



Report and Accounts
y.e. 31 March 2016

NIFHA

Report and Accounts year ended 31 March 2016

CONTENTS

	PAGE
General Information	1
Report of the Authority	2 - 8
Foreword to the Accounts	9 - 10
Statement of Members' and Chief Executive's Responsibilities	11
Governance Statement	12 - 16
Remuneration and Staff Report	17 - 20
Independent Auditors' Report	21 - 22
Net expenditure account	23
Statement of financial position	24
Statement of cash flows	25
Statement of changes in taxpayers' equity	26
Notes to the accounts	27 - 43

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	(Appointed	–	01 December 2015)
H Henderson			
H Henning	(Retired	–	30 November 2015)
D Hill	(Appointed	–	01 December 2015)
T Jarvis (Chairman)			
M McDonald M.B.E.			
G McIlroy			
I Morris M.B.E.			
R Teggarty	(Retired	–	30 November 2015)

Chief Executive / Secretary

K Quigley

Independent Auditors

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

Solicitors

Pinsent Masons Belfast LLP
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1 Lanyon Place
Belfast
BT1 3LP

Consulting Engineers

Doran Consulting Limited
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Belfast
BT2 7BE

Bankers

First Trust Bank
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Downpatrick
Co Down
BT30 6LP

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REPORT OF THE AUTHORITY

Chairman's Statement

I am pleased to support the Annual Report and Accounts for the Northern Ireland Fishery Harbour Authority for the period 2015/2016 as presented.

The overall environment in which the Authority operates remains challenging. However the Authority was pleased that its overall income increased allowing it while conservatively managing its finances to deliver an enhanced self-funded minor works and repair programme. Our operatives, office staff, harbour masters and management have all contributed to the smooth and effective running of the Organisation. My sincere thanks and appreciation goes to everyone.

The Authority has again recorded a satisfactory trading position. However we continue to remain highly dependent on prawn landings, a product subject to significant cyclical demand in terms of both quantity and price. In view of this and increasing cost pressures it remains the opinion of the Authority that it must remain vigilant and proactive in reducing costs wherever possible while continuing to develop commercial opportunities.

With regard to large scale capital works during the year four projects which commenced in 2014/15 Portavogie Small Vessel Pontoons, Kilkeel Pier Tips and River Training Repair, CCTV and Wi-Fi for all harbours were completed during the year and as scheduled. 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, road repairs in Ardglass and Kilkeel and others.

During the year two Board Members Harold Henning and Roy Teggarty stepped down at the end of their term. They were replaced by Kate Burns and David Hill. I would like to thank Roy and Harold for their hard work and significant contribution to the work of the board during their tenure and welcome Kate and David to the Board. There were no other changes in the composition of the Board during the year.

At the end of the year with regret the Authority made David Smyth, a valued member of the project management team, redundant. I would like on behalf of all the Board thank him for his service to the Authority during the period of his employment.

I would also like to thank our sponsoring department, the Department of Agriculture and Rural Development, for their continuing support and significant funding received during the year from the European Fisheries Fund (EFF).

Finally, I would like to thank the remainder of my fellow Board members who have served with me, for their support, guidance and contribution to the ongoing development of the Authority. 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.



TERRY JARVIS
CHAIRMAN

Chief Executive's Review

The Authority continues to operate in a challenging environment. Operational Revenue again showed some growth, landings have been good in terms of quantity, quality and importantly price. The outlook going forward remains uncertain. The Authority sees risk to its primary income stream namely landings revenue and this can be exemplified by changes in the pelagic fleet to larger vessels. This has led to a major negative impact on pelagic landings in the Authority harbours. For these reasons the Authority maintains its cautious attitude to operational spending. However whilst operating under tighter financial constraints the Authority continues to strive to deliver an excellent service to all its stakeholders.

The Authority was pleased to see its overall income from landings rise from £647k to £683k, an increase of 5.5%. Despite this increase the Authority remains concerned that it has little control over its primary income streams. For the year the Authority reported a deficit after tax of £609k as opposed to a deficit after tax of £476k for 2014/15. Revenue before capital grant and revenue grant income increased from £1,304k to £1,387k. The increase amounts to £83k or 6.3% of income.

I would wish to join the Chairman in expressing appreciation to DARD (now DAERA) and to the EFF 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. During the year the Authority had both systems externally reviewed. Both these reports acknowledged the considerable progress the Authority has made in improving the implementation of its safety management systems.

On-shore accidents are recorded on a property damage only and an 'over' and 'under 3 day' basis i.e. over or under '3 days off work'. The level of reported accidents fell again this year both in severity and number and while this is welcome the Authority remains committed to further improvement.

There were a total of 7 accidents involving some level of injury reported in 2015/16 and the following table provides a breakdown of these;

	<3 Days	>3 Days
Staff	2	0
Port User	5	0
Visitor	0	0
Total	7	0

The Authority is concerned that despite the improvement in reporting procedures not all on-shore incidents are reported and would appeal to users to report all incidents promptly including near misses.

On the marine side there were three incidents recorded none involved injury. This compares with zero recorded incidents in the previous year. The Authority is also concerned that not all marine incidents are reported to it and would appeal to users to report all incidents.

During the year the Authority had an independent environmental audit undertaken which was completed in March of this year. The audit acknowledged the significant improvements undertaken by the Authority since the last report in May 2010. A number of recommendations were made in respect of further improvement, the majority of which will be incorporated into the new Environmental plan which the Authority will develop during 2016/17.

Further improvements in environmental performance are necessary and will only be achieved with the full co-operation of all Port Users and this requires further improvement in working practices. I would appeal for Port Users to re-double their efforts to improve waste handling in the harbours. Waste generated by both visitors and fly tipping continues to place a significant demand on the Authority's resources.

During the year, with the ongoing support of the Department of the Environment the Authority maintained its "Fishing for Litter" which now operates in all three harbours.

Capital Works Projects

Capital works projects are undertaken with the assistance of European Fisheries Fund (EFF) and National funding. The replacement for the EFF, the European Maritime and Fisheries Fund (EMFF) did not open during the year. As a consequence the Authority did not commence any new capital works projects. Normally the Authority will deliver in excess of £1m per annum in planned grant funded projects. However four projects which commenced in 2014/15 Portavogie Small Vessel Pontoons, Kilkeel Pier Tips and River Training Repair, CCTV for all harbours and Wi-fi for all harbours were completed during the year and as scheduled.

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, road repairs in Ardglass and Kilkeel and others.

Operational Review

Key operational issues relating to 2015/2016 were as follows:-

Vessel Numbers

The number of over 10m vessels based in the 3 harbours increased by 19 vessels (16%) in comparison to the prior year. This is a significant increase and reflects the improved commercial environment for both fishing and fishing vessels delivering guard duty. Detailed figures on a port by port basis as at 31 March for the last 5 years are as follows:-

	2016	2015	2014	2013	2012
Ardglass	31	30	32	33	35
Kilkeel	65	54	52	51	48
Portavogie	44	37	42	41	39
Total	140	121	126	125	122

The number of 10m and under vessels in the 3 harbours at 31 March 2016 was 88 which compares with 79 last year. The number of these smaller vessels varies seasonally. The pontoon facility in Kilkeel was almost fully occupied throughout the year.

Maintenance Dredging

In total 21,384 tonnes of sediment was dredged from Kilkeel Harbour compared to 12,552 tonnes in the prior year.

During the year one commercial contract was completed. This was in Ballycastle harbour. The revenue from this contract helped offset the total dredging cost which was €95,667 as against £77,890 in the prior year.

Fishmarket

The Authority is 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 167 vessels were slipped; 110 in Kilkeel and 57 in Portavogie. This compares with a total of 171 vessels in the previous year of which 111 were slipped in Kilkeel and 60 in Portavogie.

Ice Supplies

The total tonnage of ice supplied in the three ports in 2015/2016 was 3,757 tonnes which represented a satisfactory increase of 486 tonnes on the previous year. On a port by port basis sales decreased by 14% in Kilkeel and 1% in Portavogie but these falls were more than offset by a 52% increase in sales by Ardglass. A significant proportion of the increase in sales in Ardglass are to new customers outside the fishing industry

Estate Management

The Authority has no available space to rent in any of the three harbour which generally reflects the high level of demand for good property. However Princess Anne Road in Portavogie remains a concern. Here the level of disrepair of some properties and one factory in particular is a cause for concern. A number of rent reviews were completed during the year and this is reflected in the increase in rental revenue.

Stakeholder Consultation

Three Stakeholder meetings were held during the year, one in each of the ports. 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 2015.

Personnel

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

During the year the Authority undertook a review of the potential work load for the project management team. With regret a decision was made to make redundant one post. David Smyth left us at the end of March. David worked hard on behalf of the Authority - he will be missed. I personally would like to express my personal gratitude to him as he was a pleasure to work with.

Financial Review

The Authority recorded a deficit before tax of £848k which compares with a previous year deficit of £633k. Depreciation rose to £1,760k from £1,564k an increase of £196k.

Expenditure excluding depreciation rose to £1,370k from £1,235k the majority of this increase was related to an extended repairs programme.

Total income before capital and revenue grants was £1,413k which is a 6% increase on last year. Landing revenues were up nearly 6% (£36k) from the prior year which reflects improved prices and landings achieved by commercial fishing. Slipway revenue was up 1% (£2k). Ice sales were up 15% (£32k). On a port by port basis revenue was up 16% in Ardglass, up 4% in Kilkeel and up 4% in Portavogie compared to the previous year.

The Authority had a positive cash balance at year end of £651k which compares with an opening balance of £187k.

Data Matching

Using Data provided by DARD under a data sharing agreement the Authority has been cross checking landings as declared to the Authority against those declared to DARD. The Authority is now invoicing on a current basis. Although much reduced there continues to be discrepancies between the two sets of data. There are a number of reasons why one would not expect the two sets of data to match exactly. Where these reasons do not

adequately explain the difference between the two sets of data the Authority raises invoices for amounts that are considered to be recoverable and owed to it.

Sickness /Absence data

The average number of working days lost due to sickness per employee was 10.32 days for 2015/2016. The equivalent figure for the previous year was 2.95 days. With just 21 staff any period of significant absence for any one employee will have a major impact. During the year one employee was absent in excess of 9 months.

Data Handling

The Northern Ireland Fishery Harbour Authority has not had any personal data related incidents during the current or previous years.

Key Objectives and Performance Targets

The Authority agreed six key objectives for 2015/16. 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 targets a number of key performance targets were set. I outline below these targets and provide information on how we performed. Where a significant target was not met further information is provided.

- **Key Objective 1: To provide safe and modern harbour facilities which are efficiently managed well maintained and effective.**

This objective was substantively met. However while significant improvements have been made, the level of accidents occurring within the harbours remains unacceptably high.

- **Key Objective 2: To be a customer centred organisation engaging and communicating with NIFHA's stakeholders**

This objective was substantively met however while KPI's were further refined they are as yet not published on the website.

- **Key Objective 3: To develop NIFHA as a learning and innovative organisation that values staff and builds capacity**

This objective was substantively met however the Authority did not achieve its goal in obtaining the Investors in People Bronze award. It is anticipated the award will be received in 2016/17.

- **Key Objective 4: 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 substantively met. However to facilitate a full year financial review both the Audit Committee and Board Self Assessments were deferred until June 2016.

-
- **Key Objective 5: To provide value for money for Government, customers and stakeholders while delivering our statutory and other duties.**

This objective, which included maintaining expenditure within approved budget limits, was substantively met.

- **Key Objective 6: To ensure the work of NIFHA builds wider socio-economic prosperity for the coastal communities which it serves while ensuring that concern for the environment is at the heart of what we do.**

This objective was substantively met.

Foreword to the Accounts

Background Information

The Northern Ireland Fishery Harbour Authority (NIFHA) is an executive Non-Departmental Public Body (NDPB) sponsored by the Department of Agriculture and Rural Development for Northern Ireland (DARD). The Authority was 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) Regulation (Northern Ireland) 1998 and in accordance with the Accounts Direction given by the Department of Agriculture and Rural Development with the approval of the Department of Finance and Personnel.

Business Review

A full review of the Northern Ireland Fishery Harbour Authority is given on pages 2 to 8 of the Report and Accounts.

Results for the Year

The results of the Northern Ireland Fishery Harbour Authority are set out in detail in the accounts on pages 21 to 43. The deficit for the year before tax was £848,537 which compares with a previous year deficit before tax of £633,165. 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 2016/2017 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 2016/2017 Business Plan (subject to the availability of grant funding).
- To achieve Investors in People award.
- To submit a draft budget to DARD by 31 January 2017.
- To implement the 2015/16 Equality Scheme plan.

Important events occurring after year end

There have been no significant events since the year end which would affect these accounts.

Board Members

Membership of the Board is as noted on page 1.

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 the Northern Ireland Fishery Harbour Authority. Refer to Note 5 for the audit fee.

Payment to Suppliers

The NIFHA 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 2015/16 the Authority paid 96% (2014/15: 98%) of bills paid within this standard with 82% (2014/15 77%) being paid within 14 days.

STATEMENT OF MEMBERS' AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Northern Ireland Harbour Authority (Accounts) Regulation (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 the Department of Agriculture and Rural Development for Northern Ireland with approval of the Department of Finance and Personnel. 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, recognised gains and losses and cash flow for the financial year.

In preparing the accounts the Members are required to:

- observe the accounts direction issued by the Department of Agriculture and Rural Development for Northern Ireland 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 Government Financial Reporting Manual (FRM) have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on the going concern basis.

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 and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Department of Finance and Personnel.

By Order of the Members



K QUIGLEY
CHIEF EXECUTIVE / SECRETARY

GOVERNANCE STATEMENT

Introduction

The Northern Ireland Fishery Harbour Authority (NIFHA) is an executive Non-Departmental Public Body sponsored by the Department of Agriculture and Rural Development (DARD) 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 the Department 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 is 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.

Governance Framework

The Authority is managed by a Board consisting of a Chairman, the Chief Executive and between four and eight other Members. The Chairman and Members are appointed by DARD 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 2016 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.

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.

Two members Harold Henning and Roy Teggarty completed their tenure during the year and retired from the Board. Their places on the board were taken up by Kate Burns and David Hill. During the year the Board held four meetings the attendance record for Board meetings is as follows:

Board	Number of Meetings attended
Terry Jarvis (Chairman)	4
Helen Henderson	3
Harold Henning	2
Ian Morris	4
Martin McDonald	4
George McIlroy	4
Roy Teggarty	2
Kate Burns	2
David Hill	1

The Risk and Assurance Committee met three times during the year. During the year Roy Teggarty was replaced on the committee by Kate Burns. Attendances for the committee were as follows:

Risk and Assurance	Number of Meetings attended
Martin McDonald (Chairman)	3
Helen Henderson	2
Ian Morris	3
Roy Teggarty	2
Kate Burns	1

The Finance and General Purposes committee met four times during the year David Hill replaced Roy Teggarty and attendances were as follows:

Finance and General Purposes	Number of Meetings attended
Terry Jarvis (Chairman)	4
Ian Morris	3
Martin McDonald	4
Roy Teggarty	2
David Hill	0
George McIlroy	1

The remuneration committee did not meet during the year and the corporate planning committee met once attendance for this meeting was as follows;

Corporate Planning	Number of Meetings attended
Terry Jarvis (Chairman)	1
Helen Henderson	1
George McIlroy	0
David Hill	1
Kate Burns	1

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

Board Performance

The chairman and members believe that on the whole the Board has operated effectively, with meetings generally including constructive and challenging debate. During the year the Board reviewed the timing of its review of its own effectiveness. The Board's view is that the review would be more effective if it considered a full financial year rather than parts of two financial years to make up one calendar year. To facilitate this approach the Board deferred its self-assessment until May 2016 when the Board will review its performance for the financial year 2015/16. The outcome of the review will be considered at the June Board meeting.

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 senior management who had been invited to attend the Board indicated that they valued the experience.

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. During the year a Stakeholder meeting was held in each port. These meetings were well attended by members of the Board.

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

- The Authority's strategy, business plan, budgets and financing requirements
- Health and Safety both on-shore and marine
- Environmental issues
- Capital works and management Projects
- Annual and interim financial statements
- Estate Management and Development
- Data Matching
- Staffing levels

The 2015/16 business plan had six key business objectives. These objectives and the associated activities are designed to ensure both the ongoing safe and prudent management of the harbours and the ongoing implementation of the current corporate plan. The objectives and associated activities were substantially achieved. The Board is content that where objectives were not fully met that this did not have an adverse impact on the delivery of services to its customers. The Board has processes in place to ensure that it remains content that the 2014/18 Corporate Plan will be fully delivered within its allotted timeframe.

Fishing Harbours are by their nature work environments where the risk of an accident is significant. The Board acknowledges that this risk is increased due to the lack of perception of risk by the fishermen. The Authority has worked hard to provide as far as reasonably possible a safe working environment within its harbour facilities. The Board is pleased that the overall accident rate is falling.

No new major capital works programmes commenced during the year which enabled the Authority to deliver an enhanced minor capital works programme. The Board has worked 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 its enhanced self-funded minor capital works programme while still delivering an above forecast operational surplus.

The Board believes that good communication with its sponsoring body DARD 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 DARD. The Board regularly welcomes representatives of DARD to attend its board meetings and Internal Audit to attend Risk and Assurance committee meetings. In addition during the year two accountability meetings attended by the CEO were held with DARD. The Board was pleased to have again been invited along with the CEO to present to the DARD board.

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 NIFHA'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 DARD and Internal Audit attended all meetings.

The Audit committee considered and approved both the Internal Audit Strategic Plan 2015-18 and the latest internal audit review. The risk register was reviewed regularly and was updated during the year. During the year the Committee considered the external reviews of both the Health and Safety Management System and the Marine Safety Management System. It also reviewed the updated Section 75 and Disability Action plans.

The Committee reviewed the timing of its formal self-assessment. The Committee's view is that the self-assessment would be more effective if it reviewed a full financial year rather than parts of two financial years to make up one calendar year. To facilitate this approach the Committee deferred its self-assessment until May 2016 when the Committee will review its performance for the financial year 2015/16. The outcome of the review will be considered at the June Committee meeting.

The Chair of the Audit Committee attended a meeting of DARD's Arm's Length Bodies and fed back to the board and audit committee on any relevant policy issues.

The Finance Committee met four times during the year. The CEO attended all meetings. The committee

considered both management accounts and the statutory accounts. It also considered the proposed budget for 2016/17, Estate Management, proposed redundancy 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 DARD's internal Auditor and the external auditor provides 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 body (DARD). 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 NIFHA 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. NIFHA's risk register is reviewed at all Board and Audit Committee Meetings. The risk register itself is considered to be a live document and is reviewed on a monthly basis by the senior management team.

Information Risk

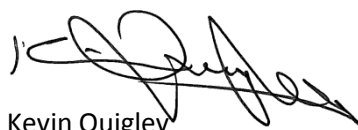
NIFHA's approach to the management of information security risk is proportionate to the nature of the risks and the limited amount of personal or sensitive information handled by the Authority. As NIFHA's Information Risk Owner I have received assurances from the Accounts Administrator that the information governance policy framework is both adequate and effective.

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 no conflicts of interests declared during the year

Conclusion

As Accounting Officer, based on the work of our Accounts Administrator, DARD 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 NIFHA 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 the Northern Ireland Fishery Harbour Authority 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.

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 2016	2015
	£		£	£
Wages and salaries	507,406	10,475	517,881	498,513
Social security costs	29,676	586	30,262	30,076
Pension costs	92,743	1,389	94,132	87,980
	629,825	12,450	642,275	616,569
IAS 19 – Actuarial Valuation				
Current service cost	130,000		130,000	115,000
Past service cost/(gain)				
Contributions by the employer	(93,000)		(93,000)	(89,000)
	666,825	12,450	679,275	642,569

Note (a) – A related revenue grant of £49,002 (2015: £79,493) has been agreed and accrued in note 4.

The Northern Ireland Local Government Pension Scheme is a funded defined benefit plan with benefits earned up to 31st March 2015 being linked to final salary. Benefits after 31st 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 “LGPS (Benefits, Membership and Contributions) Regulations (Northern Ireland) 2009” as amended. The most up to date actuarial valuation was carried out as at 31 March 2013. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2016.

The funded nature of the LGPS 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 31st March 2013 and the contributions to be paid until 31st March 2017 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31st March 2016 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 1st April 2017. For 2015-16, employers’ contributions of £94,308 were payable to the NICS pension schemes (2014-15 £87,980) at 20% of pensionable pay. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

	2016	2015
The average number of persons employed by the Authority during the year was:	Number	Number
Operation and Maintenance	13	13
Administration	9	8
	22	21

All staff employed by the Authority in 2015 and 2016 had permanent contracts of employment. Two additional temporary staff members were employed in the year to cover maternity leave/staff holidays. The staff consists of 16 male and 6 female employees.

	2016	2015
Analysis of Remuneration was as follows:	£	£
Chief Executive’s total remuneration	53,756	52,614
Members’ salaries	29,575	28,990
Operating and Maintenance	279,334	281,757
Administration	155,216	135,152
	517,881	498,513

	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 2016	Total number of exit packages by cost band 2015
< £10,000	Nil	Nil	Nil
£10,000 - £25000	1	1	Nil
Total number of exit packages	1	1	Nil
Total resource cost	£18,000	£18,000	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)

	2015/16			2014/15		
	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	8	Nil - £4,999	-	6	Nil - £4,999	-
Chief Executive	1	£50,000-£55,000	£1,000	1	£50,000-55,000	£1,000
Median Staff Salary		£18,462			£18,279	
Ratio of Highest- Paid Director Salary to Median Salary		2.9			2.9	

The Board members and Chief Executive consisted of 8 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 31/03/16 and related Lump Sum £'000	Real increase in Pension & related Lump Sum £'000	CETV at 31/03/16 £'000	CETV at 31/03/15 £'000	Real increase in CETV £'000
K J Quigley (CEO)	5 - 10	0 - 2.5	110	94	12

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.

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.



Kevin Quigley
CHIEF EXECUTIVE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN IRELAND FISHERY HARBOUR AUTHORITY

We have audited the financial statements of the Northern Ireland Fishery Harbour Authority for the year ended 31 March 2016 under the Northern Ireland Harbour Authority (Accounts) Regulation (Northern Ireland) 1998. These comprise the 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 Report that is described in that report as having been audited.

Respective responsibilities of the Members' and Chief Executive and auditor

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require we comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Fishery Harbour Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Fishery Harbour Authority; and the overall presentation of the financial statements.

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.

Opinion on Regularity

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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, of the state of the Northern Ireland Fishery Harbour Authority as at 31 March 2016 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN IRELAND FISHERY HARBOUR AUTHORITY (continued)

- the financial statements have been properly prepared in accordance with Northern Ireland Harbour Authority (Accounts) Regulation (Northern Ireland) 1998 and the Accounts Direction made by the Department of Agriculture and Rural Development with the approval of the Department of Finance and Personnel.

Opinion on other matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Northern Ireland Fishery Harbour Authority (Accounts) Regulation (Northern Ireland) 1998; 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 report by exception

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 Report to be audited are not in agreement with the accounting records; 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 Department of Finance and Personnel's guidance.

A handwritten signature in black ink, appearing to read 'M.B. McGrady', is written over the printed name.

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

2nd August 2016

Net expenditure account for the year ended 31 March 2016

	Notes	2016 £	2015 £
Income - continuing operations			
Income from activities	4	2,341,679	2,183,103
Expenditure			
Staff and related costs		679,275	642,569
Depreciation	10	1,760,399	1,563,974
Other operating charges	5	733,795	592,368
		3,173,469	2,798,911
Operating deficit		(831,790)	(615,808)
Finance income	6	253	643
Other finance income/(costs)	7	(17,000)	(18,000)
Finance and other income - net		(16,747)	(17,357)
Surplus/(Deficit) before income tax		(848,537)	(633,165)
Income tax credit/(charge)	9	239,761	157,169
Surplus/(Deficit) for the year		(608,776)	(475,996)

All amounts above relate to continuing operations of the Northern Ireland Fishery Harbour Authority.

The notes on pages 27 to 44 are an integral part of these financial statements.


Statement of financial position as at 31 March 2016

	Notes	2016 £	2015 £
Assets			
Non-current assets			
Property, plant and equipment	10	30,107,887	28,688,874
Deferred income tax assets	16	247,504	268,704
		30,355,391	28,957,578
Current assets			
Trade and other receivables	11	258,926	1,230,723
Cash and cash equivalents	12	651,473	187,376
		910,399	1,418,099
Total assets		31,265,790	30,375,677
Current liabilities			
Trade and other payables	13	196,485	743,111
Government grants	15	888,910	840,092
		1,085,395	1,583,203
Non-current assets plus net current assets		30,180,395	28,792,474
Non-current liabilities			
Deferred income tax liabilities	16	2,911,859	2,607,530
Government grants	15	14,542,395	14,719,546
Pension liabilities	14	478,000	584,000
		17,932,254	17,911,076
Assets less liabilities		12,248,141	10,881,398
Reserves			
Income and expenditure account		630,760	646,734
Revaluation reserve		11,176,390	9,793,673
Capital reserve		440,991	440,991
Total taxpayers' equity		12,248,141	10,881,398

The notes on pages 27 to 44 are an integral part of these financial statements.

The financial statements on pages 23 to 26 were authorised for issue by the Board Members of the Authority on **29 June 2016** 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 2016

Notes	2016 £	2015 £
Cash flows from operating activities		
Operating deficit before income tax and finance costs	(831,790)	(615,808)
Adjustments for:		
Depreciation of property, plant and equipment	1,760,399	1,563,974
Movement in trade and other receivables	978,322	(897,396)
Movement in trade and other payables	(546,626)	431,302
Notional charges	6,508	6,071
Difference between pension charge and cash contributions	37,000	26,000
Release of deferred capital grant	(905,851)	(799,724)
Net cash (used in)/generated from operating activities	497,962	(285,581)
Cash flows from investing activities		
Interest received	253	643
Purchases of property plant and equipment	(811,636)	(2,071,364)
Net cash used in investing activities	(811,383)	(2,070,721)
Cash flows from financing activities		
Capital Grants received from Department of Agriculture & Rural Development	777,518	1,986,397
Net cash generated from financing activities	777,518	1,986,397
Movement in cash and cash equivalents	464,097	(369,905)
Cash and cash equivalents at the beginning of the year	187,376	557,281
Cash and cash equivalents at the end of the year	651,473	187,376

The notes on pages 27 to 44 are an integral part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Capital Reserves £	Revenue Reserves £	Revaluation Reserve £
Balance at 1 April 2014	440,991	744,548	8,634,071
Deficit for the year		(475,996)	
Actuarial loss on retirement benefit obligations	-	(62,000)	-
Deferred tax credit on actuarial loss on retirement benefit obligations	-	12,400	-
Back log depreciation	-	-	(124,179)
Other notional charges	-	6,071	-
Transfer from net expenditure account to unrealised revaluation reserve	-	527,139	(527,139)
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(105,428)	105,428
Indexation uplift on property, plant and equipment	-	-	2,131,865
Deferred tax on indexation uplift on revaluation of property, plant and equipment	-	-	(426,373)
At 31 March 2015	440,991	646,734	9,793,673
Deficit for the year		(608,776)	
Actuarial gain(loss) on retirement benefit obligations	-	160,000	-
Deferred tax credit/(debit) on actuarial loss on retirement benefit obligations	-	(32,000)	-
Back log depreciation	-	-	(266,050)
Other notional charges	-	6,508	-
Transfer from net expenditure account to unrealised revaluation reserve	-	572,867	(572,867)
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(114,573)	114,573
Indexation uplift on property, plant and equipment	-	-	2,633,826
Deferred tax on indexation uplift on revaluation of property, plant and equipment	-	-	(526,765)
At 31 March 2016	440,991	630,760	11,176,390

The notes on pages 27 to 44 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2016

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 2015/16 Government Financial Reporting Manual (FRoM) issued by DFP Northern Ireland. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM 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

Income 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 also includes release from deferred government capital grants received from DARD. 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. 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.

Property, plant and equipment

Freehold property is shown at fair value, based on periodic, but at least every 5 years, valuations by Land and Property Services, 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.

Notes to the financial statements for the year ended 31 March 2016

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

Property, plant and equipment (continued)

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 ¹ / ₃ %

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.

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 provision for impairment. 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.

Notes to the financial statements for the year ended 31 March 2016

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

(a) Trade and other receivables (continued)

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 includes 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.

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.

Notes to the financial statements for the year ended 31 March 2016

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

Income tax and deferred income tax (continued)

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.

Government grants relating to costs are deferred and recognised in the net expenditure account over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the net expenditure account on a straight line basis over the expected useful economic lives of the related assets.

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.

Notes to the financial statements for the year ended 31 March 2016

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 15 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 a reasonable provision for non-performance by its customers.

(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 2016

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 £104k and if the useful economic life had been decreased by one year depreciation would have increased by £138k.

2. Method of financing capital works

Capital works have been financed by grants mainly from the Department of Agriculture and Rural Development 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

	2016	2015
	£	£
Berthing dues	78,610	76,350
Landing and market dues	683,760	647,727
Revenue from services:		
- Ice Sales	247,966	215,889
- Slipways	157,759	155,647
- Sundry, telephone and power	34,275	45,204
- Water	15,614	15,498
Rental income	124,324	123,071
Hire of Kilmourne Dredger	44,518	24,500
Release of deferred Government Grant	905,851	799,724
Building Sustainable Prosperity/European Fisheries Fund – note 6(a)	49,002	79,493
	2,341,679	2,183,103

Notes to the financial statements for the year ended 31 March 2016

5. Other operating charges

	2016	2015
	£	£
Repairs and general upkeep	302,296	185,432
Training	10,739	7,364
Insurance	106,578	107,447
Rent and rates	23,074	20,422
Electricity and water	158,118	178,901
Lease payments for equipment	10,231	10,271
Audit and accountancy	9,600	7,250
Telephone, printing stationery and postage	10,997	10,592
Travelling and subsistence	10,826	11,828
Sundries	21,336	10,436
Legal and professional fees	42,410	21,095
Health and safety	5,748	4,873
Advertising	299	358
Bad debt	15,035	10,028
Internal Audit fee (Notional cost)	6,508	6,071
	733,795	592,368

6. Finance income

	2016	2015
	£	£
Interest income:		
Short-term bank deposits	253	643
Interest expense:		
Bank borrowings	-	-
Finance costs - net	253	643

7. Other finance cost

	2016	2015
	£	£
Interest on pension scheme liabilities	17,000	18,000

Notes to the financial statements for the year ended 31 March 2016

8. Performance against key financial targets

The following key financial target was agreed with the Department of Agriculture and Rural Development for 2015/2016:

- To achieve an operating surplus of £114 after revenue grant but before capital charges, interest, IAS 19, tax and notional adjustments.

The Authority actually recorded a surplus of £66,266 on this basis (2014/15 surplus was £180,513).

9. Income tax

	2016 £	2015 £
Current income tax:		
Current income tax charge at 20% (2014:20%)	(6,525)	8,302
Total current income tax	(6,525)	8,302
Deferred income tax:		
Origination and reversal of temporary differences	(233,236)	(165,471)
Total deferred income tax	(233,236)	(165,471)
Income tax credit	(239,761)	(157,169)

Factors affecting the corporation tax charge for the year:

	2016 £	2015 £
Deficit before income tax	(848,537)	(633,165)
Tax calculated at the UK standard rate of corporation tax for small companies of 20% (2014: 20%)	(169,707)	(126,633)
Effects of:		
Expenses not deductible for tax purposes/(income not taxable)	(179,919)	(158,825)
Timing differences	343,101	293,760
Tax losses carried forward	-	-
Utilised tax losses	-	-
Total current income tax	(6,525)	8,302

Notes to the financial statements for the year ended 31 March 2016

10. Property, plant and equipment

	Harbour Property and Equipment			General	Total
	Kilkeel	Ardglass	Portavogie	Equipment	
	£	£	£	£	£
Cost or valuation					
At 31 March 2015	20,206,035	4,495,179	7,024,377	34,677	31,760,268
Additions	465,389	-	329,711	16,536	811,636
Indexation	1,698,856	370,653	564,317	-	2,633,826
At 31 March 2016	22,370,280	4,865,832	7,918,405	51,213	35,205,730
Depreciation					
At 31 March 2015	1,721,854	484,552	848,307	16,681	3,071,394
Provided during the year	985,581	259,822	500,386	14,610	1,760,399
Back log depreciation	151,276	42,310	72,464	-	266,050
At 31 March 2016	2,858,711	786,684	1,421,157	31,291	5,097,843
Net book amount					
At 31 March 2016	19,511,569	4,079,148	6,497,248	19,922	30,107,887
At 31 March 2015	18,484,181	4,010,627	6,176,070	17,996	28,688,874

Depreciation expense of £1,760,399 (2015: £1,563,974) has been fully charged to expenditure.

Indexation has been charged at a rate of +8.91% 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.

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

	2016	2015
	£	£
Cost	38,912,052	38,100,416
Accumulated depreciation	(27,672,855)	(26,485,322)
Net book amount	11,239,197	11,615,094

Notes to the financial statements for the year ended 31 March 2016

11. Trade and other receivables

	2016	2015
	£	£
Trade receivables	178,576	136,771
Grant receivables	45,408	769,922
Other receivables – VAT	23,270	300,115
Corporation tax refund	6,525	
Prepayments and accrued income	5,147	23,915
	258,926	1,230,723

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.

12. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and on hand	651,473	187,376

13. Trade and other payables

	2016	2015
	£	£
Trade payables	47,729	605,292
Other tax and social security	11,370	11,034
Other payables	46,967	47,766
Corporation tax	-	8,302
Accruals and Deferred Income	90,419	70,717
	196,485	743,111

Notes to the financial statements for the year ended 31 March 2016

14. 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 2013. The valuation was carried out by Scott Campbell FIA of Aon Hewitt Limited.

The financial assumptions used by the actuary were:

	2016	2015
Rate of increase in salaries	3.3%	3.3%
Rate of increase in pensions in payment	1.8%	1.8%
Discount rate	3.2%	3.2%
Inflation assumption (RPI)	2.9%	2.9%
Inflation assumption (CPI)	1.8%	1.8%

The mortality assumptions used were as follows:	2016	2015
Longevity at age 65 for current pensioners (in years):		
- Men	22.3	22.2
- Women	24.5	24.7
Longevity at age 65 for future pensioners (in years)		
- Men	24.5	24.4
- Women	27.2	27.0

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

	Value at 2016 £	Value at 2015 £
Equities	2,500,000	2,458,000
Bonds	421,000	424,000
Property	459,000	411,000
Cash	80,000	67,000
Other	17,000	7,000
Total market value of assets	3,477,000	3,367,000
Present value of scheme obligations	(3,949,000)	(3,945,000)
Present value of unfunded obligations	(6,000)	(6,000)
Deficit in scheme	(478,000)	(584,000)

Notes to the financial statements for the year ended 31 March 2016

14 Pension liabilities (continued)

Reconciliation of present value of scheme liabilities

	2016	2015
	£	£
At 1 April 2015	3,951,000	3,446,000
Current service cost	130,000	115,000
Past service (gain)/cost	-	-
Interest cost	125,000	146,000
Contributions by members	29,000	28,000
Benefits paid	(108,000)	(107,000)
Actuarial (gains)/losses	(172,000)	323,000
At 31 March 2016	3,955,000	3,951,000

Reconciliation of fair value of scheme assets

	2016	2015
	£	£
At 1 April 2015	3,367,000	2,968,000
Interest income on assets	108,000	128,000
Actuarial gains/(losses)	(12,000)	261,000
Benefits paid	(108,000)	(107,000)
Contributions paid by members	29,000	28,000
Contributions paid by the employer	93,000	89,000
At 31 March 2016	3,477,000	3,367,000

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

	2016	2015
	£	£
Current service cost (excluding administration expense)	129,000	114,000
Administration expense	1,000	1,000
Past service (gain)/cost	-	-
Interest on pension scheme liabilities	17,000	18,000
Total operating charge	147,000	133,000

Notes to the financial statements for the year ended 31 March 2016

14. Pension liabilities (continued)

The total current service cost of £130,000 (2015: £115,000) is included within staff costs. The total contributions expected to be made to the scheme by the Northern Ireland Fishery Harbour Authority in the year to 31 March 2016 are £86,000.

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of changes in taxpayers' equity is (£198,000).

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 2015	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	1.7%	67
1 year decrease in member life expectancy	2.6%	103
0.1% increase in the Salary Increase Rate	0.5%	20
0.1% increase in the Pension Increase Rate	1.2%	5

Amounts for current and previous four years:

	2016	2015	2014	2013 (restated)	2012
	£	£	£	£	£
Fair value of scheme assets	3,477,000	3,367,000	2,968,000	2,704,000	2,280,000
Present value of defined benefit obligation	(3,955,000)	(3,951,000)	(3,446,000)	(3,388,000)	(2,897,000)
Deficit	(478,000)	(584,000)	(478,000)	(684,000)	(617,000)
Experience gains/(losses)	(12,000)	261,000	130,000	287,000	(138,000)
Experience gains/ (losses) on liabilities	(490,000)	(323,000)	141,000	(307,000)	(51,000)

Notes to the financial statements for the year ended 31 March 2016

15. Government grants

	£
At 1 April 2014	14,372,965
Grant received and receivable	1,986,397
Amortised during the year	(799,724)
At 31 March 2015	15,559,638
Grant received and receivable	777,518
Amortised during the year	(905,851)
At 31 March 2016	15,431,305

The grants were provided to the Authority for the purpose of its expenditure on its property, plant and equipment. The current portion of the government grants is £888,910 (2015: £840,092) and the non-current portion is £14,542,395 (2015: £14,719,546).

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.

	2016	2015
	£	£
Deferred income tax assets to be recovered after more than 12 months	(95,600)	(116,800)
Deferred income tax assets to be recovered within 12 months	(151,904)	(151,904)
	(247,504)	(268,704)
Deferred income tax liabilities to be recovered after more than 12 months	2,759,955	2,455,626
Deferred income tax liabilities to be recovered within 12 months	151,904	151,904
	2,911,859	2,607,530
Deferred income tax liabilities - net	2,664,355	2,338,826

Notes to the financial statements for the year ended 31 March 2016

16. Deferred income tax (continued)

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

	£
At 1 April 2014	2,090,324
Credited to the net expenditure account	(165,471)
Charged directly to the statement of changes in taxpayers' equity	413,973
At 31 March 2015	2,338,826
Credited to the net expenditure account	(233,236)
Charged directly to the statement of changes in taxpayers' equity	558,765
At 31 March 2016	2,664,355

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 2014	2,337,828	(151,904)	(95,600)	2,090,324
Credited/(charged) to the net expenditure account	(156,671)	-	(8,800)	(165,471)
Credited/(charged) directly to the statement of changes in taxpayers' equity	426,373	-	(12,400)	413,973
At 31 March 2015	2,607,530	(151,904)	(116,800)	2,338,826
Credited/(charged) to the net expenditure account	(222,436)		(10,800)	(233,236)
Credited/(charged) directly to the statement of changes in taxpayers' equity	526,765		32,000	558,765
At 31 March 2016	2,911,859	(151,904)	(95,600)	2,664,355

Notes to the financial statements for the year ended 31 March 2016

17. Borrowing powers

The Department of Agriculture and Rural Development 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 2017 is £1,000,000.

18. 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	
	2016	2015	2016	2015
	£	£	£	£
No later than one year	11,500	7,750	2,261	7,071
Later than one year and no later than five years	46,000	27,125	-	2,261
Later than five years	111,167	-	-	-
	168,667	34,875	2,261	9,332

19. Contingent liabilities

The Northern Ireland Fishery Harbour Authority has a contingent liability to repay grants received, if certain conditions are not fulfilled.

20. Related party transactions

Northern Ireland Fishery Harbour Authority is a Non-Departmental Public Body sponsored by the Department of Agriculture and Rural Development for Northern Ireland.

The Department of Agriculture and Rural Development for Northern Ireland is regarded as a related party. During the year, the Authority had various material transactions with the Department.

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 the Department of Rural Development for Northern Ireland: -

Notes to the financial statements for the year ended 31 March 2016

20. Related party transactions (continued)

The Authority's related party transactions during the year with the Department of Rural Development for Northern Ireland were as follows:

	2016 £	2015 £
Grants received and receivable	781,112	2,065,890
Rents received and receivable	12,955	12,955
	794,067	2,078,845

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

	2016 £	2015 £
Grants receivable from related parties	-	769,941

21. Financial instruments

The entity's financial instruments are classified as follows:

Assets and liabilities	Category of financial instrument
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

22. Ultimate controlling party

The Northern Ireland Fishery Harbour Authority has no ultimate controlling party.