3 million). Of our six owned LoLo container vessels, four are currently on year-long charters to the Group's container shipping subsidiary Eucon on routes between Ireland and the Continent whilst two are chartered to third parties. The Oscar Wilde continues on a bareboat hire purchase agreement with MSC Mediterranean Shipping Company SA.

Outlook

We look forward to a recovery of our tourism markets once government vaccination programs are significantly advanced, leading to the gradual easing and eventual lifting of Covid-19 travel restrictions. We expect the improvements to our schedule integrity achieved in 2020 to continue and improve into 2021 with the continued benefits derived from our extensive drydock programmes on the Ulysses and Isle of Inishmore and the continued operation of the W.B. Yeats.

Despite the difficult year for the Group, we take comfort from the continued strength of our balance sheet and the high quality and performance of our asset base.

The Container and Terminal Division

The Container and Terminal Division provides direct container shipping services between Ireland and Continental Europe together with the operation of container terminals at both Dublin and Belfast.

The division's intermodal shipping line Eucon is the market leader in the sector, operating a core fleet of six chartered container vessels ranging in size from 750 – 1,000 teu capacity, connecting the Irish ports of Dublin, Cork and Belfast with the continental ports of Rotterdam and Antwerp. Eucon offers feeder services to the Deep Sea Lines and a full intermodal service between Ireland and Continental Europe. Eucon deploys 4,200 owned and leased containers (equivalent to 8,100 teu) of varying types thereby offering a full range of services from palletised, project and temperature controlled cargo to Irish and European importers and exporters from all points on the island of Ireland to destinations across 20 European countries. Door-to-door services are contracted to third parties utilising a variety of transport modes including road, rail and barge.

Dublin Ferryport Terminals (DFT) operates its Dublin Port container facility from a leasehold facility with a remaining lease term of 101 years, covering over 34 acres. The facilities comprise 480 metres of berths for container ships, with a depth of nine to eleven metres and is equipped with three modern gantry cranes (40 tonne capacity) and ten rubber-tyred gantries (RTGs) (40 tonne capacity) on a strategically located site within three kilometres of Dublin city centre and within one kilometre of the Dublin Port Tunnel, providing direct access to Ireland's motorway network. Of the ten RTGs operated by DFT, four are electrically operated, incorporating latest technologies to allow for remote operation of which two were delivered and commissioned during the year.

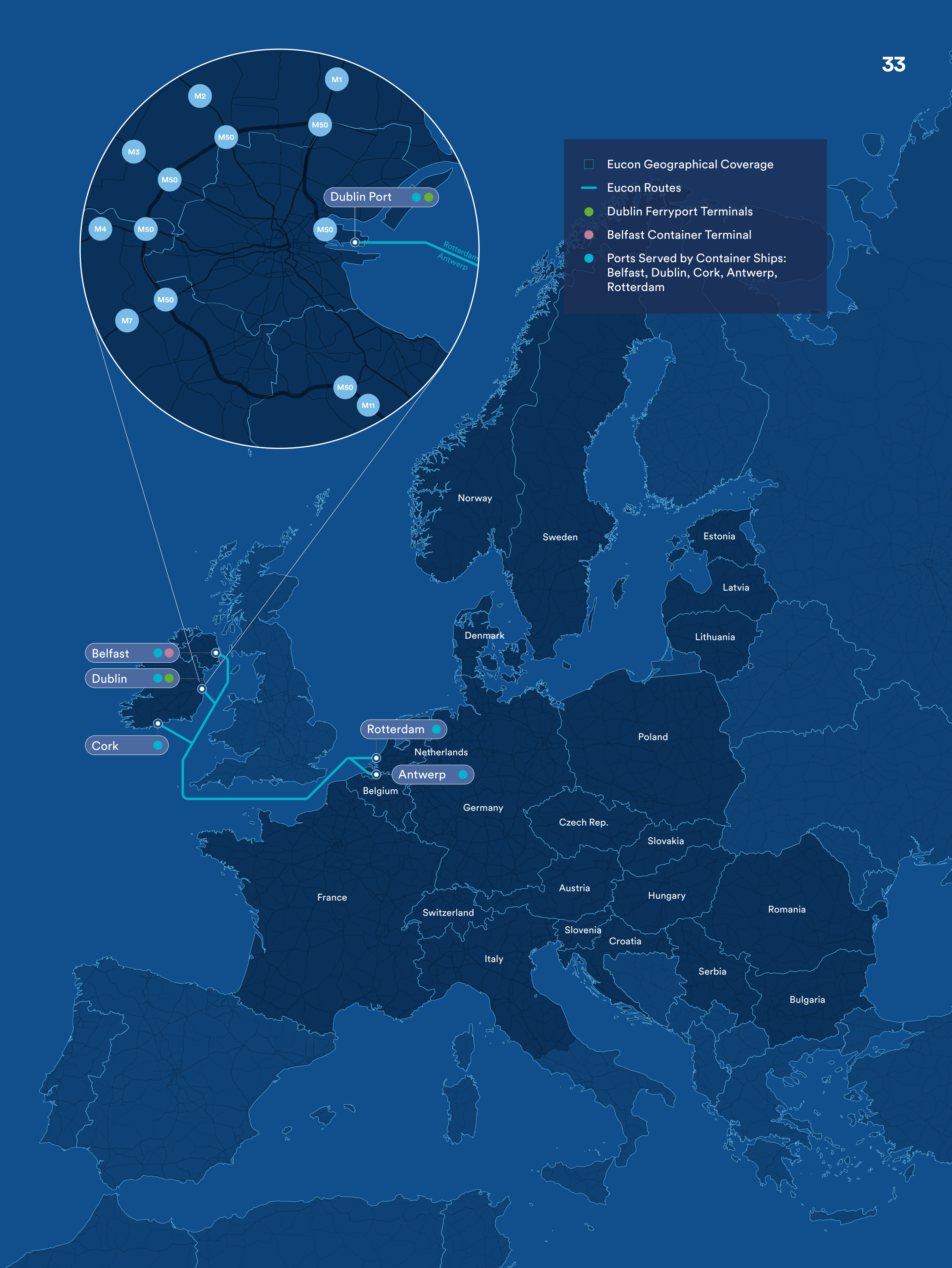
Belfast Container Terminal (BCT) operates the sole container terminal at Belfast under a services concession agreement with Belfast Harbour Commissioners (BHC) at a 27-acre site in Belfast Harbour. In 2019, the Group agreed an extension to this services concession agreement to 2026. The £40m re-investment project by BHC is well underway which includes extensive civil works and the delivery of two new gantry cranes and eight new electrically operated RTGs incorporating the latest technologies to allow for remote operation similar to the RTGs operated at DFT. During 2020, two gantry cranes were delivered and commissioned to bring the total number on site to three. In December 2019, six RTGs were delivered with a further two delivered in June 2020. Of the eight RTGs, five are commissioned and in use with the remaining three to be commissioned during 2021. These RTGs are supplemented by two rail mounted gantry cranes that will be phased out of operation during 2021.

The Group was successful in a public tender process to be the first operator in the new Dublin Inland Port. The Group has signed a 20-year lease for this operation. The facility is expected to come online by the end of 2021.

2020 Overall Container and Terminal Performance

● 2020 ● 2019

Revenue	EBITDA	EBIT	ROACE
€146.5m	€19.8m	€13.1m	21.0%
€154.4m | -5.1%	€19.6m | +1.0%	€13.6m | -3.7%	28.6% | -7.6pts


Eucon Geographical Coverage
Eucon Routes
Dublin Ferryport Terminals
Belfast Container Terminal
Ports Served by Container Ships: Belfast, Dublin, Cork, Antwerp, Rotterdam
M1
M2
M50
M3
M4
M7
M11
Dublin Port
Rotterdam
Antwerp
Belfast
Dublin
Cork
Norway
Sweden
Estonia
Latvia
Lithuania
Denmark
Netherlands
Belgium
Poland
Germany
Czech Rep.
Slovakia
Austria
Hungary
Romania
France
Switzerland
Slovenia
Croatia
Italy
Serbia
Bulgaria

The Container and Terminal Division

Continued

Revenue in the division decreased to €146.5 million (2019: €154.4 million). The revenue is derived from container handling and related ancillary revenues at our terminals and in Eucon from a mix of domestic door-to-door, quay-to-quay and feeder services with 70% (2019: 70%) of shipping revenue generated from imports into Ireland. With a flexible chartered fleet and slot charter arrangements Eucon was able to adjust capacity and thereby continue to meet the requirements of customers in a cost effective and efficient manner.

EBITDA in the division increased by 1.0% to €19.8 million (2019: €19.6 million) while EBIT fell 3.7% to €13.1 million (2019: €13.6 million).

In Eucon overall container volumes shipped were down 7.9% compared with the previous year at 316,300 teu (2019: 343,400 teu). Covid-19 impacted our feeder volumes as imports from the Far East, which hub through the ports of Rotterdam and Antwerp, were lower in the first half of 2020. Volumes improved in the second half of the year as production and demand adjusted to the Covid-19 environment. The resulting revenue decrease was offset by disciplined capacity management where we reduced our core operating fleet from six vessels to five vessels.

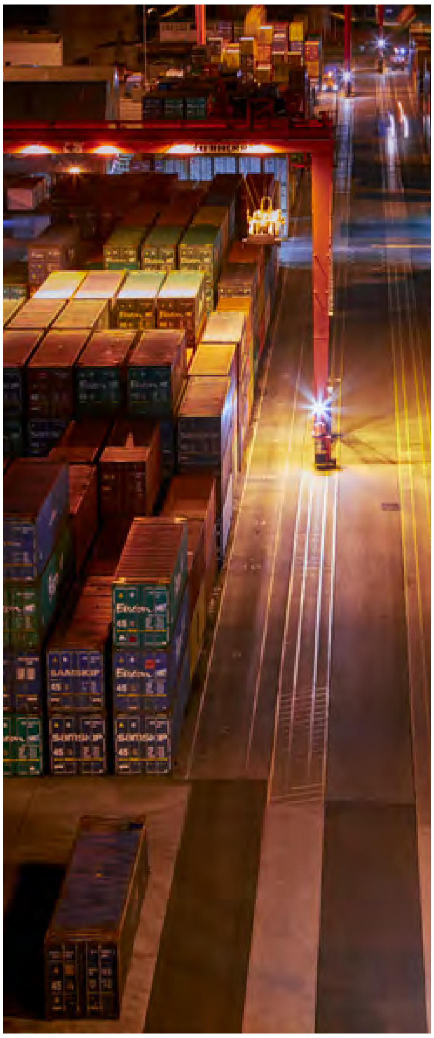
Containers handled at the Group's terminals in DFT and BCT were down 8.9% at 292,400 lifts (2019: 320,800 lifts). DFT's volumes were down 7.1%, while BCT's lifts were down 11.4%.

Outlook

We have reintroduced a sixth vessel to the fleet from January 2021 and look forward to returning to a growth trend in EBIT which is testament to our investment in the business in driving efficiencies and nurturing close customer relationships. We are pleased with the commissioning of our new remotely operated RTGs and continue to enjoy the efficiency and environmental benefits they provide. These will further drive efficiencies and increase operating capacity in our Dublin terminal. The opening of the Dublin Inland Port expected in 2021, will provide further new opportunities in both the inland port itself and the core Dublin Terminal due to the additional operating capacity it will provide. With the concession agreement at our Belfast terminal facility now extended to 2026, we look forward to continue working on the completion of the £40m re-investment project with BHC and assisting in the delivery of additional terminal capacity to the market.


UASC

Financial Review



Results

Revenue for the year amounted to €277.1 million (2019: €357.4 million) while operating profit before non-trading items amounted to €0.8 million compared with €50.0 million in 2019. Principal variations on the prior year relate to the reduction in passenger traffic due to Covid-19 travel restrictions.

Taxation

The tax charge is €1.0 million compared with a charge of €1.3 million in 2019. The corporation tax charge of €1.2 million (2019: €1.2 million) comprises Irish and UK corporation tax. Certain activities qualify to be taxed under tonnage tax (which is an EU approved special tax regime for qualifying shipping activities) in Ireland. Reconciliation of the tax charge showing the effect of the tonnage tax regime on the Group's tax charge is shown at note 8. The deferred tax credit was €0.2 million in 2020 compared to a charge of €0.1 million in 2019.

Earnings per share

Basic EPS was (10.2) cent compared with 31.7 cent in 2019. The reason for the decrease in Basic EPS is due to the decrease in profit attributable to equity holders of the parent to €(19.0) million (2019: €60.2 million) with no significant movement in the average shares in issue.

Adjusted EPS (before the net interest cost on defined benefit obligations and non-trading items) was (4.3) cent compared with 23.8 cent in 2019.

Cash flow and investment

EBITDA for the year was €42.1 million (2019: €86.8 million). There was a net inflow of €10.6 million due to positive working capital movements, payments in excess of service costs to the Group's pension funds of €1.1 million and other net cash inflows amounting to €0.6 million, yielding cash generated from operations amounting to €51.2 million (2019: €89.5 million).

Interest paid was €3.7 million (2019: €3.5 million) while taxation paid was €1.4 million (2019: €1.2 million).

Capital expenditure outflows amounted to €30.1 million (2019: €54.1 million) which included €19.3 million of strategic capital expenditure related to the purchase and installation of EGCS on the Ulysses, four of the Group's owned container vessels and the commissioning of two electrically powered, remotely operated RTGs at DFT. This investment was partially offset in the year by the return of the vessel building deposit relating to Hull 777 of €33.0 million by way of refund guarantee.

Dividend payments of €nil (2019: €24.7 million) were made during the year and €1.7 million (2019: €12.9 million) was expended in buying back the Group's equity.

The above cash flows resulted in a year-end net debt of €88.5 million (2019: €129.0 million net debt), which comprised gross borrowings of €200.4 million (2019: €203.9 million), lease obligations of €38.5 million (2019: €36.0 million) offset by cash balances of €150.4 million (2019: €110.9 million). The key net debt / EBITDA (pre non-trading items) ratio was 2.1 times (2019: 1.5 times).

Dividend and share buybacks

On 1 July, the Group announced that due to the effects of Covid-19 on current trading and notwithstanding that the Group retained a strong liquidity position, the Directors had considered it prudent not to proceed with the 2019 final dividend previously announced and also did not declare any interim dividend.

In light of the travel restrictions continuing into 2021 and uncertainty around when they may be eased the Directors also consider it prudent not to declare a final dividend in relation to the year ended 31 December 2020.

During the year the Group bought back 570,000 shares which were cancelled. The total consideration paid for these shares was €1.7 million.

Pensions

The Group has four, separately funded, company-sponsored defined benefit obligations covering employees in Ireland, the UK and the Netherlands. The Group also participates in the UK based industry-wide scheme, the Merchant Navy Officers Pension Fund (MNOPF) in which participating employers share joint and several liability. Aggregate pension assets in the four company-sponsored schemes at year end were €139.6 million (2019: €298.4 million), while combined pension liabilities were €140.8 million (2019: €289.6 million). The total net deficit of all defined benefit pension schemes at 31 December 2020 was €1.2 million in comparison to €8.8 million surplus at 31 December 2019.

Financial Review

Continued

On 9 December 2020, the Trustee of the Group's principal defined benefit pension scheme entered into a transaction whereby the liabilities relating to pensions in payment at the transaction date were transferred to a third-party insurer on payment of a premium of €160.6 million. This gave rise to a non-cash settlement loss of €9.3 million being the difference between the present value of the transferred liabilities discounted at the AA corporate bond rate used for IAS 19 valuation purposes at the transaction date and the premium paid. The Trustee, in agreement with the Company, also augmented the pension benefits of certain members resulting in an augmentation cost of €1.1 million being the present value of the future benefit changes. The Group's subsidiary Irish Ferries Limited, the sponsoring employer of the scheme, underwrites the scheme's administration expenses and incurred expenses totalling €0.8 million relating to the above transaction. This is an important step for the Group in both reducing the quantum and volatility of pension liabilities on its balance sheet and safeguarding pensioner benefits into the future.

Financial risk management

The principal objective of the Group's treasury policy is the minimisation of financial risk at reasonable cost. To minimise risk, the Group may use interest rate swaps and forward foreign currency contracts. The Group does not trade in financial instruments for speculative purposes.

Interest rate management
The interest rates on Group borrowings at 31 December 2020, comprising loan notes and finance lease obligations have been fixed at a contracted rate at the date of drawdown with the relevant lender, eliminating exposure to interest rate risk on borrowings. The average effective interest rate at 31 December 2020 was 1.60% (2019: 1.60%). Debt interest cover under our banking covenants to operating cash flows for the year was 10.7 times (2019: 31.6 times).

Currency management
The Group has determined that the euro is the operating currency in which it reports its results. The Group also has significant sterling and US dollar cash flows. The Group's principal policy is to minimise currency risk by matching foreign currency assets and liabilities and to match cash flows of like currencies. Exposure to the US dollar relates mainly to fuel costs. The Group has in place fuel surcharge arrangements with its commercial customers which recovers a portion of movements in euro fuel costs above a base level which partially mitigates the exposure to US dollar currency movements.

Commodity price management
Bunker oil costs constitute a separate and significant operational risk, partly as a result of historically significant price fluctuations. In the Container and Terminal Division bunker costs above a base level are offset to a large extent by the application of prearranged price adjustments with our customers. Similar arrangements are in place with freight customers in the Ferries Division. In the passenger sector, changes in bunker costs are included in the ticket price to the extent that market conditions will allow. Bunker consumption was 107,300 tonnes in 2020 (2019: 122,000 tonnes). The reduction in consumption was primarily due to the lay-up of the fastcraft Dublin Swift. The cost per tonne of heavy fuel oil (HFO) fuel in 2020 was 23% lower than in 2019 while marine gas oil (MGO) was 30% lower than in 2019.

Credit risk
The Group's credit risk arising on its financial assets is principally attributable to its trade and other receivables. The concentration of credit risk in relation to trade is limited due to the exposure being spread over a large number of counterparties and customers. The Group also has a significant long term receivable relating to a bareboat hire purchase arrangement which is secured by retention of title to the vessel.

Liquidity
It is Group policy to maintain available facilities which allow the Group to conduct its business in an orderly manner. The target level is reviewed from time to time in line with the Group's future requirements over the medium term and will comprise cash deposits and committed banking facilities. Total available facilities at 31 December 2020 amounted to €240.8 million, comprising cash balances of €150.4 million together with undrawn committed facilities of €90.4 million with average maturity of 3.1 years (2019: 4.1 years). Total drawn facilities of €201.2 million had an average maturity of 4.6 years (2019: 6.2 years) over remaining terms of up to 10 years (2019: 11 years).

David Ledwidge,
Chief Financial Officer

10 March 2021


TRADER

Sustainability

A commitment to safeguarding the environment and operating in a sustainable manner is a key deliverable of ICG strategy. A continuous focus on improving operational efficiencies results in lower inputs and wastage levels, and maximises asset lives all of which ultimately improves our environmental performance.

In recognising that small changes can deliver cumulatively large efficiencies over time, ICG has developed a Group-wide environmental framework, the objective of which is to facilitate the continuous improvement of the environmental effects of the Group's activities in a unified and structured manner. The key to this is to leverage the information and knowledge gathered as part of our regulatory compliance obligations to drive awareness of individual actions in reducing our operating footprint.

On a wider societal level the Group plays a pivotal role in Ireland's traded goods logistical chain while Irish Ferries' passenger services contribute significantly to the tourism industries of Ireland, the UK and France.

The Group's principal activity is the operation of ships and provision of related services. While transport by sea is one of the most efficient modes of transport, these activities still have an unavoidable impact on the environment. This report provides a summary of the principal initiatives implemented by the Group to minimise this impact over four key areas; emissions, waste and resource use, employee health and safety, and diversity and inclusion.

Our Purpose

Our purpose is to achieve continued success in our chosen markets, delivering a safe, reliable, timely, good value and high-quality experience to our customers in a way that minimises our impact on the environment.

The successful delivery of the Group's customer value proposition is underpinned by a commitment to minimising our environmental impact and enhancing the sustainability of all Group activities.

Sustainable success for the Group means operating in harmony with the environment and contributing to a prosperous future for all our stakeholders. In working towards this vision, the Group endorses the United Nations (UN) Sustainable Development Goals (SDGs). The SDGs were first adopted by UN member states in 2015 as an urgent call to address 17 global environmental and socioeconomic issues with the ambition to meet 169 related targets by 2030. While not all SDGs can be tackled by the Group, we have prioritised five areas where we can positively contribute and are committed to in our sustainability initiatives.

In addition to our commitment to the SDGs, we continue to review established Environmental, Social, and Corporate Governance (ESG) and sustainability reporting frameworks as part of our commitment to

enhanced disclosure and transparency, and our process to set meaningful KPIs for the business. Our review of various frameworks includes the requirements set out by Sustainability Accounting Standings Board (SASB) and the Taskforce on Climate-related Financial Disclosures (TCFD). We include within this report many of the reporting metrics set out in these frameworks and intend to further enhance our reporting during 2021 for our Annual Report in 2022.

Sustainability and Governance

During 2020, we commenced a rigorous review of our approach to oversight and governance of sustainability, which is central to the development of an effective strategy. That review has already led to the allocation of additional resources to assist with the implementation of the Group's sustainability programme and enhancing the Group's disclosure. While sustainability is a key focus for the Group, the review will include an in-depth evaluation of the terms of reference of the Board's sub-Committees, our reporting framework and engagement with stakeholders.

The Voyage Ahead

The Group plays a major role in Ireland's international logistics chain while Irish Ferries' passenger services contribute significantly to the tourism industries of Ireland, the UK and France. With consideration for these societal roles, the Group acknowledges a responsibility to ensure our services are delivered in a manner which protects our shared environment and reflects the values of wider society.

While the Group has focused on sustainability initiatives for many years, our approach has needed to evolve to manage our ESG responsibilities in a combined, systematic way, resulting in the development and evolution of our Group-wide environmental framework. Our current ESG maturity level and the stages involved in the voyage ahead are outlined below:

Timeline	Maturity	
Prior to 2020	Fragmented	• Sustainability measures were managed within the relevant departments. • Sustainability measures focused on regulatory and compliance activities, such as IMO 2020. • No overall policy encompassing all areas of sustainability.
2020–2021	Organised	• Enhanced understanding of the full range of Group activities that carry an ESG impact. • Sustainability is a key component of Group strategy. • Review of sustainability reporting frameworks. • Focus on data collection, identifying baselines and developing KPIs across all ESG areas. • Design of sustainability management programmes such as 'Green Voyages'.
2022–2025	Effective	• Further sustainability targets to be set across our ESG areas. • Sustainability programmes within our operations to be fully implemented and effective. • Enhanced reporting of ESG metrics in line with emerging reporting standards.
After 2025	Influential	• Progress towards the IMO's CO_2 reduction targets of 40 per cent by 2030, towards helping to achieve UN SDGs for 2030 and towards further targets set by the Group. • Sustainability embedded in the ICG culture and in all key decisions made. • Looking beyond our own operations to assess and positively influence the ESG activities of all entities that conduct business with the Group.

Sustainability

Continued

Emissions

The Group strives to achieve continuous improvement in reducing its greenhouse gas emissions through investments in efficient systems, plant and equipment and adopting well researched techniques.

The Group complies with the provisions of MARPOL (The International Convention for the Prevention of Pollution from Ships) Annex VI – Prevention of Air Pollution from Ships. This is the main international treaty addressing air pollution prevention requirements for ships and imposes limits on nitrogen oxide (NOx) emissions from both main propulsion and auxiliary engines and limits on the sulphur content of marine fuels.

In 2020, new limits on sulphur content of fuel oils came into effect, adding to the already imposed 0.10% content sulphur limit when operating within the Sulphur Emissions Control Area (SECA). A 0.50% content sulphur limit was implemented from 1 January 2020 when vessels are operating in all other areas. These requirements have resulted in a significant global reduction in overall sulphur oxide (SOx) emissions from the shipping sector which will improve the air quality and the health of populations. To achieve these goals, the Group committed approximately €25 million to install exhaust gas cleaning systems (EGCS) in our owned and operated fleet. As at 31 December 2020, EGCS are fully installed on

- W.B. Yeats
- Ulysses
- Elbcarrier
- Elbfeeder
- Elbtrader
- CT Rotterdam

Following the completion of installation work on board the Ulysses, the Isle of Inishmore was scheduled to begin EGCS installation work in March 2020. However, due to the advent of Covid-19 it was postponed because of the associated project risks and health risks of undertaking the work during a pandemic. A decision to retro-fit EGCS on the Isle of Inishmore has been deferred further due to schedule requirements. In conjunction with the original equipment manufacturer, propulsion engine components on board the Isle of Inishmore are being developed for methanol consumption which we hope may ultimately help towards achieving our greenhouse gas reduction targets.

The Dublin Swift by design consumes marine gas oil which has a delivered sulphur content of less than 0.1% thus already in compliance and bettering the new regulatory requirement in its geographic area of operation. We continue to engage with our stakeholders, including our fuel suppliers and engine manufacturers to ensure we are positioned to become an early adopter, once a pathway to alternative fuels, including biofuels, becomes clearer.

CO_2 emissions and fuel consumption
All vessels owned and operated by the Group report annual CO_2 emissions, fuel consumption, transport work and average energy efficiency under the EU Monitoring, Reporting and Verification guidelines (MRV). Since MRV data has only been reportable from 2018, our insights from MRV results to date have been limited. We continue to evaluate the reporting methodologies across our activities to ensure we manage our consumption and efficiencies most effectively going forward.

	Number of sailings		Total CO_2 (mt)		$kgCO_2$/nm		gCO_2 per transport work (gCO_2/nm.mt)	
Group company	2020	2019	2020	2019	2020	2019	2020	2019
Irish Ferries	4,501	4,934	240,068	259,687	632.52	644.45	72.83	76.95
Eucon	522	616	94,660	106,450	257.94	265.04	43.44	44.53

Total CO_2 and fuel consumption on sailings	2020 (mt)	2019 (mt)
Total fuel from sailings	**107,300**	**122,000**
Total CO_2 emissions from sailings	**334,676**	**366,137**

Note: the 2020 aggregated data above is preliminary and subject to ship MRV audits.

While the Group is committed to a continued reduction in emissions and ongoing efficiency improvements to reduce fuel consumption per sailing, the decline in 2020 from 2019 also reflects the impact of Covid-19 where lower passenger and cargo volumes had a positive impact on reducing overall emissions levels and allowed practices that minimised fuel consumption to be employed.

Refrigeration and air conditioning emissions
All owned vessels are fully compliant with the EU Fluorinated Gases (F-gas) Regulation restricting the usage of certain hydrofluorocarbons (HFCs) and imposing bans on certain other HFCs with the highest global warming potential. The F-gas Regulation seeks to phase-down the use of HFCs by cutting F-gas emissions by two-thirds by 2030 compared with 2014 levels. This phase-down process is aligned with the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer which was ratified by the EU in 2018. The Group has targeted a zero-leak environment by 2022.

Efficient operations
Under IMO requirements each vessel has developed a Ship Energy Efficiency Management Plan (SEEMP). The SEEMP contains a multitude of measures intended to improve the energy and environmental efficiency of a ship in a cost-effective manner. While all plans are vessel-specific, they each follow a Plan-Do-Check-Act iterative cycle for improvement.

Sustainability

Continued

Key SEEMP measures, all of which improve the fleet environmental performance include;

- Speed optimisation for sea conditions
- Fuel efficiency maximisation
- Minimisation of hull resistance through sailing parameter optimisation
- Engine performance management
- Refrigeration gas consumption
- Boiler performance management
- Bunker management

In 2020, we introduced the Green Voyage programme to improve the operational efficiency of our ferries. For each vessel a standard operational profile was identified and takes into account factors such as;

- Efficient port operations
- Navigational routing
- Trim of vessel
- Weather conditions
- Speed management

An individual voyage is classed as a Green Voyage when it is conducted using reduced levels of machinery such as main engines, propeller shafts and generators than its standard operating profile, resulting in a reduction in fuel consumption and related emissions. Over sustained periods, increased numbers of Green Voyages shall also lead to reductions in planned maintenance due to reduced machine running hours, thereby improving schedule integrity.

The Group intended to use voyage data in 2020 as a baseline to monitor performance in subsequent years, however, due to Covid-19 and its impact on both passenger and freight volumes, baselining has been postponed until normal levels of activity resume. Nonetheless, the programme provided an excellent tool for managing the challenges faced during the year in ensuring that fuel consumption was minimised and machinery was operated at its most efficient.

A project is currently underway to integrate the Green Voyage programme within our new fleet performance management solution, ECO Insight. Following a trial period, ECO Insight was rolled out across the fleet in the final quarter of 2020. It provides real time analysis of vessel KPIs and impacting factors including fuel consumption, speed, operating configuration, weather conditions and more which allows for improved ship-to-shore communications and for joint decisions on efficiencies to be made promptly.

Efficient design

The efficiency characteristics of our fleet commence at the design phase with incremental improvements made over the life of a vessel. When commissioning new vessels, the Group is committed to the application of innovative design features intended to minimise environmental impact. By law, all new ships from 2013 onwards require an Energy Efficiency Design Index (EEDI) whereby new ship designs must meet an efficiency reference level.

The W.B. Yeats has a required EEDI of 18.5g of CO_2 per tonne-mile, which represents a 10 per cent efficiency improvement above baseline. Any new vessels built will fall under the subsequent EEDI phases. For example, phase two which applies to vessels built between 2021-2025 are required to have a design efficiency of at least 20 per cent above baseline, which would be a 10 per cent improvement in efficiency over the W.B. Yeats. An additional increase to 30 per cent above baseline will be effective from 2025 onwards.

To assist further with its goal to reduce carbon intensity by 40 per cent within the decade, the IMO in November 2020 approved amendments to MARPOL Annex VI to introduce an Energy Efficiency Design Index for existing ships (EEXI). Like the EEDI, EEXI will provide a specific rating to an existing ship design, expressed in CO_2 per ship's capacity mile. Expected to be implemented by 2023, the Group is actively working on proposals to ensure compliance and reduce emissions across the fleet in the forthcoming years.

In opting for EGCS, the Group performed a thorough assessment of alternatives, including a conversion to Liquified Natural Gas (LNG) fuels and found the EGCS option to be the safest and most environmentally friendly solution. In addition to managing sulphur emissions, studies have shown that EGCS can remove 60 to 90 per cent of particulate matter (PM or black carbon), including a portion of small and ultrafine PM, resulting in fewer particles released in the atmosphere compared to consuming 0.5% fuel oils or marine gas oil.

The W.B. Yeats, Ulysses and certain container vessels in our fleet are fitted with EGCS. EGCS utilises seawater in a process to remove sulphur and other particulate matter from the engine exhaust gases prior to release into the environment. The removed sulphur can be discharged to the sea in the form of sulphites along with the treated wash water. Sulphites are substances naturally occurring on the seabed.

The W.B. Yeats and Ulysses are fitted with the latest energy efficient propeller blades. These incorporate rotating propeller caps which decrease propeller resistance and increase thrust. This increases overall propulsion efficiency and reduces fuel consumption.

Sustainability

Continued

At our Dublin Terminal, we added two additional electrically powered rubber-tyred gantries (RTGs) to the fleet in 2020 to bring the total number of electric RTGs to four. The advantages over fuel powered RTGs are; greater efficiency due to zero idling, lower emissions and noise levels. The increased electrification and automation of our container stacks also help improve the level of occupational safety in the port.

The £40m re-investment project by Belfast Harbour Commissioners (BHC) is well underway which included the delivery of eight new electrically operated RTGs. In December 2019, six RTGs were delivered with a further two delivered in June 2020. Of the eight RTGs, five are commissioned and in use with the remaining three to be commissioned during 2021.

Waste and Resource Use

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

Ballast Water Management
The intake and discharge of ballast water (seawater) is an integral part of vessel stability management. However, poor management of ballast water systems can damage local biodiversity through transference of non-native marine species.

The Group has implemented a Ballast Water and Sediments Management Plan across its fleet for the enhanced management of ballast water to help prevent the spread of non-native marine species by transference. The W.B. Yeats has already been designed with ballast water treatment systems. In 2021, the Group will install ballast water treatment units onboard Ulysses, Epsilon and Thetis D along with engineering and procurement for the installation on the Isle of Inishmore and the remaining container vessels in early 2022. Pending completion of these upgrades, the operating protocol is that all ballast water is loaded and discharged at the same location to avoid species transfer.

Water conservation
All fresh water used on board our vessels is of potable standard. As this is both a scarce resource and an increasing cost, the Group seeks to reduce consumption on board vessels through water saving devices such as flow controllers without interrupting our guests' comfort. Water conservation is covered within our environmental awareness guidelines for crews.

Paint
A key factor that affects vessel performance besides the optimal engineered design of the hull is the maintained condition of the hull itself. Central to this is maintaining a smooth underwater hull surface to reduce resistance when moving through the water. Once in service a vessel's hull is exposed to corrosion and fouling, which studies indicate can adversely affect fuel consumption by up to 4 per cent. To maintain maximum efficiency as part of ongoing maintenance our vessels utilise modern silicon-based non-toxic paints which avoid the release of harmful agents into the sea. These assist in preventing corrosion thereby ensuring maximum hull life, reducing fouling between drydocking periods and lowering the risk of damage to local biodiversity.

Hazardous materials
There has been increased onus on the use of non-hazardous materials in designing and operating ships. From 31 December 2020, ships above 500 gross tonnes that fly the flag of an EU/EEA member state, or third-party vessels calling at European ports, must carry an Inventory of Hazardous Materials (IHM) certificate on board to demonstrate the control of hazardous materials on ships in compliance with both the EU Ship Recycling Regulation (SRR) and the Hong Kong Convention (HKC) for the Safe and Environmentally Sound Recycling of Ships.

All vessels underwent thorough survey and inspection during the year to ensure IHM certification was in place as required.

Oil waste

The disposal of waste at sea is strictly prohibited by regulation and all vessels have a waste disposal plan which includes procedures for minimising, collecting, storing, processing and disposing of waste in line with MARPOL requirements. All vessels use oil recovery systems to recover spent oils which are then sent for recycling to processors with regulatory approvals. Group personnel perform periodic inspections at the treatment facilities of our service providers to ensure high standards are maintained by our recycling and resource recovery partners.

Responsible consumption

Single-use plastic is a significant threat to ocean life and to the wider planet. It is estimated there are over 150 million tonnes of plastic in the world's oceans and each year one million birds and over 100,000 sea mammals die from ingesting or becoming entangled in plastic waste.

We made a commitment in 2019 to remove single-use plastics and other non-compostable consumables from our restaurants. In 2020, we joined the pledge by the UK Chamber of Shipping to remove all single-use plastics from our vessels and not just from our restaurants. We worked closely with our partners to identify and remove all single-use plastic items from our procurement templates and replace with compostable substitutes or alternatives. Among the single-use plastics replaced were;

- Plastic beverage bottles
- Food wrappers
- Plastic bottle caps
- Plastic straws
- Plastic carrier bags
- Plastic containers and lids
- Cotton buds
- Plastic packaging (from food, household items, laundry items etc.)
- Plastic ropes / coverings
- Plastic cartons and condiment sachets
- Plastic cutlery
- Plastic cups and plates

Each crew and office department have designated waste management champions. Their responsibilities are to ensure vessels and office areas are compliant with agreed procedures, to perform checks at waste segregation areas and to improve awareness of responsible consumption methods within their respective areas. During 2020, there was some temporary reintroduction of single-use materials as preventative measures for Covid-19, such as takeaway meals for freight drivers, but we are striving to ensure that compostable and recyclable materials are used as much as possible.

We minimise the number of deliveries to our vessels through containerised provisioning. Our supply chain partner also offers procurement of any new items requested on board our vessels to other customers, ensuring consistent warehouse supply and efficient use of delivery vehicles.

Office waste

While reliable comparisons on total waste volumes cannot be made between 2020 and prior years due to the number of staff working from home in 2020, our ratio of recycled waste to overall waste improved by 72 per cent on 2019.

Sustainability

Continued

Responsible cleaning and hygiene

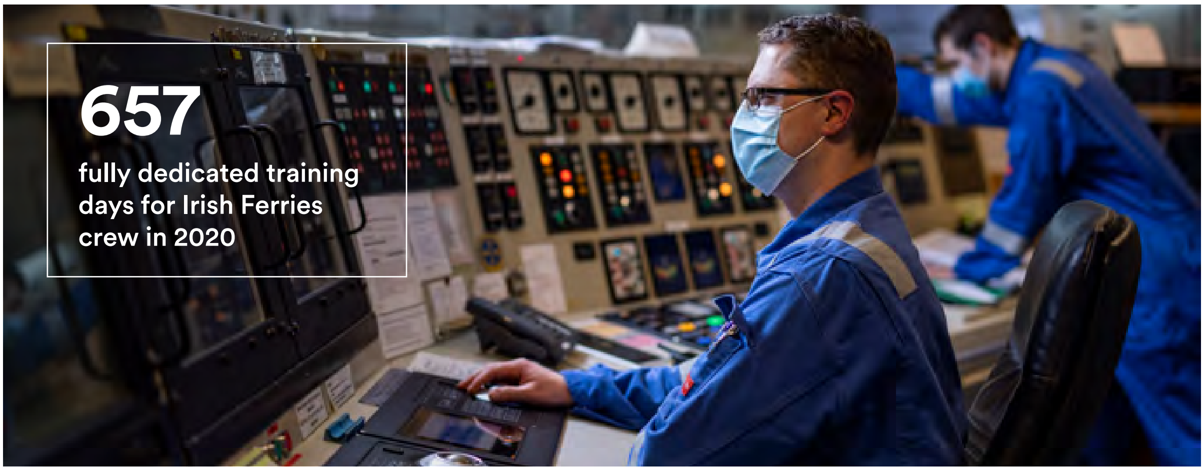
Our cleaning products used for hospitality services are innovative, safe and environmentally friendly. Our cleaning chemicals supplier is a global leader in water, hygiene and infection prevention solutions.

We work with one of Ireland's leading laundries whom we are satisfied is accredited as complying with a high environmental standard with a commitment to minimum use of harmful detergents and a recycling program.

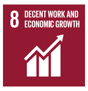
In our cabin accommodation we use ozone sanitary systems which have high oxidant power to eliminate odours and harmful bacteria and viruses while significantly reducing the use of chemical products.

Our tissues and napkins are ergonomically packaged to remove all unnecessary waste.

To protect our passengers and crew from Covid-19, all communal spaces on board our vessels are rapidly sanitised after each sailing using electrolysed water systems. These non-toxic and environmentally friendly systems use unique electrolysis cells to generate hypochlorous acid (HOCl) in solution through salt and water. The HOCl molecule is electrically neutral with high oxidation potential and has been shown in studies to work well against viruses including norovirus and human coronaviruses.



Employee Health and Safety



The protection and well-being of our staff, crews and other personnel who act on behalf of the Group is our main priority. Having a strong safety culture is critical for operating large ships and active container yards.

Training
We work closely with our technical managers who ensure crews receive appropriate health and safety training throughout the year. Prior to joining our crews, seafarers are required to have appropriate certification and registrations with the relevant flag authority. Among the training courses undertaken in 2020 were;

- STCW mandatory seafarer basic safety training for ship officers and crew.
- Crowd control training for ship officers and crew.
- Crisis control training for ship officers.
- Passenger safety, car deck safety and hull integrity training for deck and engine crew.
- Food safety training for ship pursers and hospitality crew.
- Firefighting training for crew with advanced training for deck and engine officers.
- Lifesaving equipment training for crew with advanced training for deck and engine officers.
- Lifeboat and rescue training for crew with advanced training for deck and engine officers.
- Medical care training for ship pursers and chefs.
- Human Element, Leadership and Management training for ship officers.
- Security Team and Conflict Management Training for ship officers, pursers and selected crew.

Safety induction training is required for all individuals, including workers, drivers and guests before entering our container terminals. On-site dedicated health and safety officers are also deployed.

Safety Inspection
Compliance with policy and procedures, both ashore and afloat, is monitored by regular and detailed audits. Audits are conducted by trained and experienced auditors in an open yet focused manner that drives compliance and improvement. Senior management monitor safety and audit performance across the Group, identifying and addressing safety trends and opportunities for improvement where they may arise.

In addition to the Group's own internal verification procedures, our activities are subject to regular routine inspection by national and international statutory bodies. They, like us, set high standards to ensure the safety and well-being of all personnel, passengers and cargoes; standards that we as a Group are ready to meet and exceed.

On land: As a minimum, all the Group's activities are conducted in strict compliance with the various statutory health and safety standards and international maritime regulations that apply. In accordance with the Safety, Health and Welfare at Work Act 2005 and its equivalents in other jurisdictions, the Group has in place safety policies and safety statements that guide our activities. We have in place a system of hazard identification and risk assessment that ensures all necessary steps are taken to minimise and mitigate safety risks. Agreed procedures ensure that activities and operations are conducted in a consistent and safe manner. By fostering a culture of employee competence and participation we empower

Sustainability

Continued

	2020		2019		2018	
	Exposure hours '000	LTIF	Exposure hours '000	LTIF	Exposure hours '000	LTIF
ICG employees	595	0.0	595	1.7	595	1.7
Key contractors	2,091	6.7	2,979	5.7	3,192	3.4
Total	**2,686**	**5.2**	**3,574**	**5.0**	**3,787**	**3.2**

	2020	2019	2018
LTIF on land	6.3	6.3	5.4
LTIF at sea	4.7	4.6	2.5

our employees to continuously improve the efficiency and safety of our activities, contributing to a safe environment for all.

At sea: The Group ensures that all its vessels are designed, operated and maintained in compliance with the International Convention for the Safety of Life at Sea (SOLAS). This Convention is administered by the UN's International Maritime Organisation and is subject to continuous international review and updating, ensuring vessel safety standards keep pace with societal expectations and technological advances.

The safety and security of crews, passengers and cargoes is critical to our business, and is always the primary consideration. The Group's vessels are certified in accordance with the International Safety Management (ISM) Code, the international standard for the safe management and operation of ships and for pollution prevention.

The Group also operates in full compliance with the International Ship and Port Facility Security (ISPS) Code on board all vessels and at all locations. The onboard management of vessels was performed by experienced third-party ship managers on behalf of the Group. While the focus is on accident prevention where incidents do occur, effective internal and external reporting and investigation systems are employed to identify the cause of such incidents and put in place actions to prevent recurrence. Due to the highly regulated environment in which we operate, incidents may be subject to external investigation by the appropriate regulatory authority. The Group will always assist the authorities in any such matters.

Lost Time Injury Frequency

Lost Time Injury Frequency (LTIF) measures the number of recordable workplace incidents resulting in lost days over a year per million hours worked. The Group has a targeted LTIF for its activities on land of <5 and <3.5 for its activities at sea by 2023.

Covid-19

Significant efforts were made throughout 2020 and 2021 to protect staff, key contractors and customers from the risk of infection from Covid-19 while maintaining essential travel and freight services within the markets we serve.

On land, we;

- Appointed Lead Worker Representatives.
- Purchased additional laptops, mobile phones and equipment to enable office staff to work from home.
- Introduced mandatory security awareness training for staff working remotely.
- Spread out office workspaces to ensure social distancing was maintained.
- Required the wearing of facemasks when moving within our buildings.
- Installed sanitisers throughout our buildings.
- Displayed signage throughout our buildings.
- Enhanced daily cleaning procedures within all our buildings.
- Conducted regular deep cleaning of all our buildings.
- Implemented procedures to be followed in the event of a suspected case within our offices.
- Circulated guidance to staff on an ongoing basis as new information emerged.
- Closed our gym facility in line with the imposed restriction levels.
- Operated our staff canteen services on a takeaway basis.
- Conducted our meetings virtually.

At sea;

- All crew were required to take Polymerase Chain Reaction (PCR) tests three days before onboarding.
- All crew were required to take rapid antigen tests immediately on boarding our vessels.
- Crew and passenger cabin management techniques were deployed.
- Passenger numbers were monitored on board to ensure social distancing on board vessels.
- Cleaning and sanitation procedures were enhanced.
- Fogging machines for rapid sanitation were deployed.
- The wearing of facemasks for all crew was required outside of cabins.
- The wearing of facemasks was required for all passengers, drivers and visitors.
- Form completion and temperature checks were required for all ship visits and inspections.
- Detailed social distancing procedures were implemented to socially distance all crew.
- Crew recreation arrangements were adjusted to ensure separation between crew from different departments and from different shift hours.
- Procedures were implemented to be followed in the event of a suspected case onboard.
- Arrangements were secured with shoreside hotels for immediate isolation of crew upon arriving at ports with a suspected case.
- Signage and announcements were enhanced to passengers and drivers.
- Sneeze guards and screens were erected at all customer contact points.
- Crew changes were staggered to limit exposure to crew on board.

Anti-slavery and human trafficking
The Group imposes strict obligations on the entities responsible for the technical and crewing management on board its vessels, the applicable contractors it employs and its management teams to comply with all applicable laws, including those relating to labour and employment practices. The Group requires a due diligence process to be conducted prior to the appointment of a contractor together with in-contract reviews.

Within its day to day operations, the Group has in place a range of measures to help ensure modern slavery and human trafficking are not taking place in its business or its supply chains. Measures adopted include;

- Provision of guidance to employees to support immigration and border agency initiatives to reduce human trafficking, which augments general observation for unusual behaviour in our ports and on board our vessels. Awareness of this issue is promulgated across all Group businesses.
- Working with other companies and organisations to share knowledge, learning and best practice and co-operating with a series of law-enforcement projects that help to combat human trafficking and modern slavery.
- Regular updates to management and committees on modern slavery so that Directors and key individuals understand their role and accountability for the prevention of modern slavery occurring in our businesses and supply chains.
- Actively monitoring our initiatives in preventing modern slavery and human trafficking by reference to reports and alerts from staff, the public and communication with law enforcement agencies.

Sustainability

Continued

Anti-bribery and corruption

The Group's gifts and entertainment policy applies to all staff, vendors, contractors and others who may be assigned to perform work or services for the Group. All forms of bribery or business courtesies that may create the appearance of a bribe are strictly forbidden. Limits and pre-approval requirements are imposed on the quantum and frequency of business courtesies received by staff.

Whistleblowing

The Group's whistleblowing policy provides a safe and secure mechanism to be followed where an employee wishes to raise in good faith a genuine concern about possible malpractices including, but not limited to;

- Fraudulent acts of any concern.
- Corruption, bribery or blackmail.
- Theft of money, property, intellectual property or any other assets of the Group.
- Misuse of Group resources or employee privileges.
- Falsification of any customer, supplier or other account.
- Collusion with any customer, supplier or other party not in the best interests of the Group.
- Failure to comply with a legal or regulatory obligation.
- Endangering the health and safety of an individual.
- Misrepresentation or concealment of material facts relating to any of the above.

All persons covered by the policy are protected from victimisation, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and not made maliciously or for personal gain. Where disclosures are made in the public interest, staff will have statutory protection in Ireland under the Protected Disclosures Act 2014.

In 2020 there were no (2019: nil) reported matters through the Group's whistleblowing channels.

Sustainable tourism and economic growth

For Irish Ferries passenger services, work is conducted in collaboration with the following tourism bodies;

- Tourism Ireland
- Visit Wales
- Cotentin Tourism
- Normandy Tourism

Co-operative campaigns are devised to promote sustainable tourism to address the areas and times of year requiring the most support which helps reduce seasonality difficulties in the least visited areas and attractions.

Where possible we seek to increase the use of local suppliers and showcase local produce in supporting artisan producers. Typical examples include our fish supplier, a large, family-owned fishmonger based in the fishing town of Howth in North County Dublin who supply locally sourced seafood utilising sustainable fishing methods.

We source all our fruit and vegetables through Irish distributors who guarantee to deliver the freshest produce from farms all around Ireland. When in season, Irish produce will always be selected before imported goods. All our beef is Irish produced and our Irish dairy, cheddar cheese and eggs are Origin Green certified, meaning the farms and producers we source from are independently monitored and verified under Ireland's pioneering food and drink sustainability program. Our breakfast meats are sourced in Kilkenny and Cork.

We are a strong promoter of Irish beverages, not only the larger brands but also smaller producers of craft beers and spirits. In line with the demands of our guests we now offer a wide variety of plant-based food and drink options in all our cafes and restaurants. Our coffees are provided by a Dublin-based roaster using the world's first purpose-built carbon neutral roastery in Dublin and coffees and teas served on board are fair trade certified.

Diversity and Inclusion

The Group believes that a diverse workforce where all people are respected, valued and treated equally helps create a buoyant culture of openness, acceptance and support. A strong corporate culture founded on diversity, respect and equality ultimately leads to better informed and well-rounded decision making and strengthens our ability to retain and attract talented individuals.

The ICG Equal Opportunities and Dignity at Work Policy reinforces these beliefs and covers;

- Communication procedures for all discriminatory or harassment complaints by employees or non employees.
- Investigation procedures for reported cases of discrimination or harassment.
- Post-investigation procedures including disciplinary action in line with the Group's disciplinary policy and regular checks to ensure the behaviour under investigation has ceased.
- A commitment to offering the same development and training opportunities to all employees.
- Assurances to conduct interviews objectively without discrimination against any candidate.
- Assurances to conduct performance appraisals and feedback in a sensitive, non-discriminatory manner.

In 2020 there were no (2019: nil) reported instances of discrimination or harassment against Group staff.

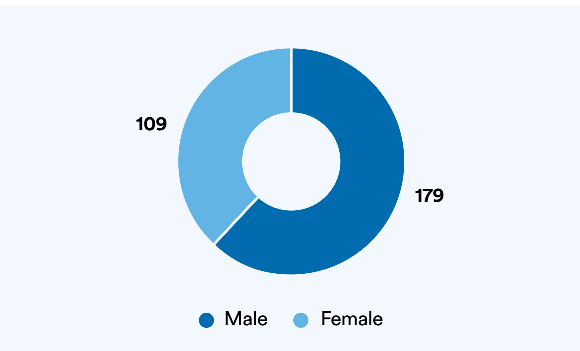
Our Gender Profile

	At 31 December 2020	At 31 December 2019
Total staff	288	307
Female	109	115
% Female	38%	37%
Management staff	64	64
Female	13	13
% Female	20%	20%

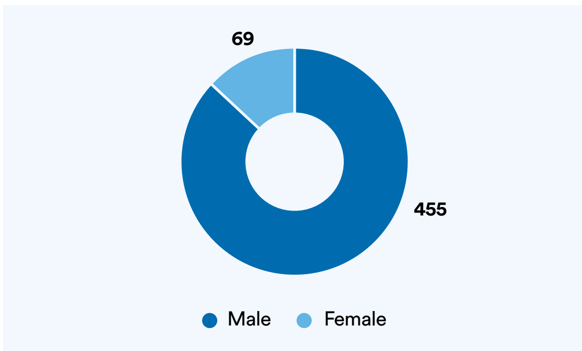
The Group's gender ratio is characteristic of its industry sector but remains imbalanced in comparison to wider society. The Group has committed to empowering women and improving its gender profile over time by;

- Ensuring our flexible work plans to facilitate parental duties do not preclude staff from career advancement opportunities.
- Improving the Group's female representation at Board level. In January 2021, Lesley Williams was appointed as a non-executive Director. Lesley brings valuable ESG expertise to the Group.
- Actively seeking out a greater pool of female candidates during recruitment processes across departments.
- Conveying the importance of diversity and equal opportunity to our key third-party contractors.

ICG Personnel at 31 Dec 2020



Key Contractor Personnel at 31 Dec 2020



Risk Management

Overview

Exposure to risk is an inherent element to carrying out the business activities of the Group; the operation of vessels and provision of related services. Effective risk management and internal control systems are essential to protect the Group from exposure to unnecessary risks and to ensure the sustainability of the Group's business.

The Board has overall responsibility for establishing procedures to manage risk, oversight of the internal control framework and determining the nature and extent of the principal risks the Group is willing to accept in order to achieve its long-term objectives. The Board has created a culture of risk awareness throughout the organisation whereby risk consideration is embedded in decision making processes.

The Board has delegated the monitoring of the Group's risk management and internal control systems to the Audit Committee. This assessment is carried out through the review of reports and presentations made by the Risk Management Committee (RMC) and Group Internal Audit. Further information on the Audit Committee activities is set out in its report on pages 84 to 87.

Risk Architecture, Strategy and Protocols

The Group follows international standard ISO 31000 (2018) 'Risk Management – Guidelines' in designing its risk architecture, strategy and protocols (RASP).

Risk Architecture
Roles, responsibilities, communication and risk reporting structure

Risk Strategy
Risk strategy, appetite, attitudes and philosophy are defined in the risk management policy

Risk Management Process

Risk Protocols
Risk guidelines for the organisation which include the rules and procedures, as well as the risk management methodologies, tools and techniques that should be used

The Group's risk architecture includes the roles and responsibilities of the Board and Group personnel in managing risk, along with internal reporting requirements. This is illustrated by the 'three lines of defence' framework.

Risk Management Framework

Roles, responsibilities, risk management policy, objectives and process overviews are documented within the Group's Risk Code. The Group has sought to adopt an Enterprise Risk Management (ERM) system that takes a unifying, broad and integrated approach to managing risks and aligns risk management to the achievement of strategic objectives.

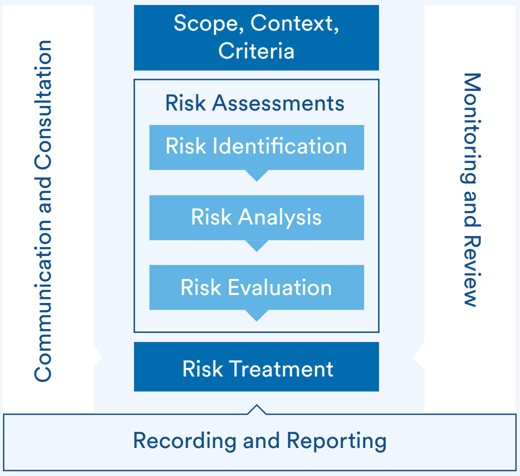
Role of the Risk Management Committee

The Risk Management Committee (RMC) established by the Group comprises members from across the three lines of defence, as well as having Board representation. With its mandate from the Board, the RMC is tasked with;

- Making appropriate recommendations to the Board on all significant matters relating to the development of risk strategy and processes of the Group.
- Keeping under review the effectiveness of the Group's risk management systems.
- Reviewing the Group's risk exposures in relation to the Board's risk appetite.
- Maintaining a robust Group Risk Register and ensuring risks are identified comprehensively and assessed consistently across classified risk areas.

Risk Management Process

The Group's Risk Management Process is underpinned by its RASP and is led by the RMC. The Group's process is based on the revised international standard ISO 31000 (2018), 'Risk Management – Guidelines', and provides an iterative and systematic approach to managing risks throughout the Group.



Risk Assessments and Monitoring

The Board sets the Group's risk appetite for classified risk areas. Risk appetite is communicated through the adoption of Risk Appetite Statements. These statements, along with internal capabilities, resources and industry factors provide context to how the Group's strategy is pursued and to which risks are assessed. The Board has a low acceptance for risks that may impact safety of vessels, workers and customers and compliance with relevant laws and regulations.

Each business owner is responsible for ensuring comprehensive risk identification and assessment is carried out covering their sphere of responsibility. Risks are identified through various means, including the use of an identification tool guiding risk assessors through several internal and external factors in identifying potential barriers to respective objectives. Risks are assigned to risk owners with responsibility for the activity generating the risk. Where a risk contains multiple causes and consequences, risk owners are required to collaborate in performing a cause and consequence analysis.

For some risks, this collaboration spans across departments and divisions within the Group.

Risk owners are ultimately responsible for the completion and maintenance of risk assessments across their respective risk areas. Risks are measured in terms of the likelihood of occurrence and estimated impact using a standardised scoring model. All evaluations are made from a Group perspective and are relative to Group risk appetite. Guidance tools are in place to ensure Group-wide consistency is achieved across risk assessments.

Existing control measures are documented and assessed within the risk assessment forms in determining net risk scores. All risk assessments are reviewed by members of the RMC before they are released to the Group Risk Register. The RMC and risk owners can prescribe the implementation of further control measures at the review stage.

The Group Risk Register is the central online repository for documenting, assessing and prioritising risks, and for documenting and prescribing control measures. The Register forms a significant portion of the Group's risk management process. The Group Risk Register is reviewed on a regular basis by the RMC.

Risk Management
Continued

Any necessary changes to the Group Risk Register are made throughout the year and can be prompted by;

- The occurrence of a risk event.
- The identification of new emerging risks or as circumstances of existing emerging risks change.
- Quarterly RMC meetings.
- Internal Audit or regulatory reviews.
- Annual risk owner reassessment.
- Changes in Key Risk Indicator measurements.
- New risk assessments completed within business area teams.

Risk information within the Group Risk Register is analysed and used for reporting principal risks to the Board and for Internal Audit planning. A presentation of the Group's principal and emerging risks is made to the Board at least annually or more frequently if warranted by developments. At these presentations the Board challenges the RMC in their processes and evaluations of the principal and emerging risks identified in the context of the Group's own risk policy, risk appetite and general market developments both within and outside the industry sector.

Emerging Risks

Risk monitoring is an ongoing process to reflect the dynamic nature of the environment in which the Group operates. The Group acknowledges three types of emerging risks that can arise. The first type are new risks that emerge in the Group's external environment. These are identified through the ongoing Group risk identification process. The second type are previously identified risks recorded in the Group Risk Register whose impact on Group activities has changed, prompting a reassessment. The third type are new risks emerging from the internal environment when changes to core processes are made. These are identified when undertaking new projects or engaging with new business partners.

Emerging risks are closely monitored and assessed as their uncertain nature can result in the risks becoming significant within a short timeframe. Emerging risks currently under review at the date of this report relate to greater employer responsibility for employee welfare, greater environmental and climate awareness driving increased corporate responsibility and regulatory requirements and long-term risks and opportunities associated with technological advancements.

Significant Risk Events during the Year

Covid-19 Pandemic
The Covid-19 pandemic first began to affect operations and pose a health risk to the Group's customers, staff and contractors in early March. The Group responded swiftly by implementing measures for the purpose of;

- Ensuring the continuity of safe operations and ensuring effective communication of such measures to all stakeholders including customers, employees, contractors and state authorities.
- Reducing the financial impact caused by Covid-19 through cost-cutting, efficiencies and service restrictions, while committing to continue to operate loss-making routes which provide a vital lifeline service to the island.

A specific and detailed risk assessment was performed with input from all departments across each division, which included details of all control measures. This risk assessment was updated throughout the year. At the date of this report, while some services have been curtailed, and passenger travel on ferries is severely restricted by government guidance, all operations have been maintained safely. The Group continues to monitor Covid-19 developments and adjust its risk response when necessary.

Brexit
2020 brought increased clarity on the post-transition relationship between the UK and EU. As it became clear that the UK would leave the EU Single Market and Customs Union on 31 December 2020, a specific and detailed risk assessment was developed and updated throughout the year.

The principal risks identified were in relation to;

- Negative impact on market demand due to lack of customer readiness and ability to complete required declarations. As at January 2021, this risk has manifested, with the anticipated temporary impact on freight demand, however this negative impact is reduced by the agreement of a Brexit deal and the deferment until July of GB import control formalities at the border.
- Market distortion due to potential re-routing of commercial freight traffic via Northern Ireland and via the direct route to France, to avoid customs and health formalities. As at January 2021, this risk has manifested, with the anticipated temporary impact on freight demand.

- Traffic congestion at ports and the knock-on effect this could have on ship operations, including pressure on slot times. As at January 2021, this risk has not manifested, potentially due to temporarily reduced freight demand.
- Readiness and capacity of State Authorities' border inspection facilities and IT systems. As at January 2021, this risk has not manifested, potentially due to temporarily reduced freight demand.
- Negative impact on the GB/ROI passenger market. This risk has not manifested due to the greater impacts of Covid-19.

The Group also prepared to accommodate and maximise increased customer demand due to pre-Brexit stockpiling towards the end of 2020. The Group will continue to monitor post-Brexit links, particularly as additional requirements for imports to Britain are implemented from 1 July 2021.

Viability assessment

The principal risks identified through the Group's risk processes have been considered by the Directors when preparing the Viability Statement on page 104, as part of their assessment of the prospects for the Group.

Principal Risks

Linkage to strategic pillars:
Quality service People and Culture Financial management Safety Sustainability

Risk Area	Description	Potential Impact	Examples of Risk Treatment
Commercial & Market	The Group operates in a highly competitive environment that intensified in 2020 with new market risks and opportunities arising from the uncertain political and economic landscapes.	Loss of competitiveness caused by failure to adjust cost base, price competitively or respond to the changing needs of customers, resulting in loss of key customers and overall loss in market share and profitability.	The Group undertakes regular assessments of its cost base and performs benchmarking against competitors. Direct and indirect competitor activity and market performance is monitored closely which allows the Group to respond proactively. The Group puts emphasis on ensuring a safe and reliable service is provided to customers in order to maintain and strengthen alliances.
Business Continuity	The Group's operations are exposed to the risk of fire, flood, technical failure, vessel incidents and loss of critical supplies caused by accident or by natural disaster.	Major disruptive events can result in the loss of critical infrastructure such as vessels, plant, premises, port facilities, communications networks or systems. This in turn can result in significant financial loss and reputational damage.	The Group places strategic importance on investment in quality assets and safety. Examples of preventative measures to help reduce the likelihood of major disruptive events are described for various risk areas within this table. The Group has detailed, coordinated and rehearsed business continuity plans containing crisis management and disaster recovery components to respond to major incidents at land or at sea and ensure affected operations can be resumed promptly and safely.

Risk Management

Continued

Risk Area	Description	Potential Impact	Examples of Risk Treatment
Information Security & Cyber Threats	By nature of the services offered, the Group must rely on IT systems to support its business activities and must retain certain types of personal data. The Group is susceptible to data breaches and cyber-attacks through various means.	Viruses can spread to critical systems and result in business interruption. Data breaches can result in heavy fines under GDPR and cause reputational damage.	Physical access controls are in place restricting access to sensitive computing and data areas. GDPR compliance is reviewed regularly by Internal Audit and the Group's designated Data Protection Officer. Group IT and its managed service providers employ a suite of technical controls to prevent, detect, mitigate and remediate malicious threats and unusual activity. Mandatory GDPR and security awareness training is in place for all staff and relevant crew.
Safety & Environmental Protection	Given the nature of the Group's activities there is a risk of vessel incidents, accidents, spillages or incidents involving hazardous cargo. There is also the risk of an outbreak of contagious illness among staff, crews and customers.	These safety or environmental incidents could result in loss of life, serious personal injury or illness, pollution and other damage to local ecosystems.	The Group and its service providers adhere to defined operating safety and quality policies and procedures. All sites are regularly inspected by internal second line functions and external regulatory bodies. Emergency procedures and safety training are conducted regularly. Hazardous cargoes are managed in accordance with international maritime regulations. Group vessels, offices and facilities are thoroughly and frequently sanitised. World Health Organisation (WHO) and governmental guidance and instructions are followed. Remote working is facilitated for office staff.

Risk Area	Description	Potential Impact	Examples of Risk Treatment
Financial Loss	The Group is at risk of losses caused by ineffective or inefficient financial policies or practices.	Financial loss arising from inadequacies in areas such as; budgeting and financial planning, insurance provisioning, project management or credit control techniques.	The Group's financial management activities are performed by experienced and knowledgeable personnel. Regular internal management reporting ensures negative variances and trends are identified promptly and acted upon. Close relations with insurance brokers are maintained and emerging risks are considered when assessing coverage. Major projects require pre-approval of the Board. Due diligence procedures are carried out for project contractors and new commercial customers while ongoing performance management of projects and debtors is in place.
Human Capital	The Group recognises the integral role of its staff and service providers in achieving sustained success. There is a risk of failure to attract qualified and talented individuals and a risk of losing key personnel. Staff may also become unmotivated or dissatisfied with the working environment.	Human capital risks ultimately lead to a poor standard of service to customers and poor decision making. This can damage the Group's market position, reputation and stakeholder relationships.	Pay and conditions are reviewed and benchmarked to ensure the Group remains competitive. ICG is an equal opportunities employer and seeks a diverse workforce to promote a strong and accepting culture and to help make informed decisions. Staff are encouraged and supported in their pursuits of further education and career advancement. The Group operates an open-door policy with its staff. The Group's grievance and disputes policy is designed to protect staff in resolving any sensitive matters. Long-term incentive plans are in place to help retain and motivate key management personnel.

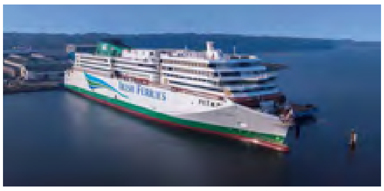
Risk Management

Continued

Risk Area	Description	Potential Impact	Examples of Risk Treatment
Operational Compliance	The Group's activities are governed by a range of international maritime (IMO), flag state, port state, EU and national government regulations. There is a risk that instances of non-compliance may be identified.	Serious or repeated breaches of regulations may result in significant fines, vessel lay-up or other halting of operations and reputational damage.	Ongoing training is provided to operations staff and contractors in line with regulatory requirements. New regulations are discussed and assessed at management meetings. The Group's vessels and port operations are subject to regular inspections and audits from internal second line functions and external bodies.
Volatility	The Group is exposed to fluctuations in fuel prices and exchange rates.	Financial loss resulting from; • increases in cost base due to adverse fuel price movements or; • decreases in revenues due to adverse foreign exchange movements.	Group policy has been to purchase commodities in the spot markets and remain unhedged. The Group operates a dynamic surcharge mechanism with its freight customers which allows for prearranged price adjustments in line with euro fuel costs to help mitigate US dollar exposure arising from fuel purchases. In the passenger sector, in addition to fixed environmental surcharges, changes in bunker costs are included in the ticket price to the extent that market conditions will allow. The Group employs a matching policy to mitigate exposure to sterling. Decreases in translation of sterling revenues to euro are largely offset against corresponding decreases in translation of sterling costs.

Risk Area	Description	Potential Impact	Examples of Risk Treatment
Retirement Benefit Scheme	The Group's pension liabilities are exposed to risks arising from changes in interest rates, inflation, demographics and market values of the underlying investments.	Financial loss resulting from decreases in scheme asset values or increases in scheme obligations.	An agreement was reached with scheme members during the year to transfer a portion of the Group's defined benefit obligations to a third-party insurance company. All actuarial assumptions are substantiated and challenged where necessary. Regular communication is maintained with the scheme investment managers to monitor performance relative to agreed benchmarks.
Fraud	Over the course of a year, as part of Group operations, a significant volume of transactions are processed. These include a large amount of payment exchanges in the booking process, on board passenger vessels and at port ticket desks. This level of activity inherently carries a risk of fraud through the processing of improper payments or misappropriation of cash or assets.	Financial loss, reputational and cultural damage.	Improper payments are prevented by a segregation of duties within the payment set-up, payment approval and accounts posting processes. Further training and procedures are in place to ensure any requested changes to vendor payments are validated. Daily reconciliations are performed at cash processing locations. All cash counts require supervisor oversight and CCTV cameras are installed to deter and capture any inappropriate behaviour. Internal Audit procedures are designed in consideration for the scope of fraud where relevant.

Our Fleet



W.B. Yeats

Year Built	2018
Acquired	2018
Gross Tonnage	54,975
No. Engines	4
Speed	22.5 knots
Lane Metres	2,800
Car Capacity	1,216
Passenger Capacity	1,885
Beds	1,706

Ulysses

Year Built	2001
Acquired	2001
Gross Tonnage	50,938
No. Engines	4
Speed	22 knots
Lane Metres	4,100
Car Capacity	1,342
Passenger Capacity	1,875
Beds	186

Isle of Inishmore

Year Built	1997
Acquired	1997
Gross Tonnage	34,031
No. Engines	4
Speed	21.5 knots
Lane Metres	2,100
Car Capacity	855
Passenger Capacity	2,200
Beds	208

Dublin Swift

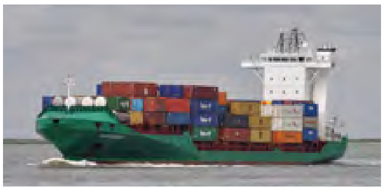
Year Built	2001
Acquired	2016
Gross Tonnage	8,403
No. Engines	4
Speed	35 knots
Lane Metres	-
Car Capacity	251
Passenger Capacity	817
Beds	-

Epsilon (chartered in)

Year Built	2011
Acquired	chartered-in
Gross Tonnage	26,375
No. Engines	2
Speed	23 knots
Lane Metres	2,800
Car Capacity	150
Passenger Capacity	500
Beds	272

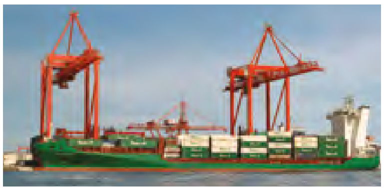
Ranger

Year Built	2005
Acquired	2015
Gross Tonnage	7,852
Deadweight	9,300
Capacity	803 TEU



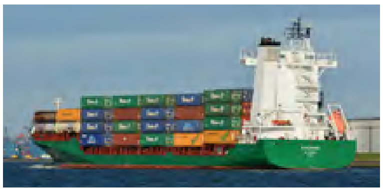
Elbfeeder

Year Built	2008
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,157
Capacity	974 TEU



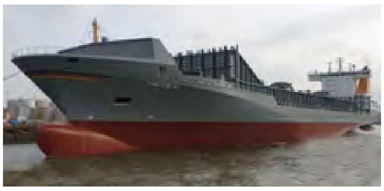
Elbtrader

Year Built	2008
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,153
Capacity	974 TEU



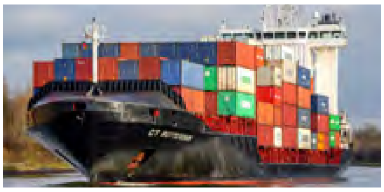
Elbcarrier

Year Built	2007
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,166
Capacity	974 TEU



Thetis D

Year Built	2009
Acquired	2019
Gross Tonnage	17,488
Deadweight	17,861
Capacity	1,421 TEU

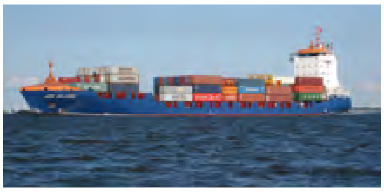


CT Rotterdam

Year Built	2009
Acquired	2019
Gross Tonnage	8,273
Deadweight	11,157
Capacity	974 TEU

Endurance (chartered in)

Year Built	2005
Acquired	chartered-in
Gross Tonnage	7,642
Deadweight	9,146
Capacity	750 TEU



Mirror (chartered in)

Year Built	2007
Acquired	chartered-in
Gross Tonnage	7,852
Deadweight	9,344
Capacity	803 TEU

Executive Management Team

Eamonn Rothwell BComm, MBS, FCCA, CFA UK

Chief Executive Officer
Eamonn Rothwell, aged 65, has been a Director for 34 years having been appointed as a non-executive Director in 1987 and subsequently to the position of Chief Executive Officer in 1992. He is also a Director of Interferry European Office A.I.S.B.L. He is a former Director of The United Kingdom Mutual War Risks Association Limited, Interferry Inc and The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. He is a past executive Director of former stockbrokers NCB Group, now part of Tilman Brewin Dolphin. Prior to that, he worked with Allied Irish Banks plc and Fáilte Ireland (The Irish Tourist Board).

David Ledwidge FCA, BSc (Mgmt)

Chief Financial Officer
David Ledwidge, aged 41, was appointed to the Board in March 2016. David joined the Group in 2006 from professional services firm Deloitte where he qualified as a Chartered Accountant. He has held various financial positions within the Group, including Group Risk Accountant and Finance Director of Irish Ferries. He was appointed to his current role as Group Chief Financial Officer in May 2015.

Andrew Sheen MSc, BEng(Hons), CEng, FIMarEST, FRINA.

Managing Director – Ferries Division
Andrew Sheen, aged 49, a Chartered Engineer, has been involved in shipping for over 30 years and has worked with Irish Ferries in a variety of operational roles for over 15 years. He re-joined ICG from the UK Maritime & Coastguard Agency and has been a Director of Irish Ferries since 2013. He was appointed to his current role as Managing Director of the Ferries Division in March 2015. He is currently President of the Irish Chamber of Shipping and is a Director of the International Chamber of Shipping.

Declan Freeman FCA

Managing Director – Container and Terminal Division
Declan Freeman, aged 45, joined the Group in 1999 from professional services firm Deloitte where he qualified as a Chartered Accountant. He has worked in a number of financial and general management roles in the Group up to his appointment as Managing Director of Eucon in 2011. He was appointed to his current role as Managing Director of the Container and Terminal Division in 2012.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Corporate Governance

The Board

The Group's non-executive Directors are:

John B. McGuckian BSc (Econ)

Chairman
John B. McGuckian, aged 81, has been a Director for 33 years having been appointed as a non-executive Director in 1988 and Chairman in 2004. He has a wide range of interests, both in Ireland and internationally. He is also a Director of Cooneen Textiles Limited. He is a former Director of a number of listed companies and he has previously acted as the Chairman of; the International Fund for Ireland, the Industrial Development Board for Northern Ireland, UTV Media plc and as Senior Pro-Chancellor and Chairman of the Senate of the Queen's University of Belfast.

Catherine Duffy BA LegSc, DipLeg Stds

Independent Director
Catherine Duffy, aged 59, has been a Director for nine years having been appointed to the Board in 2012.
Catherine was a Senior Partner and former Chair of law firm A&L Goodbody specialising in Banking and Financial Services. Catherine is a member and a former Chair of the International Legal Advisory Panel to the Aviation Working Group of Unidroit. She was previously a non-executive Director of Beaumont Hospital and a member of the first Advisory Group to the Irish Maritime Development Office, a government sponsored organisation set up to promote and assist the development of Irish shipping and shipping services.

Committee Membership: Audit Committee, Nomination Committee (Chairperson) and Remuneration Committee

Brian O'Kelly BBS, FCA

Senior Independent Director
Brian O'Kelly, aged 58, has been a Director for eight years having been appointed to the Board in 2013. Brian is Co-Head of Investment Banking in Goodbody having previously been Managing Director of Goodbody Corporate Finance. He is an executive director of Ganmac Holdings, the parent company of Goodbody. Brian qualified as a Chartered Accountant with KPMG and was subsequently a Director of ABN AMRO Corporate Finance. He is a member of the Listing Committee of Euronext Dublin.

Committee Membership: Audit Committee, Remuneration Committee (Chairperson), Nomination Committee

John Sheehan FCA

Independent Director
John Sheehan, aged 55, was appointed to the Board in October 2013. John holds a senior position with Ardagh Group, a leading operator in the global glass and metal packaging sector with operations principally in Europe and North America. John has over 20 years of experience at management level with exposure to international acquisition and development projects. He was formerly Head of Equity Sales at NCB Stockbrokers, now part of Tilman Brewin Dolphin, where he spent 13 years in a range of roles and directly covered various industry sectors including transport and aviation. John qualified as a Chartered Accountant with PwC.

Committee Membership: Audit Committee (Chairperson), Remuneration Committee, Nomination Committee

Lesley Williams B.Comm, AIIMR, FCISI

Independent Director
Lesley Williams, aged 55, was appointed to the Board in January 2021. Lesley has over 25 years' experience in capital markets having held senior positions with Investec Bank plc as Head of Irish Equities, Euronext Dublin (formerly the Irish Stock Exchange) as Head of Irish Market and Goodbody Stockbrokers as Head of Institutional Equity Sales. Lesley holds a number of independent non-executive directorships in the asset management and International fund sectors. She is also a past director of Dublin Port Company where she held the position of Chairperson of the Audit and Risk Committee. Lesley is an Associate member of the Chartered Financial Analyst Institute (CFA) from which she also holds a certificate in ESG investing and is a Fellow of the Chartered Institute for Securities and Investment.

The Board

The Group's executive Directors are:

Eamonn Rothwell BComm, MBS, FCCA, CFA UK

Chief Executive Officer
Eamonn Rothwell, aged 65, has been a Director for 34 years having been appointed as a non-executive Director in 1987 and subsequently to the position of Chief Executive Officer in 1992. He is also a Director of Interferry European Office A.I.S.B.L. He is a former Director of The United Kingdom Mutual War Risks Association Limited, Interferry Inc and The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. He is a past executive Director of former stockbrokers NCB Group, now part of Tilman Brewin Dolphin. Prior to that, he worked with Allied Irish Banks plc and Fáilte Ireland (The Irish Tourist Board).

Committee Membership: Nomination Committee

David Ledwidge FCA, BSc (Mgmt)

Chief Financial Officer
David Ledwidge, aged 41, was appointed to the Board on 3 March 2016. David joined the Group in 2006 from professional services firm Deloitte where he qualified as a Chartered Accountant. He has held various financial positions within the Group, including Group Risk Accountant, and most recently as Finance Director of Irish Ferries. He was appointed to his current role as Group Chief Financial Officer in May 2015.

The company secretary is:

Thomas Corcoran BComm, FCA

Company Secretary
Thomas Corcoran, aged 56, joined the Company in 1989 from the international professional services firm PwC, where he qualified as a Chartered Accountant. He has held a number of financial positions within the Group and is currently Group Financial Controller and Company Secretary. He was appointed Company Secretary in 2001.

Corporate Governance Report

Dear Shareholder,

Corporate Governance is concerned with how companies are directed and controlled. Your Board acknowledges the importance of, and is committed to maintaining high standards of corporate governance practices. We strongly believe that good corporate governance supports the delivery of our strategy and is essential to long-term sustainable growth and maintenance of shareholder value. The Board sets the tone for governance practices across the whole Group.

The Group applies the principles and provisions of The UK Corporate Governance Code (the Code) issued by the Financial Reporting Council and the Irish Corporate Governance Annex (the Irish Annex) issued by Euronext Dublin. We are reporting against the July 2018 edition of the Code.

The Corporate Governance Report explains how the Group has applied the principles set out in the Code and the Irish Annex. While we acknowledge that the Code sets overall current best practice expectations, your Board reserves its discretion not to apply certain provisions where they may not be compatible with its business model and / or its legal obligations. In these circumstances an explanation is provided.

Your Board currently comprises two executive and five non-executive Directors. Further details on Board composition is set out on pages 68 to 70. During the year I led the annual board evaluation and concluded that the Board was as a whole operating effectively for the long-term success of the Group.

The reports from the Committee chairmen are set out on pages 84 to 102.

The business conditions we face create opportunities and challenges going forward and I look forward to continuing open and constructive debate and ensuring that our corporate governance practices remain appropriate to assist in the future sustainable growth of the Group.

John B. McGuckian

Corporate Governance Report

Corporate Governance Code

The Group is committed to the principles of corporate governance contained in the UK Corporate Governance Code (the Code) issued in July 2018 by the Financial Reporting Council, as adopted by Euronext Dublin, for which the Board is accountable to shareholders. The Irish Corporate Governance Annex (the Irish Annex) issued by Euronext Dublin also applies to the Group.

The Board considers that, having explained in this Corporate Governance Report, throughout the period under review the Group has been in compliance with the provisions of the Code and the requirements set out in the Irish Annex. This Corporate Governance Report at page 74 explains the Group's approach to workforce engagement, and at page 76 notes that the Chairman's tenure exceeds nine years. The Report of the Remuneration Committee at page 101 explains why in relation to one Director a notice period in excess of one year may apply in limited circumstances.

The Code required the Board to describe in its Annual Report how the interests of key stakeholders and the matters set out in Section 172 of the United Kingdom Companies Act of 2006 have been considered in board discussions and decision making. While Irish Continental Group is incorporated in Ireland and not subject to UK legislation, the Board is satisfied that these matters have been addressed in discussions and disclosures throughout this Annual Report including discussion on strategy and business model, business review, risk processes, environmental matters and employee engagement.

The Code can be viewed on the Financial Reporting Council's (FRC) website (*www.frc.org.uk*) and the Irish Annex on Euronext Dublin website (*www.euronext.com*).

Board Leadership and Company Purpose

The Board is collectively responsible for the long-term sustainable success of the Group through provision of leadership within a framework of prudent and effective controls which enables risk to be assessed and managed. Pursuant to the Constitution, the Directors of the Company are empowered to exercise all such powers as are necessary to manage and run the Company, subject to the provisions of the Companies Act 2014.

In discharging this responsibility the Board has adopted a formal schedule of matters specifically reserved to it for decision, which covers key areas of the Group's business including approval of financial statements, budgets (including capital expenditure), acquisitions or disposals, dividends and share redemptions, board appointments and setting the risk appetite. Certain additional matters are delegated to Board Committees.

Group Strategy and Corporate Governance

On page 20 we describe the Group's strategy. This strategy is supported by our five strategic pillars, consideration of which is interwoven throughout the Board agenda for each meeting.

Strategic pillar	Board activities
Quality service Investment in quality assets is essential to ensure a reliable, timely and high-quality service to our customers which is essential to retaining the Group's pivotal position in Ireland's international logistics chain.	• The oversight and monitoring of performance of the fleet, investment evaluation and approval including: - Vessel upgrade works involving customer facing and background technical improvements. - Effectiveness of investment in EGCS throughout the fleet in response to new fuel regulations. - Assessment of the Inland Port concession. - Ongoing container terminal automation and booking systems.
People and culture Our customers' experience is directly affected through their interaction with our employees and third-party contractors.	• Overview of service quality reports. • Monitoring of feedback from staff briefing sessions. • Monitoring of Covid-19 initiatives to ensure safety of customers, employees and agency staff. • Review of whistleblowing procedures.
Financial management Pursuit of investment opportunities within stringent risk and reward hurdles and avoidance of speculative financial positions.	• Monitoring of financial liquidity and headroom. • Engagement with lenders against the challenges introduced by Covid-19. • Challenge of investment proposals presented by the executive team in terms of resilience and risk appetite. • Ongoing consideration of commodity and currency exposures.
Safety The operational safety of our vessels and terminal facilities is paramount to maintaining the reputation of our brands which is vital to future success and a strong safety culture is promoted across all activities.	• Oversight of operational safety reviews. • Review of arrangements introduced to protect customers, staff and crew aboard our vessels against Covid-19. • Briefings by the Risk Management Committee.
Sustainability The Group seeks to minimise the impact of its activities on the environment through constant innovation, efficiency and awareness.	• The Board has oversight of Group compliance with existing regulations and potential effects of new regulations. • Approval of new investment is conditional on the project meeting known future regulations and improving the Group's environmental performance. • The Board has overseen the development of a culture of environmental awareness throughout the Group embodied within an environmental framework to drive continuous improvement. • Approval of new initiative to develop ESG awareness across the Group.

Corporate Governance Report

Continued

Communications with Shareholders

The Board promotes good communications with shareholders and the Group commits resources to shareholder communication commensurate with its size. Other than during close periods and subject to the requirements of the Takeover Code, when applicable, the Chief Executive and the Chief Financial Officer have a regular dialogue with its major shareholders throughout the year and report on these meetings to the Board. The Senior Independent Director is also available on request to meet with major shareholders.

The Board encourages communications with shareholders and welcomes their participation at all general meetings of the Company. The Board notes that at the 2020 AGM, held on 28 July 2020, the advisory resolution to receive the Report of the Remuneration Committee for the year ended 31 December 2019 received 70 per cent support. There had been extensive communication with major shareholders prior to the meeting with further opportunity to raise any corporate governance concerns at subsequent meetings since then. Further information is contained in the Report of the Remuneration Committee.

Regular formal updates are provided to shareholders and are available on the Group's website. During 2020 these included Trading Updates, the Half-Yearly Financial Report, and the Annual Report and Financial Statements together with investor presentations. Irish Continental Group's website, www.icg.ie, also provides access to other corporate and financial information, including all regulatory announcements and a link to the current ICG Unit price.

The 2021 Annual General Meeting is scheduled for 12 May 2021. Arrangements will be made for the 2020 Annual Report and 2021 Annual General Meeting Notice to be available to shareholders 20 working days before the meeting and for the level of proxy votes cast for and against each resolution and the number of abstentions, to be announced at the meeting. Further details on the procedures applicable to general meetings are set out on pages 80 to 81.

Further investor relations information is available on pages 198 to 201 of this Report.

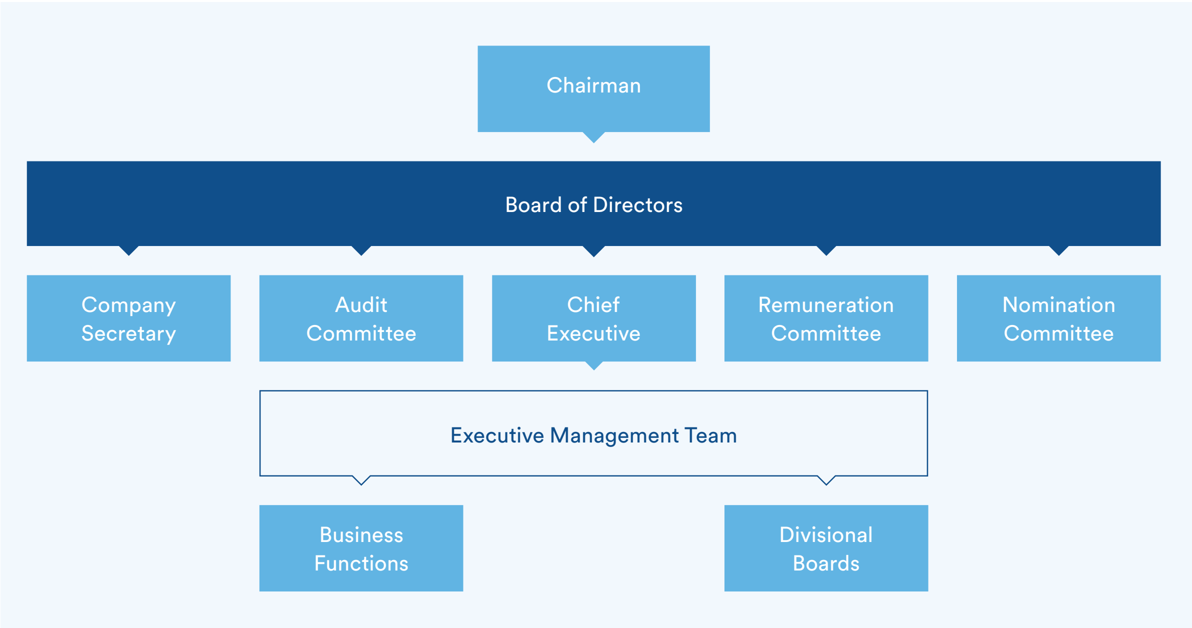
Workforce Engagement

The Board notes the Code provision relating to workforce engagement and the methods which might be used to effect same. The Board has considered these against the nature of the manner in which the Group's activities are performed. As is common practice in the maritime sector, our vessels are crewed through third-party managers. The Group has no legal rights to engage with the individual crew members who are directed and controlled by the third-party manager. The Group ensures that the third-party crews carry out their functions to required standards through the monitoring of service levels on board vessels. The contracts between the Group and the crewing managers include detailed service level arrangements and requirements that the third-party adhere to international IMO regulations regarding employment terms for seafarers. The Group monitors the crewing manager certification on an ongoing basis. The Group has also entered into third-party labour contracts with respect to its terminal operations.

At peak season, the Group engages in excess of 1,000 persons, of which approximately 300 are direct employees. The Board has considered that the most appropriate manner in which it can ensure that the interests of persons employed directly or indirectly can be considered is through challenging the CEO and divisional managing Directors on their regular reports to the Board.

Both formal and informal processes underlie engagement with the direct workforce. Formal processes include general briefing sessions to all employees twice annually in conjunction with the release of results. There are also annual staff reviews which promote the exchange of views. The Group has also formulated grievance and whistleblowing procedures whereby employees can report any concern in confidence. Informally, given the small direct workforce, there is an open access policy whereby any employee has access to any manager up to the CEO. Senior management also regularly visit all Group locations. Within these processes executive management report on workforce matters to the Board.

ICG Corporate Governance Framework



Whistleblowing Procedures

The Group has a suite of policies covering employee conduct which are available on the internal staff intranet. Employees are reminded to refresh their knowledge of these policies at least annually. These policies include a whistleblowing policy to ensure procedures are in place to enable employees to raise, in a confidential manner, any genuine concerns about possible financial impropriety or other wrongdoing. The most recent review of the policy to ensure that it remains appropriate to the circumstances of the Group was in January 2021.

Division of Responsibilities

The Board comprises of two executive and five non-executive Directors. Lesley Williams was appointed to the Board as a non-executive Director on 4 January 2021. The roles of Chairman and Chief Executive are separate, set out in writing and approved by the Board.

Details of the professional and educational backgrounds of each director encompassing the experience and expertise that they bring to the Board are set out on pages 68 to 70. The Board believes that it is of a size and structure and that, the Directors bring an appropriate balance of skills, experience, independence and knowledge to enable the Board to discharge its respective duties and responsibilities effectively, with no individual or group of individuals dominating the Board's decision making. Each of the non-executive Directors has a broad range of business experience independent of the Group both domestically and internationally.

The Board, has adopted the corporate governance structure set out above.

Chairman: The Board is led by the Chairman who is responsible for its overall effectiveness in directing the Group.

John B. McGuckian has served as Chairman of the Board since 2004 and is responsible for leading the Board, ensuring its effectiveness through;

- Setting the Board's agenda and ensuring that adequate time is available for discussion.
- Promoting a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.
- Ensuring that the Directors receive accurate, timely and clear information.
- Ensuring effective communication with shareholders.

Corporate Governance Report

Continued

Division of Responsibilities – continued

Chief Executive: The Board has delegated the management of the Group to the Executive Management Team, through the direction of Eamonn Rothwell who has served as Chief Executive since 1992. The Chief Executive is responsible for implementing Board strategy and policies and closely liaises with the Chairman and manages the Group's relationship with its shareholders.

Senior Independent Director: The Board, having considered his experience, appointed Brian O'Kelly as the Senior Independent Director. The Senior Independent Director acts as a sounding board for the Chairman and serves as an intermediary for the other Directors if necessary. Mr. O'Kelly is also available to shareholders if they have concerns which have not been resolved through the normal channels of Chairman, Chief Executive or for which such contact is inappropriate.

Non-executive Directors: Non-executive Directors through their knowledge and experience gained outside the Group constructively challenge and contribute to the development of Group strategy. Non-executive Directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. Through their membership of Committees, they are responsible for determining appropriate levels of remuneration of executive Directors and have a prime role in appointing and, where necessary, removing executive Directors, and in succession planning.

Company Secretary: The Company Secretary provides a support role to the Chairman and the Board ensuring good information flows within the Board and its committees and between senior management and non-executive Directors, as well as facilitating induction and assisting with professional development as required and advising the Board through the Chairman on governance matters. Thomas Corcoran has served as Company Secretary since 2001.

Committees: During the year ended 31 December 2020, there were three standing Board Committees with formal terms of reference; the Audit Committee, the Nomination Committee and the Remuneration Committee. In addition, the Board will establish ad-hoc sub-committees to deal with other matters as necessary. All Board committees have written terms of reference setting out their authorities and duties delegated by the Board. The terms of reference are available, on request, from the Company Secretary and on the Group's website. The reports of the Committees are set out at pages 84 to 102.

Independence: All of the non-executive Directors are considered by the Board to be independent of management and free of any relationships which could interfere with the exercise of their independent judgement. In considering their independence, the Board has taken into account a number of factors including their length of service on the Board, other directorships held and material business interests.

Mr. McGuckian has served on the Board for more than nine years since his first appointment. Notwithstanding this tenure the Board, as advised by the Nomination Committee, considers Mr. McGuckian to be independent. Mr. McGuckian has a wide range of interests and experience both domestically and internationally. The Board has considered the knowledge, skills and experience that he contributes and assesses him to be both independent in character and judgement and to be of continued significant benefit to the Board. Mr. McGuckian was also assessed to be independent at the date of appointment as Chairman in 2004.

Catherine Duffy was a partner at law firm A&L Goodbody up to 31 December 2020 from whom the Company has received legal services in their capacity as legal advisors to the Company. Details of the expenses incurred, which were on an arm's length basis at standard commercial terms, are set out at note 33 to the Financial Statements. In her role at A&L Goodbody, Catherine was not involved in providing advice to the Company. The Board, as advised by the Nomination Committee, has considered the relationship and does not consider it to affect Catherine's independence as a non-executive Director of the Company.

Meetings: The Board agrees a schedule of regular meetings each calendar year and also meets on other occasions if necessary, with contact between meetings as required in order to progress the Group's business. Where a Director is unable to attend a meeting, they may communicate their views to the Chairman. The Directors receive regular and timely information in a form and quality appropriate to enable the Board to discharge its duties. Non-executive Directors are expected to utilise their expertise and experience to constructively challenge proposals tabled at the meetings. The Board has direct access to the Executive Management Team who regularly brief the Board in relation to operational, financial and strategic matters concerning the Group.

Director attendances at scheduled meetings are set out below. In addition, there was regular contact and updates between these scheduled meetings. The Chairman also held meetings with the non-executive Directors without the executive Directors present and the non-executive Directors also meet once a year, without the Chairman present.

Attendance at scheduled Board meetings during the year ended 31 December 2020 was as follows:

Member	A	B	Tenure
J. B. McGuckian (Chair)	7	7	33 years
E. Rothwell	7	7	34 years
C. Duffy	7	7	9 years
D. Ledwidge	7	7	5 years
B. O'Kelly	7	7	8 years
J. Sheehan	7	7	7 years

Column A: the number of scheduled meetings held during the year where the Director was a member of the Board.

Column B: the number of scheduled meetings attended during the year where the Director was a member of the Board.

Lesley Williams was not a member of the Board during 2020, being appointed on 4 January 2021.

Access to Advice: There is a procedure for Directors in the furtherance of their duties to take independent professional advice, at the expense of the Group, if they consider this necessary. The Group carries director liability insurance which indemnifies Directors in respect of legal actions that may be taken against them in the course of discharging their duties as Directors.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Composition, Succession and Evaluation

The Board has established a Nomination Committee to lead the appointments process and plan for orderly succession at Board and senior management level. The Nomination Committee report is set out on pages 88 to 89.

Appointments: All Directors are appointed by the Board, following a recommendation by the Nomination Committee, for an initial term not exceeding three years, subject to annual re-election at the AGM. Prior to their nomination as a non-executive Director, an assessment is carried out to determine that they are independent. Non-executive Directors' independence is thereafter reviewed annually, prior to recommending the resolution for re-election at the AGM. Under the Articles each Director is subject to re-election at least every three years but in accordance with the Code the Board has agreed that each Director will be subject to annual re-election at the AGM.

The terms and conditions of appointment of non-executive Directors appointed after 2002 are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

Development and Induction: On appointment, Directors are given the opportunity to familiarise themselves with the operations of the Group, to meet with executive management, and to access any information they may require. Each Director brings independent judgement to bear on issues of strategy, risk and performance. The Directors also have access to the Executive Management Team in relation to any issues concerning the operation of the Group.

The Board recognises the need for Directors to be aware of their legal responsibilities as Directors and it ensures that Directors are kept up to date on the latest corporate governance guidance, company law developments and best practice.

Performance Evaluation: The Board conducts an annual self-evaluation of the Board as a whole, the Board processes, its committees and individual Directors. The purpose of the evaluation process includes identification of improvements in Board procedures and to assess each Director's suitability for re-election. The process, which is led by the Chairman, is forward looking in nature. On a triennial cycle an

Corporate Governance Report

Continued

Composition, Succession and Evaluation – continued

independent external facilitator is engaged to further assist the process, the most recent such engagement relating to the 2017 evaluation. The Chairman, with the approval of the Board, deferred the engagement of an external evaluator for the 2020 evaluation given the circumstances of Covid-19.

For the 2020 evaluation, the Company Secretary made a presentation to the Board outlining key focus areas for consideration by the Directors against key events addressed by the Board during the year together with a review of the matters for action emanating from the previous evaluation. The focus areas included Board composition, Board agenda, Director interaction, quality of information, time allocation and decision making processes. Post the presentation the Chairman reviewed with each Director their observations on the items raised in the presentation together with a review of Director performance. Following conclusion of the Director engagement, the Chairman reported to the Board on the outcome of the evaluation process which indicated that the Board as a whole was operating effectively for the long-term success of the Group and that each Director was contributing effectively and demonstrating commitment to the role. The ongoing progress on the Board process matters noted in the prior year was acknowledged with no further matters added as a result of the latest evaluation.

Within the process, the non-executive Directors, led by the Senior Independent Director, met without the Chairman being present to evaluate the Chairman's performance. The Senior Independent Director subsequently reported to the Board that the Chairman was providing effective leadership of the Board.

Audit Risk and Internal Control

The Board has described its business model on page 20 setting out how the Company generates value over the longer term and the strategy for delivering the objectives of the Company.

The Board has overall responsibility for determining the Group's risk appetite but has delegated responsibility for the review, design implementation and monitoring of the Group's internal control system to the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In accordance with Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014) issued by the FRC, the Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, that it has been in place for the period under review and up to the date of approval of the Financial Statements, and that this process is regularly monitored by the Board. The report of the Audit Committee is set out on pages 84 to 87. The risk management framework and processes including the principal risks and uncertainties identified are set out on pages 54 to 61.

No material weaknesses in internal controls were reported to the Board during the year.

Taking account of the Group's current position and principal risks, the Directors have set out their assessment of the prospects for the Group in the Viability Statement on page 104.

Reporting

The Board is committed to providing a fair, balanced and understandable assessment of the Company's position and prospects to shareholders through the Annual Report, the Interim Statement and any other public statement issued by the Company. The Directors have considered the Annual Report based on a review performed by the Audit Committee and have concluded that it represents a fair, balanced and understandable assessment of the Group's position and prospects.

Remuneration

The Board has delegated the approval of remuneration structures and levels of the executive Directors and senior management to the Remuneration Committee whose report is set out at pages 90 to 102.

Diversity

The Board has adopted a Board Diversity Policy in compliance with the European Union (Disclosure of non-financial and diversity information by certain large undertakings and Groups) Regulation 2017. The promotion of a diverse Board makes prudent business sense and for stronger corporate governance.

The Group seeks to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills and backgrounds reflecting the diverse nature of the business environment in which the Group operates. For purposes of Board composition, diversity includes, but is not limited to, age, gender or educational and professional backgrounds.

When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Group, through the Nomination Committee, considers candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board. The Group does not focus on any single diversity characteristic and, accordingly, has not adopted targets in respect of any single diversity characteristic.

The Nomination Committee will give due regard to diversity when reviewing Board composition and considering Board candidates. The Committee will report annually, in the corporate governance section of the Annual Report, on the process it has used in relation to any Board appointments.

Beyond the Board, of 64 individuals holding a managerial position, 20 per cent are female. While the Board acknowledges the imbalance of this ratio compared to society at large it is reflective of the industry sector in which the Group operates. Against this background, the Board has not set any gender ratio target but is committed to improving this ratio over time. In that regard the Nomination Committee and Executive Management Team, as appropriate, will actively seek out a greater pool of female candidates when undertaking any future recruitment process.

Matters Pertaining To Share Capital

The information set out below is required to be contained in the Report of the Directors under Regulation 21 of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (S.I. 255/2006). The information represents the position at 31 December 2020.

For the purposes of Regulations 21(2)(c), (e), (j) and (k) of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (S.I. 255/2006), the information given under the following headings: (i) Substantial Shareholdings page 105; (ii) Share Option Plans page 101; (iii) Long Term Incentive Plan page 97; (iv) Service Contracts page 101; and (v) Share-based Payments page 169; (vi) Borrowings page 158; are deemed to be incorporated into this statement.

Share Capital

The authorised share capital of the Company is €29,295,000 divided into 450,000,000 ordinary shares of €0.065 each (ordinary shares) and 4,500,000,000 redeemable shares of €0.00001 each (redeemable shares). The ordinary shares represent approximately 99.85% and the redeemable shares represent approximately 0.15% of the authorised share capital. The issued share capital of the Company as at the date of this report is 187,000,390 ordinary shares. There are no redeemable shares currently in issue.

Ordinary shares and redeemable shares (to the extent redeemable shares are in issue) are inextricably linked as an ICG Unit. An ICG Unit is defined in the Constitution of the Company as one ordinary share in the Company and ten redeemable shares (or such lesser number thereof, if any, resulting from the redemption of one or more thereof) held by the same holder(s).

The rights and obligations attaching to the ordinary shares and redeemable shares are contained in the Constitution of the Company.

The Directors may exercise their power to redeem redeemable shares from time to time pursuant to the Company's Articles of Association where there are redeemable shares in issue.

The structure of the Group's and Company's capital and movements during the year are set out in notes 20 and 21 to the Financial Statements.

Restrictions on the Transfer of Shares

Save as set out below there are no limitations in Irish law on the holding of ICG Units and there is no requirement to obtain the approval of the Company, or of other holders of ICG Units, for a transfer of ICG Units. Certain restrictions may from time to time be imposed by laws or regulations such as those relating to insider dealing.

Transfers of ordinary shares and redeemable shares can only be affected where the transfer involves a simultaneous transfer of the other class of shares with which such shares are linked as an ICG Unit. An ICG Unit comprised one ordinary share and nil redeemable shares at 31 December 2020 and 31 December 2019.

Corporate Governance Report
Continued

Matters Pertaining To Share Capital – continued

ICG Units are, in general, freely transferable but the Directors may decline to register a transfer of ICG Units upon notice to the transferee, within two months after the lodgement of a transfer with the Company, in the following cases:

(i) where the transfer of shares does not involve a simultaneous transfer of the other class of shares with which such shares are linked as an ICG Unit;

(ii) a lien is held by the Company; or

(iii) in the case of a purported transfer to or by a minor or a person lawfully adjudged not to possess an adequate decision-making capacity;

(iv) unless the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require; or

(v) unless the instrument of transfer is in respect of one class only.

ICG Units held in certificated form are transferable upon production to the Company's Registrars of the original share certificate and the usual form of stock transfer or instrument duly executed by the holder of the shares.

ICG Units held in uncertificated form are transferable in accordance with the rules or conditions imposed by the operator of the relevant system which enables title to the ICG Units to be evidenced and transferred without a written instrument and in accordance with the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (S.I. 68/1996) and Section 1085 of the Companies Act 2014.

The rights attaching to ordinary shares and redeemable shares comprised in each ICG Unit remain with the transferor until the name of the transferee has been entered on the Register of Members of the Company.

No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights.

The Powers of the Directors Including in Relation to the Issuing or Buying Back by the Company of its Shares

Under the Constitution of the Company, the business of the Company is to be managed by the Directors who may exercise all the powers of the Company subject to the provisions of the Companies Acts 2014, the Constitution of the Company and to any directions given by members at a General Meeting. The Constitution further provides that the Directors may make such arrangements as may be thought fit for the management of the Company's affairs including the appointment of such attorneys or agents as they consider appropriate and delegate to such persons such powers as the Directors may deem requisite or expedient.

At the Company's AGM held on 28 July 2020, resolutions were passed whereby

(i) the Company, or any of its subsidiaries, were authorised to make market purchases of up to 15 per cent of the issued share capital of the Company.

(ii) the Directors were authorised until the conclusion of the next AGM, to allot shares up to an aggregate nominal value of 66.66% of the then present issued ordinary share capital and the present authorised but unissued redeemable share capital of the Company subject to the provision that any shares allotted in excess of 33.33% of the then present issued ordinary share capital must be allotted pursuant to a rights issue.

In line with market practice, members will be asked to renew these authorities at the 2021 AGM.

General Meetings and Shareholders Voting and other Rights

Under the Constitution, the power to manage the business of the Company is generally delegated to the Directors. However, the members retain the power to pass resolutions at a General Meeting of the Company which may give directions to the Directors as to the management of the Company.

The Company must hold a General Meeting in each year as its AGM in addition to any other meetings in that year and no more than 15 months may elapse between the date of one AGM and that of the next. The AGM will be held at such time and place as the Directors determine. All General Meetings, other than AGMs, are called Extraordinary General Meetings.

Extraordinary General Meetings shall be convened by the Directors or on the requisition of members holding, at the date of the requisition, not less than five percent of the paid up capital carrying the right to vote at General Meetings and in default of the Directors acting within 21 days to convene such a meeting to be held within two months, the requisitionists (or more than half of them) may, but only within three months, themselves convene a meeting.

No business may be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote at such meeting constitutes a quorum.

The holders of ICG Units have the right to receive notice of, attend, speak and vote at all General Meetings of the Company.

In the case of an AGM or of a meeting for the passing of a Special Resolution or the appointment of a Director, 21 clear days' notice at the least, and in any other case 14 clear days' notice at the least (assuming that the members have passed a resolution to this effect at the previous year's AGM), needs to be given in writing in the manner provided for in the Constitution to all the members, Directors, Secretary, the Auditor for the time being of the Company and to any other person entitled to receive notice under the Companies Act.

Voting at any General Meeting is by a show of hands unless a poll is properly demanded. On a show of hands, every member who is present in person or by proxy has one vote regardless of the number of shares held by a shareholder. On a poll, every member who is present in person or by proxy has one vote for each share of which he/she is the holder. A poll may be demanded by the Chairman of the meeting or by at least three members having the right to vote at the meeting or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Deadlines for Exercising Voting Rights
Voting rights at General Meetings of the Company are exercised when the Chairman puts the resolution at issue to the vote of the meeting. A vote decided on a show of hands is taken forthwith. A vote taken on a poll for the election of the Chairman or on a question of adjournment is also taken forthwith and a poll on any other question is taken either immediately, or at such time (not being more than 30 days from the date of the meeting at which the poll was demanded or directed) as the Chairman of the meeting directs. Where a person is appointed to vote for a member as proxy, the instrument of appointment must be received by the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the appointed proxy proposes to vote, or, in the case of a poll, not less than 48 hours before the time appointed for taking the poll.

Shareholders' Rights (Directive 2007/36/EC)
The holders of ICG Units have the right to attend, speak, ask questions and vote at General Meetings of the Company. The Company, pursuant to Section 1105 of the Companies Act 2014 and Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. 68/1996), specifies record dates for General Meetings, by which date members must be registered in the Register of Members of the Company to be entitled to attend and vote at the meeting.

Pursuant to Section 1104 of the Companies Act 2014, a member, or a group of members who together hold at least three per cent of the issued share capital of the Company, representing at least three per cent of the total voting rights of all the members who have a right to vote at the meeting to which the request for inclusion of the item relates, have the right to put an item on the agenda, or to modify an agenda which has been already communicated, of a General Meeting. In order to exercise this right, written details of the item to be included in the General Meeting agenda must be accompanied by stated grounds justifying its inclusion or a draft resolution to be adopted at the General Meeting together with evidence of the member or group of members shareholding must be received, by the Company, 42 days in advance of the meeting to which it relates.

The Company publishes the date of its AGM on its website *www.icg.ie* on or before 31 December of the previous financial year.

Rights to Dividends and Return of Capital
Subject to the provisions of the Company's Constitution, the holders of the ordinary shares in the capital of the Company shall be entitled to such dividends as may be declared from time to time on such shares. The holders of the redeemable shares (if any) shall not be entitled to any dividends.

Corporate Governance Report
Continued

Matters Pertaining To Share Capital – continued

On a return of capital on a winding up of the Company or otherwise (other than on a conversion, redemption or purchase of shares), the holders of the ordinary shares shall be entitled, pari passu with the holders of the redeemable shares (if any) to the repayment of a sum equal to the nominal capital paid up or credited as paid up on the shares held by them respectively. Thereafter, the holders of the ordinary shares shall be entitled to the balance of the surplus of assets of the Company to be distributed rateably according to the number of ordinary shares held by a member. The redeemable shares shall not confer upon the holders thereof any rights to participate further in the profits or assets of the Company.

Rules Concerning Amendment of the Company's Constitution
As provided in the Companies Act 2014, the Company may, by special resolution, alter or add to its Constitution. A resolution is a special resolution when it has been passed by not less than 75 per cent of the votes cast by members entitled to vote and voting in person or by proxy, at a General Meeting at which not less than 21 days' notice specifying the intention to propose the resolution as a special resolution, has been duly given.

Rules Concerning the Appointment and Replacement of Directors of the Company
Other than in the case of a casual vacancy, Directors of the Company are appointed on a resolution of the members at a General Meeting, usually the AGM.

No person, other than a Director retiring at a General Meeting is eligible for appointment as a Director without a recommendation by the Directors for that person's appointment unless, not less than six or more than 40 clear days before the date of the General Meeting, written notice by a member, duly qualified to be present and vote at the meeting, of the intention to propose the person for appointment and notice in writing signed by the person to be proposed of willingness to act, if so appointed, shall have been given to the Company.

The Directors have power to fill a casual vacancy or to appoint an additional Director (within the maximum number of Directors fixed by the Constitution of the Company (as may be amended by the Company in a General Meeting)) and any Director so appointed holds office only until the conclusion of the next AGM following their appointment, when the Director concerned shall retire, but shall be eligible for reappointment at that meeting.

Each Director must retire from office no later than the third AGM following their last appointment or reappointment. In addition, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to one-third), are obliged to retire from office at each AGM on the basis of the Directors who have been longest in office since their last appointment.

The Company has adopted the provisions of the UK Corporate Governance Code in respect of the annual election of all Directors. All Directors will retire at the forthcoming AGM and following review are being recommended for re-election.

A person is disqualified from being a Director, and their office as Director ipso facto vacated, in any of the following circumstances:

(i) if s / he is adjudicated bankrupt or being a bankrupt has not obtained a certificate of discharge in the relevant jurisdiction; or

(ii) if in the opinion of a majority of his / her co-Directors, the health of the Director is such that s / he can no longer be reasonably regarded as possessing an adequate decision-making capacity so that s / he may discharge his / her duties; or

(iii) if s / he ceases to be, or is removed as a Director by virtue of any provision of the Acts or the Articles, or s / he becomes prohibited by law from being a Director or is restricted by law in acting as a Director; or

(iv) if s / he (not being a Director holding for a fixed term an executive office in his / her capacity as a Director) resigns his / her office by notice in writing to the Company; or

(v) if s / he is absent for six successive months without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that by reason of such absence s / he has vacated office; or

(vi) if s / he is removed from office by notice in writing served upon him / her signed by all his / her co-Directors; if s / he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him / her and the Company; or

(vii) if s / he is convicted of an indictable offence not being an offence under the Road Traffic Act, 1961 or any statutory provision in lieu or modification thereof.

Notwithstanding anything in the Constitution or in any agreement between the Company and a Director, the Company may, by Ordinary Resolution of which the required notice has been given in accordance with Section 146 of the Companies Act 2014, remove any Director before the expiry of their period of office.

Replacement of CREST with Euroclear Bank for Electronic Settlement of Trading in the Company's shares

Similar to other Irish-incorporated companies listed in Dublin and/ or London, the majority of the Company's shares have for many years been held, and trades in those Shares have been electronically settled, in the relevant settlement system operated by Euroclear UK & Ireland Limited (EUI) and constituting a relevant system for the purposes of the Irish Companies Act 1990 (Uncertificated Securities) Regulations 1996 (as amended) (the Uncertificated Securities Regulations) (the CREST System). The CREST System is operated by EUI, which is based in London.

Where a company's securities are admitted to trading or traded on a trading venue regulated by Directive 2014/65/EU, EU legislation requires electronic settlement to occur through an authorised central securities depository (a CSD) that is established in a member state of the EU (an EU CSD) (or under an approved third country arrangement). There is currently no authorised CSD established in Ireland. As a result of the withdrawal of the United Kingdom from the EU (Brexit), EUI is no longer an EU CSD. Euroclear Bank SA/NV, an international CSD based in Belgium and part of the Euroclear Group (Euroclear Bank), has been identified as the EU CSD to replace EUI.

At an EGM held on 12 February 2021, shareholders passed a number of resolutions to allow the Company's shares to participate in the migration procedure under the Migration of Participating Securities Act 2019 enacted in Ireland. It is expected that all shares of the Company held in uncertificated form at 7.00 P.M. on 12 March 2021 currently settled in CREST will migrate to the replacement EU CSD operated by Euroclear Bank, which will be live from commencement of trading on 15 March 2021. Full details of the migration process were set out in the EGM circular dated 15 January 2021 available on the Company's website.

Report of the Audit Committee

Dear shareholder,

I am pleased to present the Report of the Audit Committee (the Committee) for the year ended 31 December 2020.

The Committee plays an important role in ensuring the Group's financial integrity for shareholders through oversight of the financial reporting process, including the risks and controls in that process. This report sets out how the Committee fulfilled its duties under its Terms of Reference, the UK Corporate Governance Code, the Irish Annex and relevant legislation.

The Committee has reviewed the critical accounting judgements and key sources of estimation applied in preparing these Financial Statements and have reported to the Board on these.

The Committee also performed a review of this Annual Report including both the financial and non-financial information to ensure that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy. Other work undertaken included the ongoing monitoring of the effectiveness of the Group's systems of risk management and internal control and external auditor effectiveness.

Composition

The Audit Committee membership is set out in the table below which also details attendance and tenure.

Member	A	B	Tenure
J. Sheehan (Chair)	3	3	7 years
C. Duffy	3	3	9 years
B. O'Kelly	3	3	8 years

Column A: the number of scheduled meetings held during the year where the Director was a member of the Committee.

Column B: the number of scheduled meetings attended during the year where the Director was a member of the Committee.

The members bring significant professional expertise to their roles gained from a broad level of experience gained outside of the Group. This, together with their experience as Directors of the Company assures that the Committee as a whole has competence relevant to the sector in which the Group operates. The member's biographies are set out on pages 68 to 69. The Board has determined that all appointees are independent, that Brian O'Kelly and John Sheehan have recent and relevant financial experience and that all members have wide experience of corporate financial and risk matters. Overall, the Committee is independent and possesses the skills and knowledge to effectively discharge its duties under the Committee's Terms of Reference. The Company Secretary acts as secretary to the Committee.

The scheduled meetings take place on the same day as Board meetings. The Chairman provides updates to the Board on key matters discussed and minutes are circulated to the Board.

Role and Responsibilities

The role, responsibilities and duties of the Audit Committee are set out in written terms of reference which are reviewed annually. The Terms of Reference are available on the Group's website *www.icg.ie*.

The principal responsibilities of the Committee cover the following areas;

- Supporting the Board in fulfilling its responsibilities in relation to the integrity of the financial reporting process.
- Advise whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.
- Monitor the effectiveness of the Group's internal controls and financial risk management systems, including the internal audit function.
- Managing the relationship with the external auditor, including consideration of the appointment of the external auditor, the level of audit fees, and any questions of independence, provision of non-audit services, resignation or dismissal. The Committee discusses with the external auditor the nature and scope of the audit and the findings and results.

During the year responsibility for oversight of the operation of the Group's whistleblowing procedures was transferred to the Board reflecting the widening of the scope of those procedures beyond financial impropriety.

Work Performed

The principal work undertaken by the Committee during the period under review was focused on the following areas;

Financial Reporting
The Committee reviewed the Group's Half Yearly Financial Report for the six months ended 30 June 2020, the Preliminary Statement of Results and Annual Report and Financial Statements, for the financial year ended 31 December 2020 and the two Trading Statements issued during the year. These reviews considered;

- The accounting treatment and presentation of the non-trading item related to the settlement and curtailment losses arising from the settlement of pensioner liabilities in one of the Group pension schemes;
- Assessment of the effects of new standards effective for reporting in financial year 2020;
- Other than for any new standards, the consistency, appropriateness and application of the Group's accounting policies;
- The clarity and completeness of disclosures and compliance with financial reporting standards, legislative and regulatory requirements;
- Whether these reports, taken as a whole, were fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- A comparison of these results with management accounts; and
- The critical accounting judgements and key sources of estimation applied in the preparation of the Financial Statements.

In assessing if the Financial Statements have dealt appropriately with each area of judgement, the Committee challenged the key assumptions and methodologies used by management in formulating estimates. The key sources of estimation uncertainty and critical accounting judgements applied in the preparation of the Financial Statements for the financial year ended 31 December 2020 are set out below and also discussed on pages 139 to 141.

Key Estimates

- **Post-employment benefits**
  The Group operates a number of Group sponsored pension schemes and is also a participating employer in the Merchant Navy Officers Pension Fund, a multi-employer scheme. Details of these schemes are set out in note 32 to the Financial Statements. The size of the pension obligations is material to the Group and sensitive to actuarial assumptions. The Committee has reviewed actuarial advice on the assumptions provided by the Group actuary used in calculating the settlement and curtailment losses relating to the pensioner buyout transaction and estimating the outstanding pension obligations at the year end. The Committee reviewed the presentation of the settlement and curtailment as separately reported non-trading items. The Committee was satisfied that the assumptions used were reasonable and that the obligations set out in the Financial Statements are consistent with the assumptions and fairly presented.
- **Useful lives for property, plant and equipment and intangible assets**
  Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of total assets. Changes in the useful lives may have a significant impact on the annual depreciation and amortisation charge. The Committee reviewed the useful lives of significant assets and were satisfied that the estimates used were reasonable.

Critical Accounting Judgements

- **Impairment**
  The Group does not have assets which are required to be tested annually for impairment. In relation to other significant assets the Committee made inquiries of management to determine whether there were any indications of impairment. The Committee was cognisant of the effects of Covid-19 measures on the Group's trading position and the sector in general and whether this amounted to an indication of impairment and whether asset valuations were materially negatively affected. The Committee reviewed and challenged management's presentations and were satisfied that no internal or external indications of impairment were identified and consequently no impairment review was required.

Report of the Audit Committee

Continued

Work Performed – continued

- **Leases – non-cancellable lease term**
  The application of IFRS 16 requires judgement in determining the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has leases with renewal options the exercise of which significantly affects the amount of lease liabilities and right-of-use assets recognised. This requires the exercise of judgement to assess the likelihood of these being exercised, taking into account likely developments in the Group.
- **Going concern**
  The Committee reviewed the appropriateness of using a going concern assumption for the preparation of the Group Financial Statements. The Committee considered future trading projections and available committed borrowing facilities. The Committee noted that uncertainty exists around passenger revenue streams due to the continuation of Covid-19 travel restrictions into 2021 and the uncertainty around when these will be eased. The Committee reviewed and challenged management's scenario analysis and were satisfied that the Group will have adequate financial resources to continue in operational existence for the foreseeable future. The Going Concern Statement is set out on page 141.

Viability Statement
The Committee reviewed and challenged management's assumptions and scenarios together with the calculations supporting the Viability Statement set out on page 104. The Committee also considered the appropriateness of the five year assessment time frame. The Committee was satisfied that a robust assessment had been completed and reported this to the Board.

Recommendations to the Board

Based on the work undertaken, the Committee reported to the Board that the Annual Report and Financial Statements for the year ended 31 December 2020 taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy and recommended that the Annual Report and Financial Statements be approved by the Board.

The Committee had also recommended the approval of the Half Yearly Financial Report for the six months ended 30 June 2020 and the Trading Statements issued during 2020.

Risk Management and Internal Control
The risk management framework is set out on page 54. The Committee, on behalf of the Board, reviews the effectiveness of the Group's control environment including internal controls and financial risk management systems.

The Committee oversees the work of the Risk Management Committee (RMC) which coordinates a unified system of ongoing identification, monitoring and reporting of risks throughout the Group. The activities of the RMC are undertaken alongside the activities of Internal Audit.

During the year the Committee met with members of the RMC and presentations were made outlining the work undertaken in managing risk monitoring systems, procedures for ensuring the Group Risk Register is being updated for new and emerging risks and the management of exposure to principal risks. The work of the RMC is also central in putting consideration of risk to the fore in business decision making throughout the Group. The Committee reviewed the updated Risk Appetite Statements prepared by the RMC which were then presented to the Board for approval. The Committee also received regular reports throughout the year including internal audit reviews, operational and safety risk reviews including information technology and cyber security. In addition, the Chairman meets regularly with Group Internal Audit and the Committee approved the 2020 Internal Audit Plan.

The Committee undertook a review of the RMC and Internal Audit activities in order to assess how effectively it had performed. Following the review, the Committee was satisfied that the RMC and Internal Audit were achieving their objectives. Overall, the Committee continues to be satisfied that the Group control environment remains appropriate and effective. This assessment has been reported to the Board.

External Audit
The Committee is responsible for managing the relationship with the Group's external auditor and monitoring their performance, objectivity and independence. Deloitte is the current external auditor to the Group.

Deloitte confirmed to the Company that they comply with the Ethical Standards for Auditors (Ireland) 2016 as issued by IAASA and that, in their professional judgement, they and, where applicable, all Deloitte network firms are independent and their objectivity is not compromised.

The Committee met with Deloitte prior to the commencement of the audit of the Financial Statements for the financial year ended 31 December 2020. The Committee considered Deloitte's internal policies and procedures for maintaining independence and objectivity and their approach to audit quality. The Committee assessed the quality of the external audit plan as presented by Deloitte and satisfied itself as to the expertise and resources being made available. The Committee also reviewed the terms of the Letter of Engagement and approved the level of remuneration.

Deloitte reported their key audit findings to the Committee in March 2021 prior to the finalisation of the Financial Statements. This report, which included a schedule of unadjusted errors and misstatements, significant judgements and estimations and key areas of risk, was considered by the Committee in forming their recommendation to the Board. The Committee also considered the representations sought by Deloitte from the Directors.

Deloitte issued a letter on control weaknesses noted during their audit, none of which were considered of a serious nature so as to cause Deloitte to amend the scope of their original audit plan. The Committee has considered these and having discussed with management have directed remedial action be taken where considered appropriate.

The Committee evaluated Deloitte's performance which included an assessment of Deloitte's communication process with the Committee and senior management, knowledge of the Group and industry sector and resource commitment to the external audit and the Committee is satisfied that in conducting the audit of the 2020 Financial Statements, Deloitte were effective, objective and independent.

Deloitte was first appointed by the Company to audit its Financial Statements for the financial year ended 31 October 1988 and subsequent financial periods. The lead partner is rotated every five years to ensure continued objectivity and independence. Mr. Ciarán O'Brien has acted as lead partner for the audit of the 2020 Financial Statements having been appointed to that role during 2016.

The Committee notes that under Part 27 of the Companies Act 2014, given the tenure of Deloitte, the Group is required to conduct a tender process for the external audit in relation to the appointment of a new auditor in respect of the financial year commencing 1 January 2021. As Deloitte have served in excess of 20 years, they are not eligible for re-appointment. The tender process is underway and the Company expects to submit a resolution to the shareholders at the 2021 AGM proposing a replacement auditor to the Company and Group.

Non-Audit Services

The Committee permits the external auditor to provide non-audit services where they are permitted under Part 27 of the Statutory Audits of Companies Act 2014 and are satisfied that they do not conflict with auditor independence. The Committee's policy on the provision of non-audit services requires that each engagement for the provision of non-audit services requires approval of the Committee. The Committee approved the engagement of the external auditor to provide certain tax compliance services and reporting accountant services in respect of the 2020 financial year. This approval was granted on the basis of procedural efficiency.

The Audit Committee has considered all relationships between the Company and the external audit firm, Deloitte, including the provision of non-audit services as disclosed in note 9 to the Financial Statements which are within the thresholds set out in Part 27 of the Statutory Audits of Companies Act 2014. The Committee does not consider that those relationships or the level of non-audit fees impair the auditor's judgement or independence.

John Sheehan
Chair of the Audit Committee

Report of the Nomination Committee

Dear shareholder,

I am pleased to present the Report of the Nomination Committee (the Committee) for the year ended 31 December 2020

This report sets out how the Committee fulfilled its duties under its Terms of Reference and the UK Corporate Governance Code, the Irish Annex and relevant legislation.

The Committee plays an important role in ensuring that the Board has the appropriate balance of skills, knowledge and experience to ensure the Board operates effectively for the long term success of the Group.

Composition

The Nomination Committee membership is set out in the table below which also details attendance and tenure. All Directors bring significant professional expertise to their roles on this Committee as set out in their professional biographies on pages 68 to 70.

Member	A	B	Tenure
C. Duffy (Chair)*	1	1	8 years
B. O'Kelly*	1	1	4 years
J. Sheehan*	1	1	4 years
E. Rothwell	1	1	11 years

*Independent director

Column A: the number of scheduled meetings held during the year where the Director was a member of the Committee.

Column B: the number of scheduled meetings attended during the year where the Director was a member of the Committee.

In addition to the scheduled meeting, there was significant engagement between Committee members throughout the period to progress the Committee's business.

Role and Responsibilities

The role, responsibilities and duties of the Nomination Committee are set out in written terms of reference and are reviewed annually. The Terms of Reference are available on the Group's website www.icg.ie.

Its duties are to regularly evaluate the balance of skills, knowledge, experience and diversity of the Board and Committees and make recommendations to the Board with regard to any changes. It is also charged with searching out, identifying and proposing to the Board new appointments of executive or non-executive Directors. The Committee also considers the re-appointment of any non-executive Director on the expiry of their term of office. In discharging its duties, the Committee is cognisant of the requirement to allow for orderly succession and refreshment of the Board.

The Chairman provides an update to the Board on key matters discussed and minutes are circulated to the Board.

Work Performed

The Committee considered the results of the evaluation of the Board. The Committee were satisfied that the Board continues to be of adequate size and composition to suit the current scale of its operations and has an appropriate balance of skills, knowledge, experience and diversity to enable it to effectively discharge its duties.

The Committee notes the Code's comments on non-executive Director tenure and the tenure profile of the existing non-executive Directors. As reported last year, the Committee continued researching future potential candidates to ensure orderly Board refreshment and diversity. In December 2020, the Committee recommended the appointment of Lesley Williams to the Board as a non-executive Director. Lesley joined the Board in January 2021 and brings to the Company a wide range of experience at board level across a number of sectors which will complement and strengthen the Board's skillset. No external search agency was engaged in relation to Lesley's appointment. The Committee continues its work to further progress Board refreshment.

The Committee reviewed and recommended to the Board the re-appointment of John B. McGuckian as non-executive Director, subject to re-election by shareholders at the AGM. John has served as Chairman of the Board since 2004 and as a non-executive Director since 1988. This recommendation was proposed following a robust review of the knowledge, skills and experience that he contributes. The Committee assessed him to be both independent in character and judgement and to be of continued significant benefit to the Board.

The Committee noted that John's re-appointment is a departure from the provisions of the Code which states that the Chairman should not stay in position beyond nine years from the date of first appointment to the Board. The Code recognises in certain circumstances this period may be extended including to allow for succession planning and the development of a diverse Board. In recommending his re-appointment the Committee considered it beneficial to retain his considerable experience of the Group's business particularly as the Group meets the immediate challenges posed by the Covid-19 pandemic. It was recommended that John remain in position to deal with these challenges and provide stability during the period of Board refreshment.

The Committee reviewed Catherine Duffy's performance over the current three year term noting that Catherine will have served nine years as a non-executive Director in March 2021. The Committee considered Catherine's position as a senior partner with the Company's legal adviser A&L Goodbody until her retirement in December 2020 did not affect her independence. While serving greater than a nine year term represents a departure from the Code it was agreed that it was in the best interests of the Group that Catherine remain as a non-executive Director to facilitate the smooth refreshment of the Board.

The Committee also reconfirmed their previous assessment of the independence of the non-executive Directors, Brian O'Kelly and John Sheehan.

No Committee member voted on a matter concerning their position as a Director.

The Committee reviewed the processes agreed in respect of workforce engagement described at page 74 and was satisfied that these arrangements remain appropriate to the Group's circumstances.

The Group values diversity and the benefits this can contribute to future success. The Board's Diversity Policy is set out on pages 78 to 79. In considering any appointment to the Board the Committee identifies the set of skills and experience required. Individuals are selected based on the required competencies of the role with due regard for the benefits of diversity. Notwithstanding the Committee notes the female composition of the Board and management reports is 29 per cent and 20 per cent respectively. In relation to future Board and senior manager appointments the Committee will actively seek out a greater pool of female candidates for consideration. The Committee has also requested the Executive Management Team to follow a similar process in relation to recruitment generally. External search agencies independent of the Group are engaged to assist where appropriate.

No recruitment for senior management positions requiring input of the Committee took place during the period.

Catherine Duffy
Chair of the Nomination Committee

Report of the Remuneration Committee

Dear shareholder,

I am pleased to present the Report of the Remuneration Committee (the Committee) for the year ended 31 December 2020. This report sets out details of the remuneration framework for executive and non-executive Directors, describes how the remuneration policy was implemented in the year ended 31 December 2020, and explains how it will be implemented for the 2021 financial year subject to approval of our policy by shareholders.

Composition

The Committee membership is set out in the table below which also details attendance and tenure. All Directors bring significant professional expertise to their roles on this Committee as set out in their professional biographies on pages 68 and 69.

Member	A	B	Tenure
B. O' Kelly (Chair)	3	3	8 years
J. Sheehan	3	3	7 years
C. Duffy	3	3	4 years

Column A: the number of scheduled meetings held during the year where the Director was a member of the Committee.

Column B: the number of scheduled meetings attended during the year where the Director was a member of the Committee.

The Committee met three times during the period with follow up contacts between meetings. The Chairman provided an update to the Board on key matters discussed.

Role and Responsibilities

The role, responsibilities and duties of the Committee are set out in written terms of reference which are reviewed annually. The terms of reference are available on the Group's website *www.icg.ie*.

The Committee's duties are to establish a remuneration framework that;

- Will attract, motivate and retain high calibre individuals;
- Will reward individuals appropriately according to their level of responsibility and performance;
- Will motivate individuals to perform in the best interest of the shareholders; and
- Will not encourage individuals to take risks in excess of the Company's risk appetite.

Against this framework the Committee approves remuneration levels and awards based on an individual's contribution to the Company against the background of underlying Company financial performance having regard to comparable companies in both size and complexity.

As the Company is subject to Company Law as enacted in Ireland, it is not required to seek shareholder approval for its Remuneration Report. However, the Company will be submitting this report to shareholders as an advisory resolution at the 2021 AGM.

The Shareholders' Rights Directive 2017/828 (SRD II Directive) was transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (Regulations). In compliance with SRD II, the Company will also submit a Remuneration Policy to shareholders at the 2021 AGM by way of an advisory resolution.

Remuneration Philosophy

The Committee ensures that the remuneration structures and levels are set to attract and retain high calibre individuals necessary at executive Director and senior manager level and to motivate them to deliver strategy in the interests of our shareholders and wider stakeholders. As set out throughout this report, we believe an approach to remuneration that is grounded in pay for performance with a heavy reliance on long-term remuneration delivered in equity is the most effective way of achieving our aims.

2020 Background and Performance Outcomes

As reported in this Annual Report, 2020 was a challenging year for the Group. The restrictions placed on travel due to the Covid-19 pandemic negatively affected Group profit performance notwithstanding that RoRo freight operations grew in the year and the Container and Terminal Division maintained its profitability. This resulted in difficult decisions for the Committee in attempting to balance the motivational aspects of the remuneration framework with the alignment aspects to shareholder interests.

Annual Performance Award

As a result of the impact of Covid-19 and the associated restrictions on travel, there were no pay-outs under either the Chief Executive's (CEO) legacy arrangement or the regular annual bonus plan for the Chief Financial Officer (CFO). During the past year, both the CEO and CFO have placed a relentless focus on protecting the business and ensuring we are in a position to ramp up activity as soon as it is safe to do so.

The Committee was firmly aware of the difficult trading environment encountered by the Group during 2020 related to the spread of Covid-19 and the subsequent restrictions limiting passenger travel to essential purposes only. While acknowledging the tremendous efforts by all employees in keeping the Group's essential services operating in this difficult environment, the Committee was cognisant of the effect of reduced trading on the financial outcome of the Group. With performance continuing to be affected by passenger travel restrictions continuing into early 2021, noting that dividends had been suspended and the overall stakeholder experience, the Committee considered that it would not be appropriate for any annual performance award to be made based on 2020 performance. As no annual performance awards were made, no restricted shares were awarded.

Performance Share Plan

In relation to the awards granted in March 2018, the Committee has reviewed performance against the four measures employed under the Performance Share Plan (PSP), earnings per share (EPS), return on average capital employed (ROACE), free cash flow (FCF) ratio and relative total shareholder return (TSR). The portion based on EPS and TSR measures lapsed in full, with ROACE performance at 34 per cent of maximum for that portion. The FCF ratio measure vested in full, representing strong performance over the three-year period. The total vesting level for the 2018 awards was 34 per cent of maximum. As a Committee, we are satisfied that the vesting level accurately reflects company performance over the period. Full details of vesting are set out on pages 97 and 98.

Review of The Remuneration Policy During 2020

Following the transposition of the Shareholders' Rights Directive 2017/828 (SRD II Directive) into Irish law, the Company is now required to submit a Remuneration Policy for consideration by shareholders at least every four years. For the first time, the Company will submit a remuneration policy for an advisory vote at the 2021 AGM. While we have not proposed a formal policy previously, in 2017, we adopted a revised remuneration framework in line with the approval of our PSP. The review during the past fiscal year was against that framework.

In framing this policy and in line with our general approach to remuneration, the Committee has been guided by the view that any remuneration framework should seek to create a strong and demonstrable link to longer term Company performance and alignment with shareholder interests through growth in equity value. To achieve this the Committee seeks to set base salaries at median market levels and structure performance awards in a manner that encourages individuals to acquire and retain significant long-term shareholdings relative to base salary. We are firm in our conviction that such remuneration structures are the most effective means of unlocking the benefits of variable remuneration, including alignment with shareholders and driving a truly long-term orientation among management, while protecting against the potential for excessive risk taking or a focus on short-term performance at the cost of driving sustainable long-term growth for shareholders.

Report of the Remuneration Committee

Continued

Review of The Remuneration Policy During 2020 – continued

The Committee acknowledges that full implementation may in certain instances be constrained by pre-existing contractual arrangements. Notwithstanding the Committee remained satisfied that it continues to be appropriate to the business needs and strategy of the Group. In particular, the Committee notes the promotion of strong alignment with shareholders through requirements of minimum shareholdings, a requirement to invest 50 per cent of annual performance awards into Company equity with a five-year holding requirement and the overall eight-year alignment period for any awards granted under the longer term PSP.

These elements are further supported by clawback provisions. This is consistent with the Group's ongoing investment in long life assets. The Committee also reviewed the movements in remuneration levels against longer term performance and total remuneration amounts against market levels generally.

The Committee is satisfied that the remuneration framework meets the requirements of the UK Corporate Governance Code (2018) and the spirit of the guidelines issued by various investment associations and large institutional investors. In particular, the following key guidance from the Financial Reporting Council was consistently taken into account by the Committee;

- clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
- simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand;
- risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
- predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy;
- proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance; and
- alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy.

As a Committee, we are satisfied we have met the principles of the Code set out above while designing a policy that reflects our overarching aims of driving a sense of ownership among executive Directors as the most effective means of delivering long-term value for stakeholders. We believe that by ensuring at least 50 per cent of variable remuneration (and often more) is delivered in equity with a five-year time horizon speaks to that aim and goes well beyond the market practice of our UK and Irish peers.

Shareholder Engagement

At the 2020 AGM, we note that a minority of shareholders have raised concerns around certain aspects of the implementation of our remuneration policy. We have engaged with these shareholders explaining our approach and setting out what we believe to be mitigating practices where they consider the Company not to be aligned with voting guidelines or the evolution of their expectations. The Committee emphasises that the cornerstone of the ICG framework is to create strong alignment within the senior management team with shareholder interests. In this regard, the Company has some of the most stringent investment and holding requirements among listed companies.

The Committee is also satisfied that The Remuneration Policy being submitted to the 2021 AGM provides for a remuneration framework that avoids complexity, encourages acceptable risk taking and is aligned to long term Company performance and culture.

The Company had included disclosures in the 2019 Annual Report and engaged extensively with its major shareholders in advance of the 2020 AGM dealing with the two principal concerns raised being (i) CEO Performance Pay and (ii) CFO salary increase. In relation to the principal concerns of shareholders raised through the 2020 engagement process the Committee sets out its considerations below:

CEO performance pay
A number of shareholders raised the non-disclosure of metrics around the CEO performance pay. The Committee has considered this and for contractual reasons does not disclose the exact calculation methodology. The Committee remains satisfied that the outcomes reflect Group performance over the longer term. The Committee is of the view that remuneration should be aligned with the business needs and strategy of the Group.

The Committee recognises that shareholder expectations around bonus target disclosure have grown significantly and note that in general the reliance on commercial sensitivity is no longer deemed sufficient in the eyes of a number of institutions. While the Committee notes this evolution, after significant deliberations, it remains of the opinion that the disclosure of the annual EPS performance conditions would be potentially detrimental to the business and has determined that it will not be disclosed for the past year. As part of its deliberations, the Committee was conscious of the market in which the business operates, with major competitors not publicly listed and thus not subject to the same level of scrutiny on bonus disclosure targets.

In terms of quantum, the Committee notes that no bonuses were paid during the past fiscal year, which points to the underlying pay-for-performance nature of the CEO's legacy contractual arrangement and the alignment with EPS – whether positive or negative. As a reference point, the Committee has also reviewed benchmarking data and satisfied itself that the total overall remuneration of the CEO is not out of alignment with market norms through comparison with CEO remuneration of ISEQ 20 and FTSE 250 companies. The Committee also noted last year that the CEO three-year average single figure remuneration was ahead of the FTSE 250 median but below the upper quartile. The Committee notes that the CEO single figure remuneration for 2020 is 69 per cent less than the 2019 figure principally as a result of no annual performance award. While certain aspects of the Company's approach to incentivising and rewarding executives is bespoke compared to other Irish and UK peers, it has been designed to align with the values of the business; and, in an effort to drive truly meaningful alignment through a market-leading focus on equity and long-termism.

Based on the above, the Committee remains satisfied the overall remuneration outcomes for the CEO and shareholder alignment are consistent with the remuneration framework objectives.

CFO rate of salary increase
A number of shareholders also raised a concern regarding the progressive increase in the CFO's salary since his appointment to that position in 2016 as not being consistent with increases awarded generally. The Committee has previously noted that Mr. Ledwidge's salary was set at a level commensurate with his experience with the Group on appointment with the expectation that subject to individual and Group performance that this level of salary will rise progressively over a number of years to comparable levels in the market for similar roles.

The Committee conducted a rigorous assessment of Mr. Ledwidge's performance since 2016 at the end of 2019 and deemed it to have exceeded expectations. The progressive increases from an initial salary on appointment to the Board of €160,000 to €318,000, effective 1 January 2020, reflected his establishment in the role and the strength of his performance. No salary increase has been awarded in respect of 2021 consistent with increases generally across the Group. Notwithstanding these increases, the Committee notes that the current salary level remains at the lower quartile levels of FTSE 250 and ISEQ 20 companies. Recognising that shareholders raised concerns around the level of increase, as opposed to the revised salary level, the Committee is satisfied that the approach taken was in line with good governance, with salary set in the lower decile on appointment.

Report of the Remuneration Committee

Continued

Implementation of the Policy in 2021

During 2021, there will not be substantive changes to our approach to incentivising and rewarding employees. The framework set out below will operate for the executive Directors:

Annual Bonus Plan
For the CEO, any bonus in 2021 will continue to be based on an EPS-based formula, in combination with Committee discretion to reflect wider circumstances.

For the CFO, and in light of feedback from shareholders, the Committee has put in place certain pillars for 2021 to replace the purely discretionary approach previously employed. The CFO's bonus will be based on performance in the following financial and non-financial areas:

- Financial measures include profitability, cash generation and balance sheet strength.
- Personal objectives include a range of non-financial targets including ESG issues.

In the event of any pay-out under the annual bonus scheme, at least half of awards will be subject to investment in equity with a holding period in excess of five years. The Committee remains satisfied that these arrangements remain the most stringent in the Irish market.

Performance Share Plan
The past 12 to 18 months has tested all companies' ability to set targets under long-term incentive schemes, which remain a core part of our incentive framework. Having conducted a rigorous review of the performance conditions under the PSP, for the 2021 grants, the Committee determined that the retention of the existing metrics evenly weighted remained appropriate. The Committee considered the negative diluted adjusted earnings per share reported in the 2020 Financial Statements and acknowledging the uncertainties around the lifting of Covid-19 travel restrictions set the EPSd growth target from a base of 0.1 cent. The targets for the measures remain unchanged from previous years, and reflect the Committee's evaluation of internal modelling and external forecasts:

	Vesting Threshold	
	Minimum	Maximum
EPSd growth	5%	12%
ROACE	13%	20%
FCFR	100%	130%
TSR	Median	Top Quartile

Directors' Remuneration Policy for Future Years

In accordance with the SRD II Directive transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (Regulations), ICG will submit its remuneration policy to a vote of shareholders at the 2021 AGM. In accordance with SRD II the shareholder vote will be advisory. Details of The Remuneration Policy will be included with the AGM circular.

Remuneration Outcomes for Executive Directors in 2020

Total Directors' single figure remuneration for the year was €1,586,000 compared with €3,686,000 in 2019 and details are set in the table below:

	Base salary	Performance pay: Restricted shares	Performance pay: Cash	Benefits	Pension	Options / PSP[1/2]	Fees	Total 2020
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	580	-	-	35	-	241	-	**856**
D. Ledwidge	318	-	-	22	43	72	-	**455**
Total for executives	**898**	**-**	**-**	**57**	**43**	**313**	**-**	**1,311**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
C. Duffy	-	-	-	-	-	-	50	**50**
B. O'Kelly	-	-	-	-	-	-	50	**50**
J. Sheehan	-	-	-	-	-	-	50	**50**
Total for non-executives	**-**	**-**	**-**	**-**	**-**	**-**	**275**	**275**
Total	**898**	**-**	**-**	**57**	**43**	**313**	**275**	**1,586**

1 34 per cent of the options granted on 9 March 2018 under the PSP are expected to vest during 2021 based on performance to 31 December 2020, subject to continued employment up to the vesting date.

2 The value of any options vesting will be based on the actual share price at date of vesting. For the purposes of the above disclosure, the value of an option has been based on the difference between the option subscription price and the average closing price of an ICG Unit between 1 October and 31 December 2020.

Details of Directors' remuneration for the year ended 31 December 2019 are set out below:

	Base salary	Performance Pay: Restricted shares	Performance Pay: Cash	Benefits	Pension	Options / PSP[1]	Fees	Total 2019
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	566	1,558	-	35	-	593	-	2,752
D. Ledwidge	254	76	90	22	36	181	-	659
Total for executives	**820**	**1,634**	**90**	**57**	**36**	**774**	**-**	**3,411**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
C. Duffy	-	-	-	-	-	-	50	**50**
B. O'Kelly	-	-	-	-	-	-	50	**50**
J. Sheehan	-	-	-	-	-	-	50	**50**
Total for non-executives	**-**	**-**	**-**	**-**	**-**	**-**	**275**	**275**
Total	**820**	**1,634**	**90**	**57**	**36**	**774**	**275**	**3,686**

1 The value of options which vested during 2020 based on financial performance to 31 December 2019 reported in the prior year based on the average closing price of an ICG Unit between 1 October 2019 and 31 December 2019 has been restated based on the actual closing price on the vesting date. The restatement amounted to a reduction in the previously reported benefit of €305,000 in respect of Eamonn Rothwell and €84,000 in respect of David Ledwidge.

Report of the Remuneration Committee
Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

The information above forms an integral part of the audited Consolidated Financial Statements as described in the Basis of Preparation on page 128.

Base Salary

Eamonn Rothwell, CEO, was awarded an increase in base salary of 2.5% for 2020 over his 2019 base salary. This was in line with the base salary increase awarded to all employees who are not accruing benefits under any of the Group's defined benefit pension schemes. In terms of a wider comparator group the Committee noted that the CEO pay level was below median base salaries of FTSE 250 constituent companies.

David Ledwidge, CFO, was appointed to the Board on 3 March 2016. His salary at that date was set at a level commensurate with his experience with the Group, with the expectation that subject to individual and Group performance that this level of salary will rise progressively over a number of years to comparable levels in the market for similar roles. Against these considerations, the Committee awarded David a 25 per cent increase in annualised base salary for 2020 to more closely reflect market levels.

The adjustments to salary for all employees were effective from 1 January 2020.

Director's Pension Benefits

The aggregate pension benefits attributable to the executive Directors at 31 December 2020 are set out below:

	E. Rothwell	D. Ledwidge	Total 2020	Total 2019
	€'000	€'000	€'000	€'000
Increase in accumulated accrued annual benefits (excluding inflation) in the period	-	1	1	1
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	-	4	4	4
Accumulated accrued annual benefits on leaving service at year end	-	17	17	16

* Note: Calculated in accordance with actuarial guidance note GNII.

There were no pension benefits attributable to Eamonn Rothwell as he has reached normal retirement age and pension benefits have vested.

With regard to David Ledwidge, costs in relation to defined benefit pension arrangements were €20,000 (2019: €20,000) with a further €23,000 (2019: €16,000) related to the defined contribution pension arrangements.

The Company also provides lump sum death in service benefits and the premiums paid during the year amounted to €6,000 and €1,000 in relation to Eamonn Rothwell and David Ledwidge respectively.

Performance Related Pay

Eamonn Rothwell
Eamonn Rothwell has been with ICG since its inception as a public company and flotation in 1988. A legacy contractual arrangement governs Mr. Rothwell's performance related pay.

The CEO annual bonus performance award is predominantly driven by a formula based on basic EPS growth which incorporates an adjustment for share buybacks. The Committee also retain discretion to make adjustments for any non-cash non-trading items. The Company believes that EPS is consistent and transparent and EPS growth drives long-term value creation for all stakeholders. EPS is the key performance indicator by which the Board assesses the overall performance of the Company and, as such, the Committee deems it an appropriate incentive for the Company's most senior employee.

The Committee reassessed the CEO performance arrangements and in its view the arrangements remain the most effective means of driving performance and aligning the interests of the CEO and shareholders.

The Committee considered the performance of Mr. Rothwell and the significant effort expended in managing and protecting the Group's businesses throughout the government imposed Covid-19 travel restrictions. Noting the long standing legacy arrangement regarding his annual performance award, and to ensure consistent application, the Committee did not consider it appropriate to exercise discretion to adjust formulaic outcome. The Committee considered zero payout as reflective of overall Company performance and stakeholder experience in the period.

David Ledwidge
David Ledwidge was appointed executive Director in 2016. The Committee assessed Mr. Ledwidge's performance in his role over the period and concluded that Mr. Ledwidge was performing in line with expectations and contributing positively to the longer term development of the Group. The Committee acknowledged Mr. Ledwidge's significant effort during the year in managing the Group's finances against the difficult trading environment together with the completion of the significant pensioner buyout transaction. While noting the above and that Mr. Ledwidge's annual performance arrangements for 2020 remained discretionary, the Committee decided that it would not be appropriate to grant a performance award in light of the 2020 financial results.

Restricted Shares
As no annual performance awards were made relating to the year ended 2020, no restricted shares were awarded.

Long Term Incentive

(i) Grants during 2020
The long term incentive scheme applicable for the 2020 financial year was the PSP approved by shareholders on 17 May 2017. The Committee had suspended future awards under the legacy 2009 Share Option Plan which remains in place to facilitate the administration of previously granted options.

On 6 March 2020 the Committee granted options over 1,120,500 ICG Units to employees of the Group. These included an annual award of options granted to Mr. Rothwell and Mr. Ledwidge in line with the annual limits set out in the PSP rules being 200 per cent and 150 per cent of salary respectively. The total number of options granted to Mr. Rothwell and Mr. Ledwidge based on a share price of €3.90 were 297,000 and 122,000 respectively.

Vesting of these awards are based on the achievement of the following performance conditions over a three-year vesting period;

- Adjusted Diluted Earnings per Share (EPSd)
- Return on Average Capital Employed (ROACE)
- Free Cash Flow Ratio (FCFR)
- Total Shareholder Return (TSR)

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Performance Related Pay – continued

Each condition is equally weighted and in all cases 30 per cent vests at threshold performance and 100 per cent vests at maximum with pro-rata vesting between these two levels.

The performance levels were calibrated as follows;

	Vesting Threshold	
	Minimum	Maximum
EPSd	5%	12%
ROACE	13%	20%
FCFR	100%	130%
TSR	Median	Top Quartile

The TSR is measured against a combination of the performance of the FTSE 250 index and a grouping of peer companies comprising DFDS, Tallink Grupp, Viking Line, Air-France KLM, Ryanair, EasyJet, Getlink, Origin Enterprises, Dalata Hotel Group and C&C Group.

The Committee notes the timing of grant of awards in the first quarter of 2020 and the perception that participants may benefit from 'windfall gains' where awards were made of a value which may have been impacted by external factors – in this case the Covid-19 pandemic. While there was some recognition of an emerging risk in regions of the world at the time of grant, awards were made in line with the normal cycle and in an environment where the scale and depth of the government imposed lockdowns was largely unknown. PSP awards granted were calculated based on a share price of €3.90, the closing share price on the day preceding the award date.

(ii) Options Vested during 2020
As reported in last year's report the Committee determined based on performance up to 31 December 2019; (i) the full vesting of second tier options granted on 5 March 2015 under the legacy Share Option Plan at an exercise price of €3.58, vesting in total 905,000 options and (ii) the vesting of the options granted under the PSP on 23 May 2017 at an exercise price of €0.065 at a vesting rate of 44 per cent, vesting 460,424 options in total.

Mr. Rothwell held 350,000 of the options vested under the legacy scheme and held 130,385 of the PSP vested options. Share option remuneration of €898,000 based on the market price at the vesting date has been disclosed in the 2019 remuneration table (adjusting the €593,000 previously disclosed last year which was estimated based on year end 2019 share prices). Under the rules of the PSP, the 130,385 PSP options which vested were exercised and are subject to retention in trust for a period of five years.

Mr. Ledwidge held 75,000 of the options vested under the legacy scheme and 44,500 of the PSP vested options. Share option remuneration of €181,000 based on the market price at the vesting date has been disclosed in the 2019 remuneration table (adjusting the €265,000 previously disclosed last year which was estimated based on year end 2019 prices). Under the rules of the PSP, the 44,500 PSP options which vested were exercised and 39,605 are subject to retention in trust for a period of five years.

The share price at date of vesting was €4.39 for the legacy options and €3.30 for the PSP options.

(iii) Options expected to vest during 2021 based on performance to 31 December 2020
The Committee has considered the performance conditions attaching to the options granted under the PSP on 9 March 2018 which are tested against Group performance up to 31 December 2020. The 2020 outcomes have been adjusted for the effects of the application of IFRS 16 Leases so that the diluted earnings per share, return on average capital employed and free cash flow ratio metrics are comparable over the performance period. The table below shows the expected vesting on each metric.

Performance Condition	Weighting	Threshold	Maximum	Actual	Outcome
Diluted adjusted earnings per share	25%	33.3c	40.5c	(4.3)c	0% out of 25%
Return on average capital employed	25%	13%	20%	13.5%	9% out of 25%
Free cash flow ratio	25%	100%	130%	161.9%	25% out of 25%
Total shareholder return	25%	(17.6)%	5.8%	(27.9)%	0% out of 25%

30 per cent vesting occurs at threshold performance increasing pro-rata up to the maximum vesting threshold. Vesting will be conditional on the continued employment of the option holders at the vesting date in 2021. At 31 December 2020 there were 651,640 outstanding options granted on 9 March 2018, including 189,000 and 56,500 options in favour of Mr. Rothwell and Mr. Ledwidge respectively of which 64,260 and 19,210 are expected to vest during 2021 under the above performance outturns.

The gross value of those options expected to vest in favour of the executive Directors based on performance to 31 December 2020 has been included in the total Director remuneration table for year ended 31 December 2020, based on an estimated share price of €3.82, being the average closing price of an ICG Unit between 1 October 2020 and 31 December 2020.

(iv) Options Held

Details of movements in share options granted to Directors under the Performance Share Plan and the legacy Share Option Plan are set out in the table below:

Option Type	Date of Grant	31-Dec-19	Granted	Vested	Exercised	Lapsed	31-Dec-20	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
E. Rothwell										
Unvested										
Second Tier Share Option	5-Mar-15	350,000	-	(350,000)	-	-	-	-	-	-
Performance Share Plan	23-May-17	293,000	-	-	(130,385)	162,615	-	-	-	-
Performance Share Plan [1]	9-Mar-18	189,000	-	-	-	-	189,000	0.065	9-Mar-21	-
Performance Share Plan [2]	5-Mar-19	226,000	-	-	-	-	226,000	0.065	5-Mar-22	-
Performance Share Plan [2]	6-Mar-20	-	297,000	-	-	-	297,000	0.065	6-Mar-23	-
Vested but not yet exercised	5-Mar-19	350,000	-	350,000	-	-	700,000	3.58	-	4-Mar-25
		1,408,000	**297,000**	**-**	**(130,385)**	**(162,615)**	**1,412,000**			

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Option Type	Date of Grant	31-Dec-19	Granted	Vested	Exercised	Lapsed	31-Dec-20	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
D. Ledwidge										
Unvested										
Second Tier Share Option	5-Mar-15	75,000	-	(75,000)	-	-	-	-	-	-
Performance Share Plan	23-May-17	100,000	-	-	(44,500)	(55,500)	-	-	-	-
Performance Share Plan[1]	9-Mar-18	56,500	-	-	-	-	56,500	0.065	9-Mar-21	-
Performance Share Plan [2]	05-Mar-19	76,000	-	-	-	-	76,000	0.065	5-Mar-22	-
Performance Share Plan [2]	6-Mar-20	-	122,000	-	-	-	122,000	0.065	6-Mar-23	-
Vested but not yet exercised	5-Mar-15	75,000	-	75,000	-	-	150,000	3.58	-	4-Mar-25
		382,500	**122,000**	-	**(44,500)**	**(55,500)**	**404,500**			

1 These options are expected to vest during 2021 at a vesting rate of 34 per cent based on performance to 31 December 2020 and the gross value has been included in the Director remuneration schedule. The delivered shares less any permitted sales to discharge tax liabilities, will be held in trust for a period of five years from the exercise date.

2 These options will vest and become exercisable three years from the third anniversary of grant in accordance with achievement of the performance conditions set out in the remuneration framework table. These options will normally have to be exercised on or shortly after the vesting date and the delivered shares, less any permitted sales to discharge tax liabilities, held in trust for a period of five years from the exercise date.

Other Matters

Minimum Shareholding Requirements

The Company encourages individuals to acquire and retain significant shareholdings to align interests of management with those of shareholders. The Company has a minimum shareholding requirement for executive Directors and members of the Executive Management Team to hold shares to a market value of three times base salary within five years of date of appointment. The market value inherent in vested options and any shares held under the Company's restricted share arrangements will count towards determining an individual's holdings.

The market value of the holdings of executive Directors and executive management at 31 December 2020 as a multiple of salary at that date are shown in the following table:

	Salary multiple held
Eamonn Rothwell	233.3 times
David Ledwidge	2.3 times
Other executive management	6.6 times

The Committee noted that Mr. Ledwidge will have served five years as an executive Director in March 2021. Given that no annual performance awards were made in respect of the year ended 31 December 2020, the period allowed for Mr. Ledwidge to attain the minimum holding requirement has been extended by one year.

Non–Executive Directors

Non-executive Directors receive a fee which is set by the Committee and approved by the Board. They do not participate in any of the Company's performance award plans or pension schemes. As part of the overall review of remuneration structures the Committee recommended the fee payable to the Board Chairman to be the same as the prior year at €125,000 per annum and other non-executive Directors at €50,000. The fee levels are considered in line with the market norm generally and reflective of the levels of commitment expected from persons holding non-executive directorship positions.

Non-executive Directors do not have notice periods and the Company has no obligation to pay compensation when their appointment ceases. The letters of appointment are available for inspection at the Company's registered office during normal business hours and at the AGM.

Director's Service contracts
Non-executive Directors have been appointed under letters of appointment for periods of three years subject to annual re-election at the AGM.

In respect of Mr. Eamonn Rothwell, CEO, there is an agreement between the Company and Mr. Rothwell that, for management retention reasons, in the event of a change in control of the Company (where over 50 per cent of the Company is acquired by a party or parties acting in concert, excluding Mr. Rothwell) he will have the right to extend his notice period to two years or to receive remuneration in lieu thereof.

This amendment to Mr. Rothwell's contract of employment was agreed by the Remuneration Committee a number of years ago to retain and motivate the CEO during a series of attempted corporate takeover actions.

The letters of appointment for other executive Directors do not provide for any compensation for loss of office other than for payments in lieu of notice and, except as may be required under Irish law, the maximum amount payable upon termination is limited to 12 months equivalent.

On termination, outstanding options may at the absolute discretion of the Committee, be retained by the departing individual in accordance with the good leaver / bad leaver provisions of the relevant plan. Any shares delivered to an individual which are subject to a retention period will remain unavailable to the individual until the end of the retention period and where applicable will be subject to clawback under the provisions of the Clawback Policy.

Share Option Schemes
There were no long-term incentive plans in place during the year other than the Group's 2009 share option plans (suspended as regards new grants) and the PSP.

The purpose of the share option plans is to encourage identification of option holders with shareholders' longer term interests. Under the plans, options have been granted both to Directors and to employees of the Group. The options were granted by the Committee on a discretionary basis, based on the employees expected contribution to the Group in the future. Non-executive Directors are not eligible to participate in the plan.

In the ten year period ended 31 December 2020, the total number of options granted, net of options lapsed amounted to 4.1% of the issued share capital of the Company at 31 December 2020.

A charge is recognised in the Consolidated Income Statement in respect of share options issued to executive Directors. The charge in respect of executive Directors for the financial year ended 31 December 2020 is €715,000 (2019: €901,000).

Clawback Policy
The Committee recognises that there could potentially be circumstances in which performance related pay (either annual bonuses, and / or longer term incentive awards) is paid based on misstated results or inappropriate conduct resulting in material damage to the Company. Whilst the Company has robust management and internal controls in place to minimise any such risk, the Committee has in place formal clawback arrangements for the protection of the Company and its investors. The clawback of performance related pay comprising the annual bonus and PSP awards would apply in certain circumstances including;

- a material misstatement of the Company's financial results;
- a material breach of an executive's contract of employment;
- any wilful misconduct, recklessness, and / or fraud resulting in serious injury to the financial condition or business reputation of the Company.

For executive Directors and members of the Executive Management Team a minimum of 50 per cent of the annual bonus will be invested in ICG equity which must be held for a period of five years, which will be subject to clawback for a period of two years per the circumstances noted above. Any awards granted under the PSP will be subject to clawback during the vesting period and any shares delivered on vesting will be subject to clawback for an initial two year period per the circumstances noted above.

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Other matters – continued

Post-employment holdings

The Committee, in designing its performance pay initiatives, as explained below, has ensured that executive Directors and senior managers retain an appropriate level of shareholding post-employment. For the past eight years, the Company has had a structure in place under which all equity awarded to executives (either under the annual bonus plan or PSP) is placed in a trust for a period of five years. Executives are restricted from disposing of those shares during this five year period even in circumstances where they are no longer in the employment of the Company. This ensures strong alignment with investors and other stakeholders' post-employment and ensures that departing executives retain an interest in the business for a significant period after leaving the Company.

Consequently, under the annual bonus scheme a minimum of 50 per cent of an annual award must be invested in equity and held in trust for a holding period of five years. Similarly, any shares delivered pursuant to the vesting of options under the PSP must normally be held in trust for a holding period of five years. Therefore, at termination executive Directors and senior management participating in these schemes will contractually retain an interest in equity for a period of up to five years post-employment, proportional to the amount of variable pay awarded over the final five years of employment. At 31 December 2020 the following vested share awards were held in employee trusts relating to members of the Executive Management Team with release dates between January 2021 and June 2025.

	No. shares	Value €m	Salary multiple held	Release profile
Eamonn Rothwell	2,555,114	11.5	19.8 times	2.2 years
David Ledwidge	130,758	0.6	1.9 times	2.5 years
Other executive management	647,048	2.9	3.5 times	2.9 years

External Appointments

No executive Director retained any remuneration receivable in relation to external Board appointments.

Payments to former Directors

There were no pension payments or other payments for loss of office paid to any former Directors during the year.

External Advisers

The Committee sought assistance from Mercer in relation to an assessment of the achievement of the performance conditions applicable to the May 2018 awards under the PSP. Mercer are members of the Remuneration Consultants Group and signatories to its Code of Conduct. Other than the services above, Mercer did not provide any other services to the Group in the period 1 January 2020 to the date of this report.

Market price of shares

The closing price of the shares on Euronext Dublin on 31 December 2020 was €4.50 and the range during the year was €2.30 to €5.03.

Brian O'Kelly

Chair of the Remuneration Committee

Report of the Directors

The Directors present their Report together with the audited Financial Statements of the Group for the financial year ended 31 December 2020.

Results for the year and Business Developments

Details of the results for the financial year are set out in the Consolidated Income Statement on page 122 and in the related notes forming part of the Financial Statements. The fair review of the development of the business of the Company and its subsidiaries is set out in the Business Review on pages 4 to 65. This includes a description of the principal activities, principal risks, uncertainties, alternative performance measures and environmental and employee matters.

Research and Development

The Group actively monitors developments in vessel design and vessel availability with an emphasis on product improvement, environmental efficiency and achievement of economies of scale.

Dividend and Share Buyback

The Group did not pay any dividends during financial year 2020 and is not proposing a final dividend in respect of financial year 2020.

The Group announced on 1 July that it would withdraw its proposal to pay the final dividend in respect of financial year 2019, that had been previously announced on 5 March 2020. This was due to the Board decision to conserve cash following the uncertainty arising from the introduction of government Covid-19 measures.

The Company has adopted a progressive dividend policy since 2010 the aim of which is to gradually increase or at least maintain the annual total dividend per share over the medium term. Any dividend is declarable at the discretion of the Directors following assessment of the Company's performance, its cash resources and distributable reserves. At 31 December 2020 the Company's retained earnings amounted to €153.7 million all of which were considered to be distributable.

The Company during financial year 2020 bought back 570,000 (2019: 2,900,000) of its shares, representing 0.3% (2019: 1.5%) of its issued share capital at 1 January 2020 for a total consideration of €1.7 million (2019: €12.9 million). Further details are contained at note 20 to the Financial Statements.

Board of Directors

The Company's Constitution requires that one third of the Directors are required to retire from office at each AGM of the Company. However, in accordance with the provisions contained in the UK Corporate Governance Code, the Board has decided that all Directors should retire at the 2021 AGM and offer themselves for re-election. Biographical details of the Directors are set out on pages 68 to 70 of this report and the result of the annual board evaluation is set out on pages 77 to 78.

Accounting Records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at the Company's registered office, Irish Continental Group plc, Ferryport, Alexandra Road, Dublin 1, Ireland.

Non-Financial Information

The Group is not subject to the reporting requirements of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended). Notwithstanding the Group provides certain non-financial information in its sustainability review contained at pages 40 to 53.

Going Concern

The Financial Statements have been prepared on the going concern basis. The Directors report that, after making inquiries, they have a reasonable expectation at the time of approving the Financial Statements, that the Group and Company are going concerns, having adequate financial resources to continue in operational existence for the foreseeable future. In forming this view, the Directors have considered the future cash requirements of the Group and Company in the context of the economic environment of 2021, the principal risks and uncertainties facing the Group (pages 57 to 61), the Group's 2021 budget plan and the medium-term strategy of the Group, including capital investment plans. The future cash requirements have been compared to bank facilities which are available to the Group and Company.

Report of the Directors

Continued

Going Concern – continued

The introduction of measures in response to Covid-19 by governments in the jurisdictions in which we operate services at various times during the financial year 2020 had a material effect on the Group's financial results. This was particularly concentrated on our passenger business where international travel was restricted to essential purposes resulting in a fall in passenger revenues of 66.3% compared to 2019 levels. The Group has, despite the imposition of restrictions, continued to operate its passenger services on all routes in conjunction with its RoRo services.

Notwithstanding the downturn in profitability due to reduced passenger revenues, the Group's RoRo, LoLo and port stevedoring services operated largely in line with expectations and the Group generated cash from operations of €51.2 million (2019: €89.5 million) in financial year 2020, with free cash flow after maintenance capital expenditures of €35.3 million (2019: €73.2 million). The Group retained cash balances and committed undrawn facilities at 31 December 2020 of €240.8 million and had agreed an increase in leverage covenants with its lenders from 3 times to 4 times EBITDA. The leverage covenant level at 31 December 2020 calculated in accordance with the lending agreements, was 1.7 times.

Government imposed travel restrictions have continued into 2021 and there is uncertainty as to the duration and continuing severity of these restrictions. In addition, there has been some disruption to RoRo revenues on our Ireland – UK routes in early 2021 following the ending of the Brexit transition period on 31 December 2020 and the imposition of custom controls. Following a material drop in RoRo carryings in the early weeks of 2021, carryings have been trending upwards and the revenue losses on the UK routes have been significantly replaced with revenues on our direct services to France.

In making their going concern assessment, the Directors have considered a number of trading scenarios including a continuation of current level of travel restrictions to March 2022. This modelling assumed full schedule of services of the conventional ferry fleet and cash management within the terms of the Group's existing financing arrangements. Based on this modelling the Directors believe the Group retains sufficient liquidity to operate for at least the period up to March 2022.

Viability Statement

The Directors have assessed ICG's viability over a timeframe of five years which the Directors believe reflects an appropriate timeframe for performing realistic assessments of future performance given the dynamic nature of our markets as regards the competitive landscape, economic activity, long-life assets and the continued capital investment commitments relating to our fleet and terminal operations.

In making their assessment, the Directors took account of ICG's current financial and operational positions and contracted capital expenditure. These positions were then rolled forward based on a set of assumptions on expected outcomes to arrive at a base projection. Sensitivity analysis was then performed on the base projection against potential financial and operational impacts, in severe but plausible scenarios, of the principal risks and uncertainties and the likely degree of effectiveness of current and available mitigating actions as set out on pages 57 to 61. It was further assumed that functioning financial markets exist throughout the assessment period with bank lending available to the Group on normal terms and covenants. The process which was performed by management was subject to examination and challenge by the Directors.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all their liabilities as they fall due over the five years' assessment period.

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined by the Companies Act 2014 (the Relevant Obligations).

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company with respect to compliance with its Relevant Obligations.

The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations. For the year ended 31 December 2020, the Directors have reviewed the effectiveness of these arrangements and structures during the financial year to which this Report relates.

In discharging its obligations under the Companies Act 2014, as set out above, the Directors have relied on the advice of persons employed by the Company or retained by it under a contract for services, who the Directors believe to have the requisite knowledge and experience to advise the Company on compliance with its Relevant Obligations.

Disclosure of Information to Statutory Auditors

In accordance with the provisions of Section 330 of the Companies Act 2014, each Director of the Company at the date of approval of this report individually confirms that;

- So far as they are aware, there is no relevant audit information, as defined in the Companies Act 2014, of which the Statutory Auditor is unaware; and
- They have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to ensure that the Statutory Auditor is aware of such information.

International Financial Reporting Standards

ICG presents its Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2020 and that have been adopted by the European Union.

Principal Risks and Uncertainties

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. The key risks facing the Group include strategic, operational, financial and, information technology and cyber risks arising in the ordinary course of business. Further details of risks and uncertainties are set out on pages 57 to 61.

Substantial Shareholdings

The latest notifications of interests of 3 per cent or more in the share capital of the Company received by the Company on or before 10 March 2021 and as at 31 December 2020 were as follows:

	10 March 2021		31 December 2020	
Beneficial Holder as Notified	Number of Units	% of Issued Units	Number of Units	% of Issued Units
Eamonn Rothwell	29,922,604	16.0%	29,921,594	16.0%
Wellington Management Company, LLP	18,666,332	9.9%	18,666,332	9.9%
Ameriprise Financial Inc.	16,862,148	9.0%	16,862,148	9.0%
Marathon Asset Management, LLP	11,217,093	5.9%	12,878,846	6.8%
Kinney Asset Management, LLC	11,444,752	6.1%	11,444,752	6.1%
FMR, LLC	6,229,035	3.3%	6,229,035	3.3%
Brewin Dolphin Wealth Management	5,895,833	3.1%	5,895,833	3.1%
BlackRock Inc.	-	-	8,007,095	4.2%

Directors, Secretary and their Interests

The interests of the Directors and Secretary of the Company and their spouses and minor children in the share capital of the Company at 31 December 2020 and 1 January 2020 all of which were beneficial, were as follows:

Director	31/12/2020 ICG Units	01/01/2020 ICG Units	31/12/2020 Share Options	01/01/2020 Share Options
John B. McGuckian	296,140	296,140	-	-
Eamonn Rothwell	30,030,114	29,899,729	1,412,000	1,408,000
Catherine Duffy	-	-	-	-
David Ledwidge	130,758	97,938	404,500	382,500
Brian O'Kelly	41,740	41,740	-	-
John Sheehan	80,000	15,000	-	-
Company Secretary				
Thomas Corcoran	246,064	213,579	475,500	470,500

Note: Lesley Williams was appointed to the Board on 4 January 2021, and therefore is not included in the above table.

ICG Units are explained on page 198 of this report.

Report of the Directors

Continued

Auditors

As required under Section 381(1)(b) of the Companies Act 2014, the AGM agenda will include a resolution authorising the Directors to fix the remuneration of the auditors.

Section 383 of the Companies Act 2014 provides for the automatic re-appointment of the auditor of an Irish company at a company's AGM, unless the auditor has given notice in writing of his unwillingness to be re-appointed or a resolution has been passed at that meeting appointing someone else or providing expressly that the incumbent auditor shall not be re-appointed.

As outlined in the Audit Committee Report on page 87, the Company is engaged in a competitive tender process and the Board expect to replace Deloitte Ireland LLP as the Company's auditor with effect from the 2021 financial year. An ordinary resolution confirming the appointing of a replacement auditor will be proposed at the 2021 AGM.

Corporate Governance

The Group applies the principles and provisions of The UK Corporate Governance Code (2018) as adopted by Euronext Dublin and the UK Financial Conduct Authority and of the Irish Corporate Governance Annex (the Irish Annex) issued by Euronext Dublin. A Corporate Governance Report is set out on pages 71 to 83 and is incorporated into this Report by cross reference.

The Group has established an Audit Committee whose Report is included at pages 84 to 87.

Key Performance Indicators

The Group uses a set of headline Key Performance Indicators (KPIs) to measure the performance of its operations. These KPIs are set out on pages 22 to 25 and are incorporated into this report by cross reference.

Future Developments

The duration of the travel restrictions and other measures introduced by various governments in the jurisdictions in which we offer services will continue to create uncertainty in relation to our passenger revenues in 2021. The Group expects that as vaccine programs are rolled out to the population at large, passenger volumes will return. However, the other revenue streams are largely unaffected and the Group is expected to remain in a cash generative position. Current disruptions to RoRo freight activity in early 2021 are expected to dissipate as trade to our nearest neighbour acclimatises to the new post-Brexit regulatory environment.

Despite the current uncertainties, given the Group's strong financial position it is well placed to take advantage of opportunities in its area of competence. While the cancellation of our second new vessel with the contracted shipyard was a disappointment, it does not affect the near-term trading capacity of the Group. The Group continues to evaluate the optimisation of its fleet to meet future requirements. Having concluded an agreement with Dublin Port, the Group is looking forward to taking charge of Ireland's new inland port during 2021. It is also continuing the capacity expansion of its container terminal at Dublin Port with the continuation of the program of replacing existing diesel powered equipment with environmentally friendly, remotely controlled electric units. The Group notes the ever increasing expectations and regulatory requirements to reduce the effects of its operational footprint on the environment. While the Group acknowledges that its operations have an inevitable effect on the environment, reducing this effect is embedded within the Group's strategy through achievement of efficiencies.

Events after the Reporting Period

No events have occurred between 31 December 2020 and the date of approval of these Financial Statements which require to be separately reported.

Annual Report and Financial Statements

This Annual Report together with the Financial Statements for the financial year ended 31 December 2020 was approved by the Directors on 10 March 2021. The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Annual General Meeting

Notice of the AGM, which will be held on 12 May 2021, will be notified to shareholders in April 2021.

On behalf of the Board

Eamonn Rothwell, Director	**David Ledwidge**, Director

10 March 2021
Registered Office: Ferryport, Alexandra Road, Dublin 1, Ireland.

Director's Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements, in accordance with applicable laws and regulations. Company law requires the Directors to prepare Group and Company Financial Statements each year. Under that law, the Directors are required to prepare the Group Financial Statements in accordance with IFRS as adopted by the European Union and Article 4 of the IAS regulation. The Directors have elected to prepare the Company Financial Statements in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

Under company law, the Directors must not approve the Group and Company Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014. In preparing each of the Group and Company Financial Statements, the Directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Financial Statements comply with IFRS as adopted by the European Union as applied in accordance with the Companies Act 2014; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the Financial Statements are prepared in accordance with IFRS as adopted by the European Union and comply with Irish statute comprising the Companies Act 2014 and in regard to the Group Financial Statements, Article 4 of IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Group's and Company's website (*www.icg.ie*).

Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors of Irish Continental Group acknowledge these responsibilities and accordingly have prepared this Consolidated Annual Report for the financial year ended 31 December 2020 in compliance with the provisions of Regulation (EC) No. 1606/2002, regulations 4 and 5 of Statutory Instrument No. 277 of 2007 of Ireland, the Transparency Rules of the Central Bank of Ireland, the applicable IFRS as adopted by the European Union, the Companies Act 2014 and the Listing Rules issued by Euronext Dublin.

Each of the Directors, whose names and functions are listed on pages 68 and 70 of the Annual Report confirms that to the best of each person's knowledge and belief;

- the Consolidated Financial Statements for the financial year ended 31 December 2020 have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Operating and Financial Review includes a fair review of the development and performance of the business for the financial year ended 31 December 2020 and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 10 March 2021 and signed on its behalf by:

Eamonn Rothwell,
Director

David Ledwidge,
Director

Financial Statements

Independent Auditors' Report to the Members of Irish Continental Group plc

Report on the audit of the Financial Statements

Opinion on the Financial Statements of Irish Continental Group plc (the "Company") and its subsidiaries (the 'Group')
In our opinion, the Group and Company Financial Statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2020 and of the loss of the Group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Financial Statements we have audited comprise the:

- the Group Financial Statements:
  - the Consolidated Income Statement;
  - the Consolidated Statement of Comprehensive Income;
  - the Consolidated Statement of Financial Position;
  - the Consolidated Statement of Changes in Equity;
  - the Consolidated Statement of Cash Flows; and
  - the related notes 1 to 37, including a summary of significant accounting policies as set out in note 2 to the Financial Statements.
- the Company Financial Statements:
  - the Company Statement of Financial Position;
  - the Company Statement of Changes in Equity; and
  - the related notes 38 to 53, including a summary of significant accounting policies as set out in note 38 to the Financial Statements.

The relevant financial reporting framework that has been applied in the preparation of the Group Financial Statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The relevant financial reporting framework that has been applied in the preparation of the Company Financial Statements is the Companies Act 2014 and FRS 101 "Reduced Disclosure Framework" 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 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 (IAASA), as applied to public interest entities, 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.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Going concern; • Assessment of potential indicators of impairment to the carrying value of vessels; • Appropriateness of key assumptions used to determine retirement benefit liabilities; and • Cut-off of revenue recognised in the current year.
Materiality	The materiality that we used in the current year for the Group was €2.1m which was determined on the basis of revenue for the 12 months ended 31 December 2020, representing approximately 0.8% of the benchmark. The materiality that we used in the current year for the Company was €1.57m which was determined on the basis of net assets as at 31 December 2020, representing 0.9% of the benchmark.
Scoping	We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our audit scope primarily on the audit work in fifteen components. Four of these were subject to a full scope audit, a further seven components were subject to audits of specified account balances and the remaining four entities were subject to analytical procedures.
Significant changes in our approach	Significant changes in our audit approach in the current year were as follows: *Key Audit Matters:* In the prior year, the key audit matter related to the carrying value of vessels was focused on the appropriateness of the useful lives and residual values of vessels used in the determination of the depreciation charge. This was due to a material addition to vessels which took place in the 2019 financial year; whereas in the current year the key audit matter is focused on the assessment of impairment indicators due to the impact of Covid-19 on the financial performance of the Group. Going concern is a new key audit matter in the current year. Going concern was identified as a key audit matter after considering the current economic and trading environment of the Group and Company as a consequence of continued restriction on non-essential travel resulting from the Covid-19 pandemic. *Materiality:* Given the current operating environment, where we have seen volatility in the previous benchmark used in the prior year, being profit before taxation and non-trading items, we have considered revenue an appropriate base for determining the materiality for the Group as there is a greater emphasis on revenue in the current year as an indicator of demand going forward.

Independent Auditors' Report to the Members of Irish Continental Group plc

Continued

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.

Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting is discussed in the Key Audit Matters section of our report.

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 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.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the prior year, the key audit matter related to the carrying value of vessels was focused on the appropriateness of the useful lives and residual values of vessels used in the determination of the depreciation charge. This was due to a material addition to vessels which took place in the 2019 financial year; whereas in the current year the key audit matter is focused on the assessment of impairment indicators due to the impact of Covid-19 on the financial performance of the Group.

Going concern is a new key audit matter in the current year. Going concern was identified as a key audit matter after considering the current economic and trading environment of the Group and Company as a consequence of continued restriction on non-essential travel resulting from the Covid-19 pandemic.

Going concern

Key audit matter description	As stated in note 3 to the Financial Statements, the performance of the Group has been significantly affected by the imposition of restrictions on non-essential travel across the jurisdictions in which the Group offers services since March 2020 as a result of the Covid-19 pandemic. We identified Going Concern as a key audit matter due to the judgements involved in capturing uncertainties around the timing of the lifting of restrictions on non-essential travel and the return of previous travel patterns. *Please also refer to page 84 (Audit Committee Report) and note 3 – Critical accounting judgements and key sources of estimation uncertainty.*
How the scope of our audit responded to the key audit matter	We obtained an understanding of the Group and Company's controls for the development and approval of the projections and assumptions used in the cash flow forecast model to support the going concern assessment and assessed the design and determined the implementation of the relevant controls. We evaluated the Group and Company's financing arrangements, including the agreements in respect of the undrawn committed bank facilities in place within the Group. We checked the clerical accuracy of the cash flow forecast model, completed an assessment of the consistency of the model used to prepare the forecasts in line with other areas of our audit and performed a look back analysis of the historical accuracy of cash flow forecast models prepared by the Directors. We evaluated and assessed the appropriateness of the sensitivity analysis prepared by the directors and challenged the assumptions and basis for their evaluation and inclusion of sensitivities incorporated into the cash flow forecast model. We also evaluated and challenged the Directors' assessment of the impact of Covid-19. We assessed the results of the Group for the period after the reporting date compared to budget in order to assess if there are any early indicators that management have been too optimistic in their forecasting for the current year or whether there are any other indicators that the business may not be able to continue as a going concern. We considered throughout the audit any contradictory information to the Directors' confirmation that the Group and Company are a going concern, including evaluating whether the assumptions in the cash flow forecast model is realistic, achievable and consistent with the external and internal environment. We evaluated the completeness and accuracy of the disclosures made in the Basis of preparation note on page 128 and Critical accounting judgements and key sources of estimation uncertainty note on page 141 by reference to the understanding we had obtained of the Group and Company's financial performance during 2020 and our assessment of the directors' projections, including the impact of Covid-19 and the adequacy of disclosures in relation to the specific risks posed by the pandemic.
Key observations	We have concluded that the adoption of the going concern basis of accounting and the related disclosures are appropriate. Please refer to our conclusions in the going concern section of our report.

Independent Auditors' Report to the Members of Irish Continental Group plc

Continued

Assessment of potential indicators of impairment to the carrying value of vessels

Key audit matter description

As stated in note 13 to the Financial Statements, the carrying value of vessels held by the Group is €277.7m as at 31 December 2020.

The Group's evaluation of vessels for indicators of impairment is performed annually or when events or changes in circumstances indicate that the carrying values may not be recoverable. Factors considered in identifying whether there are any indications of impairment include the economic performance of assets, technological developments, new rules and regulations, shipbuilding costs and carrying value versus the market capitalisation of the Group.

During the period, the Group experienced a decline in activity levels mainly concentrated on passenger carryings due to the imposition of restrictions on non-essential travel in the jurisdictions in which the Group offers services since March 2020 as a result of the Covid-19 pandemic.

We have identified the assessment of potential indicators of impairment to the carrying value of vessels as a key audit matter due to the decline in Group activity levels noted in the current year.

Please also refer to page 84 (Audit Committee Report), page 135 (Accounting Policy – Property, Plant and Equipment), and note 3 – Critical accounting judgements and key sources of estimation uncertainty and note 13 Property, Plant and Equipment.

How the scope of our audit responded to the key audit matter

We obtained an understanding of management's controls for the assessment of potential indicators of impairment, which included reviews by senior members of management and the Board, and assessed the design and determined the implementation of the relevant controls.

We evaluated and challenged management's judgements around the projected recovery from Covid-19, the easing of the related restrictions on non-essential travel, and the potential impact of these on the projected financial performance of the Group.

We evaluated and challenged the appropriateness of management's assessment of potential indicators of impairment. This included reviewing and challenging management's projections of the future financial performance of the vessels with the assistance of our valuation specialists, by:

- assessing the reasonableness of the projections used by the Group compared to generally accepted valuation practices and accounting standards;
- considering management's assessment of market factors, which included input from their external advisors;
- testing the source information underlying the determination of key assumptions, including growth and discount rates, through use of observable inputs from independent external sources; and
- developing a range of independent estimates and comparing those to the discount and growth rates selected by management.

We evaluated and assessed the adequacy of the disclosures made in the Financial Statements, including the disclosure of the critical accounting judgements in management's assessment of potential indicators of impairment to the carrying value of the vessels.

Assessment of potential indicators of impairment to the carrying value of vessels

Key observations	Based on the work performed, we determined that management's assessment that there were no indicators of impairment, and consequently no impairment to the carrying value of the vessels was appropriate.

Appropriateness of key assumptions used to determine retirement benefit liabilities

Key audit matter description	The Group operates a number of defined benefit schemes. The net pension liability as at 31 December 2020 amounted to €1.2m consisting of pension assets of €1.0m and deficits of €2.2m. There is a high degree of estimation uncertainty and judgement in the calculation of the pension liabilities, particularly in the determination of appropriate actuarial assumptions in respect of the discount, mortality and inflation rates. We identified the discount rate as the being the most volatile key assumption where a small movement can have a significant impact on the calculation of the pension liabilities. We have identified appropriateness of key assumptions used to determine retirement benefit liabilities as a key audit matter due to the volatility of these assumptions and the significant impact they have on the calculation of the pension liabilities. *Please also refer to page 84 (Audit Committee Report), page 133 (Accounting Policy – Retirement Benefit Schemes), and note 3 – Critical accounting judgements and estimates.*
How the scope of our audit responded to the key audit matter	We obtained an understanding of management's processes, assessed the design and determined the implementation of the relevant controls, which included reviews by senior members of management and the Board to ensure the current assumptions used are appropriate. We utilised Deloitte Actuarial Specialists as part of our team to assist us in understanding, evaluating and challenging the appropriateness of the discount rate and other key assumptions. We made inquiries with both management and the Group's external pension advisors to understand their processes in determining the discount rate and other key assumptions used in calculating retirement benefit liabilities. We benchmarked the discount rate and other key assumptions used against comparable market and peer data, where available to ensure that they were within appropriate ranges and reasonable given our knowledge of the schemes. We assessed whether the disclosures made in the Financial Statements in respect of retirement benefit schemes were in accordance with the relevant accounting standards.
Key observations	Based on the evidence obtained, we found that the discount rate and other assumptions used by management in the actuarial valuations for pension liabilities are within a range we consider reasonable.

Independent Auditors' Report to the Members of Irish Continental Group plc

Continued

Cut-off of revenue recognised in the current year

Key audit matter description	When making our assessment of the potential risk of fraud in relation to revenue recognition, we considered the nature of the transactions across the Group. The Group recognises revenue in respect of its various streams over the performance period of the underlying contract obligations. There is a risk that revenues are manipulated through recording of future revenues prematurely; or recording cash received from customers for future performance obligations as revenue to achieve performance targets. We have therefore identified a key audit matter in relation to proper cut-off of revenue recorded at year end. *Please also refer to page 130 (Accounting Policy – Revenue Recognition), note 4 segmental information.*
How the scope of our audit responded to the key audit matter	We obtained an understanding of the significant revenue arrangements in place across the Group, and of the internal controls over those revenue streams. We evaluated the design and determined the implementation of relevant internal controls over the Group's significant revenue processes, including operational controls in place around passenger numbers and freight volumes, to assess whether revenue was recognised where the date of travel or transportation had occurred. We also evaluated the design and determined the implementation of relevant controls over the revenue recognition journals that are recorded at year end. We tested, on a sample basis, revenue recognised around year end for the various revenue streams across the Group to assess if the performance obligations were met in line with the underlying contractual arrangements with customers for the associated revenue recognised to ensure that it was recognised appropriately. We tested on a sample basis, cash received from the customers to assess if the performance obligations were met in line with the underlying contractual arrangements with customers and to ensure that cash received for future performance obligations were recorded as deferred revenue.
Key observations	We have no observations that impact on our audit in respect of the amounts related to the cut-off of revenue recognised in the current year.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the Financial Statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be €2.1m, which is approximately 0.8% of revenue. In the previous year, materiality for the Group was determined on the basis of profit before tax and non- trading items. In the current year this was not considered an appropriate benchmark because it was uncertain and could not be reliably estimated during the year due to the impact of Covid-19. In addition, there is a greater emphasis on revenue in the current year as an indicator of demand going forward and is the key focus of the users of the Financial Statements.

We determined materiality for the Company to be €1.57m, which is approximately 0.9% of net assets, as the most significant driver of the Company is the capital and reserve balance. Net assets were also the benchmark used to determine materiality for the Company in the prior year.

We have considered quantitative and qualitative factors, such as understanding the entity and its environment, history of misstatements, complexity of the Group and reliability of the control environment.

We agreed with the Audit Committee that we would report to them any audit differences in excess of €105,000, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

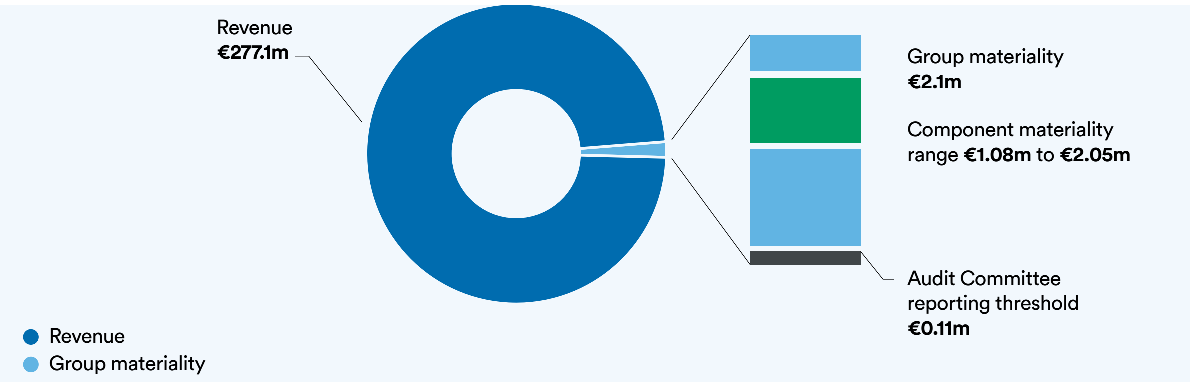
An overview of the scope of our audit

We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work in fifteen components. Four of these were subject to a full scope audit and seven components were subject to audits of specified account balances, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations in those components. The remaining four entities were subject to analytical procedures at the Group level.

These components were selected based on coverage achieved, the qualitative and risk considerations of these components and to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. Our audit work at the fifteen components was executed at levels of materiality applicable to each individual unit which were lower than Group materiality and ranged from €1.08m to €2.05m.

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The Group audit team virtually attended planning meetings for all components. In addition to our planning meetings, we sent detailed instructions to our component audit teams, included them in our virtual team briefings, discussed their risk assessment, attended virtual client planning and closing meetings, and reviewed their audit working papers remotely.



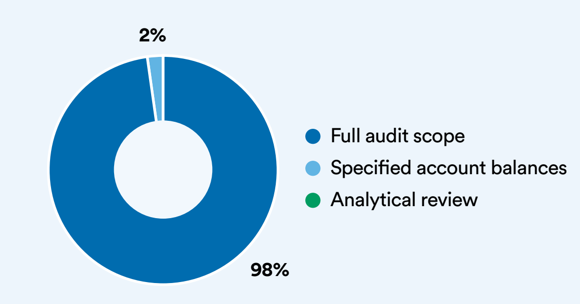
Independent Auditors' Report to the Members of Irish Continental Group plc

Continued

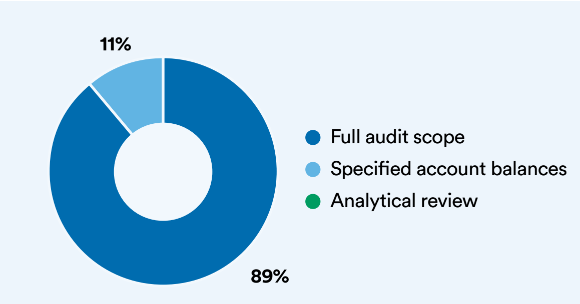
We have considered the impact of Covid-19 on the Group's business as part of our audit risk assessment and planning. This assessment resulted in increased focus on the Group's key judgement and estimates in relation to future strategic plans and profitability forecasts which are key inputs into the Group's assessment of the potential indicators of impairment to the carrying value of vessels and going concern assessment.

The levels of coverage of key financial aspects of the Group by type of audit procedures are as set out below:

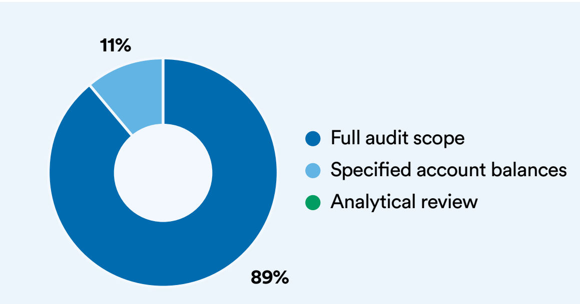
Revenue



Net assets



Loss before tax



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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report to the Members of Irish Continental Group plc

Continued

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- In our opinion the accounting records of the Company were sufficient to permit the Financial Statements to be readily and properly audited;
- The Company statement of financial position is 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.

Corporate Governance Statement required by the Companies Act 2014

We report, in relation to information given in the Corporate Governance Statement on pages 71 to 83 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the Company's statutory Financial Statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014. Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Corporate Governance Statement

The Listing Rules and ISAs (Ireland) require us to review the directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code and Irish Corporate Governance Annex specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 103 to 104;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 104;
- the Directors' statement on fair, balanced and understandable set out on page 106;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on pages 57 to 61;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 55 to 56; and
- the section describing the work of the Audit Committee set out on pages 84 to 87.

Matters on which we are required to report by exception

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

The Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) for the financial year ended 31 December 2020. We have nothing to report in this regard.

The Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by Section 1110N in relation to its remuneration report. We have nothing to report in this regard.

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.

The Listing Rules of the Euronext Dublin require us to review six specified elements of disclosures in the report to shareholders by the Board of Directors' Remuneration Committee. We have nothing to report in this regard.

Other matters which we are required to address

We were first appointed by Irish Continental Group plc to audit the Financial Statements for the financial year ended 31 October 1988 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 32 years, covering the years ending 31 October 1988 and 31 December 2020.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

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.

Ciarán O'Brien

For and on behalf of Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

Deloitte & Touche House, Earlsfort Terrace, Dublin 2

11 March 2021

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Financial Statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Consolidated Income Statement

for the year ended 31 December 2020

	Notes	2020 €m	2019 €m
Revenue	4	277.1	357.4
Depreciation, impairment and amortisation	9	(41.3)	(36.8)
Employee benefits expense	5	(18.0)	(23.8)
Other operating expenses	9	(217.0)	(246.8)
		0.8	**50.0**
Non-trading items	10	(11.2)	14.9
Operating (loss) / profit		**(10.4)**	**64.9**
Finance income	6	0.2	0.1
Finance costs	7	(7.8)	(3.5)
(Loss) / profit before tax		**(18.0)**	**61.5**
Income tax expense	8	(1.0)	(1.3)
(Loss) / profit for the financial year: all attributable to equity holders of the parent	9	**(19.0)**	**60.2**
Earnings per share – expressed in euro cent per share			
Basic	12	(10.2c)	31.7c
Diluted	12	(10.2c)	31.5c

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2020

	Notes	2020 €m	2019 €m
(Loss) / profit for the financial year		(19.0)	60.2
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustment		(1.2)	1.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss) / gain on defined benefit obligations	32 viii	(0.8)	9.0
Deferred tax on defined benefit obligations	25	0.3	-
Other comprehensive income for the financial year		(1.7)	10.2
Total comprehensive income for the financial year: all attributable to equity holders of the parent		**(20.7)**	**70.4**

Consolidated Statement of Financial Position

as at 31 December 2020

	Notes	2020 €m	2019 €m
Assets			
Non-current assets			
Property, plant and equipment	13	313.5	317.1
Intangible assets	14	1.2	0.4
Right-of-use assets	15	38.3	36.0
Retirement benefit surplus	32 iv	1.0	12.5
Finance lease receivable	16	16.6	19.4
Deferred tax asset	25	0.3	-
		370.9	**385.4**
Current assets			
Inventories	17	1.9	3.1
Trade and other receivables	18	55.7	92.4
Cash and cash equivalents	19	150.4	110.9
		208.0	**206.4**
Total assets		**578.9**	**591.8**
Equity and liabilities			
Equity			
Share capital	20	12.2	12.2
Share premium	21	19.7	19.5
Other reserves	21	(9.3)	(7.3)
Retained earnings		243.3	263.5
Equity attributable to equity holders of the parent		**265.9**	**287.9**
Non-current liabilities			
Borrowings	22	113.1	200.3
Lease liabilities	23	27.8	27.6
Deferred tax liabilities	25	0.5	0.7
Provisions	27	0.2	0.7
Retirement benefit obligation	32 iv	2.2	3.7
		143.8	**233.0**
Current liabilities			
Borrowings	22	87.3	3.6
Lease liabilities	23	10.7	8.4
Trade and other payables	26	69.2	57.4
Current income tax liabilities		-	0.2
Provisions	27	2.0	1.3
		169.2	**70.9**
Total liabilities		**313.0**	**303.9**
Total equity and liabilities		**578.9**	**591.8**

The Financial Statements were approved by the Board of Directors on 10 March 2021 and signed on its behalf by:

Eamonn Rothwell — Director

David Ledwidge — Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2020	**12.2**	**19.5**	**7.5**	**5.9**	**(20.7)**	**263.5**	**287.9**
Loss for the financial year	-	-	-	-	-	(19.0)	(19.0)
Other comprehensive income	-	-	-	-	(1.2)	(0.5)	(1.7)
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**(1.2)**	**(19.5)**	**(20.7)**
Employee share-based payments expense	-	-	-	1.9	-	-	1.9
Share issue	-	0.2	-	-	-	-	0.2
Share buyback	-	-	-	-	-	(1.7)	(1.7)
Settlement of employee equity plans through market purchase	-	-	-	-	-	(1.7)	(1.7)
Transferred to retained earnings on exercise of share options	-	-	-	(2.7)	-	2.7	-
Movements in the year	**-**	**0.2**	**-**	**(0.8)**	**(1.2)**	**(20.2)**	**(22.0)**
Balance at 31 December 2020	**12.2**	**19.7**	**7.5**	**5.1**	**(21.9)**	**243.3**	**265.9**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2019	**12.4**	**19.4**	**7.3**	**3.8**	**(21.9)**	**231.9**	**252.9**
Profit for the financial year	-	-	-	-	-	60.2	60.2
Other comprehensive income	-	-	-	-	1.2	9.0	10.2
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**1.2**	**69.2**	**70.4**
Employee share-based payments expense	-	-	-	2.1	-	-	2.1
Share issue	-	0.1	-	-	-	-	0.1
Share buyback	(0.2)	-	0.2	-	-	(12.9)	(12.9)
Dividends paid	-	-	-	-	-	(24.7)	(24.7)
Movements in the year	**(0.2)**	**0.1**	**0.2**	**2.1**	**1.2**	**31.6**	**35.0**
Balance at 31 December 2019	**12.2**	**19.5**	**7.5**	**5.9**	**(20.7)**	**263.5**	**287.9**

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2020

	Notes	2020 €m	2019 €m
Net cash inflow from operating activities	34	**46.1**	**84.8**
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment		4.9	1.8
Return of vessel contract deposit		33.0	-
Purchases of property, plant and equipment		(29.1)	(53.9)
Purchases of intangible assets		(1.0)	(0.2)
Net cash inflow / (outflow) from investing activities		**7.8**	**(52.3)**
Cash flow from financing activities			
Dividends paid to equity holders of the Company		-	(24.7)
Share buyback		(1.7)	(12.9)
Repayments of leases liabilities		(9.2)	(9.0)
Repayments of bank loans		(3.7)	-
Proceeds on issue of ordinary share capital		0.2	0.1
Net cash (outflow) from financing activities		**(14.4)**	**(46.5)**
Net increase / (decrease) in cash and cash equivalents		39.5	(14.0)
Cash and cash equivalents at beginning of year		110.9	124.7
Effect of foreign exchange rate changes		-	0.2
Cash and cash equivalents at end of year	19	**150.4**	**110.9**

Notes Forming Part of the Consolidated Financial Statements

for the financial year ended 31 December 2020

1. General information

Irish Continental Group plc (ICG) is a public limited company incorporated in Ireland (Company registration number: 41043). The addresses of its registered office and principal places of business are disclosed on the inside back cover of the Annual Report.

The Group carries passengers and cars, RoRo freight and container LoLo freight, on routes between Ireland, the United Kingdom and Continental Europe. The Group also operates container terminals in the ports of Dublin and Belfast.

The Company charters vessels and is the holding company of a number of subsidiary companies.

2. Summary of accounting policies

Statement of Compliance
The Group and Company Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and as applied in accordance with the Companies Act 2014 and as regards the Consolidated Financial Statements Article 4 of the IAS Regulations.

Basis of preparation
The Financial Statements have been prepared on the going concern basis and the historical cost convention.

All figures presented in the Financial Statements are in euro and are rounded to the nearest one hundred thousand except where otherwise indicated.

Basis of consolidation
The Consolidated Financial Statements include the information in the Remuneration Report that is described as being an integral part of the Consolidated Financial Statements.

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its return.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Summary of accounting policies - continued

New standards and interpretations
New and revised accounting standards and interpretations have been issued which are set out below. These will be adopted by the Group from the effective dates.

Standards effective for the Group from 1 January 2020

Standard	Description	Effective date for periods commencing
IFRS 3 (amendments)	Definition of Business	1 January 2020
IFRS 9, IAS 39 and IFRS 7 (amendments)	Interest Rate Benchmark Reform	1 January 2020
IAS 1 and IAS 8 (amendments)	Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards		1 January 2020

The above amended standards have been applied in the preparation of the Financial Statements for the year ended 31 December 2020 but did not have any material impact on the results or financial position of the Group.

Standards effective for the Group from 1 January 2021 or later

Standard	Description	Effective date for periods commencing
IFRS 16 (amendment)	Covid-19 related rent concessions	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments)	Interest Rate Benchmark Reform	1 January 2021
IAS 1 (amendments)	Classification of liabilities as current or non-current	1 January 2023
IAS 1 (amendments)	Disclosure of Accounting Policies	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
IFRS 4 (amendments)	Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023
IAS 16 (amendments)	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2023
Annual Improvements to IFRS Standards 2018–2020		1 January 2023
IFRS 3 (amendments)	Reference to the Conceptual Framework	1 January 2023
IAS 37 (amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2023
IAS 8 (amendments)	Definition of Accounting Estimates	1 January 2023

The above standards and amendments to standards have not been applied in the preparation of the Financial Statements for the year ended 31 December 2020. They are not expected to have a material impact on the results or financial position of the Group when applied in future periods.

Notes Forming Part of the Consolidated Financial Statements

Continued

2. Summary of accounting policies - continued

Accounting policies applied in the preparation of the Financial Statements for the financial year ended 31 December 2020:

Revenue recognition
Revenue is measured based on the consideration specified in a contract concluded with a customer and excludes any amounts collected on behalf of third parties including taxes.

The principal activities from which the Group generates its revenue are set out below.

Ferries Division

Product or Service	Nature and satisfaction of performance obligation
Passenger Transport	Passenger revenue is recognised over time as services are provided. Contracts are concluded during the booking process with a high degree of probability of collection of the sales proceeds. Sales proceeds are recognised as deferred revenue which the single performance obligation from the departure point to destination point are subsequently released to revenue over the elapsed time taken to complete the single performance obligation being the provision of transport between the departure point and destination point. The price is fixed at the time of booking. Where a customer is eligible to participate in loyalty programmes, the price is allocated based on the relative stand-alone selling price or expected selling price based on company data. Deferred revenue is reduced for any refund paid to a customer where the Company is unable to complete the performance obligation. Ticket breakage, i.e. deferred untravelled revenue for no shows, is recognised in full once the original booked travel date has expired based on a no refund policy.
RoRo freight	RoRo freight revenue is recognised over time as services are provided. Contracts are concluded during the booking process with a high degree of probability of collection of the sales proceeds. Sales proceeds are recognised as deferred revenue which are subsequently released to revenue over the elapsed time taken to complete the single performance obligation being the provision of transport between the departure point and destination point. The price is fixed at the time of booking or is otherwise variable if the customer has an active rebate arrangement. The contract price less the estimates of the most probable rebate amount is allocated to the performance obligation with the rebate amount retained in deferred revenue until paid.
Onboard Sales	Revenue from sales in bars and restaurants is recognised at the time of sale. The Group recognises a single contract for all goods and services in a transaction basket at the time of transaction with payment received at the same time. There is a single identifiable obligation to transfer title with the price fixed at the time of transaction.
Retail Concessions	Revenues earned from retail concessions is recognised over time based on declarations received up to the reporting date. For each concession the Group recognises a single contract involving the grant of a licence or creation of a right to provide services onboard vessels creating a single identifiable obligation. The price is treated as variable based on a percentage of sales.

2. Summary of accounting policies – continued

Container and Terminal Division

Product or Service	Nature and satisfaction of performance obligation
Container Shipping	LoLo container shipping revenue is recognised over time as services are provided. Contracts are concluded during the booking process with a high degree of probability of collection of the sales proceeds. Sales proceeds are recognised as deferred revenue which are subsequently released to revenue over the time based on effort expended on each activity (collection, shipping and delivery) undertaken in fulfilment of the single performance obligation being the provision of transport between the departure point and destination point. The price is fixed at the time of booking.
Stevedoring	Stevedoring revenue is recognised over time in line with the number of containers loaded or discharged onto vessels in fulfilment of obligations. Contracts are concluded with customers covering services to be provided over time with a high degree of probability of collection of the sales proceeds. Sales proceeds are recognised once the performance obligations are satisfied i.e. the loading or discharge of a vessel. The price is fixed at the time of contract or is otherwise variable if the customer has an active rebate arrangement. The contract price less the best estimate of the most probable rebate amount is allocated to the performance obligation with the rebate amount retained in deferred revenue. As rebates are paid to customers, amounts included in deferred revenue are released with experience adjustments included as revenue.

Leasing

Identifying a lease
Where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, it is treated as a lease.

(a) As Lessee
Where the Group acts as a lessee the Group recognises a right-of-use asset and lease liability at the lease commencement date, which is the date the underlying asset is available for our use.

Right-of-use assets are initially measured at cost, and subsequently measured at cost less any accumulated depreciation and impairment losses (if any) and adjusted for certain remeasurement of lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term. Right-of-use assets are subject to impairment under IAS 36 Impairment of assets. Right-of-use assets are presented as a separate line item in the Statement of Financial Position.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. In the Consolidated Statement of Cash Flows the payments made are separated into the principal portion (presented within financing activities), and interest (presented in operating activities). Lease liabilities are remeasured if there is a change in future lease payments, a change in the lease term, or as appropriate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonable certain not to be exercised.

Notes Forming Part of the Consolidated Financial Statements

Continued

2. Summary of accounting policies - continued

(b) As Lessor

The Group treats bareboat hire purchase sale agreements in relation to the disposal of vessels as finance leases where it transfers substantially all the risks and rewards incidental to ownership of the underlying vessel to the charterer. The sales proceeds recognised at the commencement of the lease term by the Group are that implied by the fair value of the asset, which together with any initial direct costs equal to the net investment in the lease and are presented as a finance lease receivable in the Statement of Financial Position. Loss allowances on the finance lease receivables are estimated at an amount equal to lifetime expected credit losses. Following initial measurement finance lease income is recognised in revenue and is allocated to accounting periods so as to reflect a constant periodic rate of return on the outstanding net investment.

Lease payments receivable arising from the grant of a right-of-use vessel which does not meet the requirement of a finance lease are recognised as revenue on a straight line basis over the term of the relevant charter. The provision of operation and maintenance services is recognised on a daily basis at the applicable daily rate under the terms of the charter.

Concession and Licence agreements

Payments made under concession arrangements, where the Group benefits from the use of an asset or right and the obligation to make the payments has not been recognised in the Statement of Financial Position as a lease obligation, are charged to the Consolidated Income Statement as the rights conferred under the terms of the arrangement are consumed.

Benefits received and receivable as an incentive to enter into a concession agreement are also spread on a straight-line basis over the agreement term as a reduction of the expense.

The Group does not classify that element of a contract as a lease where the right to control the use of an identified asset for a period of time is based on variable consideration based on activity levels. In these circumstances any variable consideration is expensed to the Income Statement as the right is consumed.

Non-trading items

The Group treats material items either individually or, if of a similar type, in aggregate, that derive from events or transactions that fall outside the ordinary activities of the Group as non-trading items. Non-trading items are presented separately on the face on the Consolidated Income Statement, separately disclosing any tax effects.

Foreign currencies

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are expressed in euro, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the Consolidated Income Statement for the financial year.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are expressed in euro using exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used.

2. Summary of accounting policies - continued

Exchange differences arising on the translation of foreign currency subsidiaries, if any, are recognised in the Consolidated Statement of Comprehensive Income and accumulated in equity in the translation reserve. On disposal of a foreign subsidiary the cumulative translation difference for that foreign subsidiary is transferred to the Consolidated Income Statement as part of the gain or loss on disposal.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in the Statement of Other Comprehensive Income and accumulated in equity.

Finance costs
Finance costs comprise interest payable on borrowings calculated using the effective interest rate.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Consolidated Income Statement in the financial year in which they are incurred.

The interest expense component of lease payments relating to lease obligations as a lessee are recognised in the Consolidated Income Statement using the effective interest rate method.

Finance income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The net interest income on defined benefit obligations is recognised in the Consolidated Income Statement under finance income in accordance with IAS 19 Employee Benefits.

Retirement benefit schemes

Defined benefit obligations
For defined benefit obligations, the cost of providing benefits and the liabilities of the schemes are determined using the projected unit credit method with assets valued at bid price and actuarial valuations being carried out by independent and professionally qualified actuaries at each statement of financial position date. Current service costs, past service cost, or credit, and net interest expense or income are recognised in the Consolidated Income Statement. Adjustments in respect of a settlement, a curtailment and past service cost, or credit, are recognised in the Consolidated Income Statement in the period of a plan amendment. Remeasurement comprising actuarial gains and losses is reflected in the Statement of Financial Position with a charge or credit recognised in the Consolidated Statement of Comprehensive Income in the period in which they occur.

The net interest cost on defined benefit obligations has been recorded in the Consolidated Income Statement under finance income. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund (MNOPF). As the Group has no control over the calls for contributions made from the MNOPF, it has determined that the fund should be accounted for as a defined benefit obligation and its liability recognised accordingly. The Group's share of the MNOPF deficit as advised by the trustees is included with the other Group schemes.

Notes Forming Part of the Consolidated Financial Statements

Continued

2. Summary of accounting policies - continued

The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the deficit or surplus in the Group's defined benefit obligations. Any surplus resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution pension schemes
Payments to defined contribution pension schemes are recognised as an expense as they fall due. Any contributions outstanding at the period end are included as an accrual in the Consolidated Statement of Financial Position.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date. A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

A proportion of the Group's profits fall within the charge to tonnage tax, under which regime taxable profits are relieved to an amount based on the tonnage of vessels employed during the year. In accordance with the IFRIC guidance on IAS 12 Income Taxes, the tonnage tax charge is included within other operating expenses in the Consolidated Income Statement.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to the Consolidated Statement of Comprehensive Income or is dealt with in equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. Summary of accounting policies - continued

Property, plant and equipment

Vessels
Vessels are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on vessels is charged so as to write off the cost less residual value over the estimated economic useful life on a straight-line basis. The amount initially recognised in respect of Ropax vessels less estimated residual value, is allocated between hull and machinery and hotel and catering elements for depreciation purposes. In respect of LoLo vessels, all value is attributed to hull and machinery.

In considering residual values of vessels, the Directors have taken into account the valuation of the scrap value of the vessels per light displacement tonne. Residual values are reviewed annually and updated if required. Estimations of economic life of vessels are a key accounting judgement and estimate in the Financial Statements. Any change in estimates are accounted for prospectively.

The estimated economic useful lives of vessels are as follows:

Hull and Machinery	
• Conventional Ropax vessels	30 – 35 years
• Fast ferries	15 – 25 years
• LoLo	25 years
Hotel and Catering	10 years

For conventional ferries, hull and machinery components are depreciated over an initial estimated useful life of 30 years but this is reviewed on a periodic basis for vessels remaining in service 25 years after original construction.

Drydocking
Costs incurred in renewing the vessel certificate are capitalised as a separate component under vessels in tangible fixed assets and depreciated over the period to the next expected drydocking required for certificate renewal. Costs and accumulated depreciation relating to expired certificates are treated as disposals. The estimated useful lives for drydock assets are as follows:

Passenger vessels	1 year
Container vessels	1 – 5 years

Estimations of economic life and residual values are reassessed at each reporting date. Any change in estimates are accounted for prospectively.

Other assets
Property, plant and equipment, other than and freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost and is not depreciated. Cost comprises purchase price and directly attributable costs.

The amount initially recognised in respect of an item of other assets is allocated to its significant parts and each such part is depreciated separately. In respect of stevedoring equipment related costs are allocated between superstructure and plant.

Notes Forming Part of the Consolidated Financial Statements

Continued

2. Summary of accounting policies - continued

With the exception of freehold land and assets under construction, depreciation on property, plant and equipment is charged so as to write off the cost over the estimated economic useful lives, using the straight-line method, on the following bases:

Buildings	10 – 150 years
Plant, equipment and vehicles	4 – 25 years
Plant superstructure	12 – 20 years

Assets under construction, the construction of which takes a substantial period of time are recorded at the cost incurred to date less any impairment loss and no depreciation is charged on these amounts. Depreciation commences when the assets are ready for their intended use. Cost includes borrowing costs capitalised in accordance with the Group's accounting policies. Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of the assets up to the date of substantial completion.

Gains or losses on the disposal of property, plant and equipment represent the difference between the net proceeds and the carrying value at the date of sale. Income is accounted for when there is an unconditional exchange of contracts, or when all necessary terms and conditions have been fulfilled.

Intangible assets
Costs incurred on the acquisition and commissioning of computer software are capitalised, as are costs directly associated with developing computer software programmes, if it is probable that the expected future economic benefits that are attributable to these assets will flow to the Group and the cost of these assets can be measured reliably. Computer software costs recognised as assets are written off on a straight-line basis over their estimated useful lives, which is normally five years.

Impairment of property, plant and equipment and intangible assets
At each statement of financial position date, the Group performs a review to ascertain whether there are any indications of impairment which may affect carrying amounts of its property, plant and equipment and intangible assets. If any such indications exist, the recoverable amount of the asset is estimated in order to determine whether the affected assets have actually suffered an impairment loss. Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets (cash generating units) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost represents suppliers' invoiced cost net of any related discounts etc. determined on a first in, first out basis. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution.

2. Summary of accounting policies - continued

Treasury shares
Consideration paid to purchase the Company's equity share capital is deducted from the total shareholders' equity and classified as treasury shares until such shares are cancelled. No gain or loss is recognised on the purchase, sale, issue or cancellation of the treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

Where shares are cancelled an amount equivalent to the nominal value of the cancelled shares is transferred from retained earnings to the capital redemption reserve.

Financial instruments
Financial assets and financial liabilities are recognised on the Group and Company's Statement of Financial Position when the Group and Company becomes a party to the contractual provisions of the instrument.

Trade receivables
Trade and other receivables are initially recognised at transaction price and subsequently carried at amortised cost, net of allowance for expected credit losses. Any trade and other receivables included in non-current assets are carried at amortised cost in accordance with the effective interest rate method.

The Group applies the simplified approach to providing for expected credit losses (ECL) required by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses an allowance matrix to measure the ECL of trade receivables based on its credit loss rates. Expected loss rates are based on historical payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward economic factors if there is evidence to suggest these factors will affect the ability of the customer to settle receivables. The Group has determined the ECL default rate using market default risk probabilities with regards to its key customers. Balances are written off when the probability of recovery is assessed as being remote.

Trade receivables are derecognised when the Group no longer controls the contractual rights that comprise the receivables, which is normally the case when the asset is sold or the rights to receive cash flows from the asset have expired, and the Group has not retained substantially all the credit risks and control of the receivable has transferred.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and on demand deposits.

Financial liabilities and equity
Financial liabilities and equity instruments issued by the Group 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 Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at fair value, net of transaction costs incurred. Overdrafts are set off against cash balances in accordance with the contractual terms of any set off agreement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are expensed in the Consolidated Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Bank borrowings are classified as financial liabilities and are measured subsequently at amortised cost using the effective interest rate method.

Trade payables
Trade payables are classified as other financial liabilities, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Notes Forming Part of the Consolidated Financial Statements

Continued

2. Summary of accounting policies – continued

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting
The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group may use foreign exchange forward contracts to hedge these exposures.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are held in the Consolidated Statement of Financial Position at their fair value. Changes in the fair value of derivative financial instruments that are designated, and are effective, as hedges of changes in future cash flows are recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised in the Consolidated Income Statement. When the cash flow hedge of a firm commitment or forecasted transaction subsequently results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that was previously recognised in other comprehensive income and accumulated in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts accumulated in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects profit or loss.

Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument accumulated in equity is retained in equity until the forecasted transactions occur. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in equity is transferred to the Consolidated Income Statement in the period.

Contingent liability
A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Financial guarantee contracts
Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other parties, the Group considers these to be insurance arrangements and accounts for them as such. The Group treats the guarantee contract as a contingent liability until such time it becomes probable that the Group will be required to make a payment under the guarantee.

2. Summary of accounting policies - continued

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares expected to vest as a result of the effect of non-market based vesting conditions.

For awards where vesting will be determined by market based vesting conditions, those granted prior to 1 January 2019 were fair value measured using a binomial pricing model. Monte-Carlo modelling was used for awards granted after 1 January 2019.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Employee benefits expense

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by the employees of the Group. A liability for a termination benefit is recognised at the earlier of when an entity can no longer withdraw the offer of the termination benefit and the entity recognises any related restructuring costs.

Distributions

Distributions are accounted for when they are paid, through retained earnings. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Dividends received from fellow subsidiaries are eliminated on consolidation.

Operating profit

Operating profit is stated after non-trading items arising from continuing operations.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. 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 amounts. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty and critical accounting judgements are as follows:

Estimates

Post-employment benefits

The Group's and Company's total obligation in respect of defined benefit obligations is calculated by independent, qualified actuaries, updated at least annually. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the scheme assets is also sensitive to asset return levels and the level of contributions from the Group and Company. Further details are set out in note 32. Many of the actuarial assumptions are dependent on market developments and are outside the control of the Company and Group and movements may give rise to material adjustments in future estimates of post-employment obligations.

Notes Forming Part of the Consolidated Financial Statements

Continued

3. Critical accounting judgements and key sources of estimation uncertainty - continued

The Group and Company is a participating employer in the Merchant Navy Officer Pension Fund (MNOPF), a multi-employer defined benefit pension scheme. The MNOPF is in deficit. Under the rules of the fund all employers are jointly and severally liable for the deficit. The deficit included in the Financial Statements for the Group and Company represents an apportionment of the overall scheme deficit based on notification received from the trustees which is currently 1.53% for the Group and 0.51% for the Company, less any deficit payments made. Should other participating employers' default on their obligations, the Group and Company will be required to absorb a larger share of the scheme deficit calculated in the same manner as the current apportionment.

Useful lives for property, plant and equipment
Long lived assets comprising primarily of property, plant and equipment represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated useful lives of each type of asset. Management regularly reviews these useful lives and changes them if necessary, to reflect current conditions. In determining these useful lives management considers technological change, patterns of consumption, physical condition and expected economic utilisation of the asset. Changes in the useful lives may have a significant impact on the annual depreciation and amortisation charge. Details of the useful lives are included in the accounting policy headed property, plant and equipment. Further details are set out in note 13.

In relation to one vessel, which was surplus to requirements and layed-up during 2020, the Directors noted that this vessel had been maintained in line with all regulatory and class requirements during the lay-up period and the Directors have assessed that no revision in remaining useful life was warranted.

Critical accounting judgements

Impairment
The Group assessed its property, plant and equipment and intangible assets to determine if there were any indications of impairment. Factors considered in identifying whether there were any indications of impairment included the economic performance of assets, technological developments, new rules and regulations, shipbuilding costs and carrying value versus market capitalisation of the Group.

During the period, the Group experienced a decline in activity levels mainly concentrated on passenger carryings due to the imposition of restrictions placed on travel in the jurisdictions that we offer services. The Group assessed that notwithstanding the material effect on profitability in 2020 and likely effects into 2021 as restrictions remained in place, that this performance did not amount to an indication of impairment. This assessment was based on previous experiences where the Group suffered serious shocks to its activity levels and the time taken to recover to pre-shock activity levels relative to the remaining life of its operating assets. The principal operating assets comprise vessels with an average remaining life of up to 20 years and leasehold property with remaining terms of between 86 and 101 years.

One vessel which is dedicated to passenger only carryings was layed-up during 2020. Within the assessment carried out above this temporary surplus to operational requirements was not deemed to be an indication of impairment as it is intended to return this vessel to service when restrictions lift.

The Group also sought to support the carrying value of its vessels through an independent valuation exercise. The Group recognises the limitations of such exercises as the majority of the Group's fleet by value is bespoke to its requirements and true value can only be assessed if offered for sale to one or more willing purchasers. Within these valuation limitations the valuations did not indicate a movement in market values such that would lead management to a conclusion that they represented an indication of impairment.

All Group vessels comply with current rules and regulations and future capital expenditure for known regulations expected to be mandated is not expected to be of such amounts such as to increase any risk of obsolescence.

Based on the above reviews no internal or external indications of impairment were identified for any material asset and consequently no impairment review was performed.

3. Critical accounting judgements and key sources of estimation uncertainty - continued

Leases – non-cancellable lease term

The Group has applied judgement in determining the non-cancellable term of vessel leases, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Going Concern

The Directors have satisfied themselves that the Group and Company are going concerns having adequate financial resources to continue in operational existence for the foreseeable future. In forming their view, the Directors have taken into consideration the future financial requirements of the Group and Company and available financial resources comprising cash and available undrawn loan facilities.

At the time of making this assessment the Directors note that the Group has been significantly affected by the imposition of travel restrictions in the jurisdictions that it offers services at various times and levels since March 2020. These restrictions remain at the date of approval of these Financial Statements. While the restrictions initially affected all of the Group's revenue streams, freight carryings recovered to previously expected activity levels over the course of the year. Passenger carryings remain restricted to essential travel only.

On 1 January 2021, customs checks were introduced on the movement of goods between the UK and Ireland with the ending of the transition arrangements introduced following the UK's exit from the EU. This has led to a significant reduction in Irish Sea carryings, partially offset increases in our higher yielding direct services to France, resulting in an overall reduction in the Group's RoRo revenues of 8.1% in the period 1 January 2021 to 6 March 2021. The trend since the early reduction in volumes in January has been a gradual return of RoRo volumes to our Irish Sea services.

Notwithstanding the reduced activity levels in 2020, the Group generated cash from operating activities of €46.1 million (2019: €84.8 million). At 31 December 2020, the Group had cash balances net of short term borrowings of €63.1 million (2019: €107.3 million) and undrawn committed lending facilities of €90.4 million (2019: €90.4 million). The Group has also agreed a temporary increase in its leverage covenant with all its lenders to four times pre-IFRS 16 EBITDA levels.

The Group has modelled a number of scenarios for its businesses over the 12 month period from the date of approval of the Financial Statements, including retention of travel restrictions for 2021. Notwithstanding the effects that this would have on projected profitability and cash flows, the Group expects to generate sufficient cash from operations to enable it retain sufficient liquidity to operate and meet its financial obligations as they fall due for at least the period up to March 2022.

Notes Forming Part of the Consolidated Financial Statements

Continued

4. Segmental information

Business segments

The Executive Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two operating segments; Ferries and Container and Terminal. These segments are the basis on which the Group reports internally and are the only two revenue generating segments of the Group.

The Ferries segment derives its revenue from the operation of combined RoRo passenger ferries and the chartering of vessels. The Container and Terminal segment derives its revenue from the provision of door-to-door and feeder LoLo freight services, stevedoring and other related terminal services.

Segment information about the Group's operations is presented below.

	Ferries	Container & Terminal	Inter- segment	Total
	€m	€m	€m	€m
Revenue				
2020				
External revenue	131.8	145.3	-	277.1
Inter-segment revenue	9.6	1.2	(10.8)	-
Total	**141.4**	**146.5**	**(10.8)**	**277.1**
2019				
External revenue	204.2	153.2	-	357.4
Inter-segment revenue	8.2	1.2	(9.4)	-
Total	**212.4**	**154.4**	**(9.4)**	**357.4**

Inter-segment revenue is at prevailing market prices. The inter-segment revenue in the Ferries Division in 2020 of €9.6 million (2019: €8.2 million) primarily relates to container vessels which are on time charter to the Group's container shipping subsidiary Eucon.

Revenue has been disaggregated into categories which reflect how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. As revenues are recognised over short time periods of no more than days, a key determinant to categorising revenues is whether they principally arise from a business to customer (passenger contracts) or a business to business relationship (freight and charter contracts) as this impacts directly on the uncertainty of cash flows.

	Ferries		Container & Terminal		Total	
	2020	2019	2020	2019	2020	2019
	€m	€m	€m	€m	€m	€m
Revenue						
Passenger	33.7	112.7	-	-	33.7	112.7
Freight	92.2	86.2	145.3	153.2	237.5	239.4
Chartering and other	5.9	5.3	-	-	5.9	5.3
Total	**131.8**	**204.2**	**145.3**	**153.2**	**277.1**	**357.4**

4. Segmental information – continued

For the year ended 31 December 2020, €272.3 million was recognised over time (2019: €338.8 million) and €4.8 million was recognised at a point in time (2019: €18.6 million). No single external customer in the current or prior financial year amounted to 10 per cent or more of the Group's revenues.

	Ferries		Container & Terminal		Total	
	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Result						
Operating (loss) / profit	(12.3)	36.4	13.1	13.6	0.8	50.0
Finance income	0.2	0.1	-	-	0.2	0.1
Finance costs	(6.4)	(2.0)	(1.4)	(1.5)	(7.8)	(3.5)
Non-trading items	(11.2)	14.9	-	-	(11.2)	14.9
(Loss) / profit before tax	(29.7)	49.4	11.7	12.1	(18.0)	61.5
Income tax expense	(0.3)	(0.4)	(0.7)	(0.9)	(1.0)	(1.3)
(Loss) / profit for the financial year	**(30.0)**	**49.0**	**11.0**	**11.2**	**(19.0)**	**60.2**
Statement of Financial Position						
Assets						
Segment assets	341.4	391.1	87.1	89.8	428.5	480.9
Cash and cash equivalents	117.2	79.8	33.2	31.1	150.4	110.9
Consolidated total assets	**458.6**	**470.9**	**120.3**	**120.9**	**578.9**	**591.8**
Liabilities						
Segment liabilities	48.2	34.6	25.9	29.4	74.1	64.0
Borrowings	190.7	183.3	48.2	56.6	238.9	239.9
Consolidated total liabilities	**238.9**	**217.9**	**74.1**	**86.0**	**313.0**	**303.9**
Other segment information						
Capital additions	29.9	43.8	4.7	2.0	34.6	45.8
Right-of-use asset additions	7.2	-	5.3	12.5	12.5	12.5
Depreciation, impairment and amortisation	34.6	30.8	6.7	6.0	41.3	36.8

Notes Forming Part of the Consolidated Financial Statements

Continued

4. Segmental information – continued

	Ferries		Container & Terminal		Total	
	2020	2019	2020	2019	2020	2019
	€m	€m	€m	€m	€m	€m
Other operating expenses						
Fuel	23.8	34.7	9.0	14.6	32.8	49.3
Labour	22.9	25.1	8.4	8.1	31.3	33.2
Port charges	38.9	41.9	29.5	30.9	68.4	72.8
Haulage	-	-	43.9	45.2	43.9	45.2
Other	20.4	25.6	31.0	30.1	51.4	55.7
Inter-segment	(1.2)	(1.2)	(9.6)	(8.2)	(10.8)	(9.4)
Total other operating costs	**104.8**	**126.1**	**112.2**	**120.7**	**217.0**	**246.8**

Geographic analysis of revenue by origin of booking

	2020	2019
	€m	€m
Revenue		
Ireland	116.2	177.9
United Kingdom	55.1	66.7
Netherlands	58.6	63.8
Belgium	31.7	32.8
France	1.3	5.8
Other	14.2	10.4
Total	**277.1**	**357.4**

Geographic analysis of location of property, plant and equipment

	2020	2019
	€m	€m
Property, plant and equipment		
Vessels at sea / assets in transit / under construction		
Vessels	278.7	283.9
Containers	3.7	4.4
	282.4	288.3
On Shore		
Ireland	30.2	28.1
Other	0.9	0.7
	31.1	28.8
Carrying amount at 31 December	**313.5**	**317.1**

Due to the mobile nature of some of the assets in property, plant and equipment, their location is not always fixed.

5. Employee benefits expense

The average number of employees during the financial year was as follows:

	2020	2019
Ferries	203	218
Container and Terminal	88	91
	291	309
Number of employees at financial year-end	**288**	**307**

	2020 €m	2019 €m
Aggregate costs of employee benefits were as follows:		
Wages and salaries	14.4	18.7
Covid-19 government subsidies	(1.7)	-
Social insurance costs	1.3	1.8
Defined benefit obligations – current service cost (note 32 vii)	1.7	1.5
Defined benefit obligations – settlement loss / (curtailment gain) (note 32 vii)	9.3	(0.1)
Defined benefit obligations – augmentation cost	1.1	-
Defined contribution pension scheme – pension cost (note 32)	0.4	0.4
Share-based payment expense (note 31)	1.9	2.1
Total employee benefit costs incurred	28.4	24.4
Wages and salaries costs capitalised	-	(0.1)
Amounts recognised as non-trading item (note 10)	(10.4)	(0.5)
Total employee benefit before non-trading items	**18.0**	**23.8**

There were no staff costs capitalised during the financial year (2019: €0.1 million) in relation to management and supervision of the contracts for the construction of new vessels. Of the total employee expense of €28.4 million, €10.4 million relating to defined benefit scheme settlement losses and augmentation costs were included as part of the reported non-trading item (note 10). In the prior reporting period €0.5 million of employee benefit costs were included as part of non-trading items.

6. Finance income

	2020 €m	2019 €m
Interest on bank deposits	-	0.1
Net interest income on defined benefit obligations (note 32 vii)	0.2	-
Total finance income	**0.2**	**0.1**

Notes Forming Part of the Consolidated Financial Statements

Continued

7. Finance costs

	2020 €m	2019 €m
Interest on bank overdrafts and loans	6.7	2.5
Interest on lease obligations	1.1	1.0
Total finance costs	**7.8**	**3.5**

8. Income tax expense

	2020 €m	2019 €m
Current tax	1.2	1.2
Deferred tax (note 25)	(0.2)	0.1
Total income tax expense for the financial year	**1.0**	**1.3**

The Company and its Irish tax resident subsidiaries have elected to be taxed under the Irish tonnage tax scheme. Under the tonnage tax scheme, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the vessels utilised. In accordance with the IFRIC clarification of tonnage taxes issued May 2009, the tonnage tax charge is not considered an income tax expense under IAS 12 Income Taxes, and has been included in other operating expenses in the Consolidated Income Statement.

Domestic income tax is calculated at 12.5% of the estimated assessable profit for the year for all activities which do not fall to be taxed under the tonnage tax scheme. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The income tax expense for the year includes a current tax charge of €1.2 million and a deferred tax credit of €0.2 million.

The total tax expense for the financial year is reconciled to the accounting profit as follows:

	2020 €m	2019 €m
(Loss) / profit before tax	(18.0)	61.5
Tax at the domestic income tax rate of 12.5% (2019: 12.5%)	-	7.7
Losses not eligible for surrender under loss provisions	1.9	-
Effect of tonnage relief	(1.6)	(6.8)
Difference in effective tax rates	(0.3)	0.3
Items for which no tax deduction is available	0.8	-
Other items	0.2	0.1
Income tax expense recognised in the Consolidated Income Statement	**1.0**	**1.3**

9. (Loss) / profit for the year

	2020 €m	2019 €m
(Loss) / profit for the year arrived at after charging:		
Depreciation of property, plant and equipment (note 13)	29.3	27.5
Amortisation of intangible assets (note 14)	0.2	0.2
Impairment of property, plant and equipment (note 13)	2.3	-
Depreciation of right-of-use assets (note 15)	9.5	9.1
Net depreciation, amortisation and impairment costs	**41.3**	**36.8**
Fuel	32.8	49.3
Labour	31.3	33.2
Port charges	68.4	72.8
Haulage	43.9	45.2
Other	40.6	46.3
Other operating costs	**217.0**	**246.8**
Gain on disposal of property, plant and equipment		
Disclosed as non-trading item	-	(14.9)
Disclosed as operating cost	-	(0.1)
	-	(15.0)
Foreign exchange losses / (gains)	**0.4**	**(0.2)**
Expenses relating to lease payments not included in the measurement of the lease liability		
Short-term leases	4.0	6.1
Variable lease payments	1.3	0.6
Group Auditor's remuneration:	€'000	€'000
The audit of the group financial statements	222.0	222.0
Other assurance services	28.0	26.5
Tax advisory services	35.0	35.0
Other non-audit services	4.0	1.5
	289.0	**285.0**

Notes Forming Part of the Consolidated Financial Statements

Continued

10. Non-trading items

	2020 €m	2019 €m
Non-trading (expense) / gain	**(11.2)**	**14.9**

On 9 December 2020, the Trustee of the Group's principal defined benefit pension scheme entered into a transaction whereby the liabilities relating to pensions in payment at the transaction date were transferred to a third party insurer on payment of an initial premium of €160.6 million. The final premium is subject to verification of member data. This gave rise to a non-cash settlement loss of €9.3 million being the difference between the present value of the transferred liabilities discounted at the AA corporate bond rate used for IAS 19 valuation purposes at the transaction date and the premium paid.

The Trustee, in agreement with the Company, also augmented the pension benefits of certain members resulting in an augmentation cost of €1.1 million being the present value of the future benefit changes.

The Group's subsidiary Irish Ferries Limited, the sponsoring employer of the scheme, underwrites the scheme's administration expenses and incurred expenses totalling €0.8 million relating to the above transaction.

In the prior year the Group entered into a hire purchase agreement for the sale of the vessel Oscar Wilde, which had become surplus to operational requirements. The gross consideration of €28.9 million less commissions, receivable in instalments over six years from April 2019, was discounted to estimated present value which has been treated as a finance lease receivable (note 16). The Group recorded a net gain on disposal of €14.9 million after taking account of the net book value at the delivery date and related disposal costs.

11. Dividends

	2020 €m	2019 €m
Final dividend of 0c per ICG Unit RE: financial year ended 31 December 2019 (2018: 8.56c)	-	16.3
Interim dividend of 0c per ICG Unit RE: the financial year ended 31 December 2020 (2019: 4.42c)	-	8.4
	-	24.7

The Board is not proposing a final dividend in respect of the results for the financial year ended 31 December 2020.

12. Earnings per share

	2020 '000	2019 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	186,981	189,797
Effect of dilutive potential ordinary shares: Share options	-	1,143
Weighted average number of ordinary shares for the purpose of diluted earnings per share	186,981	190,940

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued and acquired from the market during the year (note 20).

12. Earnings per share – continued

The earnings used in both the adjusted basic and adjusted diluted earnings per share are adjusted to take into account the net interest on defined benefit obligations (note 32) and the effect of non-trading items after tax.

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	2020 €m	2019 €m
Earnings		
Earnings for the purposes of basic and diluted earnings per share -		
(Loss) / profit for the financial year attributable to equity holders of the parent	(19.0)	60.2
Non-trading item after tax (note 10)	11.2	(14.9)
Net interest cost on defined benefit obligations (note 32 vii)	(0.2)	-
Earnings for the purposes of adjusted basic and diluted earnings per share	**(8.0)**	**45.3**

	2020 Cent	2019 Cent
Basic earnings per share	(10.2)	31.7
Diluted earnings per share	(10.2)	31.5
Adjusted basic earnings per share	(4.3)	23.8
Adjusted diluted earnings per share	(4.3)	23.7

Diluted earnings per ordinary share
Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding for the dilutive effect of share options. All 5,756,140 options outstanding at the end of the reporting period (2019: 3,375,285) were excluded from the diluted earnings per share calculation because of their anti-dilutive effect. Options excluded comprised 2,296,500 (2019: nil) vested options and 3,459,640 (2019: 3,375,285) unvested options which have not yet satisfied the required performance conditions for vesting. In the prior period the dilutive effect of vested share options was calculated as the difference in the average market value during the period and the option price giving a dilutive effect of 1,143,000 shares.

Notes Forming Part of the Consolidated Financial Statements

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13. Property, plant and equipment

	Assets under Construction €m	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost					
At 31 December 2018	161.0	278.1	63.4	25.9	528.4
Adjustment on application of IFRS 16	-	-	(4.7)	-	(4.7)
At 1 January 2019	161.0	278.1	58.7	25.9	523.7
Additions	2.8	40.6	2.3	0.1	45.8
Reclassification	(156.9)	156.9	-	-	-
Disposals	-	(47.5)	(0.8)	-	(48.3)
Currency adjustment	-	1.0	0.2	-	1.2
At 31 December 2019	6.9	429.1	60.4	26.0	522.4
Additions	1.6	27.4	5.6	-	34.6
Reclassification	(0.1)	0.1	-	-	-
Disposals	(5.4)	(11.0)	(1.1)	-	(17.5)
Impairment	(2.3)	-	-	-	(2.3)
Currency adjustment	-	(1.4)	(0.1)	-	(1.5)
At 31 December 2020	**0.7**	**444.2**	**64.8**	**26.0**	**535.7**
Accumulated depreciation					
At 31 December 2018	-	166.7	45.1	8.9	220.7
Adjustment on application of IFRS 16	-	-	(3.5)	-	(3.5)
At 1 January 2019	-	166.7	41.6	8.9	217.2
Depreciation charge for the financial year	-	24.1	3.0	0.4	27.5
Eliminated on disposals	-	(38.9)	(0.8)	-	(39.7)
Currency adjustment	-	0.2	0.1	-	0.3
At 31 December 2019	-	152.1	43.9	9.3	205.3
Depreciation charge for the financial year	-	25.7	3.2	0.4	29.3
Eliminated on disposals	-	(11.0)	(1.1)	-	(12.1)
Currency adjustment	-	(0.3)	-	-	(0.3)
At 31 December 2020	**-**	**166.5**	**46.0**	**9.7**	**222.2**
Carrying amount					
At 31 December 2020	**0.7**	**277.7**	**18.8**	**16.3**	**313.5**
At 31 December 2019	6.9	277.0	16.5	16.7	317.1

13. Property, plant and equipment - continued

In accordance with IAS 16, the property, plant and equipment of the Group and Company has been reviewed in relation to the residual values used for the purpose of depreciation calculations. In considering residual values of passenger vessels, the Directors have taken into consideration the valuation of the scrap value of the vessels per light displacement tonne. Residual values are reviewed annually and updated where the Directors consider the latest estimates of residual value estimates would lead to a significant change in depreciation charges.

Estimations of economic life of vessels are a key judgemental estimate in the Financial Statements. In relation to the remaining estimated economic life of the vessels, a one year increase / decrease would have a €1.0 million (2019: €0.8 million) decrease / €1.2 million (2019: €1.0 million) increase in depreciation in the Consolidated Income Statement, and a €1.0 million (2019: €0.8 million) increase / €1.2 million (2019: €1.0 million) decrease on the carrying value of property, plant and equipment in the Statement of Financial Position.

During the year ended 31 December 2020 additions to assets under construction included staff costs of €nil (2019: €0.1 million) and interest costs of €nil (2019: €1.4 million). The Group had entered into a contract for the construction of a vessel of which the amount of €6.4 million of the total of €6.9 million represents the estimated value of work completed at 31 December 2019. The current year balance of €0.7m relates to construction completed on assets not in operation at the year end.

During the year the contract was cancelled due to the inability of the shipyard to deliver the vessel. Previously paid contractual deposits were returned to the Company by the deposit guarantor. An impairment charge of €2.3 million was recognised against costs previously capitalised not related to the deposit guarantee.

14. Intangible assets

	2020 €m	2019 €m
Cost		
At 1 January	10.5	10.3
Additions	1.0	0.2
At 31 December	**11.5**	**10.5**
Amortisation		
At 1 January	10.1	9.9
Charge for the financial year	0.2	0.2
At 31 December	**10.3**	**10.1**
Carrying amount		
At 31 December	**1.2**	**0.4**
At 1 January	0.4	0.4

The intangible assets included above, all computer software, have finite useful lives of five years, over which the assets are amortised. Amortisation is on a straight-line basis.

Notes Forming Part of the Consolidated Financial Statements

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15. Right-of-use assets

	Vessels	Plant and Equipment	Land and Buildings	Total
	€m	€m	€m	€m
Cost				
At 31 December 2018	-	-	-	-
Reclassed from property, plant and equipment	-	4.7	-	4.7
Initial application of IFRS 16	10.9	1.8	18.3	31.0
At 1 January 2019	10.9	6.5	18.3	35.7
Additions	-	1.7	10.8	12.5
Currency adjustment	-	-	0.4	0.4
At 31 December 2019	10.9	8.2	29.5	48.6
Additions	10.1	2.4	-	12.5
Write out on lease expiry	-	(2.6)	-	(2.6)
Currency adjustment	-	-	(0.7)	(0.7)
At 31 December 2020	**21.0**	**8.0**	**28.8**	**57.8**
Accumulated depreciation				
At 31 December 2018	-	-	-	-
Reclassed from property, plant and equipment	-	3.5	-	3.5
At 1 January 2019	-	3.5	-	3.5
Charge for the period	5.7	1.2	2.2	9.1
At 31 December 2019	5.7	4.7	2.2	12.6
Charge for period	5.6	1.9	2.0	9.5
Write out on lease expiry	-	(2.6)	-	(2.6)
At 31 December 2020	**11.3**	**4.0**	**4.2**	**19.5**
Carrying amount				
At 31 December 2020	**9.7**	**4.0**	**24.6**	**38.3**
At 31 December 2019	5.2	3.5	27.3	36.0

Right-of-use assets are depreciated on a straight-line basis over the lease term. Where a lease contract contains extension options the Group includes such option periods in its valuation of right-of-use assets where it is reasonably certain to exercise the option. Plant and equipment mainly relates to containers used in the Group's container fleet leased under various master agreements with an average remaining term of 3.4 years (2019: 3.1 years). Land and buildings comprised (i) leased land at Dublin Port from which the Group operates a container terminal where the average remaining lease term was 94 years (2019: 95 years) and (ii) a concession agreement at Belfast Harbour from which the Group operates a container terminal where the average remaining lease term was 5.7 years (2019: 6.7 years).

16. Finance lease receivable

	2020 €m	2019 €m
At 1 January	22.1	-
Sale of vessel (note 10)	-	24.5
Amounts received	(3.6)	(2.9)
Net benefit recognised in revenue	0.9	0.5
At 31 December	**19.4**	**22.1**

In the prior period the Group entered into a bareboat hire purchase sale agreement for the disposal of a vessel (note 10). Legal title to the vessel transfers to the lessor only on payment of the final instalment. The deferred consideration has been treated as a finance lease receivable at an amount equivalent to the net investment in the lease.

Amounts received less the net benefit recognised in revenue, a total of €2.7 million (2019: €2.4 million) has been recognised in the Consolidated Statement of Cash Flows as proceeds on disposal of property, plant and equipment.

The amounts receivable under the agreement at 31 December were as follows:

	2020 €m	2019 €m
Within one year	3.6	3.6
Between one and two years	3.6	3.6
Between two and three years	3.6	3.6
Between three and four years	3.6	3.6
Between four and five years	7.3	3.6
Greater than five years	-	7.3
Undiscounted payments receivable	21.7	25.3
Unearned income	(2.3)	(3.3)
Present value of payments receivable / Net investment in the lease	19.4	22.1
Analysed as:		
Current finance lease receivable	2.8	2.7
Non-current finance lease receivable	16.6	19.4
	19.4	**22.1**

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as it is denominated in euro. Residual value risk on the vessel under lease is not significant, because of the existence of a secondary market in vessels.

The Directors of the Group estimate the loss allowance on the finance lease receivable at 31 December at an amount equal to lifetime expected credit losses. None of the finance lease receivable at 31 December 2020 was past due, and taking into account the historical payment experience up to the date of approval of these Financial Statements has been in line with the agreed contractual arrangement together with the retention of legal title the Directors of the Group consider that the allowance for expected credit losses is immaterial.

Notes Forming Part of the Consolidated Financial Statements

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17. Inventories

	2020 €m	2019 €m
Fuel and lubricating oil	1.7	2.8
Catering and other stocks	0.2	0.3
	1.9	**3.1**

The Directors consider that the carrying amount of inventories approximates their replacement value.

Cost of inventories recognised as an expense in the Consolidated Income Statement amounted to €36.7 million during the financial year (2019: €57.1 million).

18. Trade and other receivables

	2020 €m	2019 €m
Trade receivables	45.8	44.8
Allowance for expected credit losses	(1.7)	(1.5)
	44.1	43.3
Prepayments		
Deposit on vessel under construction	-	28.9
Deposits relating to other property, plant and equipment	2.6	8.1
Other prepayments	4.0	6.4
Finance lease receivable (note 16)	2.8	2.7
Other receivables	2.2	3.0
	55.7	**92.4**

The Group and Company extend credit to certain trade customers after conducting a credit risk assessment. Year-end trade receivables represent 57 days sales at 31 December 2020 (2019: 46 days). The deposit on the vessel under construction at 31 December 2019, comprised €33.0 million paid net of work completed of €4.1 million included in property, plant and equipment, was repaid during 2020 on cancellation of the contract. Deposits paid relating to other property, plant and equipment include advance payments for services or goods where title has not transferred at the period end.

18. Trade and other receivables - continued

The Group's trade receivables are analysed as follows:

	Gross value 2020 €m	Expected credit losses 2020 €m	Net value 2020 €m	Gross value 2019 €m	Expected credit losses 2019 €m	Net value 2019 €m
Not past due						
Within terms	42.6	(1.1)	41.5	39.9	(1.2)	38.7
Past due						
Within 3 months	2.6	(0.4)	2.2	4.4	(0.2)	4.2
After 3 months	0.6	(0.2)	0.4	0.5	(0.1)	0.4
	45.8	**(1.7)**	**44.1**	**44.8**	**(1.5)**	**43.3**

Expected credit losses

The Group has applied the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. The concentration of credit risk is limited due to the exposure being spread over a large number of counterparties and customers. In measuring the expected credit losses, the trade receivables have been grouped by shared credit risk characteristics and by days past due. The expected loss rates are heavily influenced by the past rate of actual credit losses. Trade receivables are written off when there is no reasonable expectation of recovery. The Group also considers expected credit losses in relation to prepaid capital purchases such as vessel building deposits as there is a risk of non-delivery.

	2020 €m	2019 €m
Movement in the allowance for expected credit losses		
Balance at beginning of the financial year	1.5	1.4
Increase in allowance during the financial year	0.2	0.1
Balance at end of the financial year	**1.7**	**1.5**

In relation to the amounts paid as deposits on capital works, significant progress on these works had been completed by the financial statement approval date. No allowance has been made for expected credit losses on refundable deposits.

19. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks. There were no bank overdrafts outstanding at 31 December which met the offsetting conditions under IAS 32 Financial Instruments. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows were:

	2020 €m	2019 €m
Cash and cash equivalents	150.4	110.9

Notes Forming Part of the Consolidated Financial Statements

Continued

19. Cash and cash equivalents - continued

Cash and cash equivalents comprise cash held by the Group and Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. 95 per cent of the cash and cash equivalents were on deposit in institutions rated A2 or above by Moodys. The Directors consider the credit risk of these counterparties to be compatible with the Group's credit policy and operational requirements.

The geographic spread by deposit institution for the Group was as follows:

	2020 €m	2019 €m
Ireland	131.1	83.3
United Kingdom	0.2	0.2
Europe	19.1	27.4
Total	**150.4**	**110.9**

The cash and cash equivalents figure of €150.4 million at 31 December 2020 includes a deposit of €3.4 million (2019: €2.9 million) over which the Group has granted a charge in favour of the Irish Ferries Pension Trustee Limited as continuing security for amounts due under a deficit funding agreement concluded with the Trustee on behalf of the Irish Ferries Limited Pension Scheme.

20. Share capital

Group and Company

Authorised	2020 Number	2020 €m	2019 Number	2019 €m
Ordinary shares of par value €0.065 each	450,000,000	29.3	450,000,000	29.3
Redeemable shares of par value €0.00001 each	4,500,000,000	-	4,500,000,000	-
		29.3		**29.3**

Allotted, called up and fully paid	2020 Number	2020 €m	2019 Number	2019 €m
Ordinary shares				
At beginning of the financial year	187,419,390	12.2	190,264,390	12.4
Share issue	131,000	-	55,000	-
Share buyback	(570,000)	-	(2,900,000)	(0.2)
At end of the financial year	**186,980,390**	**12.2**	**187,419,390**	**12.2**

There were no redeemable shares in issue at 31 December 2020 or 31 December 2019.

20. Share capital - continued

The Company has one class of share unit, an ICG Unit, which at 31 December 2020 comprised one ordinary share and nil redeemable shares. The share unit, nor any share therein, does not carry any right to fixed income.

The number of ICG Units issued during the year was 131,000 (2019: 55,000) and total consideration received amounted to €0.2 million (2019: €0.1 million). These ICG Units were issued under the Group's and Company's share option plans.

During the year the Company bought back 570,000 ICG Units on the market at a price of €3.10 per ICG Unit. Total consideration paid of €1.7 million was charged against retained earnings. The nominal value of the shares cancelled of €37,000 was retained in a capital redemption reserve. The buybacks were conducted in line with the Group's capital management policy at prices which the Directors considered were in the best interests of the remaining shareholders.

Holders of ordinary shares are entitled to such dividends that may be declared from time to time on such shares and are entitled to attend, speak and vote at the Annual General Meeting of the Company. On return of capital on a winding up, the holder of ordinary shares is entitled to participate in a distribution of surplus assets of the Company.

Redeemable shares do not entitle holders to any dividend nor any right to participate in the profit or assets of the Company other than to the repayment of a sum equal to the nominal value of 0.001 cent per share on a winding up of the Company. Redeemable shares do not entitle the holder to attend, speak or vote at the Annual General Meeting.

21. Analysis of Equity

Group and Company

Share premium
The share premium account comprises the excess of monies received in respect of share capital over the nominal value of shares issued.

Capital reserves
This consists of reserves arising on consolidation and the capital redemption reserve.

Reserves arising on consolidation relate to the acquisition of a subsidiary. At 31 December 2020 the reserve balance stands at €0.1 million. The balance is unchanged from 31 December 2019, 1 January 2020 and 1 January 2019.

The capital redemption reserve represents the nominal value of share capital repurchased. During the year €37,000 was transferred from retained earnings representing the nominal value of shares cancelled. At 31 December 2020 the reserve balance was €7.4 million (2019: €7.4 million).

Share options reserve
The share options reserve represents the cumulative charge to the Consolidated Income Statement of share options issued which are not yet exercised.

Translation reserve
Exchange differences relating to the translation of the net assets and results of the Group's foreign currency denominated subsidiaries, from their functional currency into the Group's presentational currency, being euro, are recognised directly in the translation reserve.

Notes Forming Part of the Consolidated Financial Statements

Continued

22. Borrowings

	2020 €m	2019 €m
Bank loans	151.3	155.0
Private placement loan notes	50.0	50.0
Origination fees	(0.9)	(1.1)
	200.4	203.9
On demand or within one year	87.3	3.6
In the second year	7.3	15.3
In the third year	7.3	15.3
In the fourth year	57.4	15.3
Fifth year and after	41.1	154.4
	200.4	203.9
Less: Amount due for settlement within 12 months	(87.3)	(3.6)
Amount due for settlement after 12 months	**113.1**	**200.3**

Obligations under the Group borrowing facilities have been cross guaranteed by certain subsidiaries but are otherwise unsecured.

The currency profile of the Group's borrowings is set out in note 24 (iii).

Borrowing facilities

	2020 €m	2019 €m
Overdraft and trade guarantee facilities		
Amounts utilised – trade guarantee (note 36)	0.6	0.6
Amounts undrawn	15.4	15.4
Total committed overdraft facilities	**16.0**	**16.0**
Committed loan facilities		
Amounts drawn	201.3	205.0
Amounts undrawn	75.0	75.0
Total committed loan facilities	**276.3**	**280.0**
Uncommitted facilities	**224.1**	**244.8**

At 31 December the Group had total committed loan and overdraft facilities of €292.3 million (2019: €296.0 million) which comprised of amounts utilised of €201.9 million (2019: €205.6 million) and amounts undrawn of €90.4 million (2019: €90.4 million). Uncommitted facilities relate to bank and private placement shelf agreements which are available for drawing at the discretion of the relevant lender. All borrowings at 31 December 2020 were unsecured and cross guaranteed by certain subsidiaries within the Group.

22. Borrowings – continued

The Group's borrowing facilities comprise of the following;

(i) A bank overdraft and trade guarantee facility with permitted drawing amounts of €16.0 million. At 31 December 2020, €0.6 million (2019: €0.6 million) was utilised on this facility by way of trade guarantees and €nil (2019: €nil) was utilised as an overdraft. Interest rates are calculated by reference to the lender's prime rate plus a fixed margin. This facility, available for drawing by the Company and certain subsidiaries, is reviewed annually and is repayable on demand.

(ii) A multicurrency revolving credit facility with permitted drawing amounts of €75.0 million, which may be increased to €125.0 million in total at the discretion of the lenders on application. At 31 December 2020, €nil (2019: €nil) was drawn under this facility. Interest rates are arranged at floating rates, calculated by reference to EURIBOR or other reference rate depending on currency drawn plus an agreed margin which varies with the Group's net debt to EBITDA ratio, which creates a cash flow interest rate risk. This facility is available for drawing by the Company and certain subsidiaries and matures on 30 September 2024.

(iii) Amortising term loan facilities totalling €151.3 million made available by the European Investment Bank to fund the construction of two new cruise ferries one of which was delivered in December 2018. These facilities have been drawn in full and are repayable in equal instalments over a ten year period commencing December 2020 and ending during 2030. Interest rates are fixed for the duration of the term at rates ranging from 1.616% to 1.724%. Following the cancellation of the contract for the second cruise ferry during 2020 due to the insolvency of the shipbuilder, the bank has allowed a limited window in which to agree a substitute project. In the event that a substitute project or an extended time frame is not agreed the €80.0 million loan drawn will be repayable. The outstanding loan has been treated as due within one year as at 31 December 2020.

(iv) Multicurrency private placement loan note shelf agreements agreed with a number of investors with a potential drawing amount of €224.1 million. Loan notes for a total amount of €50.0 million with a maturity of 30 November 2024 at an interest rate of 1.40% have been issued under this facility. The remaining balance of €174.1 million total is available for drawing at the discretion of investors up to 6 October 2023 following agreement of a three year extension to the initial agreed drawing period. Interest rates are set at each drawing date and maturity may extend for up to 15 years.

The weighted average interest rates paid during the financial year were as follows:

	2020	2019
Bank overdrafts	0.52%	0.58%
Bank loans	1.58%	1.58%

The average interest rates reflect the terms of the refinancing arrangements concluded in prior periods. No additional bank loans were drawn during 2020. Interest rates on all bank loans drawn in prior periods were fixed at date of drawdown. The Group's financing facilities contain provisions that where there is a change in control of the Company, lenders may cancel the facilities and declare all utilisations immediately due and payable. A change of control is where any person or group of persons acting in concert becomes the owner of more than 50 per cent of the voting share capital of the Company.

In the opinion of the Directors, the Group and Company are in compliance with the covenants contained in its borrowing agreements as of 31 December 2020.

Notes Forming Part of the Consolidated Financial Statements

Continued

23. Lease liabilities

	2020 €m	2019 €m
At 1 January	36.0	-
Initial application of IFRS 16	-	32.0
Additions	12.5	12.5
Payments	(10.3)	(10.0)
Disposals	(0.1)	-
Lease interest expense recognised in period	1.1	1.0
Currency adjustment	(0.7)	0.5
At 31 December	**38.5**	**36.0**
Analysed as:		
Current liabilities	10.7	8.4
Non-current liabilities	27.8	27.6
	38.5	**36.0**

The maturity profile of lease liabilities is set out below:

	2020 €m	2019 €m
Committed lease obligations		
Within one year	10.7	8.4
Between one and two years	4.7	2.9
Between two and three years	2.7	2.5
Between three and four years	2.5	2.3
Between four and five years	2.2	2.2
Between five and ten years	1.4	3.4
Greater than ten years	14.3	14.3
	38.5	**36.0**

Outstanding lease terms vary from one to six years except in the case of leasehold land where the terms vary between 75 and 101 years. For the financial year ended 31 December 2020, the average incremental borrowing rate applying to lease liabilities was 2.8% (2019: 3.1%). The incremental borrowing rate in the case of lease liabilities recognised on application of IFRS 16 was estimated at 1 January 2019 and in all other cases at the date of commencement of the lease. The incremental borrowing rate is estimated as that rate of interest available to the Group for borrowings over a similar term as the obligation to acquire a similar asset. The Group's obligations are secured by lessors' title to the leased assets.

All lease contracts relating to land and property contain market review clauses. The leases for land and property in Dublin contain seven yearly upward only rent reviews based on market rates. The next review is due on 1 January 2024. The lease contract relating to land and property in Belfast includes an annual review based on UK Retail Price Inflation.

The above lease liabilities do not include any variable payments based on throughput of leased facilities, short term leases of less than one year or leases relating to low value assets. These are expensed as incurred and disclosed at note 9.

24. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks including market risk (such as interest rate risk, foreign currency risk, commodity price risk), liquidity risk and credit risk. The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury and accounting departments. Treasury management techniques are used to manage these underlying risks.

(i) Categories of financial instruments

Financial assets and liabilities

2020	Loans and receivables at amortised cost €m	Financial liabilities at amortised cost €m	Carrying value €m	Fair value €m
Finance lease receivable	19.4	-	19.4	19.4
Trade and other receivables	52.9	-	52.9	52.9
Cash and cash equivalents	150.4	-	150.4	150.4
Borrowings	-	200.4	200.4	208.4
Lease liabilities	-	38.5	38.5	38.5
Trade and other payables	-	52.3	52.3	52.3

2019	Loans and receivables at amortised cost €m	Financial liabilities at amortised cost €m	Carrying value €m	Fair value €m
Finance lease receivable	22.1	-	22.1	22.1
Trade and other receivables	89.7	-	89.7	89.7
Cash and cash equivalents	110.9	-	110.9	110.9
Borrowings	-	203.9	203.9	214.5
Lease liabilities	-	36.0	36.0	36.0
Trade and other payables	-	47.9	47.9	47.9

Fair value hierarchy

The fair value of financial assets and financial liabilities that are carried in the Statement of Financial Position at fair value, are classified within Level 3 (2019: Level 2) of the fair value hierarchy as market observable inputs (forward rates and yield curves) which are used in arriving at fair values.

The Group has adopted the following fair value measurement hierarchy for financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Notes Forming Part of the Consolidated Financial Statements

Continued

24. Financial instruments and risk management – continued

The following are the significant methods and assumptions used to estimate fair values of financial assets and financial liabilities:

Finance lease receivable
Finance lease recognised based on the estimated net investment in the lease being the present value of the contractual future cash flows discounted at the rate implicit in the lease.

Trade and other receivables / payables
For trade receivables and trade payables, with average settlement periods of 57 days (2019: 46 days) and 76 days (2019: 65 days) respectively, the carrying value less allowance for expected credit losses, where appropriate, is estimated to reflect fair value due to their short-term nature.

Cash and cash equivalents
For cash and cash equivalents, all with a maturity of three months or less, the nominal amount is estimated to reflect fair value.

Borrowings
The fair value of bank loans has been determined based on a discounted cash flow analysis with the most significant input being the discount rate reflecting the Group's own credit risk. For finance leases the Group considers that the incremental borrowing cost used to calculate the carrying value includes a fair estimate of counterparty risk and the carrying value approximates fair value.

Derivative financial instruments
There are no derivative financial instruments outstanding at 31 December 2020 and 31 December 2019.

(ii) Interest rate risk
At 31 December 2020, interest rates on short term bank deposits were contracted for terms of less than three months at average effective rates of (0.3%) (2019: 0.1%).

The interest rates on all Group borrowings at 31 December 2020 comprising loan notes and term loans has been fixed at contracted rates at the date of drawdown with the relevant lender eliminating exposure to interest rate risk on borrowings. The average interest rate at 31 December 2020 was 1.60% (2019: 1.60%) for remaining terms of between 3.9 and 10.5 years.

The interest rates on all lease liabilities at 31 December 2020 were fixed at the incremental borrowing rate at the later of the IFRS 16 effective application date of 1 January 2019 or lease commencement date eliminating exposure to interest rate risk on lease liabilities. The average interest rate at 31 December 2020 on outstanding lease liabilities was 2.9% (2019: 3.1%) for remaining lease terms of between 11 months and 100 years.

Sensitivity to interest rates
As all of the Group's borrowings are fixed for the full remaining borrowing terms the Group has not prepared calculations to measure the estimated effect of changes in market interest rates on the Consolidated Income Statement and Equity Review.

(iii) Foreign currency risk management
The Group publishes its Consolidated Financial Statements in euro and conducts business in different foreign currencies. As a result, it is subject to foreign exchange risk due to exchange rate movements which will affect the Group's transaction costs and the translation of the results and underlying net assets of its foreign operations.

24. Financial instruments and risk management – continued

Sterling denominated profits are translated to euro at the average rate of exchange for the financial year. The average rate at which sterling profits were translated during the year was €1:£0.8896 (2019: €1:£0.8779).

Exchange rate exposures are managed within approved policy parameters. The Group did not utilise forward foreign exchange contracts during the year ended 31 December 2020 or 2019.

Sensitivity
The currency risk sensitivity analysis is set out below:

Under the assumptions; (i) a 10% strengthening in euro exchange rates against all currencies, profit before tax would have increased by €3.2 million (2019: increase of €2.9 million) and equity (before tax effects) would have increased by €1.3 million (2019: increase of €0.7 million); (ii) a 10% weakening in euro exchange rates against all currencies, profit before tax would have decreased by €4.0 million (2019: decrease of €3.5 million) and equity (before tax effects) would have decreased by €1.5 million (2019: decrease of €0.9 million).

The currency profile of the carrying amounts of the Group's monetary assets and monetary liabilities at the statement of financial position date are as follows:

2020	Euro €m	Sterling €m	US Dollar €m	Total €m
Trade receivables (net)	39.5	4.6	-	44.1
Cash and cash equivalents	130.4	19.0	1.0	150.4
Total assets	169.9	23.6	1.0	194.5
Trade and other payables	50.3	15.5	3.4	69.2
Bank loans	200.4	-	-	200.4
Lease liabilities	28.0	10.3	0.2	38.5
Total liabilities	278.7	25.8	3.6	308.1
Net (liabilities)	**(108.8)**	**(2.2)**	**(2.6)**	**(113.6)**

2019	Euro €m	Sterling €m	US Dollar €m	Total €m
Trade receivables (net)	39.0	4.3	-	43.3
Cash and cash equivalents	91.5	17.9	1.5	110.9
Total assets	130.5	22.2	1.5	154.2
Trade and other payables	39.7	12.3	5.4	57.4
Bank loans	203.9	-	-	203.9
Lease liabilities	22.8	12.7	0.5	36.0
Total liabilities	266.4	25.0	5.9	297.3
Net (liabilities)	**(135.9)**	**(2.8)**	**(4.4)**	**(143.1)**

Notes Forming Part of the Consolidated Financial Statements

Continued

24. Financial instruments and risk management – continued

(iv) Commodity price risk

In terms of commodity price risk, the Group's vessels consume heavy fuel oil (HFO), marine diesel / gas oil (MDO / MGO) and lubricating oils, all of which continue to be subject to price volatility. The Group must also manage the risks inherent in changes to the specification of fuel oil which are introduced under international and EU law from time to time.

The Group's policy has been to purchase these commodities in the spot markets and to remain unhedged. In the Container and Terminal Division movements in fuel costs are offset to a large extent by the application of pre-arranged price adjustments with our customers. Similar arrangements are in place with freight customers in the Ferries Division. In the passenger sector, changes in fuel costs are included in the ticket price to the extent that market conditions will allow.

(v) Liquidity risk

The Group and Company are exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations and derivative transactions. The Group and Company's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due. To achieve this objective, the Group and Company:

- monitor credit ratings of institutions with which the Group and Company maintain cash balances;
- limit maturity of cash balances; and
- borrow the bulk of its debt needs under committed bank lines or other term financing and by policy maintains a minimum level of undrawn committed facilities.

At each year end, the Group's rolling liquidity reserve (which comprises cash and undrawn committed facilities and which represents the amount of available cash headroom in the Group funding structure) was as follows:

	2020 €m	2019 €m
Cash and cash equivalents	150.4	110.9
Committed undrawn facilities	90.4	90.4
Liquidity reserve	**240.8**	**201.3**

Management monitors rolling cash flow forecasts on an ongoing basis to determine the adequacy of the liquidity position of the Group. This process also incorporates a longer term liquidity review to ensure refinancing risks are adequately catered for as part of the Group's strategic planning.

Liquidity analysis

The following table sets out the maturity and liquidity analysis of the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date:

24. Financial instruments and risk management – continued

Liquidity Table 2020	Weighted average period until maturity	Carrying amount	Contractual amount	Less than 1 year	Between 1 – 2 years	Between 2 – 5 years	Between 5 – 10 years	More than 10 years
	Years	€m	€m	€m	€m	€m	€m	€m
Liabilities								
Trade and other payables	-	69.2	69.2	69.2	-	-	-	-
Bank loans	4.6	200.4	216.3	96.1	9.1	76.0	35.1	-
Lease liabilities	39.1	38.5	82.9	11.3	5.9	9.6	4.7	51.4
Total liabilities		**308.1**	**368.4**	**176.6**	**15.0**	**85.6**	**39.8**	**51.4**

Liquidity Table 2019	Weighted average period until maturity	Carrying amount	Contractual amount	Less than 1 year	Between 1 – 2 years	Between 2 – 5 years	Between 5 – 10 years	More than 10 years
	Years	€m	€m	€m	€m	€m	€m	€m
Liabilities								
Trade and other payables	-	57.4	57.4	57.4	-	-	-	-
Bank loans	5.9	203.9	223.3	7.0	18.6	104.1	81.7	11.9
Lease liabilities	41.0	36.0	81.2	9.4	3.7	9.2	6.8	52.1
Total liabilities		**297.3**	**361.9**	**73.8**	**22.3**	**113.3**	**88.5**	**64.0**

(vi) Credit risk

The Group and Company monitors its credit exposure to its counterparties via their credit ratings (where applicable) and where possible limits its exposure to any one party to ensure that there are no significant concentrations of credit risk. Notwithstanding the foregoing, due to the nature of the underlying transaction there is a material exposure to a single counterparty in relation to the lease receivable. Mitigation of this exposure to finance lease receivables is explained at note 16. Credit risk in relation to trade and other receivables and cash and cash equivalents has been discussed in notes 18 and 19 respectively. The maximum exposure to credit risk is represented by the carrying amounts in the Statement of Financial Position.

(vii) Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the overall cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended 31 December 2020 and 31 December 2019.

The capital structure of the Group consists of net debt (borrowings as detailed in note 22 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in notes 20 and 21).

The Group is not subject to any externally imposed capital requirements.

Notes Forming Part of the Consolidated Financial Statements
Continued

24. Financial instruments and risk management – continued

In managing its capital structure, the primary focus of the Group is the ratio of consolidated net debt as a multiple of EBITDA. Maximum levels for this ratio are set under Board approved policy so as to ensure compliance with banking covenants under the Group's borrowing agreements. These policy requirements were achieved at 31 December 2020 and 31 December 2019. At 31 December 2020, the net debt position of the Group was €88.5 million (2019: net debt of €129.0 million). The ratio of consolidated net debt as a multiple of EBITDA (before non-trading items) in 2020 was 2.1 times (2019: 1.5 times).

25. Deferred tax

Companies within the Group where appropriate, have elected to be taxed under the Irish tonnage tax scheme in respect of all eligible shipping activities. Certain activities will not fall within the tonnage tax scheme and will continue therefore to be subject to standard rates of corporation tax. These activities give rise to deferred tax assets and liabilities and the impact of these is shown below.

Deferred tax assets arise where taxable losses in excess of expected future reversing taxable temporary differences have been incurred that are available for offset against future taxable profits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. A deferred tax asset of €0.1 million has not been recognised in respect of tax losses as suitable taxable profits are not expected to arise. The Group estimates the probable amount of future taxable profits, using assumptions consistent with those employed in the Group's financial planning process, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

The Group has not provided deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and realisation of these temporary differences and it is probable that the temporary difference would be immaterial and will not reverse in the foreseeable future.

The following are the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods:

2020	Accelerated tax depreciation €m	Retirement benefit obligation €m	Total €m
At beginning of the financial year	0.5	0.2	0.7
Credit to the Statement of Consolidated Income	(0.1)	(0.1)	(0.2)
Credit to Statement of Other Comprehensive Income	-	(0.3)	(0.3)
At end of the financial year	**0.4**	**(0.2)**	**0.2**
Analysed as:			
Current asset			(0.3)
Non-current liability			0.5
			0.2

25. Deferred tax – continued

2019	Accelerated tax depreciation €m	Retirement benefit obligation €m	Total €m
At beginning of the financial year	0.4	0.2	0.6
Charge to the Consolidated Income Statement	0.1	-	0.1
At end of the financial year	**0.5**	**0.2**	**0.7**

Deferred tax is recognised in the Consolidated Statement of Comprehensive Income to the extent it arises on profits or losses recognised in that statement.

26. Trade and other payables

	2020 €m	2019 €m
Within one year		
Trade and other payables	24.8	31.1
Accruals	27.5	16.8
	52.3	**47.9**
Deferred revenue	13.0	5.0
Payroll taxes	0.2	1.3
Social insurance cost	0.1	0.3
Value added tax	3.6	2.9
	69.2	**57.4**

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing. They also include deferred revenue amounts of €13.0 million (2019: €5.0 million) relating to cash received in respect of performance obligations outstanding not yet complete by the Group. Movements in deferred revenue balances during the period were as follows:

	2020 €m	2019 €m
At 1 January	5.0	3.8
Passenger revenue	(33.7)	(112.7)
Cash received	41.7	113.9
At 31 December	**13.0**	**5.0**

The average trade credit period outstanding was 76 days at 31 December 2020 (2019: 65 days). Certain suppliers reserve the right to charge interest on balances past their due date.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Notes Forming Part of the Consolidated Financial Statements
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27. Provisions

	2020 €m	2019 €m
Claims provision		
At beginning of the financial year	2.0	1.7
Utilisation of provision	(0.1)	-
Increase in provision	0.3	0.3
At end of the financial year	**2.2**	**2.0**
Analysed as follows:		
Current liabilities	2.0	1.3
Non-current liabilities	0.2	0.7
	2.2	**2.0**

The claims provision comprises; (i) the insurance excess payable by the Group and Company in a number of potential compensation claims, arising in the normal course of business. No provision has been recognised for instances that may have been incurred prior to the financial year-end, but for which no claim has been received; (ii) ex-gratia discounts which can be claimed by customers against future travel the timing and presentation of which are uncertain. Provisions relate to claims lodged with the Group where a future cash outflow is expected to occur. The expected cash outflows were expected to be incurred during 2020 but were delayed due to Covid-19 related postponements in the legal process and are expected to be resolved during 2021.

28. Commitments

	2020 €m	2019 €m
Commitments for the acquisition of property, plant and equipment – approved and contracted for, but not accrued		
Approved and contracted	5.9	185.1
Less accrued at 31 December	(4.0)	(41.0)
Approved and contracted for not accrued	**1.9**	**144.1**

29. Short-term vessel charter and container hire obligations

	2020 €m	2019 €m
Within one year	0.6	1.6
In the second to fifth years	-	-
After five years	-	-
	0.6	**1.6**

Commitments at 31 December 2020 relate to short term vessel charter and container hire obligations. An expense of €5.3 million (2019: €6.7 million) was recognised in the period where the related rights were not recognised as a right-of-use asset. The 2020 expense is analysed in note 9.

30. Operating lease income

The aggregate future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2020	2019
	€m	€m
Within one year	2.7	2.7

The lease payments receivable relate to the charter of container vessels.

31. Share-based payments

The Group operates two equity-settled share option schemes under which certain employees have been issued with share options as described below.

The Performance Share Plan (PSP) is the active plan under which option awards may be granted. Details of the award and vesting conditions are set out in the Report of the Remuneration Committee. Vesting is contingent on market conditions such as total shareholder return and non-market conditions such as earnings per share, free cash flow and return on average capital employed. During the year 1,120,500 (2019: 782,500) options were granted under the PSP with a vesting period of three years.

The 2009 Share Option Plan remains in place with respect to outstanding grants made prior to 2016 but no new grants will be made following the adoption of the PSP. The number of shares over which options may be granted may not exceed 10 per cent of the shares of the Company in issue.

Options are forfeited where the grantee ceases employment with the Group unless retention, is permitted by the Remuneration Committee under good leaver rules. The Scheme Rules allow for the early exercise of outstanding options upon a change in control of the Company.

The number and weighted average exercise price of share options granted under the above plans is as follows:

	2020		2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		€		€
Outstanding at 1 January	5,871,785	1.61	5,144,285	1.86
Granted during the year	1,120,500	0.065	782,500	0.065
Exercised during the year	(660,424)	0.62	(55,000)	2.97
Forfeited during the year	(575,721)	0.065	-	-
Outstanding at 31 December	**5,756,140**	**1.59**	**5,871,785**	**1.61**
Exercisable at 31 December	2,296,500	2.50	2,496,500	2.40
Weighted average share price at date of exercise of options		3.48		4.67
Weighted average remaining contractual life of options outstanding at year-end		2.3 years		2.8 years

Notes Forming Part of the Consolidated Financial Statements

Continued

31. Share-based payments – continued

In settlement of the options exercised during the year the Company issued 131,000 (2019: 55,000) new ICG Units with the balance settled through market purchase.

The exercise prices of options outstanding at 31 December are as follows:

	2020 Options	2019 Options	Price €
Exercisable:			
2009 Share Option Plan			
Vested Options	1,161,500	1,361,500	1.57
Vested Options	230,000	230,000	2.97
Vested Options	905,000	905,000	3.58
Exercisable at 31 December	**2,296,500**	**2,496,500**	
Not Exercisable:			
2009 Share Option Plan			
Second Tier Options (1)	905,000	905,000	3.58
Performance Share Plan (2)	2,554,640	2,470,285	0.065
Outstanding at 31 December	**3,459,640**	**5,871,785**	

Notes on vesting conditions

1. The performance conditions relating to these options were determined by the Remuneration Committee to have been achieved and a decision to vest these options was made post the balance sheet date.
2. Vesting of options under the PSP are contingent on the achievement of certain market and non-market performance hurdles set out in the Report of the Remuneration Committee.

Under Group equity-settled share-based payment schemes the maximum life of a share option is 10 years, these are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value was measured using the binomial option pricing model for options granted prior to 31 December 2018. For options granted after 1 January 2019, fair value has been estimated using Monte-Carlo simulation modelling. The Directors consider the change in valuation technique better reflects the underlying features of the PSP. Previous estimates of fair value have not been modified as the effects were not considered material. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

31. Share-based payments – continued

Outstanding options had been granted on 26 March 2012, 1 September 2014, 5 March 2015, 9 March 2018, 8 March 2019 and 6 March 2020. The estimated fair values of the options are as follows:

Year of Grant	2020	2019	2018	2015	2015	2014	2014	2012	2012
Share Plan	PSP	PSP	PSP	2009 Plan	2009 Plan	2009 Plan	2009 Plan	2009 Plan	2009 Plan
	-	-	-	Basic Tier	Second Tier	Basic Tier	Second Tier	Basic Tier	Second Tier
Fair value of option	€2.54	€3.53	€4.06	€0.4528	€0.5581	€0.2992	€0.4449	€0.3240	€0.3680

The inputs into the model in the respective years of grant were as follows:

Year of Grant	2020	2019	2018	2015	2015	2014	2014	2012	2012
	-	-	-	Basic Tier	Second Tier	Basic Tier	Second Tier	Basic Tier	Second Tier
At date of grant:									
Weighted average share price	€3.77	€4.945	€5.860	€3.580	€3.580	€2.970	€2.970	€1.570	€1.570
Weighted average exercise price	€0.065	€0.065	€0.065	€3.580	€3.580	€2.970	€2.970	€1.570	€1.570
Expected volatility	29%	27%	22%	29%	31%	27%	30%	34%	33%
Expected life	3 years	3 years	8 years	7 years	9 years	7 years	9 years	7 years	9 years
Risk free rate	(0.462%)	(0.498%)	0.023%	0.090%	0.299%	0.439%	0.765%	1.323%	1.799%
Expected dividend yield	3.70%	2.50%	4.39%	5.16%	4.72%	5.83%	4.89%	4.97%	4.41%

Expected volatility was determined by calculating the historical volatility of the Company's share price. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest, and adjusted for the effect of non-market based vesting conditions.

In 2020, the share-based payment expense recognised in the Consolidated Income Statement was €1.9 million (2019: €2.1 million) and in the Income Statement of the Company was €0.9 million (2019: €1.0 million).

The share-based payment expense has been classified in the Consolidated Income Statement as follows:

	2020 €m	2019 €m
Employee benefits expense	1.9	2.1

Share-based payment expense of €715,000 (2019: €901,000) relates to the Directors of the Company. The balance on the share option reserve in the Consolidated Statement of Financial Position at 31 December 2020 is €5.1 million (2019: €5.9 million).

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32. Retirement benefit schemes

The Group operates defined contribution pension schemes in all of its main operating locations. The Group also has defined benefit obligations as set out below. Scheme assets are held in separate trustee administered funds.

Defined Contribution Scheme

The Group operates a defined contribution pension scheme, which provides retirement and death benefits for all recently hired employees. The total cost charged in the Consolidated Income Statement of €0.3 million (2019: €0.4 million) represents employer contributions payable to the externally administered defined contribution pension scheme at rates specified in the rules of the scheme. There was €nil in outstanding contributions included in trade and other payables at 31 December 2020 (2019: €nil).

Defined Benefit Obligations

(i) Group sponsored schemes

The Group operates contributory defined benefit obligations, which provide retirement and death benefits for other employees who are not members of the defined contribution pension scheme. The defined benefit obligations provide benefits to members in the form of a guaranteed level of pension payable for life, the level of the benefits depend on the member's length of service and salary.

The assets of these schemes are held separately from those of the Group in schemes under the control of trustees. The trustees are responsible for ensuring the schemes are run in accordance with the applicable trust deed and the pension laws of the relevant jurisdiction. The trustees invest the funds in a range of assets with the objective of maximising the fund return whilst minimising the cost of funding the scheme at an acceptable risk profile. In assessing the risk profile the trustees take account of the nature and duration of the liabilities and review investment strategy regularly.

The pension charges and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries. The latest actuarial valuation reports for these schemes, which are not available for public inspection, are dated between 31 March 2018 and 31 October 2018. The valuations employed for disclosure purposes have been based on the most recent funding valuations for each scheme adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2020 and to take account of financial conditions at this date. The present value of the defined benefit obligation, and the related current service cost and past service credit, were measured using the projected unit credit method and assets have been valued at bid value.

The pension contributions paid in the year ended 31 December 2020 amounted to €2.8 million (2019: €2.7 million) while the current service cost charged to the Consolidated Income Statement amounted to €1.7 million (2019: €1.5 million). A settlement loss of €9.3 million (2019: curtailment gain of €0.1 million) and benefit augmentation cost of €1.1m (2019: €nil) were incurred during the year and reported in the Income Statement as a non-trading item.

The profile of membership across all schemes at 31 December was as follows;

	2020	2019
Current employees	157	167
Members with deferred benefits	536	560
Pensioners	109	775
Total	**802**	**1,502**

32. Retirement benefit schemes – continued

Buyout transaction

On 9 December 2020, the Trustee of the Group's principal defined benefit pension scheme entered into an irrevocable agreement whereby the liabilities relating to pensions in payment at the transaction date were transferred to a third-party insurer on payment of an initial premium of €160.6 million. This gave rise to a non-cash settlement loss of €9.3 million being the difference between the present value of the transferred liabilities discounted at the AA corporate bond rate used for IAS 19 valuation purposes at the transaction date and the premium paid. The initial premium may be adjusted upwards or downwards on completion of a data verification exercise in early 2021.

The Trustee, in agreement with the Company, also augmented pension benefits of certain members resulting in an augmentation cost of €1.1 million being the present value of the future benefit changes.

In conjunction with the 9 December transaction, the Group concluded a new deficit funding agreement with the trustee replacing the previous deficit funding agreement agreed in 2014. Under the new agreement the Group continues to make deficit payments to the scheme of €1.5 million per annum, adjusted for inflation, for a projected period up to 2023, or until the deficit is eliminated if earlier. Subsequent to the year-end the Trustee confirmed that the Scheme met the minimum funding standard including risk reserves as set out in Irish pensions legislation leading to a cessation of the requirement to continue making the deficit funding payments. The Trustee will also retain a charge over the escrow deposit created and funded under the former funding agreement until 31 December 2023, with the balance payable to the scheme in certain circumstances. The balance held in the escrow account at 31 December 2020 was €3.4 million (note 19) with one further payment of €0.1 million made in January 2021.

Netherlands Scheme

In relation to an insured scheme established for the benefit of certain employees based in the Netherlands, the Group appointed a new independent actuary based locally. All the liabilities of this scheme are matched by insurance contracts other than for inflation adjustment to accrued benefits for current employees. During the year ended 31 December 2019 a new actuary was appointed to advise the Group on matters concerning the Dutch pension scheme, including preparation of valuation estimates for inclusion in these Financial Statements. This resulted in the following changes reported in the period;

- A presentational change relating to the identification of certain scheme assets and an equivalent liability amount relating to pensions in payment obligations which had been netted in the prior year.
- A modelling change and refinement in methodology resulting in an actuarial credit of €1.6 million

(ii) Merchant Navy Officers Pension Fund (MNOPF)

In addition to the pension schemes operated by the Group, the Group has obligations in respect of past service of certain employees who are members of the MNOPF, an industry wide multi-employer scheme and which is closed to future accrual. The latest actuarial valuation of the scheme, which is available for public inspection, is dated 31 March 2018 and disclosed a net past service deficit of £9.0 million. The latest funding update dated 31 March 2020 indicated that this scheme was fully funded. The Group's share of the MNOPF obligations, as most recently advised by the trustees, is 1.53% (2019: 1.53%). The obligation valuation in these Financial Statements at 31 December 2020 is based on the actuarial deficit contribution demands notified to the Group and which remain outstanding at the reporting date. The last deficit demand received by the Group was dated May 2013 and has been fully paid.

On this basis the share of the overall deficit in the MNOPF estimated to be attributable to the Group at 31 December 2020 is €nil (2019: €nil). During the year the Group made payments of €nil (2019: €nil) to the trustees.

Notes Forming Part of the Consolidated Financial Statements

Continued

32. Retirement benefit schemes – continued

(iii) Principal risks and assumptions

The Group is exposed to a number of actuarial risks as set out below:

Investment risk

The pension schemes hold investments in asset classes such as equities which are expected to provide higher returns than other asset classes over the long term, but may create volatility and risk in the short term. The present value of the defined benefit obligations liability is calculated using a discount rate by reference to high quality corporate bond yields; if the future achieved return on scheme assets is below this rate, it will create a deficit. IAS 19 Employee Benefits provides that the discount rate used to value retirement benefits should be determined by reference to market yields on high quality corporate bonds consistent with the duration of the liabilities. Due to a narrow bond universe the Group defines high quality bonds in the Eurozone as those rated AA or higher by at least one rating agency. In respect of sterling schemes, corporate bonds must be rated AA, or higher, by at least two rating agencies.

Salary risk

The present value of the defined benefit liability is calculated by reference to the projected salaries of scheme participants at retirement based on salary inflation assumptions. As such, any variation in salary versus assumption will vary the schemes' liabilities.

Life expectancy risk

The present value of the defined benefit obligations liability is calculated by reference to the best estimate of the mortality of scheme participants both during and after their employment. An increase in the life expectancy of the scheme participants will change the scheme liabilities.

Inflation risk

A significant proportion of the benefits under the plans are linked to inflation with higher inflation leading to higher liabilities.

The Directors have taken independent actuarial advice on the key judgements used in the estimate of retirement benefit scheme assets and liabilities.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Sterling liabilities		Euro liabilities	
	2020	2019	2020	2019
Discount rate	1.30%	1.85%	0.70%	1.00%
Inflation rate	3.15%	3.20%	1.20%	1.30%
Rate of annual increase of pensions in payment	3.05%	2.95%	0.30% - 0.40%	0.40% - 0.50%
Rate of increase of pensionable salaries	0.95%	0.90%	0.00% - 0.90%	0.00% - 0.90%

The euro and sterling discount rates have been determined in consultation with the Group's independent actuary, who has devised proprietary models referencing market yields at the balance sheet date on high quality corporate bonds consistent with the duration of the liabilities. For 31 December 2020 the high quality corporate bond population include those rated AA or higher by at least two rating agencies.

Sterling obligations include the effects of the UK GMP equalisation court decisions. The estimated effect was to increase the obligations of the UK scheme by 0.1%.

32. Retirement benefit schemes – continued

The average life expectancy used in the principal Group schemes at age 60 is as follows:

	2020		2019	
	Male	Female	Male	Female
Irish Schemes:				
Current retirees	26.5 years	29.5 years	26.4 years	29.3 years
Future retirees	28.9 years	31.5 years	28.8 years	31.4 years
UK Schemes:				
Current retirees	27.7 years	29.3 years	27.7 years	29.2 years
Future retirees	29.2 years	30.8 years	29.2 years	30.7 years

Assumptions regarding life expectancies are set based on actuarial advice in accordance with published statistics and experience in each jurisdiction.

Sensitivity of pension liability judgemental assumptions
The Group's total obligation in respect of defined benefit obligations is calculated by independent, qualified actuaries, updated at least annually and totals €140.8 million at 31 December 2020 (2019: €289.6 million). At 31 December 2020, the Group also has scheme assets totalling €139.6 million (2019: €298.4 million), giving a net pension deficit of €1.2 million (2019: surplus of €8.8 million). The size of the obligation is sensitive to actuarial assumptions. The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant with the exception of the rate of inflation assumption which impacts other inflation linked assumptions. The sensitivity analysis intends to provide assistance in understanding the sensitivity of the valuation of pension liabilities to market movements on discount rates, inflation rates and mortality assumptions for scheme beneficiaries. The analyses are for illustrative purposes only as in practice assumptions rarely change in isolation.

There has been no change from the prior year in the methods and assumptions used in preparing the sensitivity analyses below.

2020

Assumption	Change in assumption	Impact on euro schemes liabilities	Impact on sterling scheme liabilities	Combined impact on liabilities
Discount rate	0.5% increase in discount rate	9.8% decrease in liabilities	8.7% decrease in liabilities	9.6% decrease in liabilities
Rate of inflation*	0.5% increase in price inflation	9.5% increase in liabilities	7.3% increase in liabilities	9.1% increase in liabilities
Rate of mortality	Members assumed to live one year longer	2.8% increase in liabilities	4.7% increase in liabilities	3.2% increase in liabilities

Notes Forming Part of the Consolidated Financial Statements

Continued

32. Retirement benefit schemes – continued

2019

Assumption	Change in assumption	Impact on euro schemes liabilities	Impact on sterling scheme liabilities	Combined impact on liabilities
Discount rate	0.5% increase in discount rate	7.0% decrease in liabilities	8.5% decrease in liabilities	7.0% decrease in liabilities
Rate of inflation*	0.5% increase in price inflation	6.6% increase in liabilities	6.2% increase in liabilities	6.6% increase in liabilities
Rate of mortality	Members assumed to live one year longer	3.5% increase in liabilities	3.9% increase in liabilities	3.5% increase in liabilities

* The rate of inflation sensitivity includes its impact on the rate of annual increase of pensions in payment assumption and the rate of increase of pensionable salaries assumption as they are both inflation linked assumptions.

The size of the scheme assets which are also sensitive to asset return levels and the level of contributions from the Group are analysed by asset class in part (iv) of this note.

(iv) Retirement benefit assets and liabilities
The amount recognised in the Consolidated Statement of Financial Position in respect of the Group's defined benefit obligations, including an apportionment in respect of the MNOPF is as follows:

	Scheme with liabilities in sterling		Schemes with liabilities in euro	
	2020	2019	2020	2019
	€m	€m	€m	€m
Equities	10.9	11.6	62.9	105.8
Bonds	13.3	13.0	28.2	102.7
Diversified funds	-	-	-	41.7
Property	-	0.3	4.8	19.2
Insurance contracts	-	-	12.3	-
Other	3.1	2.9	4.1	1.2
Fair value of scheme assets	27.3	27.8	112.3	270.6
Present value of scheme liabilities	(28.0)	(26.2)	(112.8)	(263.4)
(Deficit) / surplus in schemes	**(0.7)**	**1.6**	**(0.5)**	**7.2**

Two of the defined benefit obligation schemes accounted for by the Group are in a net surplus position and are shown in non-current assets in the Consolidated Statement of Financial Position. Two of the defined benefit obligation schemes accounted for by the Group are in a net deficit position and are shown in non-current liabilities.

The overall weighted average duration of the Group's defined benefit obligations is 19.7 years (2019: 16.2 years). The weighted average duration of euro scheme obligations was 19.9 years (2019: 16.0 years) and of sterling scheme obligations was 18.5 years (2019: 17.0 years).

32. Retirement benefit schemes – continued

The split between the amounts shown in each category is as follows:

	2020 €m	2019 €m
Non-current assets – retirement benefit surplus	1.0	12.5
Non-current liabilities – retirement benefit obligation	(2.2)	(3.7)
Net (deficit) / surplus in pension schemes	**(1.2)**	**8.8**

(v) Movements in retirement benefit assets

Movements in the fair value of scheme assets in the current year were as follows:

2020	Schemes in sterling €m	Schemes in euro €m	Total €m
At beginning of the financial year	27.8	270.6	298.4
Presentational change	-	5.2	5.2
Interest income	0.5	2.7	3.2
Actuarial gains	1.1	4.1	5.2
Exchange difference	(1.5)	-	(1.5)
Employer contributions	0.3	2.5	2.8
Contributions from scheme members	0.1	0.3	0.4
Transfer of assets	-	(160.6)	(160.6)
Benefits paid	(1.0)	(12.5)	(13.5)
At end of the financial year	**27.3**	**112.3**	**139.6**

The transfer of assets relates to the premium paid relating to the buyout transaction concluded on 9 December 2020. Further details at note 32(i) above.

2019	Schemes in sterling €m	Schemes in euro €m	Total €m
At beginning of the financial year	24.1	240.2	264.3
Interest income	0.6	4.2	4.8
Actuarial gains	2.2	35.8	38.0
Exchange difference	1.3	-	1.3
Employer contributions	0.3	2.4	2.7
Contributions from scheme members	0.1	0.3	0.4
Benefits paid	(0.8)	(12.3)	(13.1)
At end of the financial year	**27.8**	**270.6**	**298.4**

Notes Forming Part of the Consolidated Financial Statements

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32. Retirement benefit schemes – continued

(vi) Movement in retirement benefit liabilities

Movements in the present value of defined benefit obligations in the year were as follows:

2020	Schemes in sterling €m	Schemes in euro €m	Total €m
At beginning of the financial year	26.2	263.4	289.6
Presentational change	-	5.2	5.2
Service cost	0.5	1.2	1.7
Interest cost	0.5	2.5	3.0
Contributions from scheme members	0.1	0.3	0.4
Augmentation cost	-	1.1	1.1
Settlement loss	-	9.3	9.3
Actuarial gain	3.1	2.9	6.0
Exchange difference	(1.4)	-	(1.4)
Transfer of liabilities	-	(160.6)	(160.6)
Benefits paid	(1.0)	(12.5)	(13.5)
At end of the financial year	**28.0**	**112.8**	**140.8**

The transfer of liabilities relates to the buyout transaction concluded on 9 December 2020, which also gave rise to settlement and augmentation losses. Further details are provided at note 32(i) above.

2019	Schemes in sterling €m	Schemes in euro €m	Total €m
At beginning of the financial year	22.4	243.6	266.0
Service cost	0.3	1.2	1.5
Curtailment gain	-	(0.1)	(0.1)
Interest cost	0.6	4.2	4.8
Contributions from scheme members	0.1	0.3	0.4
Actuarial gain	2.5	26.5	29.0
Exchange difference	1.1	-	1.1
Benefits paid	(0.8)	(12.3)	(13.1)
At end of the financial year	**26.2**	**263.4**	**289.6**

32. Retirement benefit schemes – continued

(vii) Amounts recognised in the Consolidated Income Statement

Amounts recognised in the Consolidated Income Statement in respect of the defined benefit obligations are as follows:

	2020 €m	2019 €m
Charges to employee benefits expense		
Current service cost	1.7	1.5
Settlement loss / (curtailment gain) (notes 10 and 32(i))	9.3	(0.1)
Augmentation cost (notes 10 and 32(i))	1.1	-
	12.1	**1.4**

	2020 €m	2019 €m
Charged to finance costs		
Interest income on scheme assets	(3.2)	(4.8)
Interest on scheme liabilities	3.0	4.8
Net interest (income) / cost on defined benefit obligations (notes 6 and 7)	**(0.2)**	**-**

The estimated amounts of employer contributions expected to be paid to the schemes during 2021 is €1.6 million based on current funding agreements.

(viii) Amounts recognised in the Consolidated Statement of Comprehensive Income

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of the defined benefit obligations are as follows:

	2020 €m	2019 €m
Actuarial gains and losses		
Actual total return on scheme assets	8.4	42.8
Interest income on scheme assets	(3.2)	(4.8)
Return on scheme assets (excluding amounts included in net interest cost)	5.2	38.0
Remeasurement adjustments on scheme liabilities:		
Gains arising from changes in demographic assumptions	-	0.1
(Losses) arising from changes in financial assumptions	(12.0)	(25.8)
Gains / (losses) arising from experience adjustments	6.0	(3.3)
Actuarial (loss) / gain recognised in the Consolidated Statement of Comprehensive Income	**(0.8)**	**9.0**

	2020 €m	2019 €m
Exchange movement		
Exchange (loss) / gain on scheme assets	(1.5)	1.3
Exchange gain / (loss) on scheme liabilities	1.4	(1.1)
Net exchange (loss) / gain recognised in the Consolidated Statement of Comprehensive Income	**(0.1)**	**0.2**

Notes Forming Part of the Consolidated Financial Statements

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33. Related party transactions

During the financial year, Group entities incurred costs of €1.0 million (2019: €0.2 million) through provision of administration and accounting services to Irish Ferries Limited Pension Scheme and Irish Ferries (UK) Limited Pension Scheme, related parties that are not members of the Group. These related parties provide pension benefits to employees of the Group.

For the reporting period, Catherine Duffy, non-executive Director of the Company, was a partner at law firm A&L Goodbody (ALG). During the year ended 31 December 2020, expenses of €0.3 million of which €50,000 relates to Catherine's remuneration for her role as non-executive Director (2019: €0.8 million of which €50,000 relates to Catherine's remuneration for her role as non-executive Director) were incurred for services received from ALG in their capacity as legal advisors to the Group. All services have been provided on an arm's length basis at the standard commercial terms of ALG. Catherine stepped down from her role as partner on 31 December 2020.

Compensation of key management personnel
The Group's key management comprise the Board of Directors and senior management having authority and responsibility for planning, directing and controlling the activities of the Group.

The remuneration of key management, including Directors, during the financial year was as follows:

	2020 €m	2019 €m
Short-term benefits	2.5	5.1
Post-employment benefits	0.3	0.2
Share-based payment expense	1.3	1.6
	4.1	**6.9**

Short-term benefits comprise salary, performance pay and other short-term employee benefits.

Post-employment benefits comprise the past and current service cost calculated in accordance with IAS 19 Employee Benefits.

Share-based payment expense represents the cost charged in respect of equity-settled share-based payments.

The remuneration of Directors and key management is determined by the Remuneration Committee having regard to the performance of individuals, market trends and the performance of the Group and Company.

Details of the remuneration of the Group's individual Directors, together with the number of ICG shares owned by them and their outstanding share options are set out in the Report of the Remuneration Committee and the Report of the Directors.

Dividends
Amounts received by key management, including Directors, arising from dividends are as follows:

	2020 €m	2019 €m
Dividends	-	4.0

Share options
Share options exercised by the Company's Directors are set out in the Report of the Remuneration Committee on pages 90 to 102.

34. Net cash from operating activities

		2020 €m		2019 €m
Operating activities				
(Loss) / profit for the year		(19.0)		60.2
Adjustments for:				
Finance costs (net)		7.6		3.4
Income tax expense		1.0		1.3
Retirement benefit obligations – current service cost	1.7		1.5	
Retirement benefit obligations – settlement loss / (curtailment gain)	9.3		(0.1)	
Retirement benefit obligations – augmentation cost	1.1		-	
Retirement benefit obligations – payments	(2.8)		(2.7)	
Pension payments in excess of service costs		9.3		(1.3)
Depreciation of property, plant and equipment		29.3		27.5
Amortisation of intangible assets		0.2		0.2
Depreciation of right-of-use asset		9.5		9.1
Impairment charges		2.3		-
Share-based payment expense less market purchase cost		0.2		1.9
Gain on disposal of property, plant and equipment		-		(15.1)
Increase in provisions		0.2		0.3
Operating cash flows before movements in working capital		**40.6**		**87.5**
Decrease in inventories	1.2		0.2	
Decrease / (increase) in receivables	1.6		(4.7)	
Increase in payables	7.8		6.5	
Working capital movements		10.6		2.0
Cash generated from operations		**51.2**		**89.5**
Income taxes paid		(1.4)		(1.2)
Interest paid		(3.7)		(3.5)
Net cash inflow from operating activities		**46.1**		**84.8**

Notes Forming Part of the Consolidated Financial Statements

Continued

35. Change in financing liabilities

The changes in liabilities arising from financing activities during the year ended 31 December 2020 were as follows:

	Bank loans €m	Loan notes €m	Origination fees €m	Lease liabilities €m	Total €m
At 1 January 2020	155.0	50.0	(1.1)	36.0	239.9
Changes from cash flows					
Repayment of borrowings	(3.7)	-		(9.3)	(13.0)
Non cash flow changes					
Amortisation	-	-	0.2	-	0.2
Right-of-use assets recognised	-	-	-	12.5	12.5
Currency adjustment	-	-	-	(0.7)	(0.7)
At 31 December 2020	**151.3**	**50.0**	**(0.9)**	**38.5**	**238.9**

Capital repayments on the bank loans drawn during 2018 commenced in 2020. The loan notes have bullet payment terms with repayment due in 2024.

36. Contingent liabilities

The Group has issued counter indemnities to Allied Irish Banks plc in relation to bonds required by regulatory authorities and suppliers, amounting to €0.6 million (2019: €0.6 million). The Group regards these financial guarantee contracts as insurance contracts and accordingly the accounting treatment applied is that applicable to insurance contracts. No claims have been notified to the Group in respect of these contracts, therefore no provision is warranted.

The Group is a participating employer in the Merchant Navy Officer Pension Fund (MNOPF), a multi-employer defined benefit pension scheme. The MNOPF is closed to future accrual. Under the rules of the fund all employers are jointly and severally liable for any past service deficit of the fund. The last notification from the trustees showed that the Group's share of any deficit would be 1.53%. Should other participating employers' default on their obligations, the Group will be required to absorb a larger share of the scheme deficit. If the Group were to terminate their obligations to the fund, voluntarily or otherwise, the Group may incur a statutory debt under Section 75 of the United Kingdom Pensions Act 1995 amended by the Pensions Act 2004. The calculation of such statutory debt is prescribed in legislation and is on a different basis from the current deficit calculations. This would likely be a greater amount than the net position included in these Financial Statements and the Directors consider that this amount is not quantifiable unless and until such an event occurs.

In the ordinary course of business, the Group is exposed to legal proceedings from various sources including employees, customers, suppliers and regulatory authorities. It is the opinion of the Directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the Financial Statements.

37. Events after the reporting period

There have been no material events affecting the Group since 31 December 2020.

Company Statement of Financial Position

as at 31 December 2020

	Notes	2020 €m	2019 €m
Assets			
Non-current assets			
Property, plant and equipment	40	150.2	161.2
Intangible assets	41	0.3	0.2
Right-of-use assets	42	-	0.1
Investments in subsidiaries	43	14.7	14.6
Retirement benefit surplus	49 iv	0.7	0.8
		165.9	**176.9**
Current assets			
Trade and other receivables	44	107.5	112.9
Cash and cash equivalents		40.6	22.6
		148.1	**135.5**
Total assets		**314.0**	**312.4**
Equity and liabilities			
Equity			
Share capital	45	12.2	12.2
Share premium		19.7	19.5
Other reserves		12.5	13.3
Retained earnings		153.7	139.4
Equity attributable to equity holders		**198.1**	**184.4**
Current liabilities			
Lease liabilities	46	-	0.1
Trade and other payables	48	115.9	127.9
		115.9	**128.0**
Total liabilities		**115.9**	**128.0**
Total equity and liabilities		**314.0**	**312.4**

The Company reported a profit for the financial year ended 31 December 2020 of €15.2 million (2019: €6.5 million).

The Financial Statements were approved by the Board of Directors on 10 March 2021 and signed on its behalf by:

Eamonn Rothwell — Director

David Ledwidge — Director

Company Statement of Changes in Equity

For the financial year ended 31 December 2020

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2020	**12.2**	**19.5**	**7.4**	**5.9**	**139.4**	**184.4**
Profit for the financial year	-	-	-	-	15.2	15.2
Other comprehensive income	-	-	-	-	(0.1)	(0.1)
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**15.1**	**15.1**
Share issue	-	0.2	-	-	-	0.2
Share buyback	-	-	-	-	(1.8)	(1.8)
Employee share-based payments expense	-	-	-	0.9	-	0.9
Movement related to share options granted to employees in subsidiaries (note 43)	-	-	-	1.0	-	1.0
Settlement of employee equity plans through market purchase	-	-	-	-	(1.7)	(1.7)
Transferred to retained earnings on exercise of share options	-	-	-	(2.7)	2.7	-
Movements in the year	**-**	**0.2**	**-**	**(0.8)**	**14.3**	**13.7**
Balance at 31 December 2020	**12.2**	**19.7**	**7.4**	**5.1**	**153.7**	**198.1**

Company Statement of Changes in Equity

For the financial year ended 31 December 2019

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2019	**12.4**	**19.4**	**7.2**	**3.8**	**170.4**	**213.2**
Profit for the financial year	-	-	-	-	6.5	6.5
Other comprehensive income	-	-	-	-	0.1	0.1
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**6.6**	**6.6**
Share issue	-	0.1	-	-	-	0.1
Dividends	-	-	-	-	(24.7)	(24.7)
Share buyback	(0.2)	-	0.2	-	(12.9)	(12.9)
Employee share-based payments expense	-	-	-	0.9	-	0.9
Movement related to share options granted to employees in subsidiaries (note 43)	-	-	-	1.2	-	1.2
Movements in the year	**(0.2)**	**0.1**	**0.2**	**2.1**	**(31.0)**	**(28.8)**
Balance at 31 December 2019	**12.2**	**19.5**	**7.4**	**5.9**	**139.4**	**184.4**

Notes Forming Part of the Company Financial Statements

Continued

38. Company Statement of Accounting Policies

Basis of Preparation

The Company Financial Statements of Irish Continental Group plc (the Company) were prepared under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Presentation of Company Statement of Cash Flows;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the Consolidated Financial Statements of the Group are prepared in accordance with IFRS as adopted by the EU and include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 Share-based Payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: disclosures.

The accounting policies used in the preparation of the Company Financial Statements are consistent with the accounting policies used in the preparation of the Consolidated Financial Statements set out in the Summary of Accounting Policies at note 2 on pages 128 to 139. Unless otherwise stated, these have been applied consistently to all periods presented in these Company Financial Statements. The Financial Statements have been prepared in euro and are rounded to the nearest hundred thousand.

Accounting policies applying only to the Company Financial Statements

Investments in subsidiaries

Investments in subsidiaries held by the Company are carried at cost less any accumulated impairment losses. Equity-settled share-based payments granted by the Company to employees of subsidiary companies are accounted for as an increase or decrease in the carrying value of the investment in subsidiary companies and the share options reserve.

39. Company profit for the period

The profit attributable to equity shareholders dealt with in the Financial Statements of the Company was €15.2 million (2019: €6.5 million). In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

	2020 €'000	2019 €'000
Company Auditor's remuneration:		
Audit of the entity financial statements	17.0	17.0
Other assurance services	252.0	252.0
Tax advisory services	17.0	17.0
Other non-audit services	3.0	-
	289.0	**286.0**

39. Company profit for the period – continued

Disclosure of Directors' emoluments as required by Section 305 of the Companies Act 2014, is given in the Report of the Remuneration Committee on page 95 and is included within the Financial Statements by way of a cross reference.

There were no employees in the Company during the financial year ended 31 December 2020 (2019: nil). Costs of €2.4 million (2019: €4.3 million) were recharged to the Company from subsidiary companies in relation to management services.

40. Property, plant and equipment

Company	Assets under Construction €m	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost					
At 31 December 2018	160.8	-	7.0	0.1	167.9
Adjustment on application of IFRS 16	-	-	(2.6)	-	(2.6)
At 1 January 2019	160.8	-	4.4	0.1	165.3
Additions	2.2	3.4	0.5	-	6.1
Reclassification	(156.6)	156.6	-	-	-
Disposals	-	-	(1.6)	-	(1.6)
At 31 December 2019	6.4	160.0	3.3	0.1	169.8
Additions	1.3	1.2	-	-	2.5
Impairment	(2.3)	-	-	-	(2.3)
Disposals	(5.4)	-	-	-	(5.4)
At 31 December 2020	**-**	**161.2**	**3.3**	**0.1**	**164.6**
Accumulated depreciation					
At 31 December 2018	-	-	6.8	0.1	6.9
Adjustment on application of IFRS 16	-	-	(2.3)	-	(2.3)
At 1 January 2019	-	-	4.5	0.1	4.6
Depreciation charge for the financial year	-	5.5	0.1	-	5.6
Eliminated on disposals	-	-	(1.6)	-	(1.6)
At 31 December 2019	-	5.5	3.0	0.1	8.6
Depreciation charge for the financial year	-	5.6	0.2	-	5.8
At 31 December 2020	**-**	**11.1**	**3.2**	**0.1**	**14.4**
Carrying amount					
At 31 December 2020	**-**	**150.1**	**0.1**	**-**	**150.2**
At 31 December 2019	6.4	154.5	0.3	-	161.2

The Company had entered into a contract for the construction of a vessel of which the amount of €6.4 million represents the estimated value of work completed at 31 December 2019. During the reporting period the contract was cancelled due to the inability of the shipyard to deliver the vessel. Previously paid contractual deposits were returned to the Company by the deposit guarantor. An impairment charge of €2.3 million was recognised against costs previously capitalised not related to the deposit guarantee.

Notes Forming Part of the Company Financial Statements

Continued

41. Intangible assets

	2020 €m	2019 €m
Cost		
At 1 January	10.0	9.9
Additions	0.2	0.1
At 31 December	**10.2**	**10.0**
Amortisation		
At 1 January	9.8	9.6
Charge for the financial year	0.1	0.2
At 31 December	**9.9**	**9.8**
Carrying amount		
At 31 December	0.3	0.2
At 1 January	**0.2**	**0.3**

The intangible assets included above, all computer software, have finite useful lives of five years, over which the assets are amortised. Amortisation is on a straight-line basis.

42. Right-of-use assets

	Plant and Equipment €m
Cost	
At 1 January 2019 and 31 December 2019	2.6
Write-off on lease expiry	(2.6)
At 31 December 2020	**-**
Accumulated depreciation	
At 1 January 2019	2.3
Charge for period	0.2
At 31 December 2019	**2.5**
Charge for period	0.1
Write-off on lease expiry	(2.6)
At 31 December 2020	**-**
Carrying amount	
At 31 December 2020	**-**
At 31 December 2019	0.1

43. Investment in subsidiaries

	2020 €m	2019 €m
Investment in subsidiaries at beginning of the financial year	14.6	13.4
Movement related to share options allocated to employees in subsidiaries	1.0	1.2
Payments received on exercise of options	(0.9)	-
Investment in subsidiaries at end of the financial year	**14.7**	**14.6**

The Company's principal subsidiaries at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation and operation	Principal activity
Irish Ferries Limited*	Ireland	Ferry operator
Eucon Shipping & Transport Limited*	Ireland	Container shipping services
Irish Continental Line Limited*	Ireland	Ship leasing
Irish Ferries Services Limited*	Ireland	Administration services
Belfast Container Terminal (BCT) Limited	Northern Ireland	Container handling
Irish Ferries (U.K.) Limited	United Kingdom	Shipping & forwarding agents
Eurofeeders Limited	United Kingdom	Shipping & forwarding agents
Irish Ferries (U.K.) Services Limited	United Kingdom	Administration services
Zatarga Limited	Isle of Man	Ship leasing
Contarga Limited*	Ireland	Ship leasing
Irish Ferries Finance DAC	Ireland	Administration services
ICG Shipping (W. B. Yeats) Limited	Ireland	Non-trading
ICG Shipping (Hull 777) Limited	Ireland	Non-trading

*Companies availing of Companies Act 2014 exemption under S357

The Company in all instances owns 100 per cent of the issued ordinary share capital and voting rights attaching thereto in respect of all subsidiary companies.

The registered office for Irish Ferries Limited, Eucon Shipping & Transport Limited, Irish Continental Line Limited, Contarga Limited, Irish Ferries Services Limited, Irish Ferries Finance DAC, ICG Shipping (W.B. Yeats) Limited, and ICG Shipping (Hull 777) Limited is Ferryport, Alexandra Road, Dublin 1.

The registered office for Belfast Container Terminal (BCT) Limited is 1 Lanyon Place, The Soloist Building, Belfast BT1 3LP, Northern Ireland. The registered office for Irish Ferries (U.K.) Limited and Irish Ferries (U.K.) Services Limited is The Plaza Suite 4D, 100 Old Hall Street, Liverpool L3 9QJ, England. The registered office for Eurofeeders Limited is Collins House, Rutland Square, Edinburgh, Midlothian EH1 2AA, Scotland. The registered office for Zatarga Limited is 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU.

Notes Forming Part of the Company Financial Statements

Continued

44. Trade and other receivables

	2020 €m	2019 €m
Amounts due from subsidiary companies (note 50)	107.1	83.7
Prepayments – deposit on vessel under construction	-	28.9
Other receivables	0.4	0.3
	107.5	**112.9**

Amounts due from subsidiary companies are interest free and repayable on demand. The increase in amounts due from subsidiary companies of €23.4 million principally relates to outstanding trading amounts invoiced at the year end. The reduction in prepayments relates to the return of a deposit on a cancelled shipbuilding contract. The Company has assessed credit losses as if the receivable had been demanded at the statement of financial position date. As all amounts are due from subsidiaries which were in a net asset position, the Company concluded that no allowance for credit losses was required as it would be immaterial. All subsidiaries which owe ICG funds are considered to be going concerns.

45. Share capital

Details of the Company's equity share capital are set out at note 20 to the Consolidated Financial Statements.

46. Lease liabilities

	2020 €m	2019 €m
At 1 January	0.1	-
Initial application of IFRS 16	-	0.3
Payments	(0.1)	(0.2)
Lease interest expense recognised in period	-	-
At 31 December	**-**	**0.1**
Analysed as:		
Current liabilities	**-**	**0.1**

47. Deferred tax liabilities

There are no deferred tax liabilities and assets recognised by the Company during the current and prior reporting periods. The Company's taxable income was fully taxable within the Irish tonnage tax system.

The estimated value of deferred tax assets not recognised is €0.1 million (2019: €0.1 million). Deferred tax assets are not recognised as it is not probable that taxable profits will be available against which deductible temporary differences can be utilised.

48. Trade and other payables

	2020 €m	2019 €m
Within one year		
Amounts due to subsidiary companies (note 50)	112.7	126.1
Other payables	3.2	1.8
	115.9	**127.9**

Other payables include provisions of €1.2 million at 31 December 2020 and at 31 December 2019.

The amounts owed by the Company to its subsidiaries is represented as follows:

	2020 €m	2019 €m
Trading balances	1.5	19.1
Financing balances	111.2	107.0
	112.7	**126.1**

Amounts owed to subsidiary companies are repayable on demand with no fixed payment schedule. The decrease in trading balances of €17.6 million was funded through the return of a deposit on a cancelled shipbuilding contract (note 44).

Interest is payable on financing balances at agreed fixed rates comprising funding cost and a margin. The average interest rate paid on borrowings advanced during the year was 1.76% (2019: 1.78%) and the average interest rate payable on financing balances outstanding at 31 December 2020 was 1.79% (2018: 1.78%).

49. Retirement benefit schemes

(i) Company sponsored / Group affiliated schemes
Certain former employees of the Company were members of a defined benefit scheme which is sponsored by another Group Company, Irish Ferries Limited. The stated policy between the sponsoring entity and the Company does not require the Company to recognise the net defined benefit in its individual financial statements. Detailed information in respect of this scheme is given in note 32 to the Consolidated Financial Statements. Other former employees were members of the Ex Merchant Navy Officers Pension Fund (Ex MNOPF), of which the Company is the sponsoring employer.

The contributory defined benefit schemes sponsored by the Company and the Group companies provide retirement and death benefits for former employees. The defined benefit schemes provide benefits to members in the form of a guaranteed level of pension payable for life, the level of the benefits depend on the member's length of service and salary. The assets of these schemes are held separately from those of the Company and Group in schemes under the control of trustees. The trustees are responsible for ensuring the schemes are run in accordance with the applicable trust deeds and the pension laws of the relevant jurisdiction. The pensions charge and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries.

The latest actuarial valuation report for the Ex MNOPF Scheme, which is not available for public inspection, is dated 29 June 2018. The valuation employed for disclosure purposes has been based on the most recent funding valuations for the schemes adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2020 and to take account of financial conditions at this date.

Notes Forming Part of the Company Financial Statements

Continued

49. Retirement benefit schemes – continued

The present value of the defined benefit obligation, and the related current service cost and past service credit, were measured using the projected unit credit method and assets have been valued at bid value.

(ii) Merchant Navy Officers Pension Fund (MNOPF)
In addition to the pension schemes operated by the Company, certain former employees are members of the MNOPF, an industry wide multi-employer scheme. The latest actuarial valuation of the scheme, which is available for public inspection, is dated 31 March 2018 and disclosed a net past service deficit of £9.0 million. The Company's share of the MNOPF obligations, as most recently advised by the trustees, is 0.51% (2019: 0.51%). The obligation valuation in these Financial Statements at 31 December 2020 is based on the actuarial deficit contribution demands notified to the Company and which remain outstanding at the reporting date. The last deficit demand received by the Company was dated May 2013 and has been fully paid.

The valuation at 31 December 2020 is based on the actuarial deficit contribution demands notified to the Group and which remains outstanding at the reporting date.

The share of the overall deficit in the MNOPF apportioned to the Company is €nil at 31 December 2020 (2019: €nil). During the year the Company made payments of €nil (2019: €nil) to the trustees.

(iii) Principal risks and assumptions
The principal risks and assumptions used for the purpose of the actuarial valuations are set out in note 32 (iii) of the Consolidated Financial Statements.

The Company's total obligation in respect of the defined benefit schemes is calculated by independent, qualified actuaries, updated at least annually and totals €1.0 million at 31 December 2020 (2019: €0.9 million). At 31 December 2020, the Company also has scheme assets totalling €1.7 million (2019: €1.7 million) giving a net pension surplus of €0.7 million (2019: €0.8 million). The size of the obligation is sensitive to actuarial assumptions.

(iv) Retirement benefit assets and liabilities
The amount recognised in the Statement of Financial Position in respect of the Company's defined benefit schemes, is as follows:

	2020 €m	2019 €m
Equities	1.1	1.2
Bonds	0.4	0.3
Property	0.1	0.1
Other	0.1	0.1
Fair value of scheme assets	1.7	1.7
Present value of scheme liabilities	(1.0)	(0.9)
Surplus in schemes	**0.7**	**0.8**

The retirement benefit scheme sponsored by the Company is in a net surplus position. In addition, the Company's share of the deficit in the industry wide scheme, the MNOPF, based on the last actuarial valuation as at 31 March 2018 is €nil (2019: €nil). The total surplus of €0.7 million (2019: €0.8 million) is shown under non-current assets in the Statement of Financial Position.

The Company is exposed to a number of actuarial risks, these include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the scheme assets is also sensitive to asset return levels and the level of contributions from the Company.

49. Retirement benefit schemes – continued

(v) Movement in retirement benefit assets
Movements in the fair value of scheme assets in the financial year were as follows:

	€m
2020	
At beginning of the financial year	1.7
Actuarial gains	-
At end of the financial year	1.7
2019	
At beginning of the financial year	1.4
Actuarial gains	0.3
At end of the financial year	1.7

(vi) Movement in retirement benefit liabilities
Movements in the present value of defined benefit obligations in the financial year were as follows:

	€m
2020	
At beginning of the financial year	0.9
Actuarial losses	0.1
At end of the financial year	1.0
2019	
At beginning of the financial year	0.7
Actuarial losses	0.2
At end of the financial year	0.9

The present value of scheme liabilities at the financial year ended 31 December 2020 and 31 December 2019 relate to wholly funded plans.

(vii) Amounts recognised in the Company Income Statement
There were no amounts recognised in the Company Income Statement in respect of defined benefit obligations in the period (2019: €nil).

The estimated amounts of contributions expected to be paid by the Company to the schemes during 2021 is €nil based on current funding agreements.

Notes Forming Part of the Company Financial Statements

Continued

49. Retirement benefit schemes – continued

(viii) Amounts recognised in the Company Statement of Comprehensive Income
Amounts recognised in the Company Statement of Comprehensive Income in respect of defined benefit obligations are as follows:

Actuarial gains and losses:

	2020 €m	2019 €m
Actual return on scheme assets	-	0.3
Interest income on scheme assets	-	-
Return on scheme assets (excluding amounts included in net interest cost)	-	0.3
Remeasurement adjustments on scheme liabilities:		
Losses arising from changes in financial assumptions	(0.1)	(0.2)
Actuarial (loss) / gain recognised in Statement of Comprehensive Income	(0.1)	0.1

50. Related party transactions

For the reporting period, Catherine Duffy, non-executive Director of the Company, was a partner at law firm A&L Goodbody (ALG). During the year ended 31 December 2020, expenses of €0.3 million of which €50,000 relates to Catherine's remuneration for her role as non-executive Director (2019: €0.8 million of which €50,000 relates to Catherine's remuneration for her role as non-executive Director) were incurred for services received from ALG in their capacity as legal advisors to the Company and Group. All services have been provided on an arm's length basis at the standard commercial terms of ALG.

The Company's profit for the period includes transactions with subsidiaries compromising charter income of €18.7 million (2019: €18.0 million), management charges of €0.7 million (2019: €0.9 million), dividends received of €10.0 million (2019: €nil) and interest payable of €0.6 million (2019 €0.8 million). Details of loan balances to / from subsidiaries are provided in the Company Statement of Financial Position on page 183, in note 48 'Trade and other payables', in note 44 'Trade and other receivables' and in the table below.

The Company has provided Letters of Financial Support for certain of its other subsidiaries.

At 31 December the following amounts were due to or from the Company by its subsidiaries:

	2020 €m	2019 €m
Amounts due from subsidiary companies (note 44)	107.1	83.7
Amounts due to subsidiary companies (note 48)	(112.7)	(126.1)
	(5.6)	**(42.4)**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. There are no set terms and conditions attached to the amounts outstanding.

51. Contingent liabilities

The Company is a participating employer in the Merchant Navy Officer Pension Fund (MNOPF), a multi-employer defined benefit pension scheme. The MNOPF is closed to future accrual. Under the rules of the fund all employers are jointly and severally liable for any past service deficit of the fund. The last notification from the trustees showed that the Company's share of any deficit would be 0.51%. Should other participating employers default on their obligations, the Company will be required to absorb a larger share of the scheme deficit. If the Company were to terminate their obligations to the fund, voluntarily or otherwise, the Company may incur a statutory debt under Section 75 of the United Kingdom Pensions Act 1995 amended by the Pensions Act 2004. The calculation of such statutory debt is prescribed in legislation and is on a different basis from the current deficit calculations. This would likely be a greater amount than the net position included in these Financial Statements and the Directors consider that this amount is not quantifiable unless and until such an event occurs.

In the ordinary course of business, the Company is exposed to legal proceedings from various sources including employees, customers, suppliers and regulatory authorities. It is the opinion of the Directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the Financial Statements.

The Company acts as guarantor to lending arrangements concluded by certain of its subsidiaries. The Company has also guaranteed the liabilities and commitments of its Irish subsidiaries for the financial year ended 31 December 2020 pursuant to the provision of Section 357 of the Companies Act 2014. The Company has treated these guarantees as insurance arrangements and each contract is treated as a contingent liability until as such time it becomes probable that the Company will be required to make a payment under the guarantee. The Company has carried out a review based on the latest financial information available regarding these subsidiaries, all of which are in a net asset position, and assessed that as at 31 December 2020 it was not probable that the Company would be required to make a payment under any of these guarantees. Details of the Group's principal subsidiaries have been included in note 43.

52. Events after the reporting period

The Board is not proposing payment of a final dividend in respect of the results for the financial year ended 31 December 2020.

There have been no other material events affecting the Group since 31 December 2020.

53. Approval of financial statements

The Financial Statements were approved by the Board of Directors and authorised for issue on 10 March 2021.

Investor and Other Information

Investor Information

ICG Units

An ICG Unit consists of one ordinary share and nil redeemable shares at 31 December 2020 and 31 December 2019. The shares comprising a unit are not separable for sale or transfer purposes.

The number of redeemable shares comprised in an ICG Unit at any particular time will be displayed on the Irish Continental Group plc. website www.icg.ie. The redemption of redeemable shares is solely at the discretion of the Directors.

At 10 March 2021, an ICG Unit consisted of one ordinary share and nil redeemable shares.

Payments to shareholders

Shareholders are offered the option of having any distributions paid in euro or sterling and made by way of cheque payment or electronic transfer. Shareholders should contact the Company's Registrar for further information.

The Company is obliged to deduct Dividend Withholding Tax (DWT) at the standard rate of income tax in Ireland (currently 20 per cent) from dividends paid to its shareholders, unless a shareholder is entitled to an exemption from DWT and has returned a declaration form to the Company's Registrar claiming such entitlement.

ICG Unit price data (€)

	High	Low	Year end
Year ended 31 December 2020	5.03	2.30	4.50
Year ended 31 December 2019	5.20	3.71	4.84

Share listings

ICG Units are quoted on the official lists of both Euronext Dublin and the UK Listing Authority.

ICG's ISIN code is IE00BLP58571.

ICG is a member of the CREST share settlement system. Shareholders may choose to hold paper share certificates or hold their shares in electronic form.

Investor relations

Please address investor enquiries to:
Irish Continental Group plc
Ferryport
Alexandra Road
Dublin 1
Telephone: +353 1 607 5628
Fax: +353 1 855 2268
Email: investorrelations@icg.ie

Registrar

The Company's Registrar deals with all administrative queries about the holding of ICG Units.

Shareholders should contact the Registrar in order to:

- Register to receive shareholder information electronically;
- Elect to receive any distributions from the Company by bank transfer; and
- Amalgamate accounts where shareholders have multiple accounts in their name, to avoid duplicate sets of Company mailings being sent to one shareholder.

The registrar also offers a share dealing service to shareholders.
The Company's Registrar is:
Computershare Investor Services (Ireland) Limited
3100 Lake Drive
Citywest Business Campus
Dublin 24
D24 AK82

Telephone: +353 1 447 5483

Email: webqueries@computershare.ie

Financial calendar 2021

Announcement of Preliminary Statement of Results to 31 December 2020	11 March 2021
Annual General Meeting	12 May 2021
Half year results announcement	26 August 2021

Travel discounts for shareholders

Registered shareholders of 1,000 or more ICG shares can avail of a discount when travelling with Irish Ferries. The availability of the discount, the conditions applicable and the level of discount are subject to review and are varied from time to time. The principal features of the scheme at 10 March 2021 are:

- 20% discount on passenger and car ferry services between Ireland and Britain;
- 10% discount on passenger and car ferry services between Ireland and France (direct sailings only); and
- 5% discount on Irish Ferries inclusive package holidays (incorporating travel with Irish Ferries).

To qualify for the discount the person travelling must be the registered holder of the shares, book online at www.irishferries.com, and apply for the discount at the time of booking. The discount is not available in conjunction with any other discount scheme.

For further information please contact Irish Ferries Customer Support in Dublin on + 353 1 607 5700 or email shareholders@irishferries.com.

Investor Information

Continued

Other information

Registered office	Ferryport Alexandra Road Dublin 1, Ireland.
Solicitors	A&L Goodbody, Dublin
Auditors	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Earlsfort Terrace, Dublin 2
Principal bankers	AIB Group plc, Dublin Bank of Ireland Group plc, Dublin
Stockbrokers	Goodbody Stockbrokers, Dublin
Registrars	Computershare Investor Services (Ireland) Limited 3100 Lake Drive Citywest Business Campus Dublin 24 D24 AK82
Website	www.icg.ie
Email	info@icg.ie

	Euronext Dublin	London Stock Exchange
Reuters	IR5B_u.I	ICG_u.L
Bloomberg	IR5B	ICGC
ISE Xetra	IR5B	

Irish Continental Group plc,
Ferryport, Alexandra Road, Dublin 1, Ireland.
Tel: +353 1 607 5628
email: info@icg.ie
Website: www.icg.ie

Irish Ferries,
Ferryport, Alexandra Road, Dublin 1, Ireland.
Tel: +353 1 607 5700
email: info@irishferries.com
Website: www.irishferries.com

Eucon Shipping & Transport Ltd,
Irish Ferries head office, Breakwater Road South,
Ferryport, Alexandra Road, Dublin 1, Ireland.
Tel: +353 1 607 5555
email: info@eucon.ie
Website: www.eucon.ie

Dublin Ferryport Terminals,
Container Terminal, Breakwater Road, Dublin 1, Ireland.
Tel: +353 1 607 5700
email: info@dft.ie

Belfast Container Terminal,
Victoria Terminal 3, West Bank Road,
Belfast BT3 9JL, Northern Ireland.
Tel: +44 7901 825387
email: info@bcterminal.com

Irish Continental Group

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