



**Report and Accounts**  
**y.e. 31 March 2020**

**The Northern Ireland Fishery Harbour Authority  
Annual Report and Accounts  
For the year ended 31 March 2020**

Compiled in the manner prescribed in  
The Northern Ireland Fishery Harbour Authority (Accounts) Regulations  
(Northern Ireland) 1998

on

10 March 2021



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# NIFHA

## Annual Report and Accounts year ended 31 March 2020

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### STATUTORY EQUALITY DUTY

In accordance with its Equality Scheme the Authority is committed to providing information in accessible formats.

Copies of this report can be made available in alternative formats by contacting the Authority at the address and telephone number given on page 1.

# GENERAL INFORMATION

## Board Members

K Burns  
H Henderson  
D Hill  
T Jarvis (Chairman)  
M McDonald M.B.E.  
G McIlroy

## Chief Executive / Secretary

K Quigley

## Independent Auditors

M.B. McGrady  
Rathmore House  
52 St Patricks Avenue  
Downpatrick  
BT30 6DS

## Solicitors

Carson McDowell LLP  
Murray House  
Murray Street  
Belfast  
BT1 6DN

## Consulting Engineers

Ove Arup and Partners International Ltd  
The Linenhall  
32-38 Linenhall Street  
Belfast  
BT2 8BG

## Bankers

First Trust Bank  
Main Street  
Newcastle  
Co Down  
BT31 0AD

Danske Bank  
P.O Box 183  
Donegal Square West  
Belfast  
BT1 6JS

Santander Business Banking  
Bridle Road  
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## REPORT OF THE AUTHORITY

### Chairman's Statement

I am pleased to again support the Annual Report and Accounts for the Northern Ireland Fishery Harbour Authority (NIFHA) this time for the period 2019-20 as presented.

The Authority continues to deliver a wide range of services in its three harbours whilst at the same time meeting high standards of environmental protection and health and safety compliance. Our operatives, office staff, harbour masters and management have all contributed to the smooth and effective running of the organisation.

Towards the end of the financial year the Covid-19 pandemic arrived. Contingency plans were rapidly developed and implemented. Every member of staff had a role to play during this period of dramatic change. The Board and I were impressed with the professional way the whole team stepped up and professionally delivered a rapid transformation of the organisation.

I offer my sincere thanks and appreciation to all those involved in our service delivery both throughout the year and through the exceptional events of the early weeks of the Covid-19 pandemic.

Operational income was 5% ahead of budget. Expenditure was 4% due largely to an enhanced minor works programme. Overall the Authority was again able to record a trading surplus. This trading surplus is reinvested in the harbours through funding smaller capital works.

The Authority, despite a range of significant ongoing challenges remains confident in the long-term future of the industry. However, the post year end impact of the pandemic for the whole industry and hence the Authority has been severe. Recovery will likely be slow and subject to a range of factors. Furthermore uncertainty around the impact of leaving the EU especially in the short term remains. In view of this and other pressures the Authority has taken, and will continue to take, an especially vigilant and proactive approach to controlling costs.

End of life vessels and their disposal remains a significant issue for the Authority. To facilitate a more practical dismantling of vessels the Authority has submitted a planning application to allow dismantling on a slipway in Portavogie. It is hoped approval will be granted for this important venture. The Authority is working with the Department of Agriculture, Environment and Rural Affairs (DAERA) to develop a long-term solution to this critical issue.

Since the European Maritime and Fisheries Fund (EMFF) opened the Authority has received approval for a wide range of projects totalling eleven in all. Initially progress from award of grant to award of tender had been slower than hoped however during this financial year good progress was made in both awarding tenders and completing projects. The remaining projects are at various stages of progression and it is likely that some of these will be delayed somewhat by the pandemic. During the year the Authority was pleased to be able to again deliver a self-funded minor capital works and repair programme. Works included repairs and improvements in all three harbours.

I would like to thank our sponsoring department, DAERA for their continuing support especially during the Covid-19 emergency. Whilst correctly taking a challenging approach to help ensure the Authority delivers the high standards it sets itself; the Board and Staff appreciate the overarching partnership approach that is taken in dealing with issues as they arise.

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Finally, I would like to thank the Board members who have served with me, for their ongoing support, guidance and contribution to the ongoing development of the Authority. I would particularly like to thank those Board members who have accepted extensions to their terms to enable the Board to continue to function while recruitment for new Board members was delayed. I am confident that the Board will continue to positively address the many challenges that lie ahead and will guide the Authority in the best interests of all its varied stakeholders.

A handwritten signature in black ink, appearing to read "Terry Jarvis", written in a cursive style.

TERRY JARVIS  
CHAIRMAN

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## Chief Executive's Review

The year under review was one of exceptional challenge. The Authority continued to deliver its high level of service delivery while maintaining sound governance practice. This was achieved despite having to deal with preparing for leaving the EU without a trade agreement that looked likely in the Autumn of 2019 and dealing with the dramatic impacts of the early weeks of the Covid-19 pandemic.

The outlook going forward remains difficult to predict. It appears that the market will be slow to recover from the impact of Covid-19. Certainly fishermen in general appear to view the opportunities that leaving Europe may present as significant and remain optimistic about a longer term recovery in demand and price for their product. However the overall capacity of the fleet has diminished over recent years and the Authority is further concerned about the long term impact if this trend is not reversed which may be exacerbated by the negative impacts of the pandemic.

The level of uncertainty about the immediate short term and medium term future has rarely if ever been so high. The Authority is predicting a significant fall in its revenue in the forthcoming year. While it does not believe its reserves will be fully eroded in the coming year it has as a precautionary measure sought and received assurances from its sponsorship body DAERA that should deficit funding be required it will be made available to the Authority.

Overall income from landings fell by £38k (6%) to £637k from £675k. When taking all income streams (excluding revenue grant) into account overall operational income fell by £42k to £1,333k a fall of 3%. The Authority rightly has little control over its primary income streams as they are directly related to landings which are difficult to predict. For the year the Authority reported a deficit after tax of £1.01m as opposed to a deficit after tax of £1.15m for 2018-19.

I would wish to join the Chairman in expressing appreciation to DAERA and to the EMFF Selection Panel for their continued financial support for projects promoted by the Authority which are aimed at enabling the local sea fishing industry to operate as competitively and sustainably as possible.

The Authority is made up of an excellent team of people serving all its stakeholders including port users and our many visitors. The safety and welfare of its staff, users and visitors are the key concern of the Authority and hence we continue to prioritise the key areas of health and safety, environmental performance, equality and good relations.

## Health, Safety and Environmental Issues

The Authority operates two separate but integrated safety management systems – one for onshore safety and one for marine safety. These systems are based on a risk assessment approach.

On-shore accidents are recorded on a property damage basis or an 'over' and 'under 3 day' basis i.e. over or under '3 days off work'. The level of reported accidents fell sharply this year. However there were two incidents involving fatalities and one significant sinking of a trawler approaching Ardglass harbour. Whilst recording of incidents continues to improve, and the total number remains below historical trends, any accident is unacceptable, and the Authority continues to work to enhance the safety of its harbours.

A total of 3 accidents involving some level of injury were reported in 2019-20 and the following table provides a breakdown of these;

	<3 Days	>3 Days
Staff	0	0
Port User	2	0
Visitor	1	0
<b>Total</b>	<b>3</b>	<b>0</b>

In addition to this there were two fatalities both in Kilkeel Harbour. One arising from an accident on a fishing vessel and the second a suicide. Both these incidents were very upsetting to the harbour staff and fellow port users. The families of those who lost their lives remain very much in the staff's thoughts.

On the marine side there was one significant incident recorded. A trawler approaching Ardglass hit the rocks outside the harbour and subsequently sank. In the investigations which followed the significant incidents described above no fault was found in policies or procedures of the Authority.

The Authority also records near misses and while this figure is low the Authority remains concerned that not all marine incidents are reported to it and would appeal to users to report all incidents.

The Authority continues to try to maintain high levels of environmental care. With the support of EMFF, the Fishing for Litter scheme continues to operate. Waste generated by both visitors and fly tipping continues to place a significant demand on the Authority's resources.

## Capital Works Projects

Capital works projects are undertaken with the combined assistance of the EMFF and National funding. The Authority has submitted eleven applications to the schemes and work has completed on four of these. Two more completed in the first quarter following the year end. The Authority hopes to commence a number of remaining projects in the forthcoming year.

The Authority was also pleased to deliver an enhanced self-funded minor capital works and repair programme. Works included significant repairs to the slipway in Kilkeel, ice plant repairs in Portavogie, roads and others.

## Operational Review

Key operational issues relating to 2019-20 were as follows:-

### Vessel Numbers

The number of over 10m vessels based in the 3 harbours fell again by 5% - this follows a 14% decrease recorded in the prior year. During any year vessel numbers vary as owners buy and sell and at times move to other non-Authority ports. It is also the case that some vessels are being replaced by vessels with much larger fishing capacity. The Authority is however concerned that the overall number of larger vessels has fallen again – for the fifth year in a row. The fleet is primarily made up of previously used vessels. Over time we are also seeing a move to vessels with significantly deeper drafts.

Detailed figures of vessels on a port by port basis as at 31 March for the last 5 years are as follows:-

	2020	2019	2018	2017	2016
Ardglass	22	23	26	28	31
Kilkeel	47	48	55	63	65
Portavogie	21	24	30	35	44
<b>Total</b>	<b>90</b>	<b>95</b>	<b>111</b>	<b>126</b>	<b>140</b>

The number of 10m and under vessels in the 3 harbours at 31 March 2020 was 66 which compares with 66 the previous year. The number of these smaller vessels varies seasonally. The pontoon facilities in both Kilkeel and Portavogie were fully occupied throughout the year.

#### Maintenance Dredging

In total 11,880 tonnes of sediment was dredged from Kilkeel Harbour compared to 13,728 tonnes in the prior year. The Authority has obtained its own digger. Delays in the procurement and delivery of this meant that there was a prolonged period of no dredging towards the year-end. Dredging has since restarted, There were no dredging campaigns undertaken in the other two harbours and no commercial contracts were undertaken during the year.

#### Fishmarket

NIFHA is the owner and operator of the fish markets at the three harbours and as such has the legal responsibility for ensuring compliance with food safety regulations. The fish markets are licenced food premises and the Authority operates and maintains these to approved standards.

#### Slipway Facilities

During the year 144 vessels were slipped; 94 in Kilkeel and 50 in Portavogie. This compares with a total of 164 vessels in the previous year of which 119 were slipped in Kilkeel and 45 in Portavogie.

#### Ice Supplies

The total tonnage of ice supplied in the three ports in 2019-20 was 2,962 tonnes which was 13% decrease on the previous years figure of 3,407 tonnes. On a port by port basis sales were steady in Ardglass, however reductions in the other two harbours, 10% in Kilkeel and 31% in Portavogie led to the overall steep decline.

#### Estate Management

The Authority has, with the exception of one location in Portavogie, no available space to rent in any of the three harbours which generally reflects the high level of demand for good property. A number of rent reviews were completed during the year.

### **Port User Consultation**

Two Port Users meetings were held during the year, one in Ardglass and one in Kilkeel. Unfortunately the Portavogie meeting was cancelled due to Covid-19. These meetings continue to provide an invaluable forum for consulting with Port Users on operational issues (including safety and environmental issues), on capital works priorities and on equality, good relations and disability issues. However we take the view that good communication is largely dependent on a robust informal network. To that end considerable effort continues to

be made to meet regularly on an informal basis with a wide range of stakeholders.

## Equality, Good Relations and Disability Duties

Throughout the year the Authority continued to implement its revised Equality Scheme, its Good Relations policy and the Disability Action Plan. As a matter of course disability issues are considered in all new capital works projects. The annual Equality Report, which details the progress made by the Authority in achieving its annual equality, good relations and disability targets, was submitted to the Equality Commission by the due date of 31 August 2019.

## Personnel

I of course want to extend my thanks to all the staff for the hard work and dedication they steadfastly delivered during the year. Their commitment to the values of the organisation has enabled the Authority to maintain and improve the quality of the work it delivers on behalf of its many customers.

This was particularly evident as the whole team stepped up to deal with the many issues that bombarded the organisation as the full impact of the Covid-19 unfolded.

In recent years, after a long period of a stable workforce, the Authority has seen significant levels of staff turnover primarily due to retirement. During 2019-20 we welcomed two new Harbour Masters one in Kilkeel and one in Portavogie.

It remains the opinion of the Authority that one of the chief ways it can improve the quality of its service is through enhancing the skills of its workforce. The Authority has in place an enhanced training programme based on the development plans that have been put in place for all members of staff. Of course the pandemic impacted and continues to impact this training plan but most of the 2019-20 plan was implemented before the shutdown.

## Financial Review

The Authority recorded a deficit before tax of £1.32m which compares with a previous year deficit of £1.45m. Depreciation rose to £1,823k from £1,722k an increase of £101k.

Expenditure excluding depreciation increased to £1,439k from £1,375k the majority of this increase is related to an IAS19 pension adjustment and professional fees.

Total income before capital and revenue grants was £1,332k which is a 3% fall on last year (£1,375k). Landing revenues fell by 6% to £637k. Ice sales fell by 13% to £195k. Slipway revenue remained virtually static at £177k. On a port by port basis the revenue fell in all three harbours, Portavogie (15%) and Ardglass (7%) and Kilkeel (1%),

The Authority had a positive cash balance at year end of £519k which compares with an opening balance of £689k.

## Sickness /Absence data

The average number of working days lost due to sickness per employee was 8.5 days for 2019-20. The equivalent figure for the previous year was 10.5 days. With just 22 staff any period of significant absence for any one

employee will have a major impact. During the year one employee was absent for a considerable period.

## Data Handling

NIFHA has not had any personal data related incidents during the current or previous years.

## End of Life Vessels

There are a number of end of life fishing vessels within the Authority's harbours some of these have been abandoned and others are awaiting disposal by their owners. The Authority has submitted a planning application to Ards and North Down Council to open a dismantling facility in Portavogie harbour. As of yet no decision has been made with regard to this application. As there is currently no external funding available for the disposal of these vessels this year these accounts recognise a contingent liability for the disposal of end of life vessels in the Authority's harbours.

## Key Objectives and Performance Targets

The Authority agreed six key objectives for 2019-20. These are linked to the core values of the organisation as outlined in the Corporate Plan and are designed to assist in the ongoing delivery of the said plan. Under each of these objectives a number of key activities with associated outputs were set. These objectives are outlined below, and information is provided on how we performed. In summary not all targets were fully met. Indeed the impact of Covid-19 meant that a significant number of activities associated with the outputs were not fully delivered. However the plan was substantively delivered in that core planned activities were delivered.

- **Key Objective 1: To use an integrated approach in providing safe sustainable and modern harbour facilities at Ardglass, Kilkeel and Portavogie which are complimentary, efficiently managed, well maintained and cost effective.**

There were seven activities with nine associated outputs – two of these were not met. The first of these related to delivering Capital works projects on time. For a range of reasons the Authority is experiencing difficulties in commencing projects for which it has grant approval. Overall good progress in both commencing and delivering projects was made this year however some projects are significantly behind schedule. Also, as reported elsewhere in the body of this report, there were a number of accidents impacting both staff and customers. The authority sets a target with a very low rate of accidents and so this target was not met. The overall conclusion is that this objective was only partially met.

- **Key Objective 2: To continue the development of NIFHA as a learning, reactive and innovative organisation that values staff, enhances equality and builds capacity.**

This objective was not fully met. There were four activities with five associated outputs. The objectives under this target primarily focused on support and development of staff along with enabling and delivering innovation both operationally and through the use of information technology. Due to Covid-19 an objective involving educational visits to other locations was not met. Also while the 2020-21 business plan was submitted on time an objective to have it approved was not achieved again due to the impact of Covid-19.

- **Key Objective 3: To be a customer and stakeholder centred organisation engaging, partnering and communicating with NIFHA’s Customers and Stakeholders.**

This objective was only partially met. There were six activities with seven associated outputs. The activities focused on ensuring the Authority communicated well with its wide range of stakeholders. Four of the seven activities were not fully delivered. Due to Covid-19 one of three customer & stakeholder advisory forum meetings was not held. Consequently an objective to have one meeting for each harbour was not met. Two activities related to publishing kpi statistics. Unfortunately as the pandemic struck the website went down due to resource constraints this was not re-instated until after the year end. Consequently publication of the kpi’s was not achieved. Due to extremely low and declining numbers of replies to the previous customer surveys it was decided during the year to discontinue the survey and thus the target of undertaking a customer survey was not delivered.

- **Key Objective 4: To provide value for money for Government, Customers and Stakeholders while delivering our statutory and other duties.**

This objective was substantially met. There were six activities with seven associated outputs. One of these activities was to have the 2020-21 Business Plan prepared and approved in a timely fashion. The plan was submitted to DAERA on time but was not approved due to Covid-19. The plan will need to be substantially rewritten in the light of the impacts of the pandemic.

- **Key Objective 5: To ensure the business of NIFHA is conducted in an open and fully accountable manner by delivering best practice in corporate governance, accountability and effectively addressing all legal responsibilities.**

This objective was substantially met. This objective, which included maintaining expenditure within approved budget limits, had five activities and nine associated outputs; all but one of which were fully met. The objective that was not met is associated with data matching. The Authority is currently unable to fully complete its Data Matching programme.

- **Key Objective 6: To work in partnership to help build wider socio-economic prosperity through delivering innovative projects while ensuring that concern for the environment remains at the heart of what we do.**

This objective was fully met. There were four activities with five associated outputs all of which were met during the year.

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## Foreword to the Accounts

### Background Information

NIFHA is an executive Non-Departmental Public Body (NDPB) sponsored by DAERA. Established in 1973 under the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973, its statutory functions are to manage, maintain and improve the fishing harbours and harbour estates of Ardglass, Kilkeel and Portavogie and to operate such facilities as may be provided at these harbours.

The following report and accounts have been prepared in accordance with the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998 and in accordance with the Accounts Direction given by DAERA with the approval of the Department of Finance (DoF).

### Business Review

A full review of the Authority is given on pages 2 to 9 of the Report and Accounts.

### Results for the Year

The results of the Authority are set out in detail in the accounts on pages 27 to 49. The deficit for the year before tax was £1,317,666 which compares with a previous year deficit before tax of £1,452,194. This deficit has been taken to reserves. Other transfers to and from reserves are detailed in the Statement of changes in taxpayers' equity.

### Fixed Assets

Details of the movement of fixed assets are set out in note 11 to the accounts.

### Future Developments

Key Development goals for 2020-21 are as follows:-

- To operate, maintain and monitor the performance of the Navigational Safety Information System at Kilkeel Harbour.
- To implement the capital works plans as detailed in the Authority's 2020-21 amended Business Plan (subject to the availability of grant funding).
- To monitor year 3 of the implementation of the 2018-2022 Corporate Plan.
- To submit a draft budget to DAERA by 31 January 2021.
- To continue to deal well the impacts of the Covid-19 pandemic putting the safety of our staff and stakeholders first in all the decisions we make.

### Important events occurring after year end

The Covid-19 Pandemic commenced before the year end but its impact after the year end was and will likely remain severe for some time yet. The Authority is predicting significant operational losses in the forthcoming year and has in place the capacity to seek deficit funding should it be required.

### Board Members

Membership of the Board is as noted on page 1.

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Disabled Employees

The Authority gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitude and abilities and Health and Safety factors.

Employee Involvement

It is the policy of the Authority to promote the understanding and involvement of all its employees in its aims and performance and it is committed to the continuing development of effective employee communication and consultation.

Independent Auditors

M.B. McGrady & Co are the external auditors of NIFHA. Refer to Note 6 for the audit fee.

Payment to Suppliers

The Authority is committed to the prompt payment of bills for goods and services received in accordance with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During 2019-20 the Authority paid 98% (2018-19: 95%) of bills within this standard with 72% (2018-19 70%) being paid within 14 days.

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## STATEMENT OF MEMBERS' AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998, the Members are required to prepare a statement of accounts for each financial year in the form and on the basis determined by DAERA with approval of DoF. The accounts are prepared on an accruals basis and must give a true and fair view of the Authority's state of affairs at the year end and of its income and expenditure, Statement of Financial Position and cash flow for the financial year.

In preparing the accounts the Members are required to comply with the requirements of the Government Financial Reporting Manual (FRM) and in particular to:

- observe the accounts direction issued by DAERA, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FRM have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on the going concern basis; and
- confirm that the Annual Report & Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

As the senior full time official of the Authority the Chief Executive carries the responsibilities of an Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping of proper records and for safeguarding the Authority's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

By Order of the Members



K QUIGLEY  
CHIEF EXECUTIVE / SECRETARY

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## GOVERNANCE STATEMENT

### Introduction

NIFHA is an executive Non-Departmental Public Body sponsored by DAERA and constituted under the Harbours Act (Northern Ireland) 1970 and the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973. The Authority's relationship with DAERA is set out in the Management Statement and Financial Memorandum documents which are reviewed and agreed between the two parties on a regular basis.

The Authority remains committed to high standards of corporate governance. The Board directs the Authority's risk assessment, resource management, strategic planning, financial, project and operational management to ensure that the aims and objectives as set out in the Corporate Plan are met. The Board members scrutinise the performance of management in order to be satisfied as to the integrity and strength of financial information, controls, and risk management.

Covid-19 has caused significant disruption to the industry and the Authority. This has primarily impacted post year end. However, the speed of change and the rapid change of focus did of course impact the Authority in the last month of March both in the few weeks before the lockdown and subsequently. This is covered further in the body of this report.

### Governance Framework

The Authority is managed by a Board consisting of a Chairman and between four and eight other Members. The Chairman and Members are appointed by the DAERA minister and are non-executive.

The Board has four sub-committees – Risk and Assurance, Corporate Planning, Finance and General Purposes and Remuneration. The Risk and Assurance sub-committee provides objective advice to the Chief Executive and the Board on corporate governance, risk management and internal control issues.

The Authority is headed by a Chief Executive who is also the Accounting Officer. As at 31 March 2020 the Authority employed 14 operational and maintenance staff and 7 administrative staff. The Authority's Head Office is located in Downpatrick and there are offices at each of the three harbours namely Ardglass, Kilkeel and Portavogie.

The Chairman and Board members have overall responsibility for the corporate strategy and governance of the Authority and for setting aims and objectives. A Corporate Plan is in place and there are processes to ensure that there is continuous monitoring and review of performance to confirm that the objectives are achieved. Annual business plans are derived from, and are consistent with, the Corporate Plan. Attendance records of meetings are maintained.

Excluding the Chairman there are currently just five Board members. The absence of an executive delayed both recruitments to fill a vacancy and to replace board members due to retire. Because of difficulties delivering recruitment during the Covid-19 emergency the Chair and three board members accepted a further extension to their tenure until 31 December 2020.

The main Board met four times during the year and attendances were as follows.

Board	Number of Meetings attended
Terry Jarvis (Chairman)	4
Helen Henderson	4
Martin McDonald	4
George McIlroy	3
Kate Burns	3
David Hill	4

The Risk and Assurance Committee met three times during the year. Attendances for the committee were as follows:

Risk and Assurance	Number of Meetings attended
Martin McDonald (Chairman)	3
George McIlroy	3
Helen Henderson	3
Kate Burns	2

The Finance and General Purposes committee met four times during the year and attendances were as follows.

Finance and General Purposes	Number of Meetings attended
Terry Jarvis (Chairman)	4
Martin McDonald	3
David Hill	2
George McIlroy	4

The remuneration committee did not meet during the year and the corporate planning committee met once. Attendance at this meeting was as follows.

Corporate Planning	Number of Meetings attended
Terry Jarvis (Chairman)	1
Helen Henderson	1
Martin McDonald	1
George McIlroy	1
Kate Burns	1
David Hill	1

The Chief Executive Mr Quigley attended all meetings of the Board and its committees.

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## Board Performance

The chairman and members believe that on the whole the Board has again operated effectively, with meetings generally including constructive and challenging debate. As part of good governance in June 2019 the Board undertook its annual review of its own effectiveness. The Board is content that overall, it delivers its duties well. All meetings of the Board and its committees were well attended. The Board has continued to maintain a good relationship with its sponsoring body through the timely sharing of information. Members of the Authority's senior management team regularly attend the Board meetings and their contribution is valued by the Board.

The Authority operates under, and complies with, a Management Statement and Financial Memorandum. The Board is confident that it is compliant with the Corporate Governance Code.

Members of the Board meet regularly with its stakeholders. Normally a Stakeholder meeting is held in each port. Meetings were held in Ardglass and Kilkeel. However, the Stakeholder meeting scheduled for Portavogie in March had to be postponed due to Covid-19.

During the year matters considered by the Board and its committees included

- The Authority's strategy, business plan, budgets, and financing requirements
- Potential Harbour improvements
- Health and Safety both onshore and marine
- Risk Register
- Equality Report, Pay and Grading review
- Staff Management, Recruitment, Section 75
- Environmental issues
- Vessel Decommissioning
- Board Operating Framework
- Capital works and management Projects
- Annual and interim financial statements
- Estate Management and Development

The 2019-20 Business Plan had six key business objectives. These objectives, the 33 associated activities and 44 outputs were designed to ensure both the ongoing safe and prudent management of the harbours and furthering the implementation of the current Corporate Plan. The objectives, the activities, and outputs and consequently the objectives were not all fully delivered. Because of the demanding nature and large number of the outputs set the Authority does not normally manage to deliver all the outputs associated with the objectives. Normally

substantively the goals of the plan are met with only a minimal number of outputs not fully delivered. Again, this year substantively the goals of the plan especially key items related to health & safety and operational effectiveness were met. However largely due to the impact of Covid-19 the number of outputs not delivered increased from four to ten. For seven of the ten the outputs either not delivered or only partially delivered the underlying cause was the disruption created by Covid-19.

Fishing Harbours are, by their nature, work environments where the risk of an accident is significant. The Authority continues to work hard to provide, as far as reasonably possible, a safe working environment within its harbour facilities. Yet every year the Authority has to deal with the consequences of accidents that occur within the harbours and so the Board will continue to press the executive team to maintain its focus on improving health and safety and to take what learning they can from any incidents that do occur. Despite these setbacks the Board would wish to express its thanks to both the fishermen and contractors; though their efforts over time, they have helped to generate a significant improvement in the health and safety culture around the Authority's harbours.

The EMFF has been open for applications since 2016-17. The Authority has submitted applications and gained approval for nine projects. Work on four projects has completed, one is nearly complete, and it is expected the other projects will commence during 2020-21. The Authority has also completed one project under the SEAFLAG and is hopeful of gaining approval for a second. During the year the Authority again delivered a minor capital works programme. These again focused primarily on its slipways both in Kilkeel and Portavogie but also undertaking other works including various renewals in all three harbours.

The Board has continued its work with the management of the Authority to ensure financial and budgetary controls remain robust and it is pleased that operational revenue was ahead of forecast which allowed the Authority both to deliver its operational plan and a significant self-funded minor capital works programme whilst still delivering an above budget operational surplus.

The Board believes that good communication with its sponsoring body DAERA is not only a requirement of good governance but essential to its goal of delivering a quality service to its customers. To this end copies of the papers and minutes of all meetings are forwarded to DAERA. The Board regularly welcomes representatives of DAERA to attend its board meetings and Internal Audit to attend Risk and Assurance committee meetings. The authority attended two Accountability meetings with DAERA. The Board was pleased to have again been invited along with the CEO to present to the DAERA board however due to Covid-19 this meeting was cancelled.

The Risk and Assurance committee's role is to provide independent assurance to the Board and Chief Executive as Accounting Officer on the effectiveness of the Authority's risk management and internal control systems. The three meetings held were well attended by Board members. In addition, the CEO and a representative from DAERA and Internal Audit attended all meetings.

The Risk and Assurance Committee undertook regular reviews of the risk register and updated it accordingly. During the year the Committee considered a range of topics including the performance of both the Marine and Health & Safety Management Systems. The Committee also oversees the implementation of procedures to ensure compliance with the GDPR.

The Committee completed a formal self-assessment in June 2019 reviewing its performance for the 2018-19 financial year. The Committee reviewed the outcome of the self-assessment and is content that it continues to

deliver well.

The Finance Committee met four times during the year. The committee considered both management accounts and the statutory accounts. It also considered the proposed budget for the 2020-21 Business Plan, Estate Management and Trade Debtors.

There were no ministerial directions given during the year.

The Board relies on financial and other reports prepared by the Authority's management team. These reports while well-established are regularly reviewed and updated as required. The Board is content, through its experience, that the quality of these reports is high. The Board further relies on the work of DAERA's internal Auditor and the external Auditor to provide further assurance as to the quality of these reports.

## Internal Audit Opinion

An internal audit is performed annually by the internal audit branch of our sponsor DAERA.; the overall opinion was stated as "Satisfactory". No major areas of concern were identified within the review.

## Risk Management

With due consideration to its scale the Authority has a well embedded and robust risk management framework in place with the direct involvement of the Senior Management Team and oversight from the Board and its committees.

At the end of the financial year the Authority was showing three risks which, even after mitigation, it rates as very high. All three of these risks are associated with the possible impact to the Authority arising from abandoned vessels. The Authority requires the support of outside agencies to enable it to deliver a solution which will reduce these risks.

The Authority's Risk Register is reviewed at all Board and Risk and Assurance Committee Meetings. The last Risk Register reviewed by the Board was prepared at the start of February and did not reflect the imminent arrival of the Covid-19 pandemic. However, as the significant risks became more apparent the members of the Risk and Audit Committee were instrumental in ensuring the Executive Team updated its Contingency Plan to prepare for the serious situation which subsequently developed.

## Information Risk

The Authority's approach to the management of information security risk is proportionate to the nature of the risks and the limited amount of personal or sensitive information handled by the Authority. The Authority is compliant with the General Data Protection Regulation. As the Authority's Information Risk Owner, I have received assurances from the Accounts Administrator that the information governance policy framework is both adequate and effective. There were no data breaches during the year.

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## Conflicts of Interest

On appointment Board members are required to provide a list of any interests which may give rise to a conflict of interest. At all Board meetings a standing item on declarations of interest is included and brought to the attention of the members by the Chair. This standing item is also included for all committee meetings. There were two conflicts of interest declared during the year. These were declared by a Board member with regard to separate issues the Board was considering and were appropriately dealt with by the Chair.

## Covid-19

Towards the year end the Covid-19 pandemic moved from a faraway issue to a full-blown pandemic with a severe lockdown incredibly quickly. NIFHA moved through this process in a calm and professional way. The Authority received excellent support and advice from its Sponsorship body DAERA.

Processes and procedures were put in place to minimise risk to staff while keeping the harbours and administrative support operating. There was significant disruption however the staff rose to meet the challenge in a positive manner and are to be commended for their excellent delivery.

It remains unclear when normality will return and what this will look like, but the Authority will continue to adapt to enable it to continue to deliver its range of services to its customers.

## Conclusion

As Accounting Officer, based on the work of our Accounts Administrator, DAERA Internal Audit and our External Auditors I consider the overall system of risk management, internal control and governance provides satisfactory assurance to me in relation to the ability of the Authority to effectively discharge its governance responsibilities. I also confirm that this Governance Statement is compliant with the code of good practice.



Kevin Quigley  
**CHIEF EXECUTIVE**

## REMUNERATION AND STAFF REPORT

The pay award for staff in NIFHA is guided by the NICS Pay Remit Process and is based on performance. Although the Authority is a public body, salaries and wages are not based on any public sector scale comparator e.g. the NICS or Local Government pay scales (LGPS).

### Salary

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

### Bonuses

No bonuses were paid in the year.

### Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Authority and treated by HMRC as a taxable emolument. The benefit in kind for the Chief Executive is a premium on a health insurance policy.

### Service Contracts

The Authority does not have any service contracts with members of its staff and staff appointments are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Authority's policy on its discretionary powers under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

### Staff Costs (Audited)

	Permanently employed staff	Temporary staff	Total 2020	Total 2019
	£	£	£	£
Wages and salaries	497,195		497,195	494,450
Social security costs	39,434		39,434	40,075
Pension costs	99,916		99,916	93,443
	636,545	-	636,545	627,968
<b>IAS 19 – Actuarial Valuation</b>				
Current service cost	182,000	-	182,000	176,000
Past service cost/(gain)	22,000	-	22,000	-
Contributions by the employer	(100,000)		(100,000)	(93,000)
	<b>740,545</b>	<b>-</b>	<b>740,545</b>	<b>710,968</b>

**Note (a)** – A related revenue grant of £39,007 (2019: £41,167) has been agreed and accrued in note 4.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Pension Scheme is a funded defined benefit plan with benefits earned up to 31<sup>st</sup> March 2015 being linked to final salary. Benefits after

31<sup>st</sup> March 2015 are based on a career average revalued earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in “The Local Government Pension Scheme Regulations (Northern Ireland) 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014.

The funded nature of NILGOSC requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31<sup>st</sup> March 2016 and the contributions to be paid until 31<sup>st</sup> March 2020 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. For 2019-20, employers’ contributions of £99,916 were payable to the NILGOSC pension schemes (2018-19 £93,443) at 20% of pensionable pay. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

	2020	2019
<b>The average number of persons employed by the Authority during the year was:</b>	<b>Number</b>	<b>Number</b>
Operation and Maintenance	14	13
Administration	8	8
	<b>22</b>	<b>21</b>

All staff employed by the Authority in 2020 and 2019 had permanent contracts of employment. The staff consists of 16 male and 6 female employees. The average number of working days lost due to sickness per employee was 8.5 days for 2019-20. The equivalent figure for the previous year was 10.5 days.

	2020	2019
<b>Analysis of Remuneration was as follows:</b>	<b>£</b>	<b>£</b>
Chief Executive’s total remuneration	56,435	54,806
Members’ salaries	26,817	27,698
Operating and Maintenance	296,603	304,047
Administration	117,340	107,900
	<b>497,195</b>	<b>494,451</b>

	Number	Number
Chief Executive to whom retirement benefit is accruing under defined benefit scheme	1	1

### Compensation schemes-exit packages

The following section provides details of the exit packages paid by the Authority.

	Number of voluntary redundancies	Total number of exit packages by cost band 2020	Total number of exit packages by cost band 2019
< £10,000	Nil	Nil	Nil
£10,000 - £25,000	Nil	Nil	Nil
Total number of exit packages	Nil	Nil	Nil
<b>Total resource cost</b>	Nil	Nil	Nil

### Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Board Members and the Chief Executive of the Authority.

#### Remuneration (Audited)

	2019-20			2018-19		
	Number of people	Salary	Benefits in Kind £ (to nearest £1,000)	Number of people	Salary	Benefits in Kind £ (to nearest £1,000)
Chairman	1	£5,000 - £9,999	-	1	£5,000 - £9,999	-
Board Member	5	Nil - £4,999	-	5	Nil - £4,999	-
Chief Executive	1	£55,000-£60,000	£1,000	1	£55,000-£60,000	£1,000
Median Staff Salary		£19,211			£19,021	
Ratio of Highest- Paid Director Salary to Median Salary		2.9			2.9	

The Board members and Chief Executive consisted of 5 male and 2 female members.

### ***Pension Benefits (Audited)***

Board Members have no pension entitlement from the Authority. The Chief Executive is a contributory member of the NILGOSC pension scheme. The NILGOSC scheme is a statutory scheme which provides benefits on an average salary basis at retirement.

Name and Title	Total Accrued Pension as at 31/03/20 and related Lump Sum £'000	Real increase in Pension & related Lump Sum £'000	CETV at 31/03/20 £'000	CETV at 31/03/19 £'000	Real increase in CETV £'000
K J Quigley (CEO)	10 - 15	1 - 2	205	182	15

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and the end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.



Kevin Quigley  
**CHIEF EXECUTIVE**

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## Assembly Accountability and Audit Report

### Regularity of expenditure

There were no special payments or losses made by the Authority in the year. (2018-19 - £nil)

### Fees and Charges

The Authority collects harbour and landing dues and various other fees from boat owners as detailed in note 4 and in return provides a range of services to the industry. The 2019-20 annual business plan which aimed to achieve a surplus of £24,891 after revenue grant but before capital charges, interest, IAS 19, tax and notional adjustments.

The Authority actually recorded a surplus of £42,270 on this basis.

### Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Authority had no significant remote contingent liabilities to report in 2019-20. (2018-19 £nil). Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.



Kevin Quigley  
**CHIEF EXECUTIVE**

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA

### Opinion

We have audited the financial statements of NIFHA for the year ended 31 March 2020 under the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998. These comprise the statement of comprehensive net expenditure account, the statement of financial position, the statement of cash flows, the statement of changes in taxpayers' equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration and staff report and the Assembly accountability and audit report that is described in those reports as having been audited.

In our opinion:

- the financial statements give a true and fair view, of the state of NIFHA as at 31 March 2020 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998 and the Accounts Direction made by the DAERA with the approval of DoF.

### Basis of 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 Authority 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA (continued)

### 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. 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.

In connection with our audit of the financial statements, 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.

### Opinions on other matters

- In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.
- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit Report to be audited has been properly prepared in accordance with DoF directions made under the Government Resources and Accounts Act ( Northern Ireland) 2001 and
- the information given in the Report of the Authority and the Foreword to the Accounts for the financial year which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified material misstatements in the members report.

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report and Assembly Accountability and Audit Report to be audited 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 of the information and explanations we require for our audit; or
- the Governance Statement does not reflect compliance with DoF guidance.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA (continued)

### Respective responsibilities of the Members and Chief Executive

As explained more fully in the Statement of Members' and Chief Executive's Responsibilities, the Members and Chief Executive 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 the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the members and Chief Executive are responsible for assessing the Authority'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 Authority or to cease operations or have no realistic alternative but to do so.

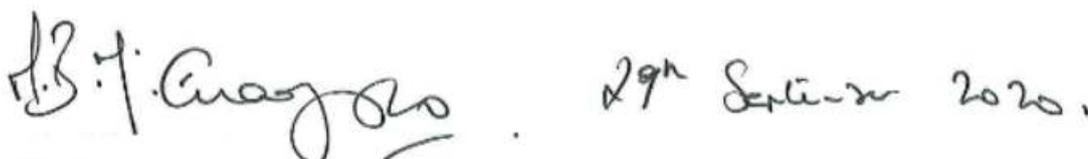
### Auditors responsibilities for the audit of the Financial Statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.



M.B. McGrady & Co  
Chartered Accountants and Registered Auditors  
52 St. Patricks Avenue  
Downpatrick  
Co. Down  
BT30 6DS

## Statement of comprehensive net expenditure account for the year ended 31 March 2020

	Notes	2020 £	2019 £
<b>Income - continuing operations</b>			
Income from activities	4	1,959,823	1,663,255
<b>Expenditure</b>			
Staff and related costs	5	740,545	710,968
Depreciation	11	1,822,572	1,721,519
Other operating charges	6	698,745	664,409
		<b>3,261,862</b>	<b>3,096,896</b>
<b>Net Operating expenditure</b>		<b>(1,302,039)</b>	<b>(1,433,641)</b>
Finance income	7	373	447
Other finance costs	8	(16,000)	(19,000)
<b>Net Finance expenditure</b>		<b>(15,627)</b>	<b>(18,553)</b>
<b>Net expenditure before income tax</b>		<b>(1,317,666)</b>	<b>(1,452,194)</b>
Income tax credit	10	308,859	306,489
<b>Net expenditure for the year</b>		<b>(1,008,807)</b>	<b>(1,145,705)</b>
<b>Other comprehensive net income/(expenditure)</b>			
Items that will not be reclassified to net operating expenditure:			
Actuarial gain/(loss) on retirement benefit obligations		(198,000)	149,000
Deferred tax credit/(debit) on actuarial gain/(loss) on retirement benefit obligations		37,620	(28,310)
Indexation uplift on property, plant and equipment		1,653,187	1,054,600
Deferred tax on indexation uplift on revaluation of property, plant and equipment		(314,106)	(200,374)
Backlog depreciation		(510,127)	(253,704)
		668,574	721,212
<b>Total Comprehensive net expenditure for the year</b>		<b>(340,233)</b>	<b>(424,493)</b>

All amounts above relate to continuing operations of NIFHA.

The notes on pages 30 to 50 are an integral part of these financial statements.

## Statement of financial position as at 31 March 2020

	Notes	2020 £	2019 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	29,547,974	29,370,073
Deferred income tax assets	16	361,559	301,139
		<b>29,909,533</b>	<b>29,671,212</b>
<b>Current assets</b>			
Trade and other receivables	12	476,065	356,372
Cash and cash equivalents	13	519,383	689,570
		<b>995,448</b>	<b>1,045,942</b>
<b>Total assets</b>		<b>30,904,981</b>	<b>30,717,154</b>
<b>Current liabilities</b>			
Trade and other payables	14	234,345	261,779
		<b>234,345</b>	<b>261,779</b>
<b>Non-current assets plus net current assets</b>		<b>30,670,636</b>	<b>30,455,375</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	16	5,607,427	5,572,158
Pension liabilities	15	1,038,000	720,000
		<b>6,645,427</b>	<b>6,292,158</b>
<b>Assets less liabilities</b>		<b>24,025,209</b>	<b>24,163,217</b>
<b>Reserves</b>			
Income and expenditure account		11,041,042	11,394,360
Revaluation reserve		12,543,176	12,327,866
Capital reserve		440,991	440,991
<b>Total taxpayers' equity</b>		<b>24,025,209</b>	<b>24,163,217</b>

The notes on pages 30 to 49 are an integral part of these financial statements.

The financial statements on pages 26 to 29 were authorised for issue by the Board Members of the Authority on **30 September 2020** and were signed on its behalf by:



T JARVIS  
Chairman



K QUIGLEY  
Chief Executive/Secretary

## Statement of cash flows for the year ended 31 March 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Operating deficit before income tax and finance costs		<b>(1,302,039)</b>	(1,433,641)
Adjustments for:			
Depreciation of property, plant and equipment		<b>1,822,572</b>	1,721,519
Movement in trade and other receivables		<b>(119,694)</b>	84,075
Movement in trade and other payables		<b>(27,434)</b>	(47,467)
Corporation tax payable		<b>7,222</b>	(15,662)
Notional charges		<b>6,010</b>	6,600
Difference between pension charge and cash contributions		<b>104,000</b>	83,000
Net cash (used in)/generated from operating activities		<b>490,637</b>	398,424
<b>Cash flows from investing activities</b>			
Interest received		<b>373</b>	447
Purchases of property plant and equipment		<b>(857,412)</b>	(372,266)
Net cash used in investing activities		<b>(857,039)</b>	(371,819)
<b>Cash flows from financing activities</b>			
Capital Grants received from DAERA		<b>196,215</b>	113,565
Net cash generated from financing activities		<b>196,215</b>	113,565
<b>Movement in cash and cash equivalents</b>		<b>(170,187)</b>	140,170
Cash and cash equivalents at the beginning of the year		<b>689,570</b>	549,400
<b>Cash and cash equivalents at the end of the year</b>	13	<b>519,383</b>	689,570

The notes on pages 30 to 49 are an integral part of these financial statements.

## Statement of changes in taxpayers' equity for the year ended 31 March 2020

	Capital Reserves	Revenue Reserves	Revaluation Reserve	Total taxpayers' equity
	£	£	£	£
<b>At 31 March 2018</b>	<b>440,991</b>	<b>11,765,885</b>	<b>12,291,738</b>	<b>24,498,614</b>
Net income/(expenditure) for the year	-	(1,145,705)	-	(1,145,705)
Other comprehensive net income/(expenditure)	-	120,690	600,522	721,212
Capital funding	-	82,496	-	82,496
Other notional charges	-	6,600	-	6,600
Transfer from net expenditure account to unrealised revaluation reserve	-	696,783	(696,783)	-
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(132,389)	132,389	-
<b>At 31 March 2019</b>	<b>440,991</b>	<b>11,394,360</b>	<b>12,327,866</b>	<b>24,163,217</b>
Net income/(expenditure) for the year	-	(1,008,807)	-	(1,008,807)
Other comprehensive net income/(expenditure)	-	(160,380)	828,954	668,574
Capital funding	-	196,215	-	196,215
Other notional charges	-	6,010	-	6,010
Transfer from net expenditure account to unrealised revaluation reserve	-	757,585	(757,585)	-
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(143,941)	143,941	-
<b>At 31 March 2020</b>	<b>440,991</b>	<b>11,041,042</b>	<b>12,543,176</b>	<b>24,025,209</b>

The notes on pages 30 to 50 are an integral part of these financial statements.

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## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements

#### General information

The Authority's principal activity during the year was the improvement, management and maintenance of the three fishery harbours and harbour estates of Ardglass, Kilkeel and Portavogie. The Authority is registered and domiciled in Northern Ireland.

The financial statements are presented in Sterling. All of the Authority's assets and liabilities are denominated in Sterling.

#### Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 FReM issued by DoF Northern Ireland. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Authority for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for its principal activity is described below. They have been applied consistently in dealing with items that are considered material to the accounts. These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### Income

Revenue from contracts with customers comprises the fair value of the consideration received or receivable in respect of berthing, landing and buyer dues, revenue from services and rental income. Income is shown net of value-added tax. Income is recognised over the period for which services are provided, using a straight line basis over the term of the service provided. Income in relation to the sale of ice & utilities is recognised when the Authority sells the goods or utilities to the customer on a cost per tonne or cost per unit basis. Revenue from berthing dues is recognised over the period for which the berths are utilised by the customer in accordance with the type and length of boat. Revenue from landing and market dues are recognised when the landings are brought ashore or sold through the fish market on a percentage of sales price. The Authority recognises income when the amount of income can be reliably measured, and it is probable that future economic benefits will flow to the Authority.

Other operating income relates to Capital Grants received.

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Property, plant and equipment

Freehold property is shown at fair value, based on regular valuations by Land and Property Services, and specialist consulting engineers, less subsequent depreciation for buildings. In intervening years these valuations are subject to annual indexation using relative price indices. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, with the exception of freehold property, is stated at cost less depreciation and accumulated impairment losses. The initial cost of an asset comprises cost plus any costs directly attributable to bringing the asset into operation and an estimate of any decommissioning costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The charge for depreciation is calculated so as to write off the depreciable amount of assets over their estimated useful economic lives on a straight line basis. The rates of each major class of depreciable asset are as follows:

- Freehold property - Nil%
- Harbour property and equipment - 2 - 25%
- General equipment - 4 - 33<sup>1</sup>/<sub>3</sub>%

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset is derecognised upon disposal or when no future economic benefit is expected to arise from the asset.

#### Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

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## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Loans and receivables (financial instruments)

##### (a) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade and other receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating costs'. When a trade and other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating costs' in the income and expenditure account.

##### (b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### Other financial liabilities at amortised costs (financial instruments)

##### Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### Income tax and deferred income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the net expenditure account. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor a taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Income tax and deferred income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the net expenditure account.

#### Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Authority will comply with all attached conditions.

Grants for revenue purposes that are received to finance the purchase of specific goods or services are shown as income in the statement of comprehensive net expenditure. In these cases income is set to match with the related expenditure incurred during the year.

Government grants relating to property, plant, and equipment from DAERA are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the Authority and are credited to the Revenue Reserve.

Capital grants received from the EU are shown as income in the statement of comprehensive net expenditure.

#### Operating lease commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the net expenditure account on a straight-line basis over the period of the lease.

#### Pension liabilities

The Authority provides a defined benefit pension scheme for employees through NILGOSC. The assets of the scheme are held separately from those of the Authority. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves in the statement of changes in taxpayers' equity in the period in which they arise.

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## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Pension liabilities (continued)

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

A revised version of IAS 19 came into effect for accounting periods commencing on or after 1 January 2013. Disclosures within note 16 have been calculated under the revised IAS 19.

#### Financial risk factors

##### (a) Market risk

The Authority has no interest rate risk as it has no borrowings and it has a minimal exchange rate risk as almost all of its transactions are denominated in Sterling.

##### (b) Credit risk

The Authority's main exposure to credit risk is the non-payment of landing dues and other service charges by port users. Where the Authority's trade and other receivables are deemed to be impaired or past due, management has made provision for based on its expected credit loss model.

##### (c) Liquidity risk

The Authority is financed primarily by levy and commercial income. The extent to which levies may be raised and retained for use in operations is set out in statute. The Authority is not exposed to significant liquidity risks.

#### Capital risk management

The Authority has no obligation to increase reserves as it is a public sector organisation.

#### Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Estimate of useful economic life of assets

The entity assesses the useful economic life of fixed assets on an annual basis. If the useful economic life had been increased by one year, depreciation would have decreased by £106k and if the useful economic life had been decreased by one year depreciation would have increased by £128k.

### 2. Method of financing capital works

Capital works have been financed by grants mainly from the EMFF and DAERA at varying rates with the balance funded internally.

### 3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive with the Members of the Board making strategic decisions. The Authority's sole activity is the improvement, management and maintenance of fishery and harbours and harbour estates. As such, in the opinion of the Members, the Authority has only one operating segment, and all income, expenditure, assets and liabilities relate to the Authority's sole activity.

### 4. Income

	2020	2019
	£	£
<b>Revenue from contracts with customers</b>		
Berthing dues	124,702	118,384
Landing and market dues	636,636	674,852
<b>Revenue from services:</b>		
- Ice Sales	195,507	224,904
- Slipways	176,892	176,148
- Sundry, telephone, and power	58,431	45,288
- Water	15,646	13,926
Rental income	124,356	121,098
	1,332,170	1,374,600
<b>Other operating income</b>		
EMFF capital grant	588,646	247,488
Building Sustainable Prosperity/EMFF – note 5(a)	39,007	41,167
	627,653	288,655
<b>Total income</b>	<b>1,959,823</b>	<b>1,663,255</b>

## Notes to the financial statements for the year ended 31 March 2020

### 5. Staff Costs

	<b>Total 2020 £</b>	<b>2019 £</b>
Wages and Salaries	497,195	494,450
Social Security Costs	39,434	40,075
Pension Costs	99,916	93,443
	<b>636,545</b>	<b>627,968</b>
<b>IAS 19 – Actuarial Valuation</b>		
Current Service Cost	182,000	176,000
Past service cost (inc curtailments)	22,000	-
Contributions by the employers	(100,000)	(93,000)
	<b>740,545</b>	<b>710,968</b>

Note (a) – A related revenue grant of £39,007 (2019: £41,167) has been agreed and accrued in note 4. Further analysis of staff costs is located in the Staff Report on page 18.

### 6. Other operating charges

	<b>2020 £</b>	<b>2019 £</b>
Repairs and general upkeep	236,704	239,379
Training	12,927	18,915
Insurance	89,938	87,903
Rent and rates	38,748	38,419
Electricity and water	180,837	175,449
Lease payments for equipment	11,992	11,992
Audit and accountancy	7,000	7,000
Telephone, printing stationery and postage	11,353	10,116
Travelling and subsistence	12,105	13,275
Sundries	25,452	27,074
Legal and professional fees	42,077	14,263
Health and safety	7,823	9,473
Advertising	1,603	925
Bad debt	14,176	3,626
Internal Audit fee (Notional cost)	6,010	6,600
	<b>698,745</b>	<b>664,409</b>

## Notes to the financial statements for the year ended 31 March 2020

### 7. Finance income

	2020	2019
	£	£
<b>Interest income:</b>		
Short-term bank deposits	373	447
<b>Interest expense:</b>		
Bank borrowings	-	-
<b>Finance costs - net</b>	<b>373</b>	<b>447</b>

### 8. Other finance cost

	2020	2019
	£	£
Interest on pension scheme liabilities	16,000	19,000

### 9. Performance against key financial targets

The following key financial target was agreed with the DAERA for 2019-20:

- To achieve an operating surplus of £24,891 after revenue grant but before capital charges, interest, IAS 19, tax, and notional adjustments.

The Authority actually recorded a surplus of £42,270 on this basis (2018-19 surplus was £130,437).

## Notes to the financial statements for the year ended 31 March 2020

### 10. Income tax

	2020 £	2019 £
<b>Current income tax:</b>		
Current income tax charge at 19%	(7,222)	15,662
<b>Total current income tax</b>	<b>(7,222)</b>	<b>15,662</b>
<b>Deferred income tax:</b>		
Origination and reversal of temporary differences	(301,637)	(322,151)
Change in corporation tax rate	-	-
<b>Total deferred income tax</b>	<b>(301,637)</b>	<b>(322,151)</b>
<b>Income tax credit</b>	<b>(308,859)</b>	<b>(306,489)</b>

Factors affecting the corporation tax charge for the year:

	2020 £	2019 £
<b>Deficit before income tax</b>	<b>(1,311,656)</b>	<b>(1,452,194)</b>
Tax calculated at the UK standard rate of corporation tax for small companies of 19%	(249,215)	(275,917)
Effects of:		
Expenses not deductible for tax purposes/(income not taxable)	(89,043)	(26,389)
Timing differences	331,036	317,968
Tax losses carried forward		
<b>Total current income tax</b>	<b>(7,222)</b>	<b>15,662</b>

## Notes to the financial statements for the year ended 31 March 2020

### 11. Property, plant and equipment

	Harbour Property and Equipment			General	Total
	Kilkeel	Ardglass	Portavogie	Equipment	
	£	£	£	£	£
<b>Cost or valuation</b>					
<b>At 31 March 2019</b>	25,371,050	5,501,872	9,479,813	88,481	40,441,216
Additions	259,982	54,040	541,551	1,839	857,412
Indexation	1,062,443	223,778	366,966	-	1,653,187
<b>At 31 March 2020</b>	<b>26,693,475</b>	<b>5,779,690</b>	<b>10,388,330</b>	<b>90,320</b>	<b>42,951,815</b>
<b>Depreciation</b>					
<b>At 31 March 2019</b>	6,042,572	1,745,679	3,231,324	51,568	11,071,143
Provided during the year	976,407	295,502	544,213	6,450	1,822,572
Back log depreciation	285,618	76,030	148,479	-	510,127
<b>At 31 March 2020</b>	<b>7,304,597</b>	<b>2,117,211</b>	<b>3,924,016</b>	<b>58,018</b>	<b>13,403,842</b>
<b>Net book amount</b>					
<b>At 31 March 2020</b>	<b>19,388,878</b>	<b>3,662,479</b>	<b>6,464,314</b>	<b>32,302</b>	<b>29,547,974</b>
At 31 March 2019	19,328,478	3,756,193	6,248,489	36,913	29,370,073

Depreciation expense of £1,822,572 (2019: £1,721,519) has been fully charged to expenditure.

The Authority's freehold was revalued on 1<sup>st</sup> April 2018 by Land and Property Services. The harbour assets were valued by Doran Consulting as of the same date. Valuations were made on the basis of depreciated replacement cost for operational assets, on an existing use basis for other operational assets and on open market value basis for non-operational assets. Indexation has been charged at a rate of +4.39% according to the BCIS index. The Accounting Officer is not aware of any material change in the value of fixed assets other than that which has been fully reflected above and therefore the valuation has not been updated.

## Notes to the financial statements for the year ended 31 March 2020

### 11. Property, plant and equipment (continued)

If land and buildings were stated on the historical cost basis, the amounts would be as follows

	2020	2019
	£	£
Cost	40,548,894	39,691,482
Accumulated depreciation	(31,718,073)	(30,653,086)
<b>Net book amount</b>	<b>8,830,821</b>	<b>9,038,396</b>

### 12. Trade and other receivables

	2020	2019
	£	£
Trade receivables	162,908	155,764
Grant receivables	218,924	112,952
Other receivables – VAT & Tax	68,814	31,004
Prepayments and accrued income	25,419	56,652
	<b>476,065</b>	<b>356,372</b>

None of the Authority's trade and other receivables are impaired or past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The fair value of the Authority's trade and other receivables is not materially different to their carrying values.

### 13. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and on hand	<b>519,383</b>	689,570

## Notes to the financial statements for the year ended 31 March 2020

### 14. Trade and other payables

	2020	2019
	£	£
Trade payables	65,778	85,340
Other tax and social security	11,522	10,734
Other payables	48,990	49,879
Corporation tax	-	15,647
Accruals and Deferred Income	108,055	100,179
	<b>234,345</b>	<b>261,779</b>

### 15. Pension liabilities

The Authority operates a funded scheme of the defined benefit type with assets held in separate trustee administered funds.

An actuarial valuation of the scheme using the projected unit basis was carried out at 31 March 2019. The valuation was carried out by Scott Campbell FIA of Aon Hewitt Limited.

The financial assumptions used by the actuary were:

	2020	2019
Rate of increase in salaries	<b>3.6%</b>	3.7%
Rate of increase in pensions in payment	<b>2.1%</b>	2.2%
Pension accounts revaluation rate	<b>2.1%</b>	2.2%
Discount rate	<b>2.3%</b>	2.4%
Inflation assumption (CPI)	<b>2.1%</b>	2.2%

The mortality assumptions used were as follows:	2020	2019
Longevity at age 65 for current pensioners (in years):		
Male currently aged 65	<b>21.8</b>	22.6
Female currently aged 65	<b>25.0</b>	24.9
Longevity at age 65 for future pensioners (in years)		
Male currently aged 45	<b>23.2</b>	24.3
Female currently aged 45	<b>26.4</b>	26.7

## Notes to the financial statements for the year ended 31 March 2020

### 15 Pension liabilities (continued)

The market value of assets in the scheme and the expected rate of return were:

	Value at 2020 £	Value at 2019 £
Equities	1,682,700	2,785,000
Government bonds	1,030,950	772,000
Corporate bonds	497,700	328,000
Property	395,000	524,000
Cash	185,650	126,000
Other	158,000	145,000
<b>Total market value of assets</b>	<b>3,950,000</b>	<b>4,680,000</b>
Present value of scheme obligations	(4,983,000)	(5,394,000)
Present value of unfunded obligations	(5,000)	(6,000)
<b>Deficit in scheme</b>	<b>(1,038,000)</b>	<b>(720,000)</b>

Reconciliation of present value of scheme liabilities	2020 £	2019 £
At 1 April 2019	5,400,000	5,128,000
Current service cost	182,000	176,000
Past service (gain)/cost	22,000	-
Interest cost	128,000	132,000
Contributions by members	29,000	28,000
Benefits paid	(182,000)	(118,000)
Actuarial (gains)/losses	(591,000)	54,000
<b>At 31 March 2020</b>	<b>4,988,000</b>	<b>5,400,000</b>

Reconciliation of fair value of scheme assets	2020 £	2019 £
At 1 April 2019	4,680,000	4,361,000
Interest income on assets	112,000	113,000
Re-measurement gains/(losses) on assets	(789,000)	202,000
Benefits paid	(182,000)	(118,000)
Contributions paid by members	29,000	29,000
Contributions paid by the employer	100,000	93,000
<b>At 31 March 2020</b>	<b>3,950,000</b>	<b>4,680,000</b>

## Notes to the financial statements for the year ended 31 March 2020

### 15. Pension liabilities (continued)

Analysis of the amount charged to net expenditure account are as follows:

	2020	2019
	£	£
Current service cost (excluding administration expense)	180,000	174,000
Administration expense	2,000	2,000
Past service cost/(gain)	22,000	-
Interest on pension scheme liabilities	16,000	19,000
<b>Total operating charge</b>	<b>220,000</b>	<b>195,000</b>

The total current service cost of £204,000 (2019: £176,000) is included within staff costs. The total expense estimated to be charged to the income and expenditure account in the year to 31<sup>st</sup> March 2021 are current service costs of £180,000 and interest charges of £23,000.

#### Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of changes in taxpayers' equity is £372,000.

#### Sensitivity analysis

IAS19R requires the disclosure of the sensitivity of the results to the methods and assumptions used.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

On materiality grounds the sensitivity of unfunded benefits has not been included.

Changes in assumptions at year ended 31 March 2019	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	1.5%	73
1 year decrease in member life expectancy	3.3%	163
0.1% increase in the Salary Increase Rate	0.3%	14
0.1% increase in the Pension Increase Rate	1.5%	75

## Notes to the financial statements for the year ended 31 March 2020

### 15. Pension liabilities (continued)

Amounts for current and previous four years:

	2020	2019	2018	2017	2016
	£	£	£	£	£
Fair value of scheme assets	3,950,000	4,680,000	4,361,000	4,147,000	3,477,000
Present value of defined benefit obligation	(4,988,000)	(5,400,000)	(5,128,000)	(4,910,000)	(3,955,000)
Deficit	(1,038,000)	(720,000)	(767,000)	(763,000)	(478,000)
Experience gains/(losses) on assets	(789,000)	202,000	109,000	553,000	(12,000)
Experience gains/ (losses) on liabilities	591,000	(53,000)	(13,000)	(773,000)	172,000

### 16. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2020	2019
	£	£
Deferred income tax assets to be recovered after more than 12 months	(197,220)	(136,800)
Deferred income tax assets to be recovered within 12 months	(164,339)	(164,339)
	<b>(361,559)</b>	<b>(301,139)</b>
Deferred income tax liabilities to be recovered after more than 12 months	5,443,088	5,407,819
Deferred income tax liabilities to be recovered within 12 months	164,339	164,339
	<b>5,607,427</b>	<b>5,572,158</b>
<b>Deferred income tax liabilities - net</b>	<b>5,245,868</b>	<b>5,271,019</b>

## Notes to the financial statements for the year ended 31 March 2020

### 16. Deferred income tax (continued)

The gross movement on the deferred income tax account is as follows:

	£
At 1 April 2018	5,364,486
Credited to the net expenditure account	(322,151)
Charged directly to the statement of other comprehensive income	228,684
At 31 March 2019	5,271,019
Credited to the net expenditure account	(301,637)
Charged directly to the statement of other comprehensive income	276,486
<b>At 31 March 2020</b>	<b>5,245,868</b>

The movement in deferred tax assets and liabilities during the year is as follows:

	Valuation of property, plant & equipment £	Tax losses £	Pension provision £	Total £
At 1 April 2018	5,674,555	(164,339)	(145,730)	5,364,486
(Credited)/charged to the net expenditure account	(302,771)	-	(19,380)	(322,151)
(Credited)/charged directly to the statement of other comprehensive income	200,374	-	28,310	228,684
At 31 March 2019	5,572,158	(164,339)	(136,800)	5,271,019
(Credited)/charged to the net expenditure account	(278,837)	-	(22,800)	(301,637)
(Credited)/charged directly to the statement of other comprehensive income	314,106	-	(37,620)	276,486
<b>At 31 March 2020</b>	<b>5,607,427</b>	<b>(164,339)</b>	<b>(197,220)</b>	<b>5,245,868</b>

## Notes to the financial statements for the year ended 31 March 2020

### 17. Government grants

	2020	2019
	£	£
DAERA capital grant	196,215	82,496
EMFF capital grant	588,646	247,488
Building Sustainable Prosperity/EMFF revenue grant	39,007	41,167
<b>Total government grants</b>	<b>823,868</b>	<b>371,151</b>

### 18. Borrowing powers

DAERA has confirmed that under Article 26(2) of the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973, the Authority's conditional borrowing limit to 31 December 2020 is £1,000,000.

### 19. Operating lease commitments

The Authority leases various tangible assets under non-cancellable operating lease arrangements.

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

	Land and buildings		Plant and equipment	
	2020	2019	2020	2019
	£	£	£	£
No later than one year	<b>11,500</b>	11,500	<b>8,612</b>	8,612
Later than one year and no later than five years	<b>46,000</b>	46,000	<b>20,229</b>	28,840
Later than five years	<b>65,167</b>	76,667	-	-
	<b>122,667</b>	134,167	<b>28,841</b>	37,452

## Notes to the financial statements for the year ended 31 March 2020

### 20. Contingent liabilities

The NIFHA has a contingent liability to repay grants received, if certain conditions are not fulfilled.

There are a number of end of life fishing vessels within the Authority's harbours, some of these have been abandoned and others are awaiting disposal by their owners. As there is currently no external funding available for the disposal of these vessels the Authority recognises that there could be a possible obligation in the future to safely decommission these abandoned vessels. The costs for the decommissioning of these vessels cannot be reliably measured at this time and as such the Authority recognises a contingent liability for the disposal of end of life vessels in the Authority's harbours.

### 21. Related party transactions

NIFHA is a Non-Departmental Public Body sponsored by DAERA.

DAERA is regarded as a related party. During the year, the Authority had various material transactions with DAERA.

Apart from this no other members, the Chief Executive, key management staff or other related parties have undertaken any material transactions with the Authority during the year.

As at 31 March the entity had the following balances with DAERA:-

The Authority's related party transactions during the year with DAERA were as follows:

	2020	2019
	£	£
Grants received and receivable	<b>823,868</b>	371,151
Rents received and receivable	<b>13,047</b>	12,955
	<b>836,915</b>	384,106

At 31 March the entity had the following trade and other receivables balances with government entities, all falling due within one year.

	2020	2019
	£	£
Grants receivable from related parties	<b>186,992</b>	90,192

## Notes to the financial statements for the year ended 31 March 2020

### 22. Financial instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for the Authority's financial position and the nature and extent of risks arising from financial instruments to which the organization is exposed during the period and at the reporting date, and how the organization manages those risks.

The entity's financial instruments are classified as follows:

<b>Assets and liabilities</b>	<b>Category of financial instrument</b>
Trade and other receivables	Loans and other receivables
Cash and cash equivalents	Loans and other receivables
Borrowings	Other financial liabilities at amortised cost
Trade and other payables	Other financial liabilities at amortised cost

As the cash requirements of the Authority are met through commercial income received and capital grants provided by DAERA and EMFF, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Authority's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

The Authority has not identified any financial instruments which are complex or play a significant medium to long term role in its financial risk profile.

### 23. Ultimate controlling party

NIFHA has no ultimate controlling party.