



**WARRENPOINT
PORT**

www.warrenpointport.com



ANNUAL REPORT

2021

WARRENPOINT HARBOUR AUTHORITY

MEMBERS

Dr G O'Hare CBE DL FRICS (Chairman)

D Holmes (Chief Executive)

K Grant (Finance Director)

Cllr C Mason (term complete 5th May 2022)

Cllr G Hanna

Cllr K McKeivitt

G Donaghy

R Johnston

D Gray

F Hanna (appointed 1st August 2021)

Board Members are Duty Holders as recognised within the Port Marine Safety Code.

SENIOR MANAGEMENT

Chief Executive D Holmes

Finance Director K Grant

Head of Engineering & Estate E O'Mahony

Harbour Master M Young

Operations Manager I Taylor

Health, Safety & Environmental Manager T Rodgers

Project Manager K Farrell

PROFESSIONAL ADVISERS

Bankers Ulster Bank Limited

Independent Auditor FPM Accountants Limited

Solicitors Mills Selig



SEATRUCK

CHAIRMAN'S STATEMENT



Having been appointed to the role of Chairman of Warrenpoint Harbour in February 2021, I joined the Port at a time of major instability in the global and local economy. Almost one year into the pandemic, Covid-19 continued to impact almost every element of business; Brexit uncertainties were continuing to challenge; and we were just starting to see early signs of the inflationary pressure that has continued to prevail across the year and into 2022.

Despite these many challenges and uncertainties, I am delighted to report that Warrenpoint Harbour has delivered a robust performance in 2021.

The Port experienced its busiest year to date in terms of tonnage at 3,751,963 tonnes up from 3,327,891 in 2020. This is an uplift of 12.7%. Much of this is driven by an increase in the total number of vessel calls, which were up 14.4% on 2020. Given the Covid pressures of social distancing and self-isolation, this was a challenge

for the Operational teams, but one which they dealt with admirably.

The breakdown of the tonnage with 51% Import and 49% Export respectively remained consistent against 2020. Turnover increased significantly to £7,054,640 up from £5,889,863 in 2020, an increase of 19.8%. Whilst some of this increase was driven by Covid catch-up, it may also have been driven by capitalising on some elements of Brexit.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) was up 15.6% to £1,972,533. Profit after tax came in at £303,353 up from £71,601 for 2020.

Whereas we had taken a prudent view on Capital Investment in 2020 as the risks of uncertainty with the pandemic and Brexit took hold, in 2021 there was a need to increase capital investment, particularly in relation to vital quay wall maintenance. With Government support, the Port increased its total Capital Expenditure in 2021 to just over £2.25m.

Other points to note for the year include, the significant increase in project cargo, a market that had largely died away during Covid; and the continuing increase in commodities such as steel and timber up 71% and 20% respectively, despite the increasing cost to purchase.

I would like to register my thanks to our Executive Directors; David Holmes, Kieran Grant and the Management Team for their continued effort throughout 2021.

I would also like to thank all my colleagues on the Board and the entire Executive team for welcoming me to WHA and for their support and encouragement during the first year of my term.

15.6%
INCREASE
IN EBITDA

19.8%
TURNOVER
INCREASED
SIGNIFICANTLY

I would also like to welcome Fiona Hanna who joined the Board in August 2021 and to congratulate Richard Johnston on his reappointment.

It is also befitting to pay tribute to Cathy Mason, one of our serving Board Members who has just been appointed as an MLA and therefore her term on the Board has completed. I thank her for her commitment and dedication to the post and wish her every success in this new role.

I would like to mention the Community Christmas Fund which supported 43 different, local organisations and is anchoring its place as an important part of the community calendar in the greater Warrenpoint area.

Warrenpoint Harbour has significant potential to continue to grow and increase its current contribution into the local economy, providing critical infrastructure resilience outside of the Greater Belfast area. I am delighted to be leading the team forward on this continued growth at a time when we are seeing major infrastructure projects, such as the Narrow Water Bridge and the Southern Relief Road progress. Despite the many challenges we are now experiencing in 2022, including Brexit, Covid, Inflationary pressures and the tragic situation in Ukraine, I am confident for the future.

I believe that Warrenpoint Harbour is perfectly placed to continue to be a major economic driver, a

major employer and a vital part of the local community in the years ahead.

Finally, I would also like to acknowledge two former Board Members who sadly passed away during 2021- former Councillor Michael Carr, who passed away in May and Councillor Sean Doran, who passed away in November. Their efforts as Members of the Board and in the wider local community will not be forgotten. We again pass on our condolences to their respective families.

Dr Gerard O'Hare CBE DL FRICS
Chairman

STRATEGIC REPORT

Warrenpoint Port is a vital economic driver not only for South Down but for Northern Ireland, offering major infrastructure resilience outside Greater Belfast. It is the second largest Port by volume in Northern Ireland and continues to handle circa 12% of NI's port activity. In the 2021 financial year, Warrenpoint Port contributed a total Gross Value Added (GVA) impact of more than £10m including supply chain and salary impact. The Port increased its directly employed team to more than 70 people in 2021. The Port also indirectly supports more than 400 additional jobs and delivers balanced export and import activities.

Warrenpoint Harbour Authority is a Trust Port which is not bound by The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013. The Members however, choose, as a measure of good governance and practice to present a Strategic Report.

This overview of the matters of strategic importance to the Members should be read as part of the entire Annual Report.

UPDATE

In 2020 Warrenpoint Port reported an unprecedented year and 2021 continued to present with similar levels of exceptional uncertainty to that experienced in 2020. The lack of clarity over the final outworking of Brexit continued to drive customer uncertainty, whilst Covid-19 remained a threat in terms of destabilising workflow patterns across the wider supply chain.

Despite these many challenges, through sheer determination, hard work, and safe working practices, the team at the Port delivered a very successful year. Pent up demand from ongoing Covid and Brexit supply issues and increased customer communication were some of the key drivers for demand.

2021 has, by tonnage, been the Port's busiest year to date, with almost 3.8m tonnes processed. This is an increase of nearly 13% on 2020 and has enabled essential strategic investment, positioning the Port well for 2022.

The Port continued to effectively work through the aspects of its Masterplan relevant to infrastructure investment, site optimisation and plant.

Capital investment of £2.25m was successfully on target and on time. In 2021, investment focused on traffic management and mobile equipment including a new loading shovel for grain and stone handling, and new container handling equipment. Significant investment was made in quay infrastructure and cyber security as well as internal digital process upgrades. Plans are in place to continue with significant capital investment during 2022 subject to the outworkings of Brexit.

Debt reduction continues to be a priority with borrowings reduced by 12.0% in 2021.

The Port remains a port of choice for unusual project loads. The Port has invested in this niche market, enhancing its relevance. As well as continuing to handle wind turbines with more projects lined up for April 2022; 2021 saw specialist concrete piles exported through the Port.

Ireland's only CO2 Plant storing recovered CO2, which was completed at the end of 2020, has operated safely and efficiently throughout 2021. This plant became especially critical to the island economy when shortages of food-processing CO2 threatened UK agri-food processing businesses.

RISKS AND UNCERTAINTIES

Brexit and Covid-19 continued to present as key risks and uncertainties for the Port in 2021. While the vaccination programme clearly helped, availability of labour due to illness was a challenge and the risk of new strains remain potentially problematic into 2022 and beyond. The uncertainties associated with Brexit, and the political instability at Stormont proved difficult in 2021. Looking ahead to 2022 the harrowing situation in Ukraine; escalating UK inflation with the risk of a recession; the continued uncertainties with Brexit and Covid; as well as the lack of a Northern Ireland Executive, and the continued uncertainties over the implementation of the Northern Ireland Protocol, are amongst the major risks and uncertainties for the Port and its wider supply chain.

HEALTH, SAFETY AND ENVIRONMENTAL

An unwavering commitment to health, safety and environment continuous improvement remained at the forefront of Port activities in 2021. Accident rates have reduced by 50% since 2019, with ongoing specialist employee training at the cornerstone of the strategy.

Extensive Covid-19 measures remained in place across the site in 2021 to safeguard against personal illness and Port disruption. Consequently, throughout the year, despite being in a high incident rate area geographically, the Port did not experience either individual serious illness or major service level disruption.

The commitment to the green agenda continues with the roll-out of an electric vehicle policy across the business; additional tree planting was undertaken with 100 additional trees planted across the site in 2021, with a further 100 trees sourced

for 2022. The early planning stages for a 'Spring into Action' campaign was put into place culminating in a collaborative community development of planters around the Town Dock. The Port engaged meaningfully in MarPAMM (Marine Protected Area Management and Monitoring) and wider stakeholder forums during 2021.

The Port also continued to participate in CACHE 22, a 'Clean Air Clean Harbour Environmental Project'. Warrenpoint joined Belfast and Dover Ports, along with a number of universities on the European Space Agency funded project, identifying opportunities for future improvement. During 2021 the Port also commissioned Red Shift Associates to perform new base-lining emission monitoring during 2022.

COMMUNITY

The Warrenpoint Port Christmas Community Fund continued to build momentum in year two with further buy in from supporters and recipients. The Fund generated more than £22,000 in 2021 which was distributed to 43 different organisations locally. Further details about this activity can be found in the 'Port in the Community' section.

In 2021, the Port continued to deliver its quarterly ezine 'On Board', to provide an update on activities at the Port. It also addresses 'recently asked questions' that it receives through the onboard@warrenpointharbour.co.uk community engagement email address. The Port continued to build its social media audiences with regular news and updates. The Port also built on the regular meetings held with elected representatives in 2020, by hosting quarterly update meetings with representatives in the District Electoral Area in 2021. This is another mechanism for improving community ties, promoting transparency and addressing community concerns. The Port hosted a 'Big Spring

Clean', an initiative it plans to build on in 2022 and 2023; with further community involvement and collaboration. This will involve clean ups, tree planting, and planters around the Town Dock.

FUNDING

Covid brought a unique set of challenges and uncertainty for the Port. The Port was very grateful to receive additional support from the Government in 2021 to help deliver a safe working environment. This also helped to mitigate some of the uncertainties generated by Covid.

FUTURE PLANS

The Southern Relief Road continues to be an infrastructure priority for the Port, as does maximising the available space on site to facilitate continued growth. Certainty in relation to the final implementation of the Northern Ireland Protocol is essential to help the Port support its customers with future plans.

The Narrow Water Bridge which the Port understands will be proceeding in 2023, will impact on the Port. That impact is being assessed, understood, and mitigated as far as reasonably practicable, with the Port engaging with the Project Engineers, Louth County Council and Department for Infrastructure.

During 2021 Warrenpoint Port continued to liaise with local, regional Government and other Ports on taking a Northern Ireland wide approach on the implementation of Freeport status. This is something that will continue to be explored going forward as will Warrenpoint Port's role in delivering on Northern Ireland's sustainability objectives within the Programme for Government.

CORPORATE GOVERNANCE

Warrenpoint Port, like other Trust Ports across the UK, is not owned by Government. Trust Ports are both strategically and financially independent of Government and operate largely in the private sector, although they are 'publicly accountable' to their stakeholders.

Trust Ports have powers to raise revenues by levying dues and charging for the use of port facilities. They operate on a commercial basis, pay taxes and, except in limited cases where there is specific local legislation or exceptional circumstances such as Covid-19, receive no systematic public subsidies.

Warrenpoint Port is required to operate in a commercial manner and is an independent statutory body governed by its own legislation. Governing Legislation includes the Harbours Act (Northern Ireland) 1970, the Warrenpoint Authority Order 1971, the Harbours (Northern Ireland) Order 2002 and the Warrenpoint Authority Order (Northern Ireland) 2002. The Board is comprised of a Chairperson, seven board Members including three local councillors and two Members of the Executive team.

Approved by the Members on 24th May 2022 and signed on behalf of Members by:

Dr Gerard O'Hare CBE DL FRICS
Chairman

David Holmes
CEO - Warrenpoint Harbour
Authority

CHIEF EXECUTIVE'S REPORT



The team at Warrenpoint Port approached the 2021 financial year with an air of cautious optimism. The backdrop of severe constraints including the continuing uncertainty over the final implications of Brexit and the Covid-19 pandemic, made it very difficult to project significant growth. We knew however, that there were opportunities available to deliver a successful year.

Increased effort was made in strengthening relationships with customers; the Port continued to invest in its team and made a robust commitment to stay open safely, despite the challenges of the pandemic.

With a strong team performance and increased demand for services, I am delighted to confirm that this resulted in 2021 being a record-breaking year in terms of tonnage at the Port.

TRADING

Full year sustained growth across all commodities produced much stronger than forecasted results.

Overall tonnage was up almost 13% on 2020. The volume of imports relative to exports held up, finishing the year at 51% and 49% respectively.

Significant improvement in the overall finances continued with

a profit after tax of £303,353 delivered, significantly up on 2020. EBITDA was also up 15.6% at £1,972,533.

These very encouraging results can be attributed to several key factors including:

- Seizing Brexit opportunities as they arose and mitigating the negative implications
- Strong relationships with existing customers
- Continuing with a robust training investment in the Port team
- A fundamental commitment to staying safely open for business throughout the Pandemic with the wholehearted engagement of our teams
- Readiness to convert project consignment opportunities
- Realising strategic improvements within the Port
- Embedding enhanced employee flexibility within the workforce

SAFETY

The Port is absolutely committed to a 'safety first' mantra at all times. This was never more so than during 2021 at the height of the pandemic. During 2021 the Port successfully avoided for the second year, any form of Covid-19 shut-down. We remain immensely proud of our team and the professionalism with which all employees have conducted themselves. Measures were put in place to protect and support the team, who must all be commended for working extremely hard to ensure the Port remained fully functioning throughout the year.

Whilst the pandemic continues to demand due respect and attention, a significant reduction in the accident incident rate has continued throughout 2021. This

continues to be a major focus for the team on both land and water as we work together to deliver a safe working environment for our team and those who work in, and use the Port facilities.

CHALLENGES

2021 saw the commencement of Brexit related Sanitary and Phytosanitary Checks (SPS) at Warrenpoint Port. The final outcome of Brexit remains unclear, but the Port is fully compliant and remains engaged with multiple statutory bodies in preparing for whatever the next associated steps may be. The Port team continued to work closely with all customers to alleviate Brexit burdens, including for example, the difficulties of end-consignee status with deliveries of GB goods entering ROI. This particular issue is sacrificing Warrenpoint's natural hinterland cargo, whilst increasing supplier costs and environment emissions.

Escalating inflation driven partly by fuel and energy costs, and the banning of duty-free red-diesel in Port operations since 1st April 2022 are compounding customer viability challenges.

The tragic situation in Ukraine has necessitated multiple new control mechanisms to support economic sanctions and may very likely impact during 2022 on availability of core imports including steel, timber, and animal feeds.

COMMUNITY

Warrenpoint Port's place in the community is a particular interest of mine. I want to ensure that the Port makes a valuable contribution into the local area, in which many of our team live and, where we all work. Despite the challenges of limited face-to-face meetings in

2021 we worked closely with our customers and Port team to raise more than £22,000 for our second 'Community Christmas Fund'. This money was distributed to 43 different community and charity organisations in the local area with a key focus on well-being.

The Port also as planned, increased and consolidated its virtual and where safely possible, face-to-face stakeholder engagement programme while it continued to invest in delivering its new quarterly Ezine – On Board. This commitment to open and transparent communication will continue into 2022 and beyond. The Port is fully committed to open dialogue with all who wish to engage directly but it will not correspond with anonymous entities.

GOING CONCERN STATEMENT

The current economic conditions present increased risks and uncertainties for all businesses. In response to such conditions, the Members have carefully considered these risks and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Using this information, the Members consider that:

- Warrenpoint Harbour Authority was set-up in 1971 through government legislation. The Regional Development Strategy has highlighted the strategic importance of Northern Irish ports. Warrenpoint Port is now the second only to Belfast Port in Northern Ireland in terms of tonnage throughout.
- The Port's key customers appear to be in a reasonably resilient position given the unprecedented present economic climate. Long-

term contracts are in place and some customers continue to make significant investments to service their shipping through the Port of Warrenpoint.

- The organisation has sought to diversify wherever possible to maintain revenue streams.
- The Port has treasury and cash management procedures and policies in place to manage its finances effectively and efficiently.
- The Port uses up-to-date budget projections that are revised throughout the year so that financial decisions can be made in a timely and effective manner.

The Members therefore consider that Warrenpoint Harbour Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RESULTS

The financial results for the year ended 31 December 2021 are set out in detail on page 20. The Profit after Tax for the year is £303,353 (2020: £71,601).

THE FUTURE

The Port is very much open for business and actively pursuing growth in 2022 and beyond. Continued investment in facilities, people, plant, processes, and corporate responsibility will help to position Warrenpoint Port at the forefront of strategic infrastructure assets in Northern Ireland and the wider UK and Ireland economies.

David Holmes
CEO - Warrenpoint Harbour Authority

13%
INCREASE
IN TONNAGE

14.4%
INCREASE IN
VESSEL CALLS

VISION MISSION VALUES

Warrenpoint Port is committed to a clear Vision, Mission and set of Values which underpin the organisation.



VISION





To be a leading commercial Port continually growing while maximising our contribution to the regional economy and community.

MISSION

By exceeding our customer expectations and fully utilising our assets to grow in a safe and sustainable way for our stakeholders.



VALUES

- 
Safety First We adhere to the highest health and safety standards to deliver a safe environment for customers and colleagues
- 
Complete Integrity We are honest open and ethical in all our activities and interactions
- 
Our Team We work as one team, flexible and willing to learn for the benefit of all
- 
Total Respect We treat everyone as we would like to be treated ourselves

ON BOARD

The Port has been working on its community engagement strategy called On Board since 2020. There was a clear need to improve the relationship with the local area in which the Port has existed for nearly 250 years. On Board was developed to help forge an atmosphere where the industrial Port could sit harmoniously side by side with the local community in an area of outstanding natural beauty.

On Board oversees the Community Fund which, in 2021, distributed more than £22,000 to 43 different community organisations and

charities in the local area. It organises the Big Spring Clean Activity, partnerships with local groups including Men's Sheds, the Cabbage Patchers, The Hiking Hens, Southern Area Hospice, and local sporting clubs.

On Board gives the local community a voice to express their views on the Port. The Port meets with elected representatives quarterly for the District Electoral Area to address anything that has been brought to their attention about the Port and the On Board email address onboard@warrenpointharbour.co.uk is exclusively available for the community to directly contact the Port. Enquiries are targeted to be responded to within two working days.

The Port also produces a quarterly ezine called 'On Board' to support this work. This is available on

the Port's website. In 2021 The Port embarked on a refresh of its current website to improve the navigation and make the site more accessible. This will be completed in summer 2022.

PORT LIFE

Port Life is a new initiative introduced in 2021 which will be fully implemented in 2022. It aims to complement On Board's external strategy, acting as the Port's internal strategy. Port Life aims to support and enhance the employee experience at Warrenpoint Port. This will include employee wellbeing, health and safety as well as reward and recognition. Central to Port Life will be an employee led committee to help define the deliverables.

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NORDIC ERIKA
MAASDAM

THE PORT IN NUMBERS 2021



60 Acres



7 Berths



70 Employees



Overall Tonnage 3,751,963



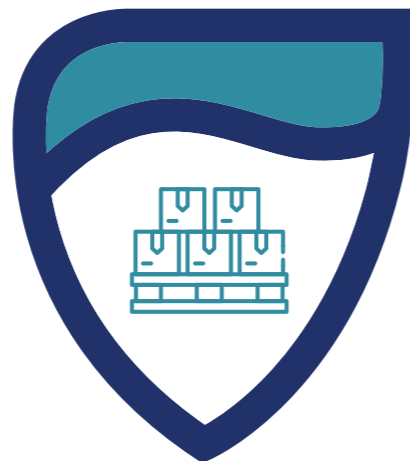
**Import 51%
Export 49%**



**Turnover £7,054,640
+ 19.8% YOY**



Profit After Tax £303,353



**EBITDA £1,972,533
+15.6% YOY**

THE PORT IN THE COMMUNITY

In 2021 Warrenpoint Port sought to build upon the foundations which it had laid through On Board in 2020. It firmly established the Christmas Community Fund which was set up in 2020. In 2021 with even more supporters, more recipients and a larger fund, the Port was able to distribute more than £22,000 to 43 different organisations. The recipients were asked to advise how the funding could support the health and wellbeing of their group or organisation. The feedback was astounding and really showed the Port team how much great work is going on at community level in the local area.

The fund purchased karaoke machines, disco lights and cinema screens for youth clubs, dementia sufferers, and schools. It sent young people to the theatre and bought printers, easels, and craft materials for local interest groups. The fund provided Christmas

dinner for families in Women's Aid, provided afternoon tea for older people and a 'thank you' dinner for volunteers. The fund boosted local sporting organisations from Gaelic, rowing and soccer to hurling, rugby, bowling and Curragh boat rowing. It helped the Cabbage Patchers to get young people involved in gardening, helped The Hiking Hens stay warm in the Mourne and supported numerous charities to continue to provide the great services that they deliver in the local community. Thank you again to all the many Port stakeholders, customers and Port team members who helped make this happen.

During 2021 the Port hosted the 'Big Spring Clean', organising a litter pick from Narrow Water to the Front Shore. In 2022, it hopes to make this event even bigger and better. The Port supported the Summer Splash activity - a youth programme to teach young people about water safety. It also formed a partnership with the local Warrenpoint Men's Shed. It hosted 12 Days of Christmas fun activities and events for the Port team as well as the Macmillan World's Biggest Coffee Morning.

The Port continued on its mission to support the local environment by managing and overseeing the removal of an abandoned

steel barge at Greencastle; by participating in the environmental MarPAMM group aimed at supporting Carlingford Lough ecology and engaging in CACHE 22 an initiative to drive healthier Ports. The Port welcomed Infrastructure Minister Nichola Mallon MLA, to show how the Port is offering major infrastructure resilience outside of the Greater Belfast area. The Port also continued in 2021 to support the Mission for Seafarers Charity which supports the welfare of seafarers who visit the Port.

The Port is on a journey of continuous improvement with the local community. It accepts that there are people who respectfully will never be welcoming of developments at the Port. It is however, very clear through the difficulties of 2021 that ports are a real necessity for an island economy. The Warrenpoint Port team were frontline workers, going above and beyond throughout the pandemic to ensure that local and national community was able to access commodities needed to carry on with normal daily life. The team at the Port are proud of what we achieved in 2021, proud of its people, and proud of its place in the community in which it serves.

THE PORT IN THE COMMUNITY



Community Christmas Recipients
St Bronagh's Youth Club



Community Christmas
Sports Recipients



Team Reward and Recognition
Maynard Hanna



Warrenpoint Men Shed's Dust Extractor System
supported by Port Community Fund



MACS Young People Project supported by
Warrenpoint Port



Mission to Seafarers Team
at Warrenpoint Port



Women's Aid volunteers with Christmas Dinner
parcels funded by Warrenpoint Port



Abandoned Barge which was
removed from Greencastle



Southern Area Hospice
Support



Summer Splash
Youth Activity



Big Spring Clean
Litterpick



Bike Safety Scheme supported by
Warrenpoint Port

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Harbours Act (Northern Ireland) 1970 requires the Members to prepare such financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Authority and of the profit or loss of the Authority for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the Harbours Act (Northern Ireland) 1970. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for the maintenance and integrity of the corporate and financial information included on the Authority's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Each of the persons who is a Member at the date of approval of this report confirms that:

- so far as the Member is aware, there is no relevant audit information of which the Authority's auditor is unaware; and
- the Member has taken all the steps that he / she ought to have taken as a Member in order to make himself / herself aware of any relevant audit information and to establish that the Authority's auditor is aware of that information.

Approved by the Members on 24th May 2022 and signed on behalf of the Members



Dr Gerard O'Hare CBE DL FRICS
Chairman



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Warrenpoint Harbour Authority (the 'entity') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant

to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Members 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

OPINIONS ON OTHER MATTERS

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Chairman's Statement, Strategic Report and Chief Executive's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Statement, Strategic Report and Chief Executive's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the entity and its environment obtained in the

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

course of the audit, we have not identified material misstatements in the Chairman’s Statement, Strategic Report and Chief Executive’s Report.

We have nothing to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF MEMBERS

As explained more fully in the Members’ responsibilities statement, the Members are

responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members 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 Members are responsible for assessing the entity’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 Members either intend to liquidate the entity 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the entity through

enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the entity – the Harbours Act (Northern Ireland) 1970 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, those charged with governance and the entity’s solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

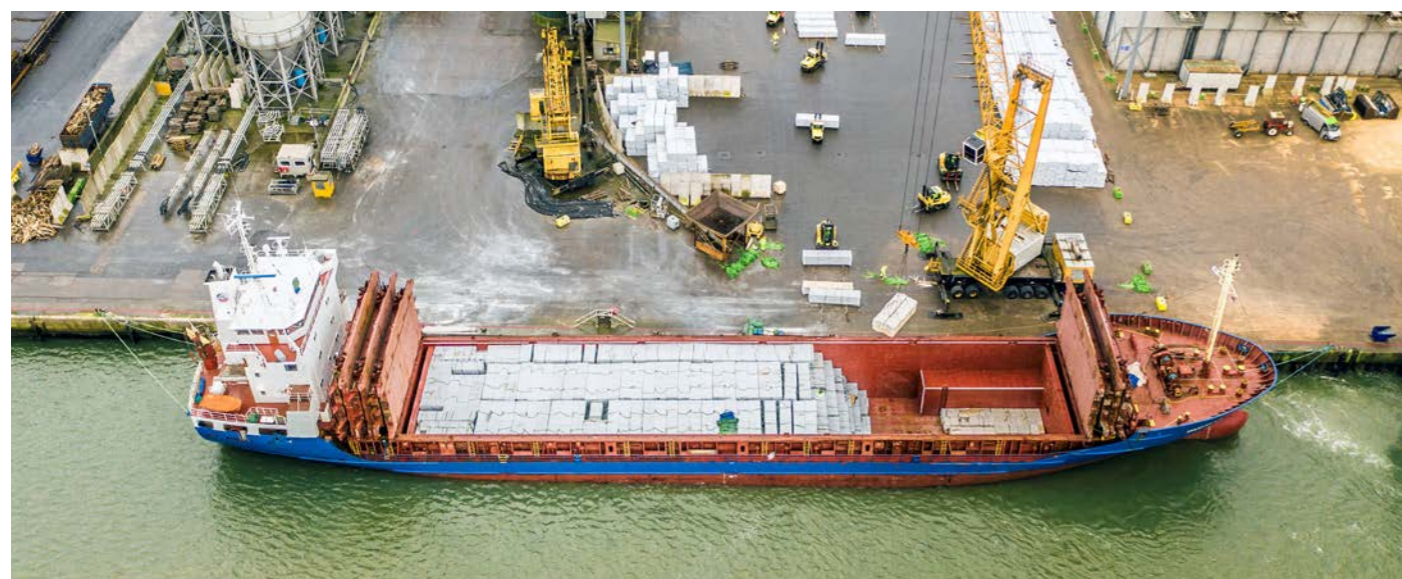
THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the entity’s Members, as a body, in accordance with the Harbours Act (Northern Ireland) 1970. Our audit work has been undertaken so that we might state to the entity’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 entity and the entity’s Members as a body, for our audit work, for this report, or for the opinions we have formed.

FPM

**FPM Accountants Limited
Chartered Accountants
Statutory Auditors
Dromalane Mill
The Quays
Newry
Co. Down
Northern Ireland
BT35 8QS**

24 May 2022



Pictured is the ‘Manuela S’ which was managed by Mourne Shipping Services on behalf of their customer Forestwood. The Manuela S was the largest ever ship by volume, to dock at Warrenpoint Port.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021 £	2020 £
TURNOVER	3	7,054,640	5,889,863
OPERATING EXPENSES		(6,285,925)	(5,435,893)
TOTAL OPERATING EXPENSES		(6,285,925)	(5,435,893)
OPERATING PROFIT		768,715	453,970
Investment income - interest receivable		2,716	12,581
Interest payable		(62,660)	(73,495)
Other finance income		19,576	23,058
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	728,347	416,114
Tax charge on (loss)/profit on ordinary activities	6	(424,994)	(344,513)
PROFIT FOR THE FINANCIAL YEAR		<u>303,353</u>	<u>71,601</u>

All activities in the current and prior year derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 £	2020 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>303,353</u>	<u>71,601</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>303,353</u>	<u>71,601</u>

BALANCE SHEET

At 31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	7	<u>25,432,436</u>	<u>25,238,989</u>
CURRENT ASSETS			
Stocks		40,768	47,205
Debtors: due within one year	9	1,721,503	1,851,692
Debtors: due after one year	9	1,200,772	1,468,933
Investments		1,027,687	1,025,112
Cash at bank and in hand		<u>4,385,531</u>	<u>2,873,420</u>
		8,376,261	7,266,362
CREDITORS - Amounts falling due within one year	10	<u>(2,099,721)</u>	<u>(1,356,803)</u>
NET CURRENT ASSETS		<u>6,276,540</u>	<u>5,909,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,708,976	31,148,548
CREDITORS - Amounts falling due after more than one year	11	(16,817,870)	(16,814,037)
PROVISIONS FOR LIABILITIES & CHARGES			
Deferred taxation	12	<u>(1,129,456)</u>	<u>(876,214)</u>
NET ASSETS		<u>13,761,650</u>	<u>13,458,297</u>
RESERVES		<u>13,761,650</u>	<u>13,458,297</u>

The financial statements of Warrenpoint Harbour Authority were approved by the Members and authorised for issue on 24 May 2022. They were signed on its behalf by:



David Holmes
Chief Executive
Warrenpoint Harbour Authority



Dr Gerard O'Hare CBE DL FRICS
Chairman
Warrenpoint Harbour Authority

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2021

	Reserves	Total
	£	£
At 1 January 2020	13,386,696	13,386,696
Total comprehensive income	71,601	71,601
At 31 December 2020	<u>13,458,297</u>	<u>13,458,297</u>
At 1 January 2021	13,458,297	13,458,297
Total comprehensive income	303,353	303,353
At 31 December 2021	<u><u>13,761,650</u></u>	<u><u>13,761,650</u></u>

CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021	2020
		£	£
Cash generated by operations	16	<u>2,852,082</u>	<u>950,362</u>
Cash flows from investing activities			
Purchase of equipment		(2,287,159)	(1,086,649)
Proceeds from sale of equipment		-	6,470
Interest paid		(66,080)	(73,495)
Grant income received		1,500,000	1,091,598
Investment income received		22,292	35,639
Net cash flows from investing activities		<u>(830,947)</u>	<u>(26,437)</u>
Cash flows from financing activities			
Repayment of borrowings		(506,449)	(211,190)
Net cash flows from financing activities		<u>(506,449)</u>	<u>(211,190)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,514,686</u>	<u>712,735</u>
Cash and cash equivalents at beginning of year		<u>3,898,532</u>	<u>3,185,797</u>
Cash and cash equivalents at end of year		<u>5,413,218</u>	<u>3,898,532</u>
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		4,385,531	2,873,420
Cash equivalents		1,027,687	1,025,112
		<u>5,413,218</u>	<u>3,898,532</u>

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless otherwise stated.

General information and basis of accounting

Warrenpoint Harbour Authority is a Trust Port operating under the Harbours Act (Northern Ireland) 1970, the Warrenpoint Harbour Authority Order 1971, the Harbours Order (Northern Ireland) 2002, and the Warrenpoint Harbour Authority Order (Northern Ireland) 2002. The nature of the entity's operations and principal activities are set out in the Strategic Report on pages 6-7.

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the entity is considered to be pounds sterling as that is the currency of the primary economic environment in which it operates.

Going concern

Coronavirus has continued to have an impact on the activities of the Authority with continued disruption to staffing. Nevertheless, the Authority has had a record-breaking year in terms of activities and has managed the disruption well to minimise the impact of Coronavirus.

The Members have a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets not in use, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Capital dredging:
25 to 35 years

Maintenance dredging:
5 to 6 years

Emergency dredging:
2 years

Buildings:
5 to 50 years

Plant and equipment:
3 to 20 years

Dock structures and excavations:
10 to 50 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Assets in the course of construction are carried at cost, less any recognised impairment

loss. Cost includes professional fees. Depreciation on these assets commences when the assets are ready for their intended use.

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

(i) Financial assets and liabilities

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

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables subsequently are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the

recognition of interest would be immaterial.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the entity transfers to another party substantially all of the risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

Investments

Investments comprise short term deposits held with banks and are held at fair value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment,

an impairment loss is recognised in profit or loss.

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

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Authority's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains

and losses in the tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

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

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

Deferred tax assets and liabilities are offset only if a) the Authority has a legally enforceable right to set off current tax assets against the current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover is the amount derived from charges to port users and from rents of property in the normal course of business.

Turnover is stated net of VAT, other sales-related taxes, and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Where a contract has been only partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Employee benefits

The defined benefit pension scheme (the Warrenpoint Harbour Authority Pension and Assurance Scheme) was closed to new Members on 30 April 2002 and was wound up on 4 July 2012. The defined benefit scheme was replaced on the same date by a new Group Personal Pension Scheme, a defined contribution scheme, to which the Members of the defined benefits scheme were transferred.

All pension liabilities in respect of the defined benefit pension scheme have now been discharged.

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

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

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any exchange gains or losses are recognised in the profit and loss account.

Leases

As lessee
Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

As lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are

added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The amount due from the lessee under finance leases is recognised as a debtor at the amount of the net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Provisions

Provisions are recognised when a past event gives rise to a present obligation, a transfer of economic benefits is probable, and when a settlement amount can be reliably estimated.

Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are not capitalised as part of the cost of those assets. Instead all borrowing costs are recognised as an expense in the profit or loss account in the period in which they are incurred.

ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Authority's accounting policies

The following are the critical judgements and key sources of estimation uncertainty that have the most significant effect on the amounts disclosed in the financial statements.

Recognition and depreciation of dredging assets.

Dredging is an essential requirement of most ports whereby siltation of the channel, turning circle and berths is removed to a different location in order to keep waterways navigable by the commercial and recreational vessel that utilise the Port.

This Port currently classifies dredging under four different

headings depending on the nature and expected useful life of the dredging campaign. The useful life of the dredging campaign is monitored by continued surveying of the waterways to ascertain the rate of siltation in these areas. The economic life is deemed to have ended when a vessel can no longer safely navigate the appropriate waterway.

1. Operational dredging. This is a form of maintenance dredging required to maintain existing navigable waterways or channels. In this particular type of dredge there is usually an immediate requirement to remove siltation from a berth or waterway that has been caused by external forces such as vessel movements or extreme weather conditions. The cost of this dredge is fully charged to the profit and loss account when costs are incurred.

2. Emergency dredging. This is similar to above but the siltation rate is such that the useful economic life of the dredge is

spread over two or more years. In the port, the deep water quays currently silt up at such a rate that there has been a requirement to dredge this area every one/two years so that it can facilitate larger commercial vessels and cruise ships.

3. Maintenance dredging. Again this is similar to points 1 and 2 above, the main difference being a different siltation rate. In Warrenpoint Port, the first 1km of the channel including the non-deep water berths require a maintenance dredge every five to six years.

4. Capital dredging. This is typically dredging to create a new berth or waterway or to deepen existing facilities to allow large ships access. Therefore the depreciation rate of this type of dredge is much longer. Once the capital dredging is complete the area will usually be subject to a maintenance dredge depending again on the siltation rates of the area.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. TURNOVER

An analysis of the Authority's turnover is as follows:

	2021	2020
	£	£
Rendering of services	6,948,546	5,800,510
Rental income	106,094	89,353
	7,054,640	5,889,863

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets (note 7)	2,093,713	1,928,657
Amortisation of grants on tangible fixed assets (note 13)	(854,888)	(711,071)
Foreign exchange gain	(183)	(721)
Profit on disposal of fixed assets	-	(6,470)
Operating lease rentals	9,880	10,159

The analysis of the auditor's remuneration is as follows:

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	12,000	14,000
Total audit fees	12,000	14,000
Taxation compliance services	7,000	5,500
Total non-audit fees	7,000	5,500

5. EMPLOYEE NUMBERS

The average number of employees during the year was 70 (2020: 66).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in year

	2021	2020
	£	£
Current tax:		
UK corporation tax on profits of the current year	171,752	92,489
Total current tax	171,752	92,489
Deferred tax:		
Origination and reversal of timing differences (including impact of rate change)	253,242	252,024
Total deferred tax charge – Note 12	253,242	252,024
Tax on profit on ordinary activities	424,994	344,513

(b) Factors affecting tax charge for the year

	2021	2020
	£	£
Profit on ordinary activities before tax	728,347	416,114
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	138,386	79,061
Effects of:		
Other expenses not deductible for tax purposes	2,955	926
Adjustments in respect of prior periods	(11,599)	
Ineligible depreciation	295,252	264,526
Tax charge for year	424,994	344,513

(c) Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). The main rate of corporation tax is due to increase from 19% to 25% from 1 April 2023 on profits over £250,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. TANGIBLE ASSETS

	Land and Buildings £	Dredging £	Dock Structures and Excavations £	Plant and Equipment £	Total £
Cost or valuation					
At 1 January 2021	12,641,869	7,015,087	26,148,488	12,733,097	58,538,541
Additions	17,603	-	1,481,887	787,669	2,287,159
Disposals	-	-	-	-	-
At 31 December 2021	12,659,472	7,015,087	27,630,375	13,520,766	60,825,700
Depreciation					
At 1 January 2021	6,309,244	5,843,604	13,056,754	8,089,950	33,299,552
Charge for year	207,930	326,593	876,363	682,826	2,093,712
Disposals	-	-	-	-	-
At 31 December 2021	6,517,174	6,170,197	13,933,117	8,772,776	35,393,264
Net Book Value					
At 31 December 2021	6,142,298	844,890	13,697,258	4,747,990	25,432,436
At 31 December 2020	6,332,625	1,171,483	13,091,734	4,643,147	25,238,989

Included in land and buildings is land with a cost of £3,348,747 (2020 - £3,348,747) in respect of which no depreciation is provided.

The net book value of land and buildings comprises freehold property £3,707,278 (2020 - £3,707,278).

8. FINANCIAL COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Leases expiring:		
Within one year	24,842	13,401
Within one and five years	34,912	32,108

9. DEBTORS

	2021 £	2020 £
Due within one year		
Trade debtors	1,198,141	1,362,729
VAT	51,607	26,080
Prepayments and accrued income	207,074	207,939
Amounts receivable under finance leases	264,681	254,944
	1,721,503	1,851,692
Due greater than one year		
Amounts receivable under finance leases	1,200,772	1,468,933
	1,200,772	1,468,933
Finance Lease receivables		
	Minimum lease payments	
	2021	2020
	£	£
Amounts receivable under finance leases:		
Within one year	280,780	278,000
In the second to fifth years inclusive	1,151,480	1,140,079
After five years	73,776	365,956
Less: unearned finance income	(40,583)	(60,158)
Present value of minimum lease payments receivable	1,465,453	1,723,877
	Present value of minimum lease payments	
	2021	2020
	£	£
Amounts receivable under finance leases:		
Within one year	264,681	254,944
In the second to fifth years inclusive	1,121,892	1,069,264
After five years	78,880	399,669
Present value of minimum lease payments receivable	1,465,453	1,723,887
Analysed as:		
Non-current finance lease receivables (recoverable after 12 months)	1,200,772	1,468,933
Current finance lease receivables (recoverable within 12 months)	264,681	254,944
Present value of minimum lease payments receivable	1,465,453	1,723,877

The authority has entered into finance lease arrangements for certain installations on the harbour site. The term of the finance lease is 10 years and no value has been placed on the unguaranteed residual values of the leased assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Loan from Dfl	437,507	428,801
Trade creditors	404,713	322,464
Corporation tax	138,214	25,014
Other taxation and social security	83,806	70,635
Accruals & deferred income	1,035,481	509,889
	<u>2,009,721</u>	<u>1,356,803</u>

11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Loan from Dfl	2,725,955	3,167,794
Accruals & deferred income	403,389	602,829
Grants	13,688,526	13,043,414
	<u>16,817,870</u>	<u>16,814,037</u>

Borrowings are repayable as follows:

	2021	2020
	£	£
Loan from Dfl		
Between one and two years	446,391	437,508
Between two and five years	1,231,886	1,366,548
After 5 years	1,047,678	1,363,738
	<u>437,507</u>	<u>428,801</u>
On demand or within one year	3,163,462	3,596,595
	<u>3,163,462</u>	<u>3,596,595</u>

Interest is payable on the loans at rates of between 2.01% and 2.04% on the principal amount.

12. DEFERRED TAX

Deferred tax is provided as follows:

	2021	2020
	£	£
Accelerated capital allowances	1,134,172	876,214
Other timing differences	(4,716)	-
	<u>1,129,456</u>	<u>876,214</u>
Deferred Tax	1,129,456	876,214
Provision at start of year	876,214	624,190
Adjustment in respect of prior years	-	-
Deferred tax charge to income statement for the period	253,242	252,024
	<u>1,129,456</u>	<u>876,214</u>
Provision at end of year	1,129,456	876,214

13. ERDF AND OTHER GRANTS

	2021	2020
	£	£
At start of year	13,043,414	12,662,887
Grants received in the year	1,500,000	1,091,598
Released to profit and loss account	(854,888)	(711,071)
	<u>13,688,526</u>	<u>13,043,414</u>
At end of year	13,688,526	13,043,414

14. INVESTMENT IN SUBSIDIARIES

The Authority holds two ordinary £1 shares, not yet paid, representing a 100% holding in Warrenpoint Bulk Liquid Storage Co. Limited, a dormant company, registered in the United Kingdom. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

The Authority also holds two ordinary £1 shares, not yet paid, representing a 100% holding in Warrenpoint Harbour Authority Marina Limited, a dormant company, registered in the United Kingdom. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

15. PENSION SCHEMES

The Authority operates defined contribution schemes for all staff. The total expense charged to profit or loss in the year ended 31 December 2021 was £151,907 (2020: £129,602).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. CASH FLOW STATEMENT

(i) RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	2021	2020
	£	£
Operating profit	728,347	453,970
Adjustment for		
Depreciation charges (net of grant release)	1,238,824	1,217,586
Profit on sale of tangible fixed assets	-	(6,470)
Corporation tax paid	58,552	-
	<u>2,025,723</u>	<u>1,665,086</u>
Operating cash flow before movement in working capital		
Decrease/(Increase) in stocks	6,437	(8,117)
Decrease/(Increase) in debtors	398,350	(29,975)
Increase/(Decrease) in creditors	421,572	(676,632)
	<u>2,852,082</u>	<u>950,362</u>
Cash generated by operations	2,852,082	950,362

17. CONTINGENT LIABILITY

Government Grant

It is a condition upon which grants are paid, that the fixed infrastructure assets to which they relate remain in use by Warrenpoint Harbour Authority for periods which reflect their economic life. In the event that this condition is breached, a liability to repay any or all of the grants will arise.

18. FINANCIAL INSTRUMENTS

a) Overview

This note provides details of the entity's financial instruments.

Liabilities or assets that are not contractual (such as income taxes, prepayments, provisions and deferred income) are not financial assets or financial liabilities and accordingly are excluded from the disclosures provided in this note.

Details of the significant accounting policies and methods adopted for each class of financial asset and financial liability are disclosed in the accounting policies note.

b) Categories and carrying value of financial instruments

The carrying values of the entity's financial assets and liabilities are summarised by category below:

	2021	2020
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	1,198,141	1,362,729
Debt instruments measured at amortised cost		
Finance leases	1,465,453	1,723,877
	<u>19,576</u>	<u>23,058</u>
Total interest income for financial assets at amortised cost	19,576	23,058
Financial liabilities		
Measured at amortised cost		
Loans payable	3,163,462	3,596,595
Measured at undiscounted amount payable		
Trade and other creditors	1,343,492	764,027

c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with creditworthy counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, provisions are made.

The entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The entity defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the entity's maximum exposure to credit risk.

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the entity's maximum exposure to credit risk for such loans and receivables.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Members, who have established an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

19. RELATED PARTY TRANSACTIONS

All Board Members and certain senior employees who have authority and responsibility for planning, directing and controlling activities are considered to be key management personnel. The total remuneration in respect of these individuals is £567,850 (2020: £574,763), included in these figures is a total remuneration package of £76,277 (2020: £73,523) for the non-executive Members of the Board.

LOOKING FORWARD



2021 was an exceptional year with many peaks and troughs. Some of the highlights include the performance of the Port team who delivered a strong, robust set of results. The Port celebrated the success of the second year of the Community Fund which had a positive impact on so many people. The Port also welcomed more vessel calls and higher throughput than previous years. These peaks were accompanied by the troughs- the continuing impact of Covid-19 on our community and the economy and the continued Brexit uncertainty.

As an organisation the Port is always cautiously optimistic, but to date 2022 has proven to be challenging. Faced with rising inflation, the situation in Ukraine, the continuing uncertainty over Brexit and the general notion of an impending recession, it is difficult to forecast the overall economic outcome for 2022.

What can be said however, is that the Port is very much open for business, with exciting plans in the pipeline for advancing the green agenda at the Port. Warrenpoint Port has ambitions (subject to funding) to be at the forefront of energy transformation in the marine industry, supporting the Programme for Government's ambitious carbon reduction plans. The Port is delighted to see a return to cruise ships docking at Warrenpoint Port in 2022. While it is, and will remain, a small number of vessels, it is a good sign for the local tourism sector.

The Port will continue to expand its community involvement by working with customers, stakeholders, and local groups to give people in the locality a better understanding of Port life and how the Port operates; as well as giving back to the local community.

It may be a time of great economic uncertainty, but Warrenpoint Port is certain that its team is ready to deliver for new and existing customers; ready to do business; and ready to deliver for its customers and for the community in which it serves.





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