

ANNUAL REPORT & ACCOUNTS 2020



**Belfast
Harbour**



Contents

| | |
|--|----|
| Chairman's Statement | 6 |
| Chief Executive's Review | 10 |
| Trading Performance | 12 |
| Property and Place | 14 |
| A Socially Responsible Port | 18 |
| Environment and Sustainability | 22 |
| Corporate Matters | 26 |
| Strategic Report | 30 |
| Commissioners' Attendance 2020 | 34 |
| Commissioners | 36 |
| New Commissioners | 42 |
| Executive Team | 44 |
| Corporate Governance Statement | 46 |
| Energy and Carbon Reporting Statement 2020 | 50 |
| Consolidated Financial Statements | 54 |

Vision to 2035

To be the region's gateway
for trade, growth, tradeable
services and an Iconic
Waterfront for the City

As a Trust Port we do not
receive public funding

We operate, maintain
and develop Belfast Harbour
for the benefit of everyone
by re-investing our profits

Chairman's Statement

Without doubt, 2020 was one of the most challenging years in recent memory with the Covid-19 pandemic impacting on every part of our society. I am pleased to report that Belfast Harbour's crisis and mitigation plans worked well throughout the pandemic, allowing us to keep the Port open on a 24/7 basis throughout the entire crisis, with services and trade uninterrupted, and to deliver a solid set of results. This is a testament to the hard work and commitment of our staff and the entire Port community, to whom I want to express my heartfelt thanks.

Despite the impact of Covid-19 and uncertainty relating to Brexit, Port trade levels remained healthy

Despite the impact of Covid-19 on Port trade and estate activity, 2020 turnover, at £62.8 million, was only down by 4.7% against the prior year. EBITDA, at £42.2 million, was 0.6% ahead with underlying Profit before Tax at £30.1 million, 3.8% down on the prior year. Following a triennial property revaluation there was a year-end £11.6 million reduction made to the balance sheet value of our

overall property holdings, which was largely caused by the impact of Covid-19 on market values.

2020 Trading Activity

Our 2020 results demonstrated the resilience of our Port and its customers. Despite the impact of Covid-19 and the uncertainty relating to the end of the Brexit transition period, Port trade levels remained healthy, with the overall volume of cargo handled at just under 23.5m Tonnes.

Stena Line made a significant contribution to this trading outcome by maintaining a full service throughout the pandemic. We were very pleased to join our partner Stena Line in marking the 25th anniversary of the commencement of its trading from Belfast Harbour in November 2020. Stena Line has not just made an invaluable contribution to Belfast Harbour's performance over the 25 years but has also made a tremendous contribution to the Region's economy.

Our Estate business also remained resilient, however lockdown restrictions inevitably impacted trading at Belfast Harbour's AC by Marriott Hotel and NCP Car Park at Donegall Quay, with both facilities required to cease trading for substantial periods during the year. Our Film Studios had a more encouraging year with New Regency's filming of "The Northman", a Viking epic with an all-star Hollywood cast including Nicole Kidman.

P12

Read more about our trading performance in 2020

Investment

Despite the major adverse impact of Covid-19 and the uncertainty it has caused, the Belfast Harbour Commissioners' Board remains fully committed to its ambitious investment plans.

During a year of unprecedented challenge, we continued to actively progress our various

Through 2020, construction work continued on City Quays 3, one of the largest commercial office properties to be built in the City in recent years. The 16-storey, 250,000 square foot Grade 'A' waterfront office will be one of the first developments to incorporate purpose-built contactless design features in response to Covid-19.



investment projects, and, as a Trust Port, our capacity to take a long-term strategic view on investment has never been more relevant. Tangibly, this meant that Belfast Harbour invested almost £43.2 million on Port facilities and Estate projects during 2020, up 3.6% on the prior year. This included major upgrades of our ferry and container terminals, helping to further realise our World's Best Regional Port ambitions.

Construction also commenced on the £25 million Olympic House Grade 'A' office scheme in Titanic Quarter which is being jointly developed by Belfast Harbour and Titanic Office Developments Limited.

As well as being a busy Port, Belfast Harbour is also home to over 760 businesses including innovative industries like film and media, life sciences, financial & legal services and software

development. The City Quays 3 and Olympic House offices will offer world class accommodation to support the growth of these sectors and helping our role as a Key Economic Hub for the region.

Our Harbour Estate is already an incredibly diverse community, with 1500 people living and 30,000 people working and studying in our estate. As we strive to deliver an Iconic Waterfront district for Belfast, 2020 saw planning approvals secured for a new hotel, an aquarium in Titanic Quarter and a new link road into the Queen's Island area, which will include enhanced cycling lane provision from Queen's Road to Sydenham Road. Construction on the latter project is due to start in 2021.

Planning approval was also obtained in August 2020 for a quadrupling of the Belfast Harbour Studio space, which when completed will support the creation of around 1000 further jobs in this ever growing sector.

P14

Read more about investment in Property and Place

A notable milestone in our ambition to become a Smart Port was achieved during the year with our landmark partnership with BT to build a state-of-the-art 5G ecosystem within the Port, the first such 5G ecosystem in any UK port. This partnership will deliver a series of 5G-led innovations to accelerate Belfast Harbour's digital transformation.

A Socially Responsible Port

Belfast Harbour's responsible approach to how we conduct

our business is core to our ethos as a Trust Port. Throughout 2020 we continued to partner with community and charitable organisations to create opportunities for young people, with a focus on support for a number of digital and community based employability and skills programmes. Alongside our established programme we allocated additional support during the year to help address the new and emerging social need arising from Covid-19.

Our commitment to the safety and well-being of everyone living, working and visiting within our Harbour Estate is resolute. I was therefore personally delighted that Belfast Harbour's longstanding partnership with Lagan Search and Rescue was formalised during 2020 and was instrumental to their introduction of a new fully equipped rapid response life-saving craft. Our new Patronage Agreement will contribute to the ongoing efforts to save lives by the delivery of a high quality search and rescue service in the Port.

Belfast Harbour invested almost £43.2 million on Port facilities and Estate projects during 2020, up 3.6% on the prior year

As part of our aspiration to build a truly sustainable green port we continue to develop Belfast Harbour in a responsible way and to further improve marine

diversity and the amenity use and appeal of the inner harbour area. We intend to be net carbon neutral by 2030, well ahead of Government's target and work is well underway to bring this about including by the deployment of electric vehicles, the use of renewable energy and the adoption of best sustainable practices.

Board

I want to express my personal thanks to all of the Belfast Harbour Commissioner Board members for their significant contribution to the ongoing success of Belfast Harbour. Nine Commissioners completed their term of office in March 2021, with six of these standing down from the Board and three reappointed for a further term. Those Commissioners who are standing down have handed on an invaluable legacy to their successors on the Board and we wish them well in their future endeavours. I would also like to welcome the six newly appointed Harbour Commissioners who take up their posts alongside three reappointed Board members and our four Belfast Councillor Board members whose term of office is concurrent with their election as Councillors.

Future outlook

Covid-19 restrictions have continued into the first half of 2021, with a consequential impact on Port trade and estate revenues. The vaccination programme should allow a gradual relaxation in Covid-19 restrictions, allowing for the prospect of some recovery in the second half of 2021.

We are mindful however of the risk of new Covid-19 variants and further waves of the pandemic which make it difficult to accurately forecast activity for the year ahead. Despite this risk, we anticipate that in 2021 trade through Belfast Harbour and estate activity will be ahead of 2020, with the potential for growth as the economy gradually reopens.

As trading adapts to the new requirements of the NI Protocol, we continue to work with our customers, HRMC and various Government departments to facilitate the new requirements and mitigate any potential adverse impacts on trade through the Port.

True to our Trust Port status, Belfast Harbour Commissioners remain committed to delivering on our ambitious strategy "a Port for Everyone" which has the objective of making Belfast Harbour the World's Best Regional Port. We believe this is more important than ever. Not only will our investments inspire new opportunities by providing 21st century Port infrastructure facilities generating new jobs and contributing to economic recovery, but they will also help improve the well-being of the stakeholders and communities we serve by creating an Iconic Waterfront district for our city – an attractive place to work, live and visit.



Chief Executive's Review

Strategic Context

Belfast Harbour is a Port that works hard to deliver for everyone in Northern Ireland. For generations it has been a core asset to the local economy and as 2020 demonstrated, it is more important than ever in the day-to-day lives of the people and businesses in this region.

In fact, more than two thirds of what comes in and out of Northern Ireland by sea comes through Belfast Harbour – from the food in your weekly shop, to the tourists visiting our shores. Most of what we export goes out through Belfast Harbour too – from stone for road building, to fresh produce.

More than two thirds of what comes in and out of Northern Ireland by sea comes through Belfast Harbour

In the past, our success was built on the industries that shaped the character of Belfast, like linen, rope-making and shipbuilding. Today, as well as being a busy port, Belfast Harbour is also a hub for innovative industries of the future like film & media, life sciences and software development, all contributing to our Key Economic Hub ambition.

We are a Trust Port, which means we reinvest our profits in port infrastructure and regeneration projects that benefit everyone in Northern Ireland. Belfast Harbour has an ambitious investment

programme in economically significant projects for the region. To date we have funded our investments through retained profits, however the future delivery of our vision will require utilisation of Belfast Harbour's borrowing powers.

As we work to deliver a Port for Everyone, we are investing in the latest equipment technology to ensure that we are efficient, productive and environmentally responsible. We are creating new berths for larger ships and introducing advanced port equipment and game-changing technology, to maintain our competitiveness as a modern, industry leading port.

Within our Harbour Estate, we are creating vibrant and versatile new office spaces, fit for purpose in a post-pandemic world. Our ambitious new film studios developments are already stimulating opportunity and growth for Northern Ireland's creative industries sector and will continue to do so as they expand.

In delivering a Harbour Estate that meets the needs of future generations, we are creating sustainable transport and innovative living space solutions, and developing new homes and leisure space for our local communities.

Our vision is to be the World's Best Regional port and to create an Iconic Waterfront for the city. In developing a thriving and innovative economic hub, we are creating a new legacy and playing our part at the heart of the community, by helping Belfast's transformation into a stand-out city in which people want to live, work, visit and invest.

Belfast Harbour is part of this community and as an organisation we are deeply connected to and engaged with our neighbours and partners. We are committed to doing business the right way and making a positive contribution to our society by operating in a responsible and ethical manner.

Financial Performance

In spite of the unprecedented challenges during 2020, Belfast Harbour produced a solid and resilient financial performance with Group Revenue of £62.8m, a reduction of £3.1m (-4.7%). Mid-year initial impacts from Covid-19 were substantially recovered from by most trade sectors by quarter 4, with the revenue reduction largely recorded from the pandemic impact on our tourist traffic, notably cruise, and partial closure of the AC by Marriott Hotel and NCP car park.

Our ambitious new film studios developments are already stimulating opportunity and growth for Northern Ireland's creative industries sector

Net operating expenses reduced by £2.2m (6.2%) due to lower trading costs in the AC Hotel and NCP car park together with a cost containment programme across the wider business in response to the uncertainty

of Covid-19 and initial tighter trading and operating conditions. EBITDA, at £42.2 million, was 0.6% against prior year with EBITDA margin improving from 62% in 2019 to 66% in 2020. This very credible performance was due in no small part to the diversity of our portfolio and the tremendous response and endeavours of all our teams and partners.

Underlying Profit before Tax at £30.1m was down just £1.2m (3.8%) against prior year, however, an £11.6m deficit on a revaluation of our investment properties resulted in a reported Profit before Tax of £18.5m.

Net Assets increased by £10.7m (2%) to £525.6m reflecting the negative effect of the investment property revaluation on a profit and loss transfer of £22.3m.



Trading Performance



Port

Despite the challenges, Port trade levels proved to be remarkably resilient in 2020 with the volume of cargo handled falling by 3% to just under 23.5mT. The first period of 'lockdown' in March and April had a significant impact on Port trade with RoRo freight, in particular, declining significantly along with passenger traffic levels.

As the year progressed, most sectors began to slowly recover, however, continuing restrictions on the movement of people and leisure travel, meant that passenger levels on the Port's RoRo services remained substantially impacted. In addition, the Port's cruise business was, effectively, mothballed with only one cruise ship calling in Belfast in 2020. Indeed, the cruise sector is expected to take some time to fully recover.

The Port's trade levels in 2020 were positively impacted by businesses planning for the end of the Brexit transition Period. With stockpiling taking place in the last 6 weeks of 2020, trade figures were boosted, but with a consequent quieter start to 2021 trading.

The three RoRo ferry routes operated by our long-term partner, Stena Line, from Belfast to Great Britain, remained operational throughout the Covid-19 pandemic providing vital linkages to this market for local businesses. After ten consecutive years of growth however, the total number of freight vehicles handled fell marginally in 2020 by 3% to 535,000 units.

Container traffic levels were also impacted by Covid-19 with volumes affected early in 2020 by the prolonged shutdown in China and subsequently, the impact of the pandemic closer to home with traffic down 13% overall during the year.

Despite the challenges, Port trade levels proved to be remarkably resilient in 2020

Bulk

Bulk cargo finished the year 2% ahead of 2019 levels at 9.45mT, despite Covid-19 impacting the imports during mid-2020.

Grain and animal feed imports, facilitated principally by W&R Barnett and Cefetra, were 11% ahead of 2019 levels at 2.3mT, boosted by year end stockpiling and only marginally lower than the record year of 2018.

Lissan Coal Company (LCC) showed its resilience throughout the year in its Belfast Harbour based coal processing facility, despite many challenges; as it continued to import commodity, primarily from South America, and exported processed material to destinations across the world.

Thermal coal used in the EP Kilroot power station was higher in 2020 as the station was utilised more by the system operator to provide power to the grid. It remains likely that coal fired generation at Kilroot will, however, cease at the end of 2023

which will bring an end to associated coal imports into Belfast.

One of Northern Ireland's key export commodities, aggregates, once again increased trade with 1.75mT, a new record, exported through the Port during 2020. Co Down producer Conexpo, which processes its raw material on site at Belfast Harbour, once again exported more than 1m Tonnes, with most of the product destined for road projects in Great Britain.

Imported liquid bulk tonnages decreased by 3% in 2020, to 2.2mT, primarily as a result of a large reduction in the demand for road fuels as a result of the Covid-19 lockdowns. This was offset somewhat by increased kerosene imports with more people working from home and a resultant increased demand for home heating oil.

Break bulk volumes were 18% lower in 2020 with the key commodities of paper and steel both down as a result of reduced demand and economic activity during the pandemic.

Cruise

The Covid-19 pandemic impacted Belfast's cruise business severely, with only one vessel making a call to Belfast in 2020, out of the 129 that had been originally scheduled. We are working with our partners in Visit Belfast, to develop a Covid-19 secure plan and ensure we are ready for the safe return of cruise ships to Belfast in due course.

Port Development

As part of the journey to achieve our 'World's Best Regional Port' strategic ambition, investment

continued during 2020 in facilities to drive efficiency and capacity improvements at the Port. The £40m redevelopment of Victoria Terminal 3 container terminal continued, with more than £20m invested in 2020 including the purchase of two new fully electric Liebherr ship to shore cranes and semi-autonomous rubber tyre gantry (RTG) cranes. The two new ship to shore cranes are now operational as are five of the RTG units.

The installation of a new £16m, two tier linkspan ramp and associated civil works at the Victoria Terminal 2 ferry terminal was completed in March 2020, coinciding with the arrival of the first of the new build Stena Line E-Flexor vessels, the Stena Edda, which operated on the Belfast-Birkenhead route through the remainder of the year. Her sister vessel, the Stena Embla, arrived in Belfast in January 2021 for operation on the same route. This investment futureproofs connectivity to key markets and maintains vital supply chains.



Property and Place



City Quays

During 2020, the final two floors of the City Quays 2 office, Belfast Harbour's most recently completed Grade 'A' waterfront development, were occupied by Aflac, from the insurance sector, and ARM from the software development sector. Aflac and ARM join tenants from a wide range of sectors including ITV and Wireless (U105 Radio) in the media sector, TP ICAP in the financial services sector and Baker McKenzie in the legal sector. The depth and strength of the occupier base and speed of letting is a testament to the success of Belfast Harbour's strategy of providing high quality sustainable (BREEAM Excellent) buildings developed speculatively in advance of tenant demand. This approach supports Invest NI's objectives of securing new entrants and expanding indigenous businesses.

By providing the high quality product, occupier experience and associated building management services expected by Foreign Direct Investors, City Quays has achieved CBRE's 'Premier Property' global standard, which identifies commercial office assets that offer quality properties and service to tenants and their visitors.

High standards of building management have helped Belfast Harbour customers navigate the challenges of the Covid-19 pandemic

This high standard of building management has helped Belfast Harbour customers navigate the challenges of the Covid-19 pandemic, for example the implementation of a contactless journey from 'door to desk' and the installation of screens within lifts to make separation possible.

Our 4* AC by Marriott waterfront hotel entered its third year of trading in 2020. However the serious impact of the pandemic on leisure and hospitality is well documented and in line with Government restrictions, the hotel was closed to normal trading for much of 2020. We were, however, pleased to be able to assist the essential workers who availed of our hotel accommodation during the course of the year.

During normal trading times, the hotel with restaurant, bar, fitness suite and meeting rooms which was developed and financed by Belfast Harbour is managed via a specialist hotel operator - Interstate Europe Hotels and Resorts.

The hotel and restaurant provide an additional reason to visit the City Quays and Clarendon area and complements the businesses based in the offices, providing hotel space for clients and colleagues as well as a food and beverage offer together with formal and informal meeting spaces.

The hotel fronts a new public plaza adjacent to the City Quays offices and links with the waterfront walk and cycleway providing a landscaped amenity for the area and connecting the waterfront to the City.

The City Quays 900 space multi-storey car park, developed, financed and operated by Belfast Harbour via a specialist operator,



National Car Parks (NCP), also closed for a period during 2020, with reduced city footfall as commuters and visitors adhered to the Government's 'Stay at Home' guidance. The car park remains an important asset to our City Quays development, providing parking amenity for offices, retail and hotel users and will recommence operations as lockdown restrictions are lifted.

Work continues on site for another Grade 'A' waterfront office development - City Quays 3. This 16 storey, 250,000 square feet, highly environmentally sustainable building (BREEAM Excellent), will include a tenant 'well-being space' together with views of the waterfront.

City Quays 3 is one of the largest new build commercial office properties to be built in the City in recent years. The project represents a further £50m+ strategic investment by Belfast Harbour and the completed building will accommodate some 1,800+ office workers.

It will be the one of the first high quality new development projects in the city to incorporate design elements that take account of new measures to help manage social distancing and reduce surface contact in the workplace. The design team is led by RPP

Architects, and construction is being undertaken by main contractor Farrans Construction. It is anticipated that work will complete by Q4 2021.

Titanic Quarter

Despite the impacts of the Covid-19 pandemic progress was achieved in Titanic Quarter during 2020 with planning approvals secured for a 276 bed hotel at Hamilton Dock in January and Reeflive Aquarium in September. Physical delivery of these projects has been delayed by the market down-turn as a result of Covid-19 but both are expected to commence on site during 2021.

Planning approval was also secured for the construction of a new link road into the area from Queen's Road to Sydenham Road with construction due to start early 2021. This infrastructure project will enable active travel via dedicated cycle lanes and the provision of a 'Belfast Bike' docking station.

Belfast Harbour and Titanic Office Developments Ltd entered into a Development Agreement to construct the £25m Olympic House BREEAM Excellent Grade 'A' office scheme in 2020. Local contractor O'Hare and McGovern was appointed and construction work is progressing well on site with completion expected by end of 2021.

At the strategic level Belfast Harbour continued to work in conjunction with Titanic Quarter Limited to evolve the Vision Masterplan for the remaining undeveloped Titanic Quarter lands together with an associated

Strategic Transport Masterplan which will assist in the delivery of our strategy of sustainably developing an Iconic Waterfront and enabling a Key Economic Hub.

Residential

Substantial progress was made in 2020 on promoting residential development opportunities within the Harbour Estate. Projects in Titanic Quarter and City Quays are due to progress in 2021 making a significant positive contribution to the ambitions of the Belfast Agenda.

A Netflix feature film adaptation of the 'School for Good and Evil' book series, commenced in early 2021



Belfast Harbour Studios

At the start of 2020 New Regency's 'The Northman' feature film, a 10th Century Viking epic with an all-star Hollywood cast including Nicole Kidman, Alexander Skarsgard and Willem Defoe, took up residence in Belfast Harbour Studios. Following a 4-month closure during the initial Covid-19 lockdown, the Production returned and adopted the British Film Commission guidelines to complete filming and 'wrap up' by December 2020. Meanwhile the next production, a Netflix

feature film adaptation of the 'School for Good and Evil' book series, commenced in early January 2021.

Furthermore, Paramount Pictures commenced their new 'Dungeons and Dragons' production in Titanic Studios in the autumn of 2020 with the local NI crew demonstrating its capacity to accommodate several large productions at the same time. The continuing attraction of Belfast Harbour Studios and Northern Ireland as a film location, coupled with the development of the local crew base, provides a compelling justification for extending the existing Studios.

In our Port for Everyone strategy, Belfast Harbour detailed an ambition to create a leading European creative and media hub. Consistent with this ambition, Planning Approval was granted in August 2020 to extend Belfast Harbour Studios by up to a further six film stages with supporting production offices and workshops. A construction tender process commenced in early 2021 to progress the development of the project.

FUTURE DEVELOPMENTS AND OPPORTUNITIES

Innovation

Belfast Harbour collaborated with Belfast City Council, Queen's University Belfast,

Ulster University and Catalyst Inc, to establish the Digital Innovation Partnership in 2020. The partnership has an ambitious vision for inclusive growth through innovation for Belfast which will help to stimulate post Covid-19 economic recovery. It will also contribute to the delivery of the objectives of the Belfast Agenda, the draft Programme for Government and Belfast Harbour's Vision to 2035.

A flagship project of the Digital Innovation Partnership is the creation of an Innovation District encompassing over 400 acres of the City from the City centre and City Quays across to Queen's Island. This will build upon existing innovation infrastructure and create a competitive international window of opportunity for investors and local citizens alike.

Belfast Harbour has also been working collaboratively with Ulster University and Queen's University on their respective Belfast Region City Deal projects, assisting with identification of mutual investment opportunities.

Freeports Proposition

In conjunction with city partners, Belfast Harbour submitted a response to the UK Government's consultation on Freeports. Working with stakeholders from other ports, central and local government, we look forward to further developing a Freeports proposition that will deliver social and economic benefits for Northern Ireland.



A Socially Responsible Port



Belfast Harbour supported Nerve Centre screen academies.

Belfast Harbour in the Community

As a Trust Port, Belfast Harbour's commitment to strengthening our role as a socially responsible port is evident across all aspects of our business. Our responsible business approach is integrated within our core business operating model and is embedded within our Port and Estate strategic ambitions. The Responsible Business and Stakeholder Committee defines the strategic direction of Belfast Harbour's responsible business agenda and reviews the implementation of its community engagement action plan.

Delivering positive and sustainable socio-economic impact is part of our day to day business. It is embedded within our strategic development and Iconic Waterfront ambitions and demonstrated through our stewardship of our marine ecosystem and heritage. Through our responsible business strategy and local partnership working, we seek to generate opportunity for all, creating employability and skills and helping to deliver social and cultural inclusion.

In support of our overarching goal to build a 'Socially Responsible Port' our community engagement programme prioritises:

- Supporting Employability and Skills;
- Supporting Communities; and
- Supporting our Environment

Delivering positive and sustainable socio-economic impact is part of our day to day business

Supporting Employability and Skills

Belfast Harbour has supported the Business in the Community 'Time to Code' initiative since 2017, utilising business volunteers going to schools to inspire young people. Delivery of educational projects during lockdown, along with learning barriers in the



Belfast Harbour supported Nerve Centre screen academies.



Supporting Employability and Skills



Supporting Communities



Supporting our Environment

remote schooling environment, was challenging and Time to Code had to adapt to meet the changing needs of pupils. This involved the launch of Time to Code @Home engaging more than 450 young people weekly in developing coding skills.

Belfast Harbour has partnered with The Prince's Trust for nine years supporting a variety of different initiatives, working with some of the hardest to reach young people in Belfast. Support during 2020 included the provision of 'Achieve' clubs which offer an alternative education service for young people aged 15-16 at risk of being excluded from mainstream education and who may also be at risk of offending, or entering into care or custody. This project was also adapted to meet the needs of young people in the city during the impact of Covid-19.

In a new partnership with Active Communities Network (ACN), Belfast Harbour has supported its delivery of sports, cultural and educational activities to enhance aspirations, offer pathways to achievement and subsequently broaden horizons for participants living within local communities.

Supporting Communities

During 2020, a five year Patronage Agreement was established with Lagan Search and Rescue which includes support for operational costs to ensure continued delivery of a high quality, water safety service in the Port.

Long standing funding support for Sailortown and Air Ambulance NI was maintained during 2020 and Belfast

Harbour continued to work with Sailortown Regeneration Group to develop a strategic partnership approach.

Animation of the Maritime Mile was largely paused during 2020, however, in partnership with Titanic Foundation (renamed Maritime Belfast Trust in late 2020), a Maritime Treasure Trail was established and 2 of the iconic 'Glass of Throne' windows were relocated to the Maritime Mile. The giant, stained glass windows depict some of the most iconic scenes from Game of Thrones and are dotted throughout Titanic Quarter, forming a trail to HMS Caroline.

Belfast Harbour works closely with Maritime Belfast Trust in promoting and preserving Belfast's maritime heritage. Partnership working also continues with Belfast City Council to develop a new vision for Belfast's Maritime Festival.

Belfast Harbour has supported the delivery of sports, cultural and educational activities to enhance aspirations, offer pathways to achievement and broaden horizons for local communities

P22 Read more about **Sustainability at Belfast Harbour**

Belfast Harbour also continued its support of the Arts during what was an incredibly challenging year, with support for virtual events and festivals including for our long standing partner Culture Night and the Belfast International Arts Festival.

We also continue to gift use of the Harbour Office to organisations, however, during 2020 this was curtailed due to the restrictions associated with the pandemic.

Community Response to Covid-19

Belfast Harbour responded to the emerging social need arising from Covid-19 across a broad range of issues. This included the provision of laptops and tablets to enable disadvantaged school pupils and students to access remote learning. Alongside the provision of 120 digital tablets to the 11 Family Support Hubs across greater Belfast, funding was also provided to Queen's University and Ulster University to support disadvantaged students with laptops to continue their studies.



120 Digital Tablets Provided to Family Support Hubs across Greater Belfast



New 5 year, £100,000 Patronage Agreement with Lagan Search and Rescue

£325k

Donated to Community Engagement Projects and Local Charities of which

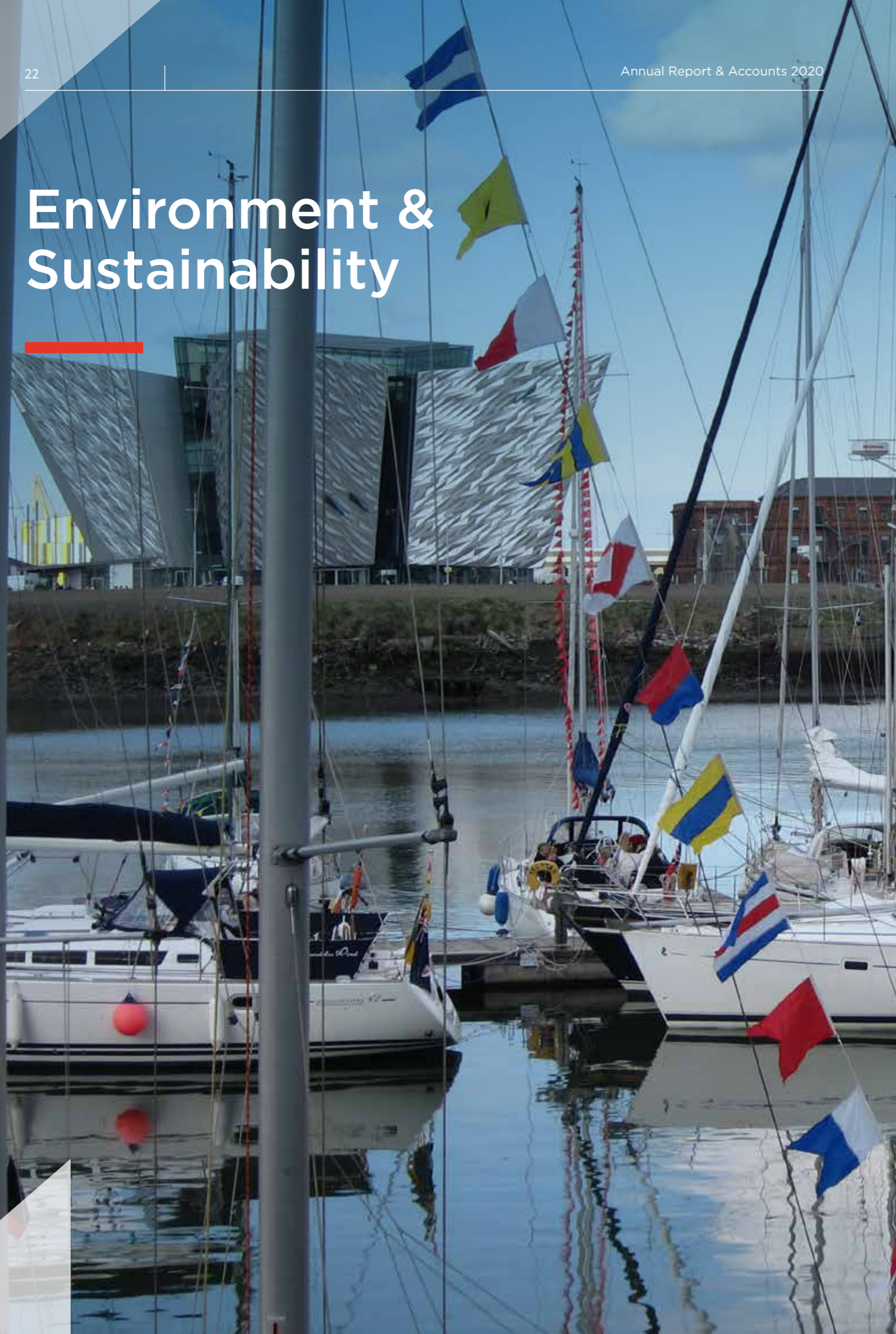


funding was used for laptops for higher education students to enable remote learning



Maritime Mile

Environment & Sustainability



Supporting the Environment

Environmental sustainability is at the core of our Trust Port responsibility to operate, maintain and improve Belfast Harbour. By putting people and place at the heart of our sustainable business model, we are developing a clean, green port, where people and planet thrive.

To deliver on our ambition to be a Green Port, Belfast Harbour developed a new and ambitious Sustainability Strategy in 2020. This builds on our long term commitment to supporting and protecting our environment and we were delighted to be accredited with the BITC Platinum Environmental Sustainability Award for the twelfth consecutive year.

By putting people and place at the heart of our sustainable business model, we are developing a clean, green port, where people and planet thrive.

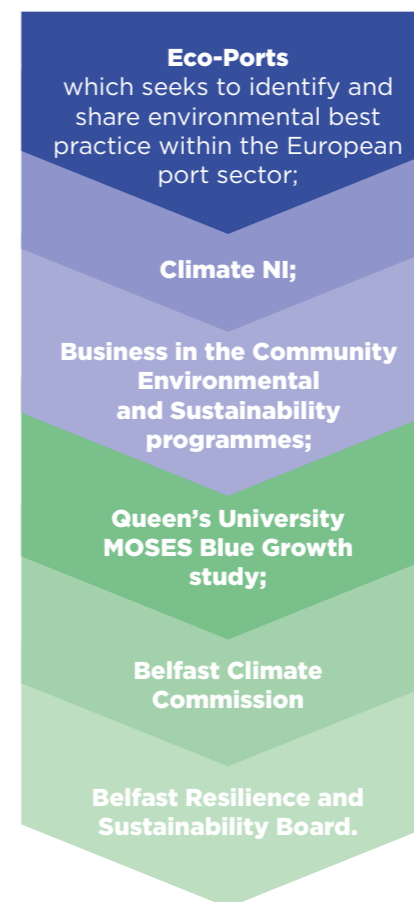
We have pledged to achieve net zero carbon emissions from our operations by 2030, to reduce pollution, and to protect and enhance our natural environment. We are committed to ensuring responsible and sustainable environmental stewardship of all our activities and to developing

our leadership role as a sustainable property developer.

We are home to Belfast's leading location for bird life, with 100 species of bird visiting the 90 acre RSPB reserve and plans are also being developed for a new City Quays garden which will further increase the diversity of green space within the estate.

By working in partnership with others, we will accelerate our sustainability journey. We recognise that through coalition and partnership, together we can achieve so much more. Throughout 2020 we actively participated in partnership initiatives including:

Working in Partnership:



Energy use and carbon emissions:

We are working towards

decarbonizing activities across our Estate. 2020 saw continued focus by Belfast Harbour on the reduction of carbon emissions, underpinned by activity to reduce energy consumption. In practical terms, this included the deployment of low energy lighting, the continued replacement of diesel vehicles with electric ones and expansion of the consumption of renewable electricity. All of the electricity we purchase on behalf of tenants and for our consumption is from renewable sources.

Further details are provided in the Energy and Carbon Reporting Statement 2020 within the Strategic Report.



Air Quality:

During the year we conducted an air quality modelling

exercise to assess sources of emissions throughout the Estate and identify further opportunities for improving air quality.

At the beginning of 2020 Belfast Harbour published a Statement of Intent to set out objectives for improving and maintaining good air quality throughout the Harbour Estate.

We also engaged with a number of partners, including Belfast City Council and the Department for Infrastructure, through the Belfast Air Quality Steering Group, in order to ensure a co-ordinated approach to improving air quality throughout the city. The resulting 5 year action plan will be published during 2021.



We continued to monitor dust levels associated with dry bulk cargoes in port operational areas and established a working group and action plan to further reduce the impact of such cargoes.

A project to monitor Nitrogen Dioxide levels associated with transport activities throughout the Harbour Estate commenced during 2020. This will be augmented by real time air pollution monitoring commencing in early 2021.

Water Quality:



Belfast Harbour continued to implement measures to reduce the potential of water pollution and recover marine litter, including the deployment of 'sea-bins' within the Marina.

During 2020 our Emergency Pollution Response Plan was updated and approved by the Maritime and Coastguard Agency. On-site and desk top exercises to test the plan were conducted with our partners and the practical deployment of spill response equipment was successfully demonstrated by our Tier 2 emergency response contractors.

We work closely with Maritime Belfast Trust in promoting and preserving Belfast's maritime heritage



Resources:

We have partnered with Responsible Plastics Management to

reduce and ultimately eliminate single use plastics from our operations.

In conjunction with our waste management providers Belfast Harbour achieved over 90% diversion of port waste from landfill during 2020.

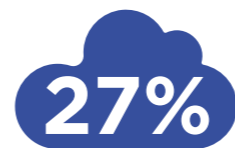


Sustainable Development:

The construction of City Quays 3,

designed to the BREEAM Excellent rating, commenced during 2020. BREEAM is an assessment undertaken via independent assessors using sustainability metrics which cover a range of environmental considerations. These considerations include an evaluation of energy and water use, health and wellbeing, pollution, sustainable transport, materials, waste, ecology and management processes. Buildings are rated and certified on a scale and an 'Excellent' rating is currently only awarded to <10% of commercial buildings in the UK.

The objective of BREEAM, as a sustainability standard, is to raise awareness amongst owners, developers and occupiers of the benefits of adopting a sustainable approach. The standard helps successfully adopt sustainable solutions in a cost-effective manner, and provides market recognition of their achievements. It aims to reduce the negative effects of construction and development on the environment.



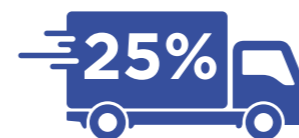
Reduction in Net Carbon Emissions



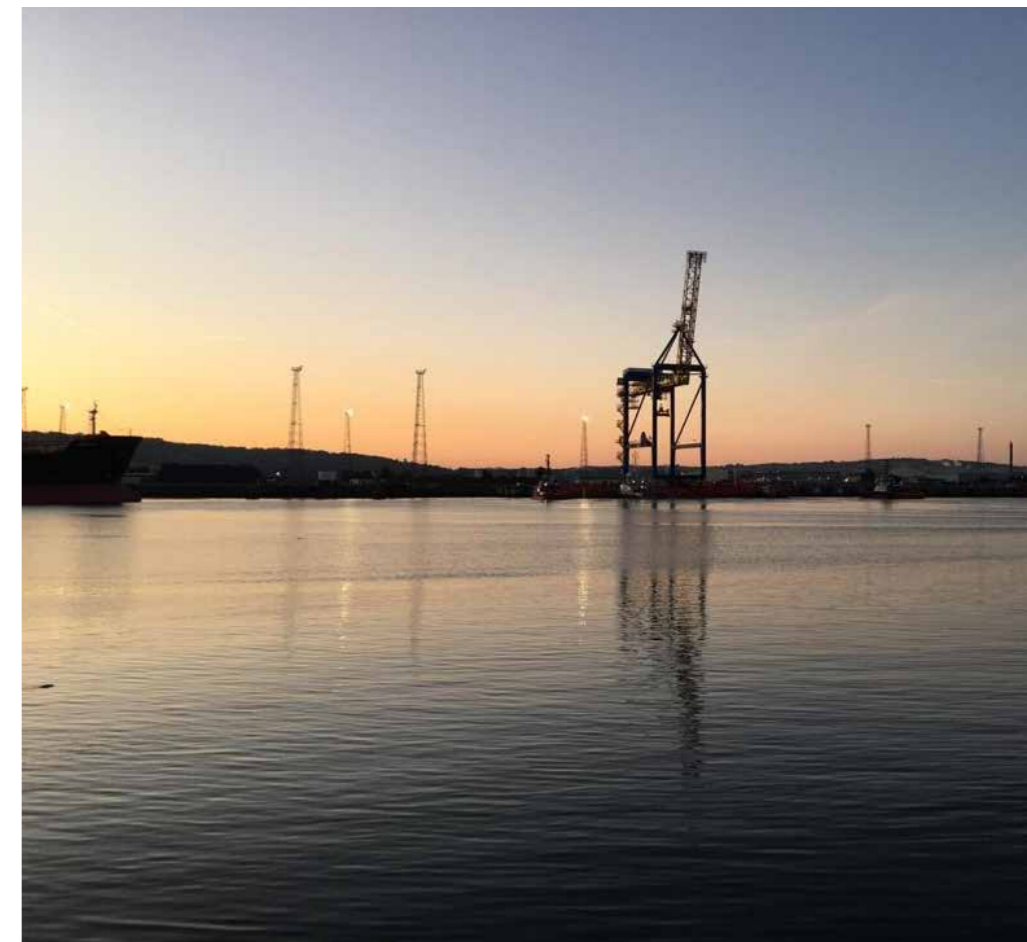
of Electricity Purchased Originated From Low Carbon Sources



Reduction in Total Energy Consumption



of Light Commercial Vehicle Fleet Replaced by Electric Vehicles



Corporate Matters



People, Diversity and Inclusion

In 2020 Belfast Harbour's employee community demonstrated great agility, collaboration, innovation and tenacity. By adapting quickly to the challenges of the pandemic, staff worked together to ensure that Belfast Harbour's essential service provider role and delivery of high quality service to customers and Port Users was maintained. The level of cooperation and compliance from everyone was highly commendable. The emphasis at all times was on keeping people safe, making adjustments in the workplace and staying connected with those working from home. As key workers our employees continued to provide the best service possible ensuring we were able to play an important role in uninterrupted essential supplies for the people and economy of the region.

Employee wellbeing initiatives, after a brief interruption, moved online and continued to deliver themed initiatives aligned to employee feedback from the Britain's Healthiest Workplace Survey results received in early 2020. We were also pleased to deploy a team of IOSH qualified Mental Health First Aiders across the organisation who provide a confidential point of contact for any employee who is experiencing a mental health issue or a level of emotional distress. Additionally through a communications programme of regular updates, employees were encouraged to be open and connect with one another promoting a supportive working environment particularly with regard to mental health.

Belfast Harbour is committed to meeting its statutory duties and continues to promote diversity, equality of opportunity and good relations through its people culture and corporate responsibility activities. We continue to report progress on the implementation of BHC's Equality Scheme and Disability Action Plan to the Equality Commission through Annual Progress Reviews.

In 2020 we retained accreditation of the Diversity NI Charter Mark reflecting our commitment to achieving a better gender balance and to advancing diversity and inclusion for our employees and for the future talent pipeline of applicants.

As part of Belfast Harbour's outreach programme, a nationwide Maritime Roadshow for Girls workshop was held in the Harbour Office. This was part of a wider sector initiative to encourage females of schooling age to consider a career in maritime and provide information on the diversity of the careers available. Local schools were invited and employees acted as STEM ambassadors volunteering and getting involved in running workshops and talks for the young people. The UK Maritime Minister and the press attended the event.

We also carried out an extensive review of our recruitment practices including our employer brand and the insights will refine our Equality Diversity and Inclusion strategy and initiatives for the future.

The emphasis at all times was on keeping people safe, making adjustments in the workplace and staying connected with those working from home.

Culture and Values

Belfast Harbour's culture of inclusivity and connectivity between our teams has helped us to navigate the challenges of 2020. We have worked hard through our internal engagement channels to embed our values in everything we do and to further develop a culture in which all colleagues can flourish and develop. Two new initiatives, a suggestion scheme and an employee recognition programme, which were embryonic in 2019, proved to be invaluable connectivity and engagement platforms during 2020.

An employee survey provided encouraging results with comments and feedback being largely positive across many topics. Employees indicated good progress has been made in recent years on modernising the culture and the way colleagues work together. A high proportion of employees agree that Belfast Harbour is a good place to work. The invaluable and thoughtful feedback

will be useful in developing and refining how we use our values to promote a positive and modern culture in future years.

Health & Safety

Belfast Harbour is committed to the provision of a safe and healthy working environment and the elimination of accidents. During 2020, Belfast Harbour's Health and Safety Management Systems was revalidated against the internationally recognised standard ISO 45001:2018 and delivery of an ambitious comprehensive 5 year Health and Safety Action Plan commenced.

Throughout 2020 significant effort was applied to creating and maintaining a Covid-19 safe workplace to deliver essential frontline services by the Port. Our pandemic plan was activated, initiating significant changes to working patterns, workplace layouts, operating procedures and welfare arrangements. Social distancing, sanitisation procedures and cleaning arrangements were enhanced throughout the organisation. A Covid-19 testing protocol was developed and implemented across critical service roles. The controls identified were regularly risk assessed to ensure effectiveness and it is pleasing to report that a low incidence of infection was noted during the year.

Belfast Harbour continues to be an active participant in the Northern Ireland Safety Group and Port Skills and Safety which seek to promote the adoption of best health and safety practice throughout local industry and the ports' sector respectively.



Business Continuity

Belfast Harbour is committed to maintaining effective contingency plans to safeguard business continuity during disruptive events. During 2020 the Port Business Continuity Management System was benchmarked against and re-certified to the internationally recognised ISO 22301 standard for business continuity management.

Belfast Harbour chairs a Harbour Resilience Forum comprised of key stakeholders and emergency responders and is also an active participant in the following groups:

- Belfast Emergency

Preparedness Group

- Belfast Flooding and Severe Weather Working Group
- Belfast Resilience and Sustainability Board
- Belfast First Responders Group

Other Business Continuity activities during 2020 included:

- Briefings for emergency and humanitarian responders
- Provision of advice to tenants and other interested parties
- Multi-agency emergency response exercises

Crisis Management processes were activated in response to the Covid-19 pandemic, with emphasis on the health and safety of employees, port users and members of the public. Measures were successfully put in place to ensure the continuity of essential port services and to support our customers throughout this period of unprecedented disruption.

Community Safety



In line with Belfast Harbour's ambition to develop a vibrant and Iconic Waterfront and Inner Harbour district for the City, Belfast Harbour Police provide a wide range of policing services focussed on neighbourhood policing, crime prevention and detection and personal safety to ensure that the Estate is a safe and welcoming place for people to live, work, and visit. Belfast Harbour Police aspire at all times to interact positively with the Harbour community and the general public.

During 2020, Belfast Harbour Police played a vital role in the Covid-19 response, working in partnership with port users ensuring the continuation of key supply chains and engaging with communities as well as safeguarding vulnerable people and working with statutory agencies.

Through-out the year, there was significant and on-going engagement with agencies, government and the PSNI to prepare for the end of the Brexit Transition phase.

The 'Port for Everyone' strategy will significantly increase the number of people who not just visit the Harbour Estate for work, study or leisure but also those living within it and Belfast Harbour Police is expanding its neighbourhood policing capability to support this activity. As such 2021 will see a recruitment drive for more officers to continue to deliver the wide range of policing services needed to preserve a safe and secure environment.

Belfast Harbour partnered in 2020 with BT to develop a 5G Private Network and a Smart Traffic solution



Technical Innovation at Belfast Harbour

As part of our ambition to create a best in class Smart



Port, Belfast Harbour partnered in 2020 with BT to develop a 5G Private Network and a Smart Traffic solution both of which will be deployed in 2021.

The 5G Private Network, which will provide high speed, low latency connectivity initially within the bulk handling area of the port, will be used to explore a wide range of mobility and Internet of Things solutions aimed at unlocking new levels of productivity, safety and customer service.

The Smart Traffic Solution, which will initially be deployed on Queen's Island, will provide information to local commuters via intelligent street signs and smartphone to assist them to plan and better manage their journeys.

As our innovation agenda progressed Belfast Harbour continued to seek to engage with and support the local knowledge economy. To that end

we continued to work with local SME 3DEO on the development of a digital twin of the Harbour and, in conjunction with venture capitalists Techstart and BT, ran a competition which resulted in the award of funding of £75k to a local SME, Machine Eye, for the development of an innovative safety solution within the Port. Work also continued during the year on the development of a Port Community System with a focus on facilitating the transactional requirements required by EU Exit.



760 businesses, 30,000 people working / living within the estate

Strategic Report



Belfast Harbour is incorporated as a Statutory Corporation, and whilst not directly bound by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, Belfast Harbour has adopted the main provisions of the Act and therefore presents a Strategic Report consistent with corporate entities of a similar size.

This report, to be read in conjunction with the full annual report, contains information that the Board consider to be of strategic importance to the Harbour.

Strategy Update and Business Model

Belfast Harbour remains committed to investing in the Harbour Undertaking, with delivery of sustainable financial returns according to investment criteria. Operating the business profitably is a legal requirement and is essential to fund investment and enable trade growth. This enables Belfast Harbour to best serve the business and the Northern Ireland economy at large. In addition, there is ongoing capital expenditure to keep the basic infrastructure of the Harbour fit for purpose. The business model is highly capital intensive and generating retained profits to fund trading and investment is the core financial objective of Belfast Harbour.

Northern Ireland Trust Ports are independent statutory corporations, with their only source of funding being profits generated from trading. Hence Belfast Harbour must generate

an acceptable return on assets in order to sustain operating expenditure and future investment.

The primary focus of Belfast Harbour is and remains major investment in port facilities to enable and develop port trade. During 2020 there was substantial capital investment in port improvements, principally upgrades to the key Roll on Roll off terminal at VT2 and the VT3 container terminal, together with regeneration activities, notably City Quays 3. During 2021 the VT3 improvement and City Quays 3 programmes will complete.

The primary focus of Belfast Harbour is and remains major investment in port facilities to enable and develop port trade

Trading

Despite the adverse effects of the Covid-19 pandemic on port trading, Belfast Harbour successfully delivered a resilient profit performance for 2020, with consolidated turnover at £62.8m reduced by 5% on 2019 and consolidated operating profit at £29.7m, reduced by 3% on 2019. In particular Covid-19 significantly impacted cruise and hotel income, reflective on the wider effects of Covid-19 on the NI tourism and leisure economy.

The Financial Statements show consolidated Profit before

Taxation for 2020 at £18.5m, a reduction of £13.1m on the 2019 figure. This is stated after the movement on valuation of investment properties.

The movement on valuation of investment properties is not a trading item, and after adjusting for this, the "Underlying" Profit before Taxation reduced by 4% to £30.1m from £31.3m, as set out in the table below:

| Profit before Taxation as reported | |
|--|---------|
| 2020 | 2019 |
| £18.5m | £31.6m |
| Add Deficit/Less Surplus on revaluation of investment properties | |
| 2020 | 2019 |
| £11.6m | (£0.3m) |
| "Underlying" Profit before Taxation | |
| 2020 | 2019 |
| £30.1m | £31.3m |

Capital Expenditure

Belfast Harbour is primarily an infrastructure business, wholly funded by retained profits. No public money is received or spent by Belfast Harbour.

All profit, net of taxation, is reinvested in the development of the Harbour's port and property activities. The beneficiaries are the businesses throughout Northern Ireland, which trade through and rely on the Harbour, and consequently there is a

significant positive impact on the local economy in general. As is common in the Ports' industry, the scale of economic benefit from this investment is considerably in excess of the direct economic benefit to Belfast Harbour itself.

Total capital expenditure during 2020 was £43.2m, and in addition, a further £87.4m has been committed at the 2020 year-end to strategically significant projects.

This will be funded from Liquid funds, which were £38.5m at December 2020, and from future trading profits.

In the past 10 years in excess of £330m has been invested in the Harbour, mostly in port facilities and all funded from trading profit.

£87.4M

Committed Capital Expenditure

Taxation Strategy

It is the policy of Belfast Harbour as a good corporate citizen to adhere to all taxation legislation, ensuring payment of all tax properly due and not to engage in any contrived or artificial transactions to secure a tax saving.

Hence the risk appetite of Belfast Harbour towards any tax mitigation scheme is low, and it is anticipated that all corporation tax will be paid at a level similar to the policy rate, save for the point noted below on investment

allowances.

Belfast Harbour has a capital-intensive business model, and investment in capital including plant is considered accretive to the development of the business and overall Northern Ireland economy. Thus, Belfast Harbour will seek to fully utilise all investment allowances, particularly capital allowances, although this will be done in a manner fully compliant with legislation, and in a fully transparent way in communication with HMRC.

The total taxes paid by Belfast Harbour in 2020 are in excess of £10m.

The oversight of taxation compliance and risk management is within the purview of the Audit and Risk Committee.

Business Environment

Belfast Harbour has considerable financial resources together with a diverse business model holding long term contracts with key customers and has continued to successfully manage the business risks associated with the continuing uncertain economic outlook. Although 2020 revenue was reduced on 2019, financial performance remained strong underpinned by the diversity of core income streams. Belfast Harbour continues with a forward looking investment strategy, in capital intensive harbour facilities and real estate, which are accretive to the NI economy notwithstanding conditions posed by Covid-19 and potentially Brexit.

RISKS AND UNCERTAINTIES

Funding Risk

Belfast Harbour as a Trust Port is solely responsible for funding the business operating and investing activities via retained profit. Most major UK Trust Ports are classified for public expenditure accounting purposes as "public corporations". The classification has the potential to impact on public budgets as any exercise of borrowing powers by Belfast Harbour will "count" as public borrowing even though there is no public money involved and no recourse to government for lenders to the Harbour. At present Belfast Harbour is able to maintain its current investment commitments at a level supported by trading profits generated by the business, without currently utilising its borrowing capability. Continued investment in economically significant projects will, however, require utilisation of Belfast Harbour's borrowing powers in the near future.

All profit, net of taxation, is reinvested in the development of the Harbour's port and property activities

Economic Risk

Belfast Harbour trade is reflective of the health of the overall Northern Ireland economy, and the economy will always be a

managed risk. Although trade levels marginally reduced in 2020, revenues remained strong. In mitigation of the economic risk, Belfast Harbour has a well-diversified trading base across a number of trading sectors, strong trading counterparties and continues to seek new business investment with sustainable financial returns.

Trading Risk

Belfast Harbour is exposed to competition on the main trades through the Port, and over time there have been market share gains and losses through the effect of competition from other ports. In mitigation of this risk, Belfast Harbour has a well-diversified trading base, strong trading counterparties and especially an active strategy for investment in facilities to preserve and enhance the offer to customers.

Regulatory Risk

Belfast Harbour, like all UK ports, operates in a highly regulated industry and is fully cognisant of the regulatory obligations not least those pertaining to People, Safety, Environment and Security. In addition, the successful execution of Belfast Harbour developments and their accretive effect on the NI economy depends on planning and consenting processes. Belfast Harbour is also aware of the need to operate a strong governance model, including governance specifically pertaining to Trust Ports. In mitigation of regulatory risks, Belfast Harbour has strong oversight mechanisms in place at Board and Executive level for monitoring and meeting the ongoing challenges in all of these areas.

Brexit Risk

Brexit and the NI Protocol have resulted in significant change to the trade in goods in the internal UK market, which is c. 70% of Belfast Harbour cargo trade, and most notably comprises 100% of Belfast Harbour freight ferry traffic. Currently the effects are principally on GB to NI trade.

Belfast Harbour, however, is primarily an infrastructure provider, not involved directly in cargo trading, haulage, shipping or regulatory checks and hence is largely removed from the direct impacts of Brexit and the NI Protocol.

That said Belfast Harbour has engaged substantially with relevant authorities and key customers in preparation for the implementation of the NI Protocol, with focus on facilitating trading flow to be as smooth as possible, given new regulations. Initial trading in early 2021 has been broadly in line with early year trading patterns for previous years. This trading, however, has benefitted from the respective grace periods associated with the implementation of the NI Protocol, and moreover may have benefited from some traffic diversion from Dublin port services.

Significant risks and uncertainties remain, however, particularly from the ending of the grace periods, and Belfast Harbour will continue to monitor these risks. The derived demand effects on overall economic activity from Brexit and the NI Protocol, and their concomitant effects on trade, remain difficult to predict.

Covid-19 Risk

Port cargo traffic effects of Covid-19 in 2020 were modest and tolerable, with an overall cargo tonnage downturn of c. 3%. The effect on passenger and cruise traffic, together with hotel trading was, however, more severe. The effects on the operating model of Belfast Harbour were modest however, due in the main to the considerable effort of Belfast Harbour customers, port service providers and employees.

Belfast Harbour continually assesses the overall financial effects of Covid-19, with specific emphasis on the management of liquidity and funding. Due to the resilience of the business operating model and the continued strength of diversified cargo income streams the effects of Covid-19 are currently assessed as tolerable, with substantial financial resources available to keep operating for at least 24 months, even if there is a further decline in trade.

Asset Resilience Risk

As primarily an infrastructure business Belfast Harbour's operating model depends on the availability and fitness for purpose of marine and landside assets to facilitate shipping movements, cargo handling and passenger traffic. In mitigation of this risk Belfast Harbour has an active investment strategy to replace and enhance key assets as required and operates a systematic approach to asset surveys and upkeep.



Commissioners' Attendance 2020

| Names | Board Meetings | | Committee Meetings | | Total Meetings Attended | | Total Meetings Attended |
|-----------------------|----------------|--------|--------------------|--------|-------------------------|--------|-------------------------|
| | Possible | Actual | Possible | Actual | Possible | Actual | % |
| Alexander, Kyle | 6 | 6 | 17 | 17 | 23 | 23 | 100 |
| Beattie, Ciaran | 6 | 5 | 13 | 8 | 19 | 13 | 68 |
| Chambers, Jane | 6 | 6 | 10 | 10 | 16 | 16 | 100 |
| Copeland, Sonia | 1 | 0 | 4 | 3 | 5 | 3 | 60 |
| Dobbin, David | 6 | 6 | 29 | 29 | 35 | 35 | 100 |
| Everitt, Richard | 6 | 6 | 13 | 12 | 19 | 18 | 95 |
| Fitzsimons, Diana | 6 | 5 | 16 | 16 | 22 | 21 | 95 |
| Hayes, Christine | 6 | 6 | 16 | 14 | 22 | 20 | 91 |
| Johnston, Rotha | 6 | 5 | 20 | 15 | 26 | 20 | 77 |
| Lange, Deborah | 6 | 6 | 19 | 19 | 25 | 25 | 100 |
| McCoubrey, Frank | 1 | 1 | 1 | 1 | 2 | 2 | 100 |
| O'Hare, Gerard | 6 | 6 | 14 | 14 | 20 | 20 | 100 |
| O'Neill, Joe | 6 | 6 | 38 | 38 | 44 | 44 | 100 |
| Vernon, Ed | 6 | 6 | 26 | 22 | 32 | 28 | 88 |
| Lyons, Donal | 5 | 4 | 10 | 7 | 15 | 11 | 73 |
| McDonagh-Brown, Emmet | 5 | 3 | 12 | 7 | 17 | 10 | 59 |
| O'Hara, Mal | 5 | 5 | 5 | 4 | 10 | 9 | 90 |

Commissioners



Dr David Dobbin CBE

David Dobbin was appointed to the Board in 2012 and took up the position of Chairman in 2015. He has extensive board level experience across the private, public and voluntary sectors and is actively involved in promoting regional economic development. He is currently Chairman of Firmus Energy and a member of the KPMG Northern Ireland Advisory Board.

David has wide industrial experience having previously held a number of senior executive roles in Dale Farm, Boxmore International, Dalgety, C&C and Rothmans International. He has also served as Chairman of a number of organisations including: Dairy UK, Ulster Rugby Management Committee, the Northern Ireland Food & Drink Association, the Strategic Investment Board, Inter Trade Ireland, the Prince's Trust NI, CBI NI, the NI Centre for Competitiveness and as President of the Northern Ireland Grain Trade. He has also served as a Non-Executive on the boards of Food from Britain, the NI Agrifood Strategy Board, Invest NI, BT Ireland, Queen's University Senate and was Vice Chairman of the Ireland/Northern Ireland 2023 Rugby World Cup Bid.



Joe O'Neill

Joe was appointed CEO of Belfast Harbour on 1st January 2018 having joined the organisation in 1997 and having held a number of prior roles within Belfast Harbour including Commercial Manager, Port Manager and Commercial Director.

Prior to joining the Port, Joe held positions with Undus Ltd and Cantrell and Cochrane Ltd. Joe was previously Chairman of the MAC theatre in Belfast, stepping down on 31 December 2017.

Joe is a board member of the Simon Community and the UK Major Ports Group; a member of the University of Ulster Economic Policy Centre, CBI Regional Council, the Centre for Competitiveness and a Council Member of the British Ports Association, is Chair of Renewed Ambition Real Estate Initiative and is a member of Belfast City Council's Growth and Innovation Commission.



Kyle Alexander OBE

Kyle Alexander was appointed to the Board in February 2016. Kyle has considerable experience in delivering urban regeneration, having been Chief Executive of Laganside Corporation which was responsible for the transformation of Belfast's waterfront and Cathedral Quarter. He stepped down as Chief Executive of Maze Long Kesh Development Corporation in March 2017, having overseen the establishment of the organisation. Kyle received an OBE for services to regeneration in N Ireland in 2007. He is a Fellow of the Royal Institute of Chartered Surveyors.

Kyle's ongoing commitment to ensuring social benefit from regeneration is reflected in his role as a Trustee of The Eastside Greenways Trust and The Waterways Community. Kyle is also a Trustee of Parkinson's UK, representing Northern Ireland interests on the national charity's board.



Cllr Ciaran Beattie

Cllr Ciaran Beattie is a full time member of the council and represents the Black Mountain Electoral Area. He is a member of the City Growth and Regeneration Committee and Strategic Policy and Resource Committee. He does not hold any other public appointments.



Jane Chambers

Jane Chambers was first appointed to the Board in February 2016. She is a Chartered Civil Engineer, Chartered Environmentalist and Chartered Water and Environmental Manager holding a Masters' Degree in Civil Engineering from Queen's University, Belfast.

Jane has had a long career in both contracting and consultancy environments, specialising in environmental protection and major infrastructure delivery. Currently, Jane is working as a project manager in the delivery of the Greater Dublin Drainage project for Irish Water. Previously, she delivered project management services for Water Service / Northern Ireland Water and, ultimately, eliminated risks of Infraction Proceedings being instigated by the European Commission for non-compliance with the Urban Wastewater Treatment Directive.



Cllr Sonia Copeland

Cllr Sonia Copeland is a full time member of Belfast City Council. She is her party's group leader in City Hall, representing the Titanic Electoral Ward.

She is a member of the North Foreshore Committee, the Licensing Committee, the East Belfast Area Working Group, the East Belfast Policing and Community Safety Partnership, the Waterfront and Ulster Hall Ltd Shareholders Committee, the Chair of the Older Persons Reference Group, and has recently been appointed onto the Board of Governors for Ashfield Girls School, Braniel Primary School and McArthur Nursery School, as well as appointed onto the Board of the Grand Opera House Trust.

Sonia was also appointed Deputy Lord Mayor of Belfast on the 1st June 2017. Cllr Copeland stood down from the Board in February 2020.

Commissioners



Richard Everitt CBE

Richard Everitt was appointed to the Board in February 2016. He was formerly the Chief Executive at the Port of London Authority from 2004 to 2014 and is currently Chairman of the Dover Harbour Board. Richard qualified as a solicitor and spent much of his career in the BAA plc, the airports company, before becoming Chief Executive of National Air Traffic Services from 2001 -2004.



Diana Fitzsimons

Diana Fitzsimons was first appointed to the Board in February 2016. She is an FRTPA planner and an FRICS development surveyor, having formerly worked in N. Ireland as a Senior Lecturer in Planning & Development; as a Principal Commissioner with the Planning Appeals Commission; as Office Director of the planning consultancy Turley; and as a sole practitioner planning consultant.

She has extensive practical experience in urban regeneration, port planning, housing development and mixed use master planning. She was formerly Chair of both the RTPI and the RICS NI Branches; a member of RICS Governing Council; a member of the Ministerial Advisory Group; deputy President of the International Federation for Housing and Planning (IFHP); Co-Chair of the UN Habitats Professionals' Forum; and Deputy Chair of the charity Lionheart. She is currently Chair of Radius Housing Association; an IFHP Council Member; a member of the RICS Awards Panel; and a Visiting Professor in the Built Environment at Ulster University.



Christine Hayes

Christine Hayes was first appointed to the Board in February 2012. Christine has had a long career in the Finance and Banking industry with particular focus on credit risk and risk management and senior management leadership development. She was a founding Director of Egg (the UK's first internet bank), working as the Risk Director, and prior to that with TSB Group ultimately becoming its Director of Credit Management.

After leaving banking, she worked as a freelance consultant specialising in business coaching and mentoring, group facilitation and senior management development for a range of incorporated business entities. Christine subsequently completed studies with the Open University achieving a first in a Bachelor of Arts (Honours) in Humanities with Art History and is now working as a volunteer business mentor with the Prince's Trust.



Rotha Johnston DBE

Rotha Johnston was first appointed to the Board in February 2012. Rotha is a Director of Wildflower Property, and Ulster Garden Villages. She is also Chair of Northern Ireland Electricity Networks, a member of both the KPMG Northern Ireland Advisory Board and the UK Industrial Strategy Council, Chair of NI Screen, a Director of Qubis and a member of Belfast City Council's Growth and Innovation Commission.

Rotha was previously BBC Trustee for Northern Ireland, Deputy Chairman of Invest NI and a Director of Variety Foods. She was also Chair of Senate and Pro Chancellor at Queen's University Belfast.



Deborah Lange

Deborah was first appointed to the Board in February 2016. Deborah is also Deputy Chair of the Board and Chair of the Audit and Risk Committee of Invest NI.

Deborah is a Certified Public Accountant. Previously she was Senior Vice President of Tax at Oracle Corporation based in California. She was also a member of the boards of Planitax and Liquid Engines, both software companies; Chair of the Silicon Valley Tax Directors Group; past Chair of the Tax Committee of the American Electronics Association and a member of the Executive Committee of the Tax Executive Institute. Deborah is a past member of the Board of Queen's University Belfast Foundation.



Cllr Donal Lyons

Donal joined the Board in April 2020. A native of Dublin, Donal has lived in Belfast for 15 years and has represented Balmoral as Councillor since 2015.

After studying Chemistry at University College Dublin, Donal worked in Dail Eireann, before building a career in public policy and human rights.

He is SDLP Group leader on Belfast City Council and a former Chairperson of the Planning Committee and the City Growth and Regeneration Committee. Donal has particular interest in lifelong learning and serves as Vice Chair of the Board of Libraries NI.

Commissioners



Alderman Frank McCoubrey

Alderman Frank McCoubrey is a full time member of the council and represents the Court District Electoral Area. He is a member of the People and Communities Committee, the Town Planning Committee, the West Belfast District Policing and Community Safety Partnership and the BCC West Belfast Area Working Group. He does not hold any other public appointments. Alderman McCoubrey stood down from the Board in February 2020.



Cllr Emmet McDonough-Brown

Cllr Emmet McDonough-Brown is a full time member of Belfast City Council. He is a member of the Alliance Party at Belfast City Hall and represents the Botanic Electoral Area.

He is a member of the Strategic Policy and Resources Committee. Emmet is also appointed to the Belfast Policing and Community Safety Partnership; The Lyric Theatre Education Advisory Panel and the South Belfast District Policing and Community Safety Partnership.



Cllr Malachai O'Hara

Cllr Malachai O'Hara joined the Board in April 2020 and is a full time member of Belfast City Council. He is the party's group leader for the Green Party at Belfast City Hall and represents the Castle District Electoral Area.

He is a member of the City Growth and Regeneration Committee, Planning Committee and the North Belfast Policing and Community Safety Partnership. Malachai is the Deputy Leader of the Green Party in Northern Ireland and a board member of a regional mental health charity.



Dr Gerard O'Hare CBE DL FRICS

Gerard O'Hare was first appointed to the Board in February 2012. Gerard is currently Group Chairman and Managing Director of Parker Green International, with Irish Head Offices in Newry and satellite offices in central and Eastern Europe and the USA.

He is a Fellow of the Royal Institution of Chartered Surveyors and a Visiting Professor at the University of Ulster School of Built Environment and Harvard Graduate School of Design in the USA.

Gerard has recently stepped down as Deputy Chairman of Invest NI having completed 8 years as a Board Member. He was Chairman of Belfast Tall Ships 2009/2015 and sits on the NI Council of the Prince's Trust.

In addition, Gerard is immediate past Honorary Consul for the Republic of Latvia in UK and NI. He was also appointed both as Ambassador for HRH The Prince of Wales for Corporate Responsibility in 2009 and, more recently, as a Deputy Lieutenant of County Down. Gerard is also a Trustee and Board member of the Air Ambulance of Northern Ireland (ANNI) Charity.



Dr Ed Vernon OBE

Ed Vernon was first appointed to the Board in February 2012. Ed is a board member of BT Northern Ireland, Deputy Chair of Queen's University Foundation and a member of Belfast City Council's Growth and Innovation Commission.

Ed founded B.I.C Systems, a technology services business which was acquired by the BT Group. He is a former member of Matrix, the Northern Ireland Science and Industry Panel, former Chairman of NI Software Industry Federation and a former Board member of Invest NI. From February 2011 until January 2014 he was Asset Management Advisor to the Northern Ireland Executive. Ed was awarded an OBE for services to economic development in 2012 and in 2013 was awarded an honorary doctorate by Queen's University for exceptional services to business and commerce.

New Commissioners

In March 2021 a number of Board Members' tenure came to an end and they were replaced by six new members.



Kevin Kingston

Kevin Kingston has been Chief Executive of Danske Bank since 2015, having previously been Deputy Chief Executive and Managing Director of Corporate & Business Banking. He is a former President of the NI Chamber of Commerce & Industry and a former Chairman of the Chartered Accountants Ulster Society. He is currently a Board Member of Invest and he is also a Board Member of Business in the Community and the Maritime Belfast Trust.



Noel Lavery CB

Noel Lavery was the Permanent Secretary of the former Department of Agriculture and Rural Development, followed by the Department of Agriculture, Environment and Rural Affairs and prior to his retirement the Department for Economy, these positions were between March 2013 and November 2019. He has nearly 20 years of experience of economic development working in public sector policy, delivery and governance roles. He trained as a chartered accountant with PriceWaterhouse and the first 15 years of his career were in the private sector. He has been a Fellow of the Institute of Chartered Accountants in Ireland since 1995.



Gerry McGinn CBE

Gerry McGinn was appointed to the Board in April 2021. An experienced business leader, he has been CEO of Bank of Ireland UK, First Trust Bank and the Irish Nationwide Building Society, as well as Permanent Secretary of the Department of Education and the former Department for Regional Development. Gerry is an Independent Non-Executive Director of AXA Insurance dac and the Progressive Building Society. He is the current Chair of the Strategic Investment Board and previously Chair of Capita Asset Services Ireland and a Board member of Invest NI.



Sir Malcolm McKibbin

Sir Malcolm McKibbin was Head of the Northern Ireland Civil Service from 2011 to 2017. He was the Permanent Secretary of the former Departments of Regional Development and Agriculture and Rural Development, and following his retirement led one of the five strands in the 2019 political negotiations aimed at restoring devolution. He is an Associate of Deloitte providing advice on Strategic Projects and a member of the Board of Co-operation Ireland.



Stephen Martin OBE QPM

Stephen Martin was a police officer in Northern Ireland for nearly 34 years. He retired as Deputy Chief Constable in January 2020, having had responsibility for a number of areas which included: governance, performance, organisational change and professional standards. He is currently Chair of the Irish Football Association, a member of the Policing Authority, Ireland and also sits on the Prince's Trust Northern Ireland advisory committee. Stephen is a Chartered Director and a Fellow of the Chartered Institute of Personnel and Development and he holds an MBA with Ulster University.



Rose Mary Stalker

Rose Mary Stalker is an experienced business leader and Fellow of the Institute of Mechanical Engineers, who has held senior global positions at Executive Team and Board level, in organisations including Ford, Boeing and Rolls-Royce. She has been responsible for the delivery of multiple transformational projects in a range of disciplines; product development, programme management, manufacturing, logistics, service delivery, staffing and quality, across numerous industry sectors; aerospace, automotive, construction and energy. Rose Mary is the Chair of Invest Northern Ireland, appointed in August 2019, and joined the Economy Minister's Economic Advisory Group in June 2020. She has also been a Member of the Department of International Trade's Investment Trade Advisory Group since August 2020.

Executive Team



Trevor Anderson

Infrastructure and Business Transformation Director

Trevor is an engineer by profession and joined the organisation in 2006 from Bombardier Aerospace. Trevor spent a total of 22 years with Bombardier in a number of roles including Head of Enterprise Systems for Bombardier Aerospace Worldwide based in Montreal, Canada. Trevor is currently the Chairman of Viable Corporate Services, a social enterprise that delivers services and expertise to small and medium organisations in the Voluntary, Community, Social Enterprise and Private Sectors.



Maurice Bullick

Finance and Compliance Director

Maurice is a Chartered Accountant and has held a number of finance positions in Belfast Harbour since joining the organisation in 2000. Previously Maurice was employed by Cawoods and oversaw a range of finance portfolios. Prior to that Maurice qualified with Price Waterhouse, Chartered Accountants. Maurice is a non-executive Director of NI Water Ltd, Treasurer and Council Member of the British Ports Association, and Council member of the Association of Participating Bodies of the Pilots' National Pension Fund.



Allison Dowling

Communications and Marketing Director

Allison joined Belfast Harbour in October 2019, after spending 11 years at Diageo, as Corporate Relations Director GB and as Communications and Public Affairs lead in a number of European and Global leadership roles. Allison has more than 20 years' experience in reputation management, brand building and marketing, gaining diverse experience in internal and external communications and brand marketing from both private and public sectors roles. Before joining Diageo her career included five years in Government communications and five years in PR consultancy. She is a former Director of the British Brands Group and former Board Trustee with Titanic Foundation.



Graeme Johnston

Property and Place Director

Graeme joined the organisation in 2007 having held a number of senior positions in the Banking and Retail sectors. Graeme is a qualified Chartered Surveyor and Chartered Project Management Surveyor and was previously Property Director for the Henderson Group and was all-Ireland Property Manager for Ulster Bank. Graeme has extensive property sector experience in Ireland and the UK including roles in property & business acquisition, construction, development, and asset management.



Michael Robinson

Port Director

Michael joined the organisation in 2003, holding a number of roles in the organisation before being appointed Commercial Director in 2018. Previously, Michael held positions with both Baltimore Technologies and Informix Software Inc. and started his career in logistics with Diageo. Michael holds a Diploma in Company Direction through the Institute of Directors and is a Board Member of Visit Belfast.



Patricia Toolan

Human Resources Director

Patricia joined Belfast Harbour in 2002 as Human Resources Manager and was promoted to Director in 2014. Prior to her appointment Patricia was Human Resources Manager in Nortel Networks NI & Europe, and occupied Human Resources and Business Planning Roles within the BBC over a 10-year period. Patricia is a member of the Chartered Institute of Personnel Development and is currently a member of the Board of Trustees of Cloona Child Contact Centre based in the South Eastern Health and Social Care Trust area.



Scott Wilson

Development Director

Scott joined the organisation in October 2019 from the Strategic Investment Board where he was Head of the Northern Ireland Executive's Asset Management Unit for 8 years. Scott is a qualified Member of the Chartered Institution of Surveyors and the Chartered Institute of Building and has 30 years of property sector experience in the UK and overseas including roles in construction, development, regeneration, fund management and asset management. Scott is currently Chairman of Camphill Community Hollywood, a social enterprise providing residential care and work placement for adults with learning disabilities. He also holds a number of other Board positions across the Camphill movement in Northern Ireland.

Corporate Governance Statement



The Organisation

Belfast Harbour Commissioners (BHC) was first constituted by The Belfast Harbour Act 1847 as a statutory corporation with the underlying purpose of operating, maintaining and improving Belfast Harbour. The powers and duties of BHC are limited to those conferred by the various Belfast Harbour Acts and Orders 1847-2002, and any relevant public general Acts such as the Harbours' Act (NI) 1970. In common with other Northern Ireland and Great Britain ports similarly constituted, BHC is generally referred to as a 'Trust Port' although it is not a trust in any legal sense.

The Board

The constitution of the Board is set out in the Belfast Harbour Order (Northern Ireland) Order 2002, Schedule 1. BHC is committed to high standards of Corporate Governance. The primary reference point for corporate governance is considered to be the pertinent content within the 'UK Corporate Governance Code' and taking account of any best practice guidance relating to Trust Ports.

BHC is independent of Government and any other legal person and management is the responsibility of the Board and the Executive Team. The duties of the Board Members are akin to those of a company director, in particular, to be accountable for the proper exercise of the statutory and administrative requirements placed upon them. In addition Board Members are required to:

1. Ensure high standards of corporate governance;
2. Establish the overall strategic direction of the Port, having regard to the best interests of the Port and the local economy following consultation with key stakeholders, where relevant;
3. Ensure that, in reaching decisions, Government policy is taken into account;
4. Ensure that, in carrying out their functions, due regard is paid to the need to promote equality of opportunity.

The Department for Infrastructure appoints Board Members on the basis of open public advertisement. The number of Board Members, including the Chairman and Chief Executive Officer, may be no less than 10 and no more than 15, with up to four Board Members being elected representatives from Belfast City Council.

Board Committees

The Board operates a Committee system with the objective of maintaining high standards of corporate governance and streamlining the work of the Board. All Board Members are also members of at least two of the Board's Committees. All Committees report to the Board.

Commercial Committee

| Membership |
|---|
| Dr D Dobbin CBE (Chair) |
| Mr J O'Neill |
| Ms R Johnston DBE |
| Dr G O'Hare CBE, DL |
| Mr R Everitt CBE |
| Ms J Chambers |
| Cllr C Beattie |
| Cllr E McDonough-Brown (joined 31st March 2020) |

The role of the Commercial Committee is to consider major commercial projects.

Audit and Risk Committee

| Membership |
|--|
| Ms R Johnston DBE (Chair) |
| Mr R Everitt CBE |
| Ms D Fitzsimons |
| Ms D Lange |
| Ald F McCoubrey (stood down 30th March 2020) |
| Dr E Vernon OBE |
| Cllr D Lyons (joined 31st March 2020) |

Belfast Harbour is committed to high standards of Corporate Governance which is within the oversight of the Audit & Risk Committee. The primary reference point for corporate governance is considered to be the pertinent content within the 'UK Corporate Governance Code' and taking account of any best practice guidance relating to the Trust Ports.

This oversight covers all Financial Reporting issues, the control environment and any governance matters including:

1. Monitoring the integrity of the organisation's financial statements;
2. Reviewing the organisation's internal financial control and risk management systems;
3. Monitoring and reviewing the effectiveness of the organisation's internal audit function;
4. Monitoring and reviewing the external auditors' independence, objectivity and effectiveness.

Neither the Chairman of the Board nor the CEO are members of this Committee, but they are entitled to attend meetings.

Remuneration Committee

| Membership |
|-------------------------|
| Dr D Dobbin CBE (Chair) |
| Ms C Hayes |
| Ms R Johnston DBE |

The primary duty of the Remuneration Committee is to set policy on remuneration and related matters, and to ensure that such remuneration policy facilitates the employment and retention of senior personnel. The Committee is also responsible for senior management appointments.

Safety, Environmental & Security Committee

| Membership |
|--|
| Dr G O'Hare CBE, DL (Chair) |
| Mr J O'Neill |
| Ms C Hayes |
| Cllr S Copeland (stood down 30th March 2020) |
| Ms J Chambers |
| Mr K Alexander OBE |
| Ald F McCoubrey (stood down 30th March 2020) |
| Cllr C Beattie |
| Cllr M O'Hara (joined 31st March 2020) |

The Safety, Environmental & Security Committee advises the Board on all aspects of safety, environment and security throughout the Port and Harbour Estate, including on-going obligations under the Port Marine Safety Code and the operation of Belfast Harbour Police.

Property and Place Committee

The Property and Place Committee considers major land issues, not related to pure port operations, within

the Commissioners' land management role. It is particularly concerned with all matters relating to regeneration projects including City Quays and Titanic Quarter.

| Membership |
|---|
| Dr E Vernon OBE (Chair) |
| Dr D Dobbin CBE |
| Mr J O'Neill |
| Ms D Lange |
| Mr K Alexander OBE |
| Ms D Fitzsimons |
| Cllr S Copeland (Stood down 30th March 2020) |
| Cllr E McDonough-Brown (joined 31st March 2020) |
| Cllr D Lyons (joined 31st March 2020) |

Policy and Strategy Committee

| Membership |
|-------------------------|
| Dr D Dobbin CBE (Chair) |
| Mr J O'Neill |
| Ms C Hayes |
| Ms R Johnston DBE |
| Dr G O'Hare CBE, DL |
| Dr E Vernon OBE |

The Committee develops strategy on behalf of the Board, guides the Board on policy matters and the Executive on Corporate Planning and assists the Board on matters relating to the legal status, powers and duties of Belfast Harbour.

Responsible Business and Stakeholder Committee

| Membership |
|--|
| Dr D Dobbin CBE (Chair) |
| Mr J O'Neill |
| Cllr C Beattie |
| Ms R Johnston DBE |
| Dr E Vernon OBE |
| Mr K Alexander OBE |
| Ms D Fitzsimons |
| Cllr S Copeland (stood down 30th March 2020) |
| Cllr M O'Hara (joined 31st March 2020) |

The Responsible Business and Stakeholder Committee formulates and oversees the implementation of the organisation's community and stakeholder engagement strategies as well as approving corporate giving. It also considers the organisation's Diversity and Inclusion agenda.

Belfast Harbour Pension Fund Ltd

| Membership |
|--------------------------------------|
| Ms C Hayes (Chair) |
| Ms D Lange |
| Mr J O'Neill |
| Dr E Vernon OBE |
| *plus two member nominated Directors |

The sole function of the Belfast Harbour Pension Fund Ltd is to act as Trustee to the Belfast Harbour

Pension Scheme, operated for the benefit of the Board's employees. The Directors of the Belfast Harbour Pension Fund Ltd comprise of four Board Members, including the CEO, as well as two Directors nominated by the Scheme membership.

| Names | Board Meetings | | Committee Meetings | | Total Meetings Attended | | Total Meetings Attended % |
|------------------------|----------------|--------|--------------------|--------|-------------------------|--------|---------------------------|
| | Possible | Actual | Possible | Actual | Possible | Actual | |
| Alexander, Kyle | 6 | 6 | 17 | 17 | 23 | 23 | 100 |
| Beattie, Ciaran | 6 | 5 | 13 | 8 | 19 | 13 | 68 |
| Chambers, Jane | 6 | 6 | 10 | 10 | 16 | 16 | 100 |
| Copeland, Sonia | 1 | 0 | 4 | 3 | 5 | 3 | 60 |
| Dobbin, David | 6 | 6 | 29 | 29 | 35 | 35 | 100 |
| Everitt, Richard | 6 | 6 | 13 | 12 | 19 | 18 | 95 |
| Fitzsimons, Diana | 6 | 5 | 16 | 16 | 22 | 21 | 95 |
| Hayes, Christine | 6 | 6 | 16 | 14 | 22 | 20 | 91 |
| Johnston, Rotha | 6 | 5 | 20 | 15 | 26 | 20 | 77 |
| Lange, Deborah | 6 | 6 | 19 | 19 | 25 | 25 | 100 |
| McCoubrey, Frank | 1 | 1 | 1 | 1 | 2 | 2 | 100 |
| O'Hare, Gerard | 6 | 6 | 14 | 14 | 20 | 20 | 100 |
| O'Neill, Joe | 6 | 6 | 38 | 38 | 44 | 44 | 100 |
| Vernon, Ed | 6 | 6 | 26 | 22 | 32 | 28 | 88 |
| Lyons, Donal | 5 | 4 | 10 | 7 | 15 | 11 | 73 |
| McDonough-Brown, Emmet | 5 | 3 | 12 | 7 | 17 | 10 | 59 |
| O'Hara, Malachai | 5 | 5 | 5 | 4 | 10 | 9 | 90 |

Energy and Carbon Reporting Statement 2020



Belfast Harbour is not directly covered by the Energy and Carbon Reporting Requirements, as it is a Statutory Corporation and not either a limited company or limited liability partnership, however, it has decided to provide an equivalent report as a matter of good practice.

During 2020 Belfast Harbour reduced total energy consumption by 3.4% against the previous year, whilst net carbon emissions were reduced by 922 tCO₂e representing a 27% reduction against 2019 emissions.

Energy data has been collated for the financial year ending 31 December 2020. The energy consumption figures include all electricity, gas, gas oil, diesel

and petrol used for Belfast Harbour owned and operated premises, plant, equipment, vehicles and vessels. All energy consumption data has been converted to kilowatt hours (kWh) and the carbon emissions calculated using the appropriate Greenhouse Gas (GHG) conversion factors published by the Department of Business Energy & Industrial Strategy (BEIS). Intensity ratios have been calculated based on turnover and port tonnage during 2020.

| BHC Greenhouse Gas Emissions | 2020 tCO ₂ e | 2020 kWh | 2019 tCO ₂ e | 2019 kWh |
|--|----------------------------|--------------------|----------------------------|-------------------|
| Scope 1 direct emissions | | | | |
| Natural gas | 174 | 948,628 | 172 | 937,604 |
| Gas oil | 1,075 | 4,185,604 | 1,064 | 4,142,883 |
| Marine gas oil | 809 | 3,129,393 | 829 | 3,208,329 |
| Diesel | 92 | 382,329 | 91 | 373,337 |
| Petrol | 4 | 19,611 | 4 | 18,799 |
| Total scope 1 direct emissions | 2,154 | 8,665,565 | 2,161 | 8,680,952 |
| Scope 2 energy indirect emissions | | | | |
| Grid electricity purchased | 894 | 3,835,116 | 962 | 3,763,029 |
| Total scope 2 indirect emissions | 894 | 3,835,116 | 962 | 3,763,029 |
| GROSS OPERATIONAL CARBON EMISSIONS | 3,048 | 12,500,681 | 3,123 | 12,443,981 |
| Avoided emissions from renewable electricity purchased | (873) | (3,746,482) | (197) | (769,400) |
| Total avoided emissions | (873) | (3,746,482) | (197) | (769,400) |
| NET OPERATIONAL CARBON EMISSIONS | 2,175 | 8,754,199 | 2,926 | 11,674,581 |
| Greenhouse gas emissions intensity (gross basis) | | | 2020 | 2019 |
| Tonnes of CO ₂ e per million tonnes of cargo (tCO ₂ per million tonnes of cargo) | | | 129.6 | 128.6 |
| Tonnes of CO ₂ e per £ million of turnover (tCO ₂ per £ million of turnover) | | | 48.5 | 47.4 |
| Greenhouse gas emissions intensity (net basis) | | | | |
| Tonnes of CO ₂ e per million tonnes of cargo (tCO ₂ per million tonnes of cargo) | | | 92.48 | 120.46 |
| Tonnes of CO ₂ e per £ million of turnover (tCO ₂ per £ million of turnover) | | | 34.63 | 44.40 |

Energy and Carbon Reporting Statement 2020

Energy efficiency Action taken:

- During the year 100% of electricity purchased by Belfast Harbour originated from low carbon sources certified under the Renewable Energy Guarantees of Origin (REGO) scheme.
- During 2020 Belfast Harbour continued a programme to replace street lighting, quay lighting and premises floodlighting with low energy LED fittings to reduce our energy consumption.
- Replacement of diesel and petrol powered vehicles continued with 25% of our light commercial vehicle fleet being replaced by electric vehicles (EV).

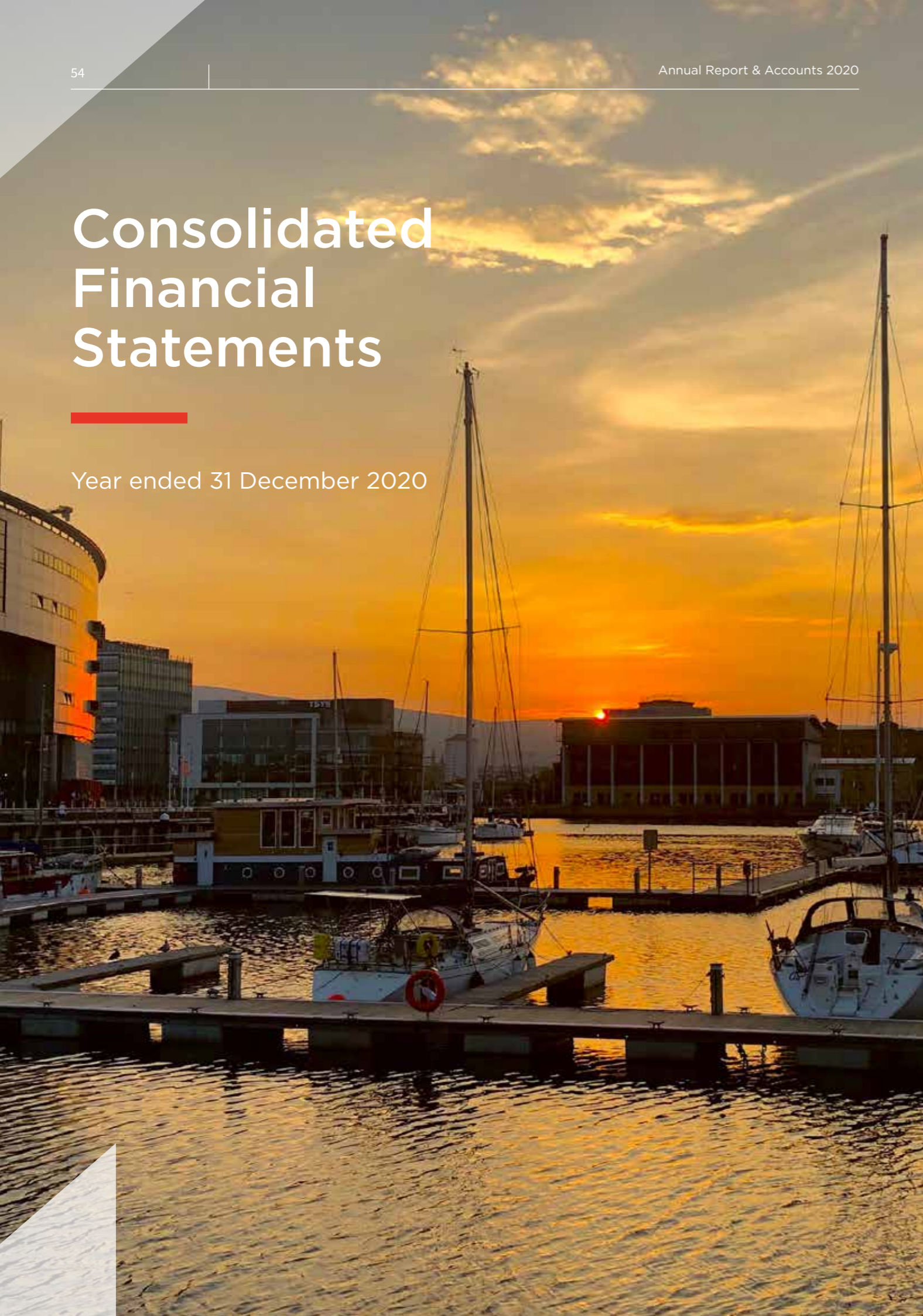
During 2020, Belfast Harbour's system for Environmental Management was re-certified against the internationally recognised ISO 14001:2015 standard and our Energy Management System was upgraded and certified against the latest ISO 50001:2018 standard, demonstrating year on year energy performance improvements.

Trade and Shipping Statistics

| | 2020 (000s) | 2019 (000s) |
|-----------------------------|-------------|-------------|
| Passengers | 853 | 1,624 |
| Passenger Cars | 232 | 328 |
| Unit Load | | |
| Freight Vehicles | 529 | 543 |
| Containers | 115 | 132 |
| Bulk Cargo | | |
| Liquid Bulk | 2,187 | 2,284 |
| Dry Bulk | 7,007 | 6,698 |
| Break Bulk | 260 | 318 |
| Import Bulk Commodities | | |
| Petroleum Products | 1,869 | 1,961 |
| Grain & Feeds | 2,336 | 2,114 |
| Coal | 2,034 | 2,135 |
| Fertilisers | 314 | 293 |
| Timber | 48 | 39 |
| Export Bulk Commodities | | |
| Stones | 1,749 | 1,612 |
| Scrap | 366 | 329 |
| Shipping | | |
| Gross Tonnage (000s Tonnes) | 101,539 | 112,460 |
| Number of Arrivals | 5,198 | 5,688 |

Consolidated Financial Statements

Year ended 31 December 2020



STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Commissioners are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Under that law the Commissioners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Belfast Harbour Commissioners and of the profit or loss of Belfast Harbour Commissioners and its subsidiaries for that period. In preparing these financial statements, the Commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is

inappropriate to presume that Belfast Harbour Commissioners will continue in business.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE BELFAST HARBOUR COMMISSIONERS

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Belfast Harbour Commissioners (the 'parent entity' or 'BHC') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent entity's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

We have audited the financial statements of the Belfast Harbour Commissioners which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated statement of financial position;
- the BHC statement of financial position;

- the consolidated statement of changes in equity;
- the BHC statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Commissioners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

Responsibilities of Commissioners

As explained more fully in the Commissioners' responsibilities statement, the Commissioners 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 Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing the group's and the parent entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the group or the parent

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- Conclude on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that

achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities with the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the direction, supervision and performance of the Group audit. The Group auditor remains solely responsible for the audit opinion.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's and parent entity's industry and its control environment, and reviewed the group's and parent entity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own

identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group and parent entity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Harbours Act (Northern Ireland) 1970 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and parent entity's ability to operate or to avoid a material penalty. These included UK employment law, environmental regulations and the Data Protection Act 2018.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the group and parent entity for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- *Revenue recognition*
- We assessed the design, determined the implementation and tested the operating effectiveness of the key controls over the posting of revenue relating to the accuracy of port revenue;

- we selected a sample of transactions, and ensured the revenue was recorded in the correct period;
- we developed an expectation of port revenue based on different types of port charges; and
- we tested a sample of rebates to ensure the amount was accurately recorded.
- *Property and land related transactions*
- We assessed the design and determined the implementation of the key controls over the property and land transactions;
- we obtained a sample of lease agreements and ensured income due under these was recorded at the correct amount and in the correct period;
- we assessed existing asset carrying values for impairments arising from anticipated changes in lease arrangements; and
- we obtained and reviewed all property related agreements signed in the period and assessed the appropriateness of any related accounting entries, including cut off of income recognised under the agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the

appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinion on other matters

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

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent entity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Annual Report.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent entity financial statements are not in

agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Commissioners, as a body, in accordance with the Harbours Act (Northern Ireland) 1970. Our audit work has been undertaken so that we might state to the Commissioners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Commissioners, for our audit work, for this report, or for the opinions we have formed.

Kevin Sheehan
(Senior Statutory Auditor)
For and on behalf
of Deloitte (NI) Limited
Statutory Auditor
Belfast, Northern Ireland
29 April 2021

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|---------------|---------------|
| Turnover | 5 | 62,810 | 65,929 |
| Net operating expenses | | (33,071) | (35,330) |
| Operating profit | | 29,739 | 30,599 |
| Deficit on revaluation of investment properties | 12 | (11,587) | 324 |
| Profit before taxation and similar income | | 18,152 | 30,923 |
| Investment income | 6 | 352 | 725 |
| Profit before taxation | 7 | 18,504 | 31,648 |
| Tax on profit | 10 | (6,754) | (6,452) |
| Profit for the financial year | | 11,750 | 25,196 |
| All activities derive from continuing operations. | | | |

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 £'000 | 2019 £'000 |
|--|-----------------|---------------|---------------|
| Profit for the financial year | Overleaf | 11,750 | 25,196 |
| Actuarial gain/(loss) on defined benefit pensions | 21 | (1,252) | 1,294 |
| Deferred tax (debit)/credit associated with defined benefit pensions | 18 | 161 | (220) |
| Total comprehensive income | | 10,659 | 26,270 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 521,590 | 502,819 |
| Investment in Associate | 13 | 4,015 | 515 |
| | | 525,605 | 503,334 |
| Current assets | | | |
| Stocks | | 738 | 740 |
| Debtors: due within one year | 14 | 21,700 | 19,575 |
| Debtors: due greater than one year | 14 | 6,169 | 6,601 |
| Investments | 15 | 35,900 | 52,850 |
| Cash at bank and in hand | | 2,552 | 2,646 |
| | | 67,059 | 82,412 |
| Creditors: Amounts falling due within one year | 16 | (16,525) | (20,308) |
| Net current assets | | 50,534 | 62,104 |
| Total assets less current liabilities | | 576,139 | 565,438 |
| Creditors: Amounts falling due after more than one year | 17 | (25,007) | (25,499) |
| Provisions for liabilities | 18 | (25,575) | (25,041) |
| Net assets | | 525,557 | 514,898 |
| Reserves | | | |
| Profit & Loss Account | | 444,946 | 422,700 |
| Revaluation Reserve | | 80,611 | 92,198 |
| | | 525,557 | 514,898 |

The consolidated financial statements of Belfast Harbour Commissioners were approved on 20th April 2021 by the Commissioners and signed on their behalf by:

Dr D Dobbin CBE
Chairman

J O'Neill
Chief Executive

K Kingston
Commissioner

J M Bullick
Finance and Compliance Director

BHC STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 522,883 | 506,711 |
| Investments | 13 | 4,015 | 515 |
| | | 526,898 | 507,226 |
| Current assets | | | |
| Stocks | | 734 | 724 |
| Debtors: due within one year | 14 | 23,212 | 19,511 |
| Debtors: due greater than one year | 14 | 6,762 | 7,216 |
| Investments | 15 | 35,900 | 52,850 |
| Cash at bank and in hand | | 2,189 | 2,077 |
| | | 68,797 | 82,378 |
| Creditors: Amounts falling due within one year | 16 | (16,240) | (19,757) |
| Net current assets | | 52,557 | 62,621 |
| Total assets less current liabilities | | 579,455 | 569,847 |
| Creditors: Amounts falling due after more than one year | 17 | (25,007) | (25,499) |
| Provisions for liabilities | 18 | (25,685) | (25,576) |
| Net assets | | 528,763 | 518,772 |
| Reserves | | | |
| Profit & Loss Account | | 448,667 | 423,756 |
| Revaluation Reserve | | 80,096 | 95,016 |
| | | 528,763 | 518,772 |

The profit of BHC for the financial year was £11,082k (2019: £28,129k).

The consolidated financial statements of Belfast Harbour Commissioners were approved by the Commissioners on 20th April 2021 and signed on their behalf by:

Dr D Dobbin CBE
Chairman

J O'Neill
Chief Executive

K Kingston
Commissioner

J M Bullick
Finance and Compliance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2020

| | Revaluation Reserve £'000 | Profit & Loss Account £'000 | Total £'000 |
|---|------------------------------|--------------------------------|----------------|
| Balance at 31 December 2018 | 91,874 | 396,754 | 488,628 |
| Profit for the financial year | - | 25,196 | 25,196 |
| Transfer to the revaluation reserve | 324 | (324) | - |
| Other comprehensive income for the year | - | 1,074 | 1,074 |
| Balance at 31 December 2019 | 92,198 | 422,700 | 514,898 |
| Profit for the financial year | - | 11,750 | 11,750 |
| Transfer to the revaluation reserve | (11,587) | 11,587 | - |
| Other comprehensive income for the year | - | (1,091) | (1,091) |
| Balance at 31 December 2020 | 80,611 | 444,946 | 525,557 |

BHC STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2020

| | Revaluation Reserve £'000 | Profit & Loss Account £'000 | Total £'000 |
|---|------------------------------|--------------------------------|----------------|
| Balance at 31 December 2018 | 91,828 | 397,741 | 489,569 |
| Profit for the financial year | - | 28,129 | 28,129 |
| Transfer to the revaluation reserve | 3,188 | (3,188) | - |
| Other comprehensive income for the year | - | 1,074 | 1,074 |
| Balance at 31 December 2019 | 95,016 | 423,756 | 518,772 |
| Profit for the financial year | - | 11,082 | 11,082 |
| Transfer to the revaluation reserve | (14,920) | 14,920 | - |
| Other comprehensive income for the year | - | (1,091) | (1,091) |
| Balance at 31 December 2020 | 80,096 | 448,667 | 528,763 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 £'000 | 2019 £'000 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Operating Profit | 29,739 | 30,599 |
| Adjustments for: | | |
| Depreciation | 12,502 | 11,397 |
| Impairment | 358 | 100 |
| Release of EU grants | (1,158) | (1,124) |
| Surplus on Land | (916) | - |
| Loss on disposal of fixed assets | (20) | (26) |
| Increase in maintenance dredging provision | 1,000 | 1,190 |
| Pension Charge | 286 | 254 |
| Pension Gain | (1,165) | - |
| Pension contributions in cash | (120) | (166) |
| Decrease /(increase) in stocks | 1 | (105) |
| (Increase)/decrease in debtors due within 1 year | (2,316) | 543 |
| Decrease in debtors due greater than 1 year | 282 | 154 |
| (Decrease)/increase in creditors due within 1 year | (3,660) | 151 |
| Cash from operations | 34,813 | 42,967 |
| Corporation tax paid | (5,595) | (5,853) |
| Net cash generated from operating activities | 29,218 | 37,114 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (47,639) | (44,820) |
| Proceeds from land transactions | 916 | - |
| Net realisation from sale of tangible assets | 20 | 41 |
| Interest received | 441 | 657 |
| Net cash from investing activities | (46,262) | (44,122) |
| Net (decrease)/ increase in cash | (17,044) | (7,008) |
| Cash and cash equivalents at beginning of year | 55,496 | 62,504 |
| Cash and cash equivalents at end of year | 38,452 | 55,496 |
| Components of cash and cash equivalents | | |
| Cash at bank and in hand | 2,552 | 2,646 |
| Investments | 35,900 | 52,850 |
| Cash and cash equivalents | 38,452 | 55,496 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Statutory Information

Belfast Harbour Commissioners is a Statutory Corporation first constituted under The Belfast Harbour Act 1847 and domiciled in Northern Ireland. The principal place of business is Harbour Office, Corporation Square, Belfast, BT1 3AL.

As a Statutory Corporation, Belfast Harbour Commissioners is not bound by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. However, consistent with corporate entities of a similar size to the Harbour, the Commissioners have adopted the main provisions of the Act and therefore present a strategic report. The principal activities of the Harbour and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report.

2. Compliance with Accounting Standards

The financial statements have been prepared in accordance with FRS 102. There were no material departures from that standard.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value,

and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Belfast Harbour Commissioners is pounds sterling because that is the currency of the primary economic environment in which BHC and its subsidiaries (the Group) operate. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Basis of consolidation

The financial statements consolidate the financial statements of the Harbour and its subsidiary undertakings drawn up to 31 December each year.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Group has considerable financial resources, together with long-term contracts with a number of customers and a presence across different business sectors. As a consequence, the Commissioners believe that the organisation is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Commissioners have considered the possible financial impact of Brexit and Covid-19, and whilst the situation continues to develop, the Commissioners have concluded that the Group has sufficient financial resources to operate for at least twelve months from the date of approval of these financial statements.

After making enquiries, the Commissioners have a reasonable expectation that adequate resources are available to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets – operational assets

Operational assets are stated at cost, net of depreciation and any provision for impairment. The cost of operational fixed assets, which excludes estate property, comprises the purchase price of assets acquired, net of capital contributions received (excluding EU grants which are shown separately within creditors).

No provision is made for depreciation of land nor assets under construction. Other operational fixed assets are depreciated by the straight-line method according to their effective economic lives as follows:

| | Years |
|---------------------|----------|
| Capital dredging | 35 to 50 |
| Dock structures | 12 to 50 |
| Buildings | 10 to 50 |
| Roads | 5 to 50 |
| Plant & machinery | 3 to 40 |
| Fixtures & fittings | 5 |

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

Tangible fixed assets – estate property

Estate property primarily represents land let to tenants who are not associated with port operations. This property falls within the FRS 102 Section 16 definition of investment property and so is not depreciated but is revalued annually and included in the balance sheet at fair value. Revaluation surpluses or deficits are recognised in the Income Statement. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

Reserves

The surplus arising on the revaluation of investment properties is recognised in the income statement and then transferred to the revaluation reserve (the amount transferred is stated before related deferred tax).

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the Group

after deducting all of its liabilities.

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

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

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

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

Inventories

Inventories are valued at cost with provision for any obsolete or defective content.

Impairment of assets

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

Non-financial assets

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

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGUs) of which the goodwill is a part.

Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

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

3. Accounting Policies (continued)

Non-financial assets (continued)

CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

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

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

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

Taxation

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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

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

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised,

a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same

component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

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

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover comprises revenue from charges to port users, from rents of both operational and estate property and from the hotel. Turnover is recognised in the period in which it is earned. Shipping income is earned in the period in which it falls due i.e. in accordance with the date on which a particular ship docks in the Port of Belfast. Rental and storage income is recognised for the

period January 2020 to December 2020. To the extent that rental and storage income is received in 2020 but relates to 2021 it is treated as deferred income. Rental and storage income relating to 2020 but not received until 2021 is accrued for in the financial statements.

Employee benefits

The Commissioners operate both a pension scheme and a defined contribution scheme in the UK, the assets of which are held in a separate trustee-administered fund.

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

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

For defined contribution schemes

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

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

Leases

The Group as lessee

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

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

EU grants

EU grants relating to tangible fixed assets are included within deferred income and are recognised over the expected useful economic life.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result

3. Accounting Policies (continued)

Provisions (continued)

of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Investments

Fixed asset investments, comprising shares in subsidiary undertakings, are stated at cost less provision for impairment.

Current asset investments are stated at lower of cost and net realisable value. Investments comprise monies on short term deposits.

Investment in Associate

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating

policy decisions of the investee but is not control or joint control over these policies. The results and assets and liabilities are incorporated in these consolidated financial statements using the cost model. The investments in associates are measured at cost less any accumulated impairment losses.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Commissioners are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are

dealt with separately below), that the Commissioners have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revaluation of investment properties

Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2020 at fair value, having regard to valuations performed by Colliers International, an independent valuer with (RICS) qualified surveyors with experience of the location and classification of property being valued. There are elements of uncertainty in the underlying assumptions of the methodology used to determine the fair value of investment property, specifically in relation to environmental conditions, estimated rental values and estimated rental yields.

The deficit arising on the revaluation of investment properties is recognised in the income statement and then transferred to the revaluation reserve.

Dredging provision

The provision for maintenance dredging reflects the Commissioners' obligation to maintain channels and berths within the Port at a minimum depth. Dredging costs are dependent on a range of factors including environmental conditions, volumes of material to be dredged and the nature of the dredging equipment.

Pensions

The liability of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future inflation rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to uncertainty.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

5. Turnover

Turnover is analysed as follows:

| | 2020 £'000 | 2019 £'000 |
|----------------|---------------|---------------|
| Port revenue | 46,760 | 47,477 |
| Estate revenue | 14,081 | 12,876 |
| Hotel revenue | 1,969 | 5,576 |
| | 62,810 | 65,929 |

6. Investment Income

| | 2020 £'000 | 2019 £'000 |
|----------------------|---------------|---------------|
| Interest receivable | 249 | 617 |
| Other finance income | 103 | 108 |
| | 352 | 725 |

7. Profit before taxation

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

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Depreciation of tangible fixed assets (see note 12) | 12,502 | 11,397 |
| Impairment of tangible fixed assets (see note 12) | 358 | 100 |
| Amortisation of EU grants (see notes 16 and 17) | (1,158) | (1,124) |
| Profit on disposal of fixed assets | (20) | (26) |
| Gain on curtailments/changes/introductions DB Scheme (see note 21) | 1,165 | - |
| Foreign exchange loss/(gain) | (1) | 34 |
| Surplus on land transaction | (916) | - |

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

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Fees payable to the auditor and its associates for the audit of the annual accounts | 41 | 40 |
| Fees payable to the auditor and its associates for other services to the Group | | |
| The audit of the subsidiaries | 9 | 8 |
| Total audit fees | 50 | 48 |
| Taxation and compliance services | 30 | 22 |
| Other taxation advisory services | 40 | 35 |
| Total non-audit fees | 70 | 57 |

Fees payable to Deloitte and its associates for non-audit services to BHC are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

8. Pilotage

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Income from pilotage (included in turnover) | | |
| Pilotage services | 2,067 | 2,277 |
| Ships navigating under pilotage exemption certificates | 153 | 180 |
| | 2,220 | 2,457 |
| Expenditure on provision of pilotage (included in net operating expenses) | | |
| Providing the services of pilots | 1,903 | 2,070 |
| Providing, maintaining and operating pilot boats | 442 | 439 |
| | 2,345 | 2,509 |
| (Loss)/Gain against port operational costs (net operating expenses) | (125) | (52) |
| | 2,220 | 2,457 |

9. Employee Numbers

The average number of employees during the year was 211 (2019:212).

10. Tax and profit

The tax charge comprises:

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Current tax and profit | | |
| UK corporation tax | 5,306 | 5,635 |
| Adjustments in respect of previous periods | (537) | (640) |
| Total current tax | 4,769 | 4,995 |
| Deferred tax | | |
| Origination and reversal of timing differences | (445) | 1,442 |
| Adjustment in respect of previous periods | (110) | 167 |
| Effect of increase / (decrease) in tax rate | 2,540 | (152) |
| Total deferred tax (see note 18) | 1,985 | 1,457 |
| Total tax on profit | 6,754 | 6,452 |

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Group profit before tax | 18,504 | 31,648 |
| Tax on Group profit at standard UK corporation tax rate of 19% (2019: 19%) | 3,517 | 6,013 |
| Effects of | | |
| - Expenses not deductible for tax purposes | 186 | 139 |
| - Non-qualifying depreciation | 1,160 | 925 |
| - Entitlement indexation allowances | - | - |
| - Effect of increase / (decrease) in tax rate | 2,538 | (152) |
| - Adjustments to tax charge in respect of previous years | (647) | (473) |
| Group total tax charge for year | 6,754 | 6,452 |

11. Profit attributed to BHC

As permitted by section 408 of the Companies Act 2006, no separate income statement or statement of other comprehensive income is presented in respect of BHC. The profit attributable to BHC is the footnote to BHC's balance sheet.

12. Consolidated Tangible Fixed Assets

| | Capital Dredging | Dock Structures | Land & Buildings | Roads | Plant & Machinery | Assets in the Course of Construction |
|----------------------------|------------------|-----------------|------------------|-----------------|-------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or Valuation | | | | | | |
| At 1 January | 15,099 | 234,387 | 121,347 | 31,315 | 96,615 | 26,897 |
| Reclassified | - | 12,499 | 22 | 396 | 13,077 | (25,994) |
| Revaluation adjustment | - | - | - | - | - | - |
| Additions | - | 6,140 | 316 | 299 | 13,701 | 6,653 |
| Impairment | - | - | - | - | - | - |
| Disposals | - | - | - | - | (7,581) | - |
| At 31 December | 15,099 | 253,026 | 121,685 | 32,010 | 115,812 | 7,556 |
| Depreciation | | | | | | |
| At 1 January | (6,979) | (87,923) | (30,747) | (18,827) | (73,553) | - |
| Depreciation charge | (246) | (4,451) | (2,683) | (971) | (4,151) | - |
| Impairment | - | - | - | - | - | - |
| Disposals | - | - | - | - | 7,581 | - |
| At 31 December | (7,225) | (92,374) | (33,430) | (19,798) | (70,123) | - |
| Balance sheet value | | | | | | |
| At 31 December 2019 | 8,120 | 146,464 | 90,600 | 12,488 | 23,062 | 26,897 |
| 31 December 2020 | 7,874 | 160,652 | 88,255 | 12,212 | 45,689 | 7,556 |

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassification as estate property in 2001, was valued by the Commissioners as at 31 December 2020 at fair value, having regard to valuations performed by Colliers international, an independent value with (RICS) qualified surveyors with experience of the location and classification of property being valued. The deficit arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £12,874,346 (2019: £13,301,600) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2020 are capital contributions amounting to £219,724 (2019: £233,271).

| Operational Assets | Estate Property | Assets in the Course of Construction | Estate Assets | Total 2020 | Total 2019 |
|--------------------|-----------------|--------------------------------------|----------------|------------------|------------------|
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 525,660 | 188,685 | 6,722 | 195,407 | 721,067 | 679,174 |
| - | - | - | - | - | - |
| - | (11,587) | - | (11,587) | (11,587) | 324 |
| 27,109 | 1,924 | 14,185 | 16,109 | 43,218 | 41,739 |
| - | (358) | - | (358) | (358) | - |
| (7,581) | - | - | - | (7,581) | (170) |
| 545,188 | 178,664 | 20,907 | 199,571 | 744,759 | 721,067 |
| (218,029) | (219) | - | (219) | (218,248) | (206,906) |
| (12,502) | - | - | - | (12,502) | (11,397) |
| - | - | - | - | - | (100) |
| 7,581 | - | - | - | 7,581 | 154 |
| (222,950) | (219) | - | (219) | (223,169) | (218,248) |
| 307,631 | 188,466 | 6,722 | 195,188 | | 502,819 |
| 322,238 | 178,445 | 20,907 | 199,352 | 521,590 | |

12. BHC Tangible fixed assets

| | Capital Dredging | Dock Structures | Land & Buildings | Roads | Plant & Machinery | Assets in the Course of Construction |
|----------------------------|------------------|-----------------|------------------|-----------------|-------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or Valuation | | | | | | |
| At 1 January | 15,099 | 234,387 | 103,809 | 31,315 | 89,264 | 26,896 |
| Reclassified | - | 12,499 | 1,299 | 396 | 13,077 | (25,994) |
| Revaluation adjustment | - | - | - | - | - | - |
| Additions | - | 6,140 | 283 | 299 | 13,700 | 6,653 |
| Impairment | - | - | - | - | - | - |
| Disposals | - | - | - | - | (7,581) | - |
| At 31 December | 15,099 | 253,026 | 105,391 | 32,010 | 108,460 | 7,555 |
| Depreciation | | | | | | |
| At 1 January | (6,979) | (87,924) | (30,155) | (18,827) | (72,863) | - |
| Reclassified | - | - | - | - | - | - |
| Depreciation charge | (246) | (4,451) | (2,340) | (971) | (3,759) | - |
| Impairment | - | - | - | - | - | - |
| Disposals | - | - | - | - | 7,581 | - |
| At 31 December | (7,225) | (92,375) | (32,495) | (19,798) | (69,041) | - |
| Balance sheet value | | | | | | |
| At 31 December 2019 | 8,120 | 146,463 | 73,654 | 12,488 | 16,401 | 26,896 |
| At 31 December 2020 | 7,874 | 160,651 | 72,896 | 12,212 | 39,419 | 7,555 |

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2020 at fair value, having regard to valuations performed by Colliers international, an independent value with (RICS) qualified surveyors with experience of the location and classification of property being valued. The deficit arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £12,874,346 (2019: £12,874,346) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2020 are capital contributions amounting to £219,724 (2019: £233,271).

| Operational Assets | Estate Property | Assets in the Course of Construction | Estate Assets | Total 2020 | Total 2019 |
|--------------------|-----------------|--------------------------------------|----------------|------------------|------------------|
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 500,770 | 216,186 | 6,722 | 222,908 | 723,678 | 678,922 |
| 1,277 | (1,277) | - | (1,277) | - | - |
| - | (14,920) | - | (14,920) | (14,920) | 3,188 |
| 27,075 | 1,957 | 14,185 | 16,142 | 43,217 | 41,737 |
| - | (358) | - | (358) | (358) | - |
| (7,581) | - | - | - | (7,581) | (170) |
| 521,541 | 201,588 | 20,907 | 222,495 | 744,036 | 723,677 |
| (216,748) | (219) | - | (219) | (216,967) | (206,360) |
| - | - | - | - | - | - |
| (11,767) | - | - | - | (11,767) | (10,661) |
| - | - | - | - | - | (100) |
| 7,581 | - | - | - | 7,581 | 154 |
| (200,934) | (219) | - | (219) | (221,153) | (216,966) |
| 284,022 | 215,967 | 6,722 | 222,689 | 506,711 | 472,562 |
| 300,607 | 201,369 | 20,907 | 222,276 | 522,883 | 506,711 |

13. Fixed asset investments

| | BHC | |
|--|---------------|---------------|
| | 2020 £'000 | 2019 £'000 |
| Investment in Associate | 4,015 | 515 |
| Total | 4,015 | 515 |
| The Investment in Associate is held at cost at 31 December 2020 (note 22). | | |
| Subsidiary undertakings | - | - |
| Total | - | - |

BHC has investments in the following subsidiary undertakings:

| | Registered office address | Holdings | % |
|--------------------------------------|--|-----------------|-----|
| Trading Entities | | | |
| BHC Estates Limited | Harbour Office, Corporation Square, Belfast, BT1 3AL | Ordinary Shares | 100 |
| City Quays Hotel Limited | Harbour Office, Corporation Square, Belfast, BT1 3AL | Ordinary Shares | 100 |
| Dormant Entities | | | |
| City Quays Car Park Limited | Harbour Office, Corporation Square, Belfast, BT1 3AL | Ordinary Shares | 100 |
| Belfast Harbour Film Studios Limited | Harbour Office, Corporation Square, Belfast, BT1 3AL | Ordinary Shares | 100 |

14. Debtors

| | Group | | BHC | |
|--|---------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Amounts falling due within one year: | | | | |
| Trade debtors | 10,117 | 9,283 | 10,076 | 9,213 |
| Amounts owed by Group undertakings | - | - | 1,705 | 97 |
| Corporation Tax | 132 | - | 132 | - |
| Other debtors | 10,439 | 9,356 | 10,285 | 9,356 |
| Prepayments and accrued income | 1,012 | 936 | 1,014 | 845 |
| | 21,700 | 19,575 | 23,212 | 19,511 |
| Amounts falling due after more than one year: | | | | |
| Other debtors | 1,260 | 1,542 | 1,853 | 2,157 |
| Pension asset (note 21) | 4,909 | 5,059 | 4,909 | 5,059 |
| | 6,169 | 6,601 | 6,762 | 7,216 |

Other debtors due within one year include an amount owed by the Belfast Harbour Commissioners Pension Scheme of £8,514k at 31 December 2020 (2019: £6,519k).

15. Investments

| | Group | | BHC | |
|---------------------|---------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Short term deposits | 35,900 | 52,850 | 35,900 | 52,850 |

16. Creditors - amounts falling due within one year

| | Group | | BHC | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Trade creditors | 706 | 2,741 | 636 | 2,603 |
| Corporation tax | - | 701 | - | 656 |
| Other taxation and social security | 325 | 382 | 312 | 280 |
| Other creditors | 12,292 | 13,237 | 12,231 | 13,147 |
| EU grants (see note 7) | 1,158 | 1,124 | 1,158 | 1,124 |
| Accruals and deferred income | 2,044 | 2,123 | 1,903 | 1,947 |
| | 16,525 | 20,308 | 16,240 | 19,757 |

17. Creditors – amounts falling due after more than one year

| | Group | | BHC | |
|------------------------|---------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Other creditors | 2,322 | 2,446 | 2,322 | 2,446 |
| EU grants (see note 7) | 22,685 | 23,053 | 22,685 | 23,053 |
| | 25,007 | 25,499 | 25,007 | 25,499 |

Belfast Harbour Commissioners' share of the PNPf liabilities has been determined by the PNPf Trust Company and was notified to the Commissioners on 29 October 2012. The appropriate obligation of £2.5m, (2019: £2.6m) based on the currently available information, has been reflected in the accounts and included within other creditors. This has been split between creditors: due within one year of £206k (2019: £195k) and creditors: due after one year of £2,322k (2019: £2,446k). The majority of this obligation refers to "Orphan Liabilities" which do not relate to retirement benefit obligations of employment with Belfast Harbour Commissioners.

18. Provisions for liabilities

| | Deferred Taxation £'000 | Maintenance Dredging £'000 | Total £'000 |
|--|-------------------------------|----------------------------------|----------------|
| Group | | | |
| At 1 January | 22,347 | 2,694 | 25,041 |
| Adjustment in respect of prior periods | (110) | - | (110) |
| Charged to income statement | 2,095 | 1,000 | 3,095 |
| Charged to other comprehensive income | (161) | - | (161) |
| Amounts applied | - | (2,290) | (2,290) |
| At 31 December 2020 | 24,171 | 1,404 | 25,575 |

| | Deferred Taxation £'000 | Maintenance Dredging £'000 | Total £'000 |
|--|-------------------------------|----------------------------------|----------------|
| BHC | | | |
| At 1 January | 22,882 | 2,694 | 25,576 |
| Adjustment in respect of prior periods | (110) | - | (110) |
| Charged to income statement | 1,670 | 1,000 | 2,670 |
| Charged to other comprehensive income | (161) | - | (161) |
| Amounts applied | - | (2,290) | (2,290) |
| At 31 December 2020 | 24,281 | 1,404 | 25,685 |

18. Provisions for liabilities (continued)**Deferred Tax****Deferred tax is provided as follows:**

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Fixed asset timing differences | 10,039 | 7,744 |
| Short Term timing differences | (715) | (662) |
| Investment properties held at fair value and rollover relief | 13,914 | 14,405 |
| Pension | 933 | 860 |
| Provision for deferred tax | 24,171 | 22,347 |

Classification of Deferred Tax Liabilities

| | 2020 £'000 | 2019 £'000 |
|------------------|---------------|---------------|
| Within 12 months | - | - |
| After 12 months | 24,171 | 22,347 |

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity or other entity within the Group.

There is no expiry date on timing differences, unused tax losses or tax credits.

Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2019: 19%). At Budget 2021 the government announced that the Corporation Tax main rate from 1 April 2023 would be 25%. This results in an increased deferred tax liability of £7,668k.

Maintenance Dredging

The provision for maintenance dredging reflects the Commissioners' obligation to maintain channels and berths within the port at a minimum depth.

19. Financial Instruments

a) Overview

This note provides details of the entity's financial instruments. Except where otherwise stated, the disclosures in this note exclude retirement benefit assets and obligations.

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

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

b) Categories and carrying value of financial instruments

The carrying values of the Group and BHC's financial assets and liabilities are summarised by category below.

| | Group | | BHC | |
|------------------------------|---------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Financial assets | | | | |
| Investments | 35,900 | 52,850 | 35,900 | 52,850 |
| Cash | 2,552 | 2,646 | 2,189 | 2,077 |
| Loans and receivables | 21,718 | 20,181 | 23,919 | 20,822 |
| | 60,170 | 75,677 | 62,008 | 75,749 |
| Financial liabilities | | | | |
| Amortised cost | 13,226 | 16,362 | 13,179 | 16,031 |
| | 13,226 | 16,362 | 13,179 | 16,031 |

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

c) Credit risk management

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

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

19. Financial Instruments (continued)

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

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

d) Liquidity risk management

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

20. Capital commitments

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Group and BHC | | |
| Capital expenditure which has been contracted for but has not been provided for in the accounts | 42,091 | 76,163 |
| Capital expenditure which has been authorised by the Commissioners but has not yet been contracted for | 45,262 | 39,551 |

The above amounts do not take account of any future grants or contributions which may be receivable.

21. Employee benefits

Defined contribution scheme

The Commissioners operate a defined contribution pension scheme. The total charged to the income statement of £986k (2019: £853k) represents contributions payable to the defined contribution section of the scheme at rates specified in the Schedule of Contributions. As at 31 December 2020, contributions of £92k (2019: £82k) due in respect of the current reporting period had not been paid over to the scheme.

Defined benefit scheme

The Commissioners operate a defined benefit scheme. Amounts owed to Belfast Harbour Commissioners by the Pension Scheme are disclosed in note 14 to these accounts.

The last full actuarial valuation was carried out at 31 December 2017 by a qualified independent actuary. The present value of the defined benefit obligation, the related current services cost and past service cost were measured using the projected unit credit method.

21. Employee benefits (continued)

Weighted average assumptions to determine defined benefit obligation:

| | 31/12/2020 | 31/12/2019 |
|-------------------------------|------------|------------|
| Discount rate | 1.40% | 2.00% |
| Rate of compensation increase | 3.60% | 3.50% |
| Rate of pension increase | 3.00% | 2.90% |
| Rate of inflation increase | 3.10% | 3.00% |

Assumed life expectancy on retirement at age 65

| | Male years | Female Years |
|---|------------|--------------|
| Retiring today (member age 65) | 22.4 | 24.4 |
| Retiring in 25 years (member at 40 today) | 24.1 | 26.7 |

The principal assumption used to measure the scheme liabilities are the discount rate, rate of inflation, rate of salary growth and rate of mortality.

Amounts recognised in the income statement in respect of the defined benefit scheme is as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---------------|----------------|
| Group and BHC | | |
| Current service cost | 286 | 254 |
| Gain on curtailments/changes/introductions | (1,165) | - |
| Net interest income | (103) | (108) |
| | (982) | 146 |
| Recognised in other comprehensive income | 1,252 | (1,294) |
| Total income / (cost) relating to defined benefit scheme | 270 | (1,148) |

The amount included in the balance sheet arising from BHC's obligations in respect of its defined benefit scheme is as follows:

| | 2020 £'000 | 2019 £'000 |
|--|----------------|----------------|
| Present value of defined benefit obligation | 47,411 | 46,971 |
| Fair value of plan assets | 52,320 | (52,030) |
| Asset recognised in the balance sheet | (4,909) | (5,059) |

21. Employee benefits (continued)

Movement in the present value of defined benefit obligation were as follows:

| | At year end 31/12/20 £'000 | At year end 31/12/19 £'000 |
|--|----------------------------------|----------------------------------|
| At 1 January | 46,971 | 44,423 |
| Service cost | 286 | 254 |
| Gain on curtailments/changes/introductions | (1,165) | - |
| Interest cost | 895 | 1,211 |
| Participant contributions | 22 | 27 |
| Actuarial losses / (gains) | 4,815 | 3,387 |
| Benefits Paid | (4,413) | (2,331) |
| At 31 December | 47,411 | 46,971 |

Movements in the fair value of plan assets were as follows:

| | At year end 31/12/20 £'000 | At year end 31/12/19 £'000 |
|----------------------------|----------------------------------|----------------------------------|
| At 1 January | 52,030 | 48,168 |
| Interest Income | 998 | 1,319 |
| Actuarial losses / (gains) | 3,563 | 4,681 |
| Employer contributions | 120 | 166 |
| Participant contributions | 22 | 27 |
| Benefits Paid | (4,413) | (2,331) |
| At 31 December | 52,320 | 52,030 |

Plan Assets

The weighted-average asset allocations at the year-end were as follows:

| | At year end 31/12/20 £'000 | At year end 31/12/19 £'000 |
|-----------------------|----------------------------------|----------------------------------|
| Asset category | | |
| Equities | 16% | 17% |
| Debt instruments | 76% | 71% |
| Property | 8% | 9% |
| Other | 0% | 3% |
| | 100% | 100% |

22. Related Party Transactions

Belfast Harbour Commissioners pay, on behalf of the Belfast Harbour Commissioners' Pension Scheme, pensions payable to pensioner members and benefits payable to members both of which are reimbursed by the scheme. In addition, administration expenses of £768k (2019: £763k), which includes £13k (2019: £12k) relating to Pension Scheme audit fees, were borne by Belfast Harbour Commissioners on behalf of the scheme. Amounts owed by the Belfast Harbour Commissioners Pension Scheme are disclosed in note 14.

All board members, directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities are considered to be key management personnel.

The total remuneration in respect of these individuals is £3,947k (2019: £3,361k).

During the year Belfast Harbour Commissioners made payments totalling £3,500k to OH (Office) Developments Limited. This amount is held as an Investment in Associate at 31 December 2020 (2019: £515k). See note 13.



ANNUAL
REPORT
& ACCOUNTS
2020

