



Belfast Harbour

Annual Report
& Accounts 2015

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Chairman's Statement

The scale of economic activity within Belfast Harbour and the positive impact which it has upon Northern Ireland's wider economy is highly significant. The Harbour and its port customers now handle **70%** of Northern Ireland's seaborne trade and circa **20%** of the entire island's. During 2015 some **23m** tonnes of cargo passed through Belfast.

Additionally, within the Harbour Estate over **23,000** people are now employed across a range of business sectors. Some are directly related to the Port such as shipping, logistics, distribution and marine engineering whilst others are employed in sectors as diverse as software development, creative media, renewable energy, legal & financial services and tourism.

Our role, both the Board and Executive Team, is to continue to manage, maintain and develop the resources of the Harbour so as to optimise outcomes for our customers and the wider regional economy.

Against this context I am pleased to report that Belfast Harbour's turnover in 2015 **grew** by **3.4%** to **£54.3m** and its operating profit increased by **3.4%** to **£28.7m**. This record financial performance reflects the benefits of having a diverse business model and the ongoing investment in the long term development of the Harbour's Port activities and Estate.

As an entirely self-funded business there is a clear linkage between the Harbour's ability to invest and grow, and its financial performance. Every penny of our earnings is retained within the business and reinvested in further developing the Harbour's facilities and estate, creating much needed jobs and driving regional development. During 2015 the Harbour invested over **£18m** in capital projects, an increase of **£5m** over the spend in 2014. Forward capital investment commitments amount to circa **£100m**.

Port Activities

Belfast Harbour's core business is the maintenance and improvement of its Port facilities to ensure that Northern Ireland enjoys excellent trade and transport linkages across the Irish Sea to Great Britain and beyond.

2015 was the Harbour's second busiest year on record, consolidating the tonnage gains made in recent years as the local economy recovered from the global recession.

Almost **7m** tonnes more passed through the Port than during the recessionary low of 2009 and this year, for the first time, it was pleasing to note that trade associated with the construction industry showed some signs of an upturn. A record **1.5m** tonnes of stone was exported in 2015 along with a **76%** increase in cement exports.

Liquid Bulk tonnages reached a 5 year high and freight vehicles also grew to a record level. These gains, however, were offset by difficulties experienced by the Agri-Food sector, buffeted as it was by a combination of factors which resulted in increased global competition and reduced returns. As a consequence, imports of grain and animal feed fell back from the peak levels experienced in 2014.

More positively the number of cruise passengers visiting Belfast remained strong at **110,000** and plans for a new cruise berth on the County Down side of the Port were progressed.

Other investments to upgrade and consolidate the Harbour's Roll-On/Roll-Off and container handling facilities were completed, new bulk storage facilities were delivered and one modern pilot boat was delivered, with a further pilot boat ordered. Preparatory work on a number of other marine projects, including a coal processing plant also continued.





Estate Development

Belfast Harbour Estate is now a major centre for employment across a wide range of sectors. This has been made possible by major regeneration projects such as City Quays, Titanic Quarter, Clarendon and Sydenham Business Park.

In particular 2015 was a landmark year for City Quays with the first phase of Grade A office development completed and we welcomed the first tenant, international law firm, Baker & McKenzie. Buoyed by interest in City Quays 1, now fully occupied, work commenced on the **124,000 sq.ft.** City Quays 2.

A new waterfront walkway linking the scheme to Belfast City Centre was also completed which provides connectivity for office workers plus the future customers of a proposed **4-star, 190-bedroom City Quays Hotel** which was lodged to the planning authority.

These projects will help create the foundation for new job and wealth creation opportunities. The extent of what can be achieved was highlighted by the publication of an independent economic assessment of Titanic Belfast. The report found that the attraction (part-funded by Belfast Harbour) has generated an additional **£105m** over 3 years in tourism spend for the local economy.

During the year the Harbour also submitted a planning application to develop new film studios on the North Foreshore. This exciting **£18.5m** development has the potential to significantly stimulate Northern Ireland's growing screen production industry.

Board Members

I would like to thank all of the Harbour Commissioners for their support and their contribution to Belfast Harbour over the last year. I want to especially thank those Commissioners whose term of office ended during 2015 or early in 2016 for their sterling service throughout their time on the Board. The terms of office of the four Belfast City Councillors who served on the Board - Alderman David Browne, Alderman Patrick Convery, Councillor Matt Garrett and Councillor Thomas Haire ended when the new Belfast City Council commenced in April 2015. Four independent Commissioners also stood down from the Board in February 2016 when their current terms of office were completed - Trefor Campbell CBE, Peter Dixon, Stephen Kingon CBE, and Noel Brady. I also want to welcome the four newly appointed Belfast City Councillors, the five newly appointed independent Commissioners and the four re-appointed independent Commissioners and wish them all every success for their terms of office.

Corporate Responsibility

During 2015 Belfast Harbour's CR activity continued to deliver real impacts on communities under the pillars of Young People, The Arts, Environment and Community. We continue to commit more than 1% of our profits to the communities we work alongside with more than **130,000** people benefitting from programmes, initiatives and events supported by Belfast Harbour. We also supported Tall Ships 2015 during four days in July accommodating 46 vessels. More than 500,000 visitors enjoyed the spectacle, spread from Queen's Quay to Pollock Dock and tens of thousands of people watched the ships sail out of Belfast Lough to begin the race.

Outlook

Trade and commercial performance in the first quarter of 2016 has been encouraging. In the turbulent and competitive global market-place that we and our customers operate in, it is essential that we continue to develop world class Port and Estate facilities that create real competitive advantage and support best in class performance.

We firmly believe that our investment programme, with circa £100m of committed expenditure, will deliver economic benefits for our customers, stakeholders and the wider regional economy and create much needed quality jobs.



Dr David Dobbin CBE
Chairman



Board Member Profiles



Dr David Dobbin, CBE **Chairman**

David Dobbin was appointed Chairman in January 2015 and first appointed to the Board in February 2012. David has extensive international business experience in the agri-food sector and is currently Group Chief Executive of Dale Farm, the UK's largest dairy cooperative. David is also Chairman of Dairy UK, the national trade body for the British dairy industry as well as Chairman of the Ulster Rugby Management Committee.

A Fellow of the Institute of Directors and Chartered Mechanical Engineer, he is actively involved in promoting regional economic development and has previously held a number of public and industry appointments including Chairman of the Strategic Investment Board, Chairman of Inter Trade Ireland, Chairman of the Prince's Trust Northern Ireland, Chairman of CBI Northern Ireland and President of the Northern Ireland Grain Trade.

Roy Adair, CBE **Chief Executive**

Roy Adair was appointed Chief Executive of Belfast Harbour Commissioners in 2005. Roy previously held positions with Rothmans International, Flexibox International and the Northern Ireland Quality Centre, where he was the organisation's first CEO. Roy joined electronics group DDL Inc in 1994 to run Irlandus Circuits, a company which he subsequently bought from the Group in 1999.

Roy has been involved as a non-executive in a range of organisations which currently include the Prince's Trust, Business in the Community (as Northern Ireland Chair), the UK Major Ports Group, the Offshore Wind Energy Council and the Ulster University Centre for Economic Policy. He is President Emeritus of the General Stevedoring Council, chairs the Diaspora initiative, NI Connections, and has also served as Prince Charles' Ambassador for Social Responsibility, and as an Invest NI board member.

Noel Brady

Noel Brady was appointed to the Board in 2008. Noel is Managing Director of Consult Nbl Limited, a business development consultancy which he founded in 2004 that provides executive support services to international and national clients. He is widely recognised as one of the leading experts in public sector tendering in the Province. Following an early career in the Northern Ireland Civil Service, Noel held key senior management positions with CFM Group Ltd, ICL and Sx3, combining over 40 years of experience of working in both the public and private sectors. He is Chairman of Sentel Limited, which sells Telecommunications software solutions in the European market. He is an Honorary Fellow and Chairman of the Sales Institute of Ireland.

In May 2015 Noel was appointed to the Main Committee of the IoD and was made a Fellow of that Organisation. He is also a member of the Board of the Northern Ireland Assembly Business Trust. Noel Brady left the Board on 31st January 2016.



**Alderman David Browne
MBE**

Alderman Browne was first elected to Belfast City Council in 1994, and has been UUP leader on Belfast City Council for the past 12 years. He was appointed to the Board in July 2005 and reappointed in 2011. In addition to being the former High Sheriff of Belfast, Alderman Browne is a member of several Belfast City Council Committees and Chairman of Grove Housing Association and was elected as Deputy Lord Mayor of Belfast in 2008. Alderman Browne left the Board on 31st March 2015.

Dr Trefor Campbell CBE

Dr Campbell was appointed to the Board in 2008. Trefor was formerly Managing Director and subsequently Non-Executive Chairman of Moy Park Ltd. Trefor is Patron and N.I. Council Member of the Prince's Trust, Companion of the Chartered Management Institute, a Fellow of the Royal Society of Agriculture, a Fellow of the Royal Society for Arts & Commerce and a Liveryman of the Worshipful Company of Poulterers. Dr Campbell left the Board on 31st January 2016.

Alderman Patrick Convery

Alderman Convery is an elected member of Belfast City Council. He was reappointed to the Board of Belfast Harbour Commissioners in February 2012. He is a member of the Development, Parks & Leisure Committee, and is also a Member of both the North Belfast Policing and Community Safety Partnership and the North Belfast Partnership. Alderman Convery served as Lord Mayor of Belfast from 2010 - 2011. Alderman Convery left the Board on 31st March 2015.



Peter Dixon

Until recently Peter was Group CEO, Phoenix Energy Holdings – the Northern Irish Gas Utility - a position he held for 15 years. He was appointed to the Board of Belfast Harbour Commissioners in 2008. Peter is Chairman of Phoenix Holdings and Lionrai Investments. He is director of HDFUK Ltd and South East Water Ltd on behalf of the Utility Trust of Australia. Peter is a director of Eli Finance Ltd the holding company for: Four Seasons Healthcare UK, Brighterkind Care homes and The Huntercombe Group. He is a senior advisor to Hastings Infrastructure Fund UK and an operating partner of Terra Firma Capital Partners. He is an advisor to the Winston Churchill Memorial Trust. Peter is a Fellow of the Institute of Energy, a Companion of the Institute Gas Engineers and Patron of the Energy & Utility Skills Council.

In support of his charitable work he is an Ambassador for Opportunity Youth and a Lords Taverner. Peter is a director of Men Against Cancer and a mentor for the Kilfinan Group; mentoring CEO's of UK charitable organisations. Peter was the founding Chairman of the Energy for Children Trust a leading children's charity in Northern Ireland. Peter left the Board on 31st January 2016.

Councillor Matt Garrett

Councillor Garrett was first appointed to the Board in February 2012. Councillor Garrett was elected to serve as a Belfast City Councillor in May 2011. Councillor Garrett sits on the Health and Environmental Committee, Town Planning Committee and the Development Committee. He is a member of the West Belfast District Policing and Community Safety Partnership (DPCSP), also taking his seat on the Belfast PCSP. Other outside bodies Councillor Garrett contributes to are the NI Housing Council, Northern Ireland Local Government Association (NILGA) and the West Belfast Partnership Board. Councillor Garrett left the Board on 31st March 2015.

Councillor Thomas Haire

Councillor Haire was first appointed to the Board in February 2012. Councillor Haire was first elected to the Belfast City Council in May 2011 and re-elected to the new Council in May 2014. He serves on the Strategic Policy and Resources Committee, Parks and Leisure Committee and the Town Planning Committee of Belfast City Council. In addition, he represents the Council as a member of the Board of Visit Belfast and the George Best City Airport Forum.

Councillor Haire is Vice Chairman of the Board of Governors at Ashfield Boys High School and the Treasurer of the Ulster Scots Community Network. Councillor Haire left the Board on 31st March 2015



Christine Hayes

Christine Hayes was first appointed to the Board in February 2012. Christine has recently completed her 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. In the past she has worked as a self-employed consultant specialising in business coaching and mentoring, facilitation and senior management development for a number of incorporated business entities.

Additionally, Christine has had a long career in the Finance and Banking industry and 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.

Dame Rotha Johnston DBE

Rotha Johnston was first appointed to the Board in February 2012. Rotha is a partner in Johnston Partnership, a property investment business. She is a Pro Chancellor at Queen's University Belfast, a Director of Northern Ireland Electricity, an independent Board member for the Department of Justice and Chair of NI Screen.

In the past she has been BBC Trustee for Northern Ireland, Deputy Chairman of Invest NI and a Director of Variety Foods. She was also a Non-Executive Director and member of the Audit Committee at Allied Irish Bank (UK) Ltd.

Dr Stephen Kingon CBE

Stephen Kingon was first appointed to the Board in February 2012 and is the Principal at Stephen Kingon Associates. Currently he is the Chairman of the Balcas Group, the Centre for Competiveness, Lagan Group Holdings Limited, Lagan Group Limited, Lagan Homes Holdings Limited and Northern Ireland Electricity Networks Limited. In addition he is a Director of Allied Irish Bank UK plc, Anderson Spratt (Holdings) Limited, the Baird Group Limited and United Dairy Farmers.

He is also Pro Chancellor of Queen's University, a member of the Chartered Accountants Regulatory Board and Chairman of the Action for Hearing Loss Advisory Board. Dr Kingon left the Board on 31st January 2016.



Dr Gerard O'Hare CBE, DL

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 Institute 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 is a Board Member of Invest NI and Business in the Community NI. He was Chairman of Belfast Tall Ships 2009/2015 and sits on the NI Council of the Prince's Trust.

In addition, he is Honorary Consul for the Republic of Latvia in UK and NI and has been 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.

Dr Ed Vernon OBE

Ed Vernon was first appointed to the Board in February 2012. Ed is a Strategic Advisor to BT, a Foundation Board Trustee of Queen's University and Chair of the Riddel Hall Founders' Club. Since 2007, he has been Chairman of Macildowie, a specialist recruitment agency in the East Midlands of England.

Ed founded B.I.C Systems, a technology services business which was acquired by 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.

Commissioners' Attendance

Name	Board Meetings		Committee Meetings		Total Meetings Attended		Percentage of Total Meetings Attended
	Possible	Actual	Possible	Actual	Possible	Actual	%
Adair, Roy	6	6	29	29	35	35	100
Brady, Noel	6	5	8	5	14	10	71
Browne, David*	1	0	1	0	2	0	0
Campbell, Trefor	6	5	18	16	24	21	87
Convery, Patrick*	1	1	1	1	2	2	100
Dixon, Peter	6	3	12	7	18	10	56
Dobbin, David	6	6	22	22	28	28	100
Garrett, Matt*	1	1	1	0	2	1	50
Haire, Thomas*	1	0	0	0	1	0	0
Hayes, Christine	6	6	12	11	18	17	94
Johnston, Rotha	6	5	13	11	19	16	84
Kington, Stephen	6	6	13	11	19	17	89
O'Hare, Gerard	6	4	9	5	15	9	60
Vernon, Ed	6	6	17	15	23	21	91

*NB – Belfast City Councillors stepped down from the Board in March.

Executive Team



Graeme Johnston
Property Director

Graeme is a qualified Chartered Surveyor and Chartered Project Management Surveyor. He joined the organisation in 2007 having held a number of senior positions in the banking and retail sectors. Previously Graeme was Property Director for the Henderson Group and was all-Ireland Property Manager for the Ulster Bank. Graeme is currently the Treasurer of the Ireland Chapter of Lambda Alpha International.



Joe O'Neill
Commercial Director

Joe joined the organisation in 1997, holding a number of roles within Belfast Harbour including Commercial Manager and Port Manager before being appointed Commercial Director in 2005. Prior to joining the Port, Joe held positions with Undus Ltd and Cantrell and Cochrane Ltd. Joe is currently Chair of the MAC and a board member of the Simon Community.



Trevor Anderson
Operations Director

Trevor is an engineer by profession and joined the organisation in 2006 from Bombardier Aerospace. Trevor had 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 was a member of the Board of Belfast Tall Ships 2015 Ltd.



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.



Maurice Bullick
Finance 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 Fuels for 11 years and undertook a range of Finance portfolios. Prior to that Maurice trained and qualified with Price Waterhouse, Chartered Accountants. Maurice is Company Secretary of Belfast Harbour's Pension Scheme and Council member of the Association of Participating Bodies of the Pilot's National Pension Fund.



Chief Executive's Review 2015

Port Business

Trade

Total tonnage at the Port in 2015 mirrored that of the previous year with 23m tonnes of goods handled across the Bulk and Unitised sectors. 2015 was a year in which the Port consolidated the significant gains realised in recent years with increased volumes of refined oil and improved ferry traffic carryings helping to offset reduced tonnage levels of grain, feeds and coal.

At a sectoral level Unitised traffic (RoRo / LoLo) represented 59% of total tonnes handled at the port with the remaining tonnes shared across the Liquid, Dry and Break Bulk categories as follows:

	Tonnes	Percentage
RoRo	11,544,000	50%
Dry Bulk	6,596,000	29%
Liquid Bulk	2,255,000	10%
LoLo	2,041,000	9%
Break Bulk	384,000	2%

Bulk

The Dry Bulk sector experienced its first annual decline in tonnes since 2009 largely brought about by the impact of global economic and political influences affecting the Grain and Feeds sector. However notable positive results were recorded in several other key commodities.

A record breaking total of 1.5m tonnes of stone was exported, up some 93,000 tonnes (6%) on the previous year. In addition to this, cement exports continued to show annual improvement with a 76% increase on the previous year (up to 199,000 tonnes) reflecting continued success by our local cement producers in identifying export markets.

Grain and animal feed imports fell by 9% in 2015 with just under 2m tonnes of commodity handled at the Port. The downturn in 2015 reflected the much documented challenges facing the farming and Agri Food sectors during the year with adverse currency influences, low milk prices and reduced worldwide demand most notably in the Asian marketplace and the impact of Russian trade restrictions on EU imports.

Coal volumes handled at the Port decreased to 2.2m tonnes as a result of a reduced intake by Kilroot Power Station and a scheduled reduction in imports by the Port's principal coal importer in order to facilitate major investment in development works in a new coal handling and processing facility at the Port. Coal tonnage is expected to increase significantly after completion of the works in 2016.

The total volume of Liquid Bulk handled at the port reached a 5 year high at 2.3m tonnes. Kerosene imports dominated the sector at 843,000 tonnes, an increase of almost 100,000 tonnes on the previous year reflecting the impact of significant decreases in the global oil prices during the year. Diesel and petrol volumes made up a further 854,000 tonnes of the total Liquid Bulk handled in 2015 with diesel volumes increasing by 4% over 2014 levels.

Chief Executive's Review 2015 (cont.)

Break Bulk tonnages decreased by 7% in 2015 as a result of reduced wind farm project activity, the latter is however scheduled to increase again in 2016 as DONG Energy commences work on its next Irish Sea windfarm project. On a more positive note in 2015, the key commodities of Steel and Paper both increased slightly over 2014 levels, to 125,000 and 115,000 tonnes respectively.

Strong growth was also recorded in the export of Refuse Derived Fuel (RDF) with a 38% increase in tonnage exported to 94,000 tonnes.

Freight Ferries (RoRo)

For the third consecutive year RoRo freight volumes delivered record volumes with 481,000 freight vehicles handled in 2015, up 1% in line with general market growth. Volumes on the Belfast-Liverpool route, in particular, continued to perform strongly, up by 4% on 2014 levels. The Port's two other RoRo services to Heysham and Cairnryan performed steadily with Stena Line consolidating its market share on the Cairnryan route.

Containers (LoLo)

The total number of containers handled decreased marginally by 2% in 2015 to 123,254 units. Such trading performance again reflected the reduction in exports for Agri-Food products and the phased closure of some key NI manufacturing accounts with significant port trading volumes.

Passengers & Cruise Ships

The Port's ferry services carried 1.381m passengers between Belfast and Great Britain in 2015, a comparable figure to 2014 levels and reflective of a broadly flat ferry travel marketplace. Similarly, the number of visitors arriving on cruise ships during 2015 remained broadly similar to the previous year at 110,000.

Port Development

During the year, work commenced on the upgrade of two of the Port's RoRo terminals, Victoria Terminal (VT) 1 & 2, to provide additional capacity and enhanced operational efficiencies on the services to Liverpool and Heysham.

In 2015, the Port also consolidated its container services provision into a single facility at VT3. The facility was enhanced through the integration and development of a further five acres of container storage yard to the north of VT3. The works enabled the closure of the container terminal at Herdman Channel Road with the latter lands utilised to provide additional capacity for the Port's burgeoning Stone export trade.

Investments were also made in new bulk storage and handling facilities for two of the Port's dry bulk customers operating in the fertiliser and salt sectors.





Chief Executive's Review 2015 (cont.)

Real Estate Business

City Quays

Construction of the first physical development within the City Quays scheme, City Quays 1, was completed by Heron Bros Ltd during the year. This 5-storey office building, with highly sustainable accreditation, consists of 83,000 sq.ft. of floor area, constructed on a waterfront site adjacent to the existing Clarendon Dock offices. The building design, which Belfast Harbour believes is unique in the NI market, is a product of extensive research and development work and takes cognisance of feedback from international and local real estate agents, prospective occupiers and Invest NI.

Belfast Harbour secured a marquee tenant pre-let of the top two floors of City Quays 1 to Baker & McKenzie who are one of the world's largest law firms headquartered in Chicago. Baker & McKenzie officially opened their offices in July 2015 when they announced that they would be creating up to 260 jobs, over a 3 year period, by forming this global services centre in Belfast.

Further IT and electronics sector occupiers for the first and second floors of the building were secured late in 2015 completing the letting of the building in less than nine months.

During the year work also commenced on the next City Quays commercial office development beside City Quays 1 – City Quays 2. Lagan Construction was appointed to build this 9-storey building of some 124,000 sq.ft. which also includes a waterfronting cafe/retail unit on the ground floor. City Quays 2, designed by world recognised architects Grimshaw, London, will be completed ready for occupation by mid-2017.

Belfast Harbour feels that the speculative building of City Quays 2 will prove helpful in Invest NI's objective of securing both new entrants to the NI market and expanding indigenous businesses particularly in the targeted knowledge based sectors.

During the year work also commenced on enabling the next 2 City Quays non-office developments – City Quays Hotel and City Quays Multi-Storey Car Park. A Reserved Matters Planning Application, within the context of the approved Master Plan, was lodged for the 190 bedroom 4* waterfront hotel with restaurant, bar, gym and meeting space. The hotel will be developed, financed and operated by Belfast Harbour under a major international brand and via a specialist hotel operator. The 9-storey building will provide an additional reason to visit the City Quays area and will complement the businesses of the surrounding office occupiers in terms of providing hotel space for clients and colleagues as well as a food and beverage offer and both formal and informal meeting space. The City Quays hotel is designed by renowned local architects RPP and the aim is to have the property completed for opening at the end of 2017.

The developments of City Quays 1, 2 and hotel are linked directly to city centre by a waterfront walkway and cycleway which was completed mid-2015. This is proving a popular riverside amenity both for City Quays occupiers and citizens of Belfast and connects to the established waterfront plaza at Obel Tower and beyond.

A Reserved Matters Planning Application, also within the context of the approved City Quays Master Plan, was lodged for a 900 space car park which will ultimately provide space for City Quays occupiers and visitors. The car park will also be developed, financed and operated by Belfast Harbour via a specialist operator. The 9-storey building will be clad in an innovative design-led façade system ensuring that the finished product is a differentiator in the local market and also complements the overall City Quays development. The City Quays car park is also designed by RPP Architects and the aim is to have the facility completed for opening mid-2017.

Titanic Quarter

Titanic Foundation Limited commissioned an independent consultants report on Titanic Belfast's first three years of operation. The report based on the period April 2012 - March 2015 and headline figures detailed:

- Titanic Belfast generated £105m in additional tourism spend for the Northern Ireland economy and sustained around 893 jobs each year in the wider economy.
- There were 1.9m admissions to the galleries; 150,000 conference delegates and 100,000 visitors to special exhibitions.
- Visitor numbers peaked in the first year of opening, with over 800,000 customers and continued to remain resilient with 700,000 customers to the galleries, exhibitions and conferences in year three.
- Over 71% of visitors to Titanic Belfast were from outside Northern Ireland.

Titanic Foundation Limited extended its asset base to include the former Harland and Wolff Headquarters Building & Drawing Offices. Leases were granted by BHC to facilitate the restoration and conversion of this B+ Listed building and in particular the heritage assets, into an 84-bedroom boutique hotel. The most historically important rooms such as the Drawing Offices, Board Room, Telephony Room and Entrance Lobby will be developed as spaces for public access. Proposals are being developed for a further new build extension of some 40 bedrooms.

Belfast Bike Dock – Belfast Harbour provided part funding of a new bike dock located beside Hamilton Dock where the SS Nomadic is berthed helping support cycle connectivity into Queen's Island from the city centre.

HMS Caroline – The light cruiser HMS Caroline, which has been berthed in Belfast from 1924, is the last surviving warship from the Battle of Jutland in 1916 and as such is an important maritime heritage vessel. Funding of £11.5m has been secured from the Heritage Lottery Fund which, together with funding from the NI Executive via DETI and the National Heritage Memorial Fund, will enable HMS Caroline to be restored and open to the public in 2016 to commemorate the centenary of the battle.

Waterfront Walkway - A Planning application was lodged for a proposed walkway which ultimately will link Titanic Belfast slipways to the Thompson Dock and HMS Caroline.

Titanic Exhibition Centre – This temporary facility with a proposed three year lifespan was erected on a three acre site on Queen's Road opposite the Paint Hall. The Exhibition Centre is a 65,000 sq.ft. tensioned fabric temporary structure anticipated to host around 14 events per annum primarily over evenings and weekends.

Belfast Harbour – Sales & Marketing

It was widely reported throughout the year by local real estate professionals and other market commentators that the lack of Grade 'A' office space could impact on the decision making process of both new market entrant FDI and growing indigenous companies to locate/relocate to Belfast.

Work continued with Invest NI, real estate agents, and in-market specialists regarding awareness and direct marketing aimed at securing Foreign Direct Investors within the Estate.

Belfast Harbour's digital marketing materials; including the website, proved hugely successful as a conduit for potential property occupiers and overseas investor opportunities. These materials were used extensively throughout the year and were consistently recognised by potential occupiers as being best in class.

Belfast Harbour – Media Development

Northern Ireland has become one of the most sought-after filming locations for both film and television productions in the UK. The region continues to attract global players such as HBO, Universal and Playtone, and has welcomed international productions including the world wide acclaimed 'Game of Thrones', 'Dracula Untold' and 'City of Ember'.

Further high quality studio space is required to support this burgeoning sector and accordingly a planning application was lodged at the end of the year for additional new build film studios, workshops and ancillary offices totaling some 130,000 sq.ft. with associated vehicle parking and backlot. The development is to be constructed on an 8 acre waterfronting section of Belfast City Council's North Foreshore site.

The scheme estimated at some £18.5m will be developed by Belfast Harbour and is scheduled for completion by the end of 2016.

Strategic Report

As a Trust Port, Belfast Harbour 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.

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

Strategy Update and Business Model

The core strategy of Belfast Harbour remains investments which deliver sustainable financial returns according to investment criteria. Operating the business profitably is a legal requirement and is essential to fund investment and growth. This enables Belfast Harbour to best serve the business and the Northern Ireland economy at large. In addition there is investment in maintenance 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 investment is the core Belfast Harbour financial objective.

Northern Ireland Trust Ports are statutory corporations, regulated by the Department for Regional Development, obliged to generate a commercially acceptable rate of return on their assets, which is mainly achieved through charges on port and other facilities.

After a number of years of primary focus on major investment in port facilities, the next few years will see substantial investment in regeneration activities, mainly at City Quays, with the completion of City Quays 1 and the commencement of City Quays 2 in 2015.

Trading

Belfast Harbour has successfully delivered against the financial objective, with a record financial performance for 2015, with turnover at £54.3m up 3.4% on 2014, and operating profit at £28.7m, up 3.4% on 2014.

After some years of double digit trade growth, driven by investments and trading gains, the business has increased at a more modest rate during 2014 and 2015, reflecting consolidation of these gains.

The Financial Statements show Profit before taxation for 2015 at £33.5m which is a reduction on the 2014 figure reported of £36.4m. This apparent reduction is due to the movement on valuation of investment properties now reported under FRS 102 in the Income Statement. Previously this was reported as a reserves movement.

The movement on valuation of investment properties is not a trading item, and the "underlying" profit before taxation increased by 2.3% to £29.9m from £29.2m, as set out in the table below:

	2015	2014
Profit before taxation as reported	£33.5m	£36.4m
Less: Surplus on revaluation of investment properties	£3.6m	£7.2m
"Underlying" Profit before taxation	£29.9m	£29.2m





Strategic Report (cont.)

Capital Expenditure

Belfast Harbour is primarily an infrastructure business; wholly funded at present by retained profits. No public money is received or spent by the Harbour.

All profit, net of taxation, is reinvested in the development of the Port and property businesses. The beneficiaries are the businesses throughout Northern Ireland which trade through and rely on the Harbour, and consequently the main beneficiary is the local economy in general. As is common in the Port's industry, the scale of economic benefit of this investment is considerably in excess of the direct economic benefit to Belfast Harbour itself.

Total capital expenditure in 2015 was £18.6m, and in addition a further £99.7m has been committed at the year end to strategically significant projects.

The principal project during 2015 was the construction of City Quays 1, and in addition there was investment on docks and quay upgrades.

Principal commitments are to the redevelopment of City Quays, plus the cruise berth, expansion of logistics warehousing and upgrade of unit load facilities.

In the past 5 years a total of £108m has been invested in the Harbour, all funded from cash flow.

Liquid funds at December 2015 were £72.3m all of which is committed to future projects as noted above.

Business Environment

Belfast Harbour has considerable financial resources together with a diverse business model holding long term contracts with key customers. The Harbour has continued to successfully manage the business risks associated with the continuing uncertain economic outlook. The growth in revenue in 2015 was produced by a forward looking investment strategy in capital intensive harbour facilities, which facilitated port business growth despite the underlying economic environment.

Risks and Uncertainties

Funding

Belfast Harbour as a Trust Port, is solely responsible for funding the business including investment in infrastructure via retained profit. At present a "Public Corporation" classification applies to all major UK Trust Ports, including Belfast Harbour, even though it is not in the public sector. This classification has the potential to impact on public budgets. Belfast Harbour currently manages its funding to facilitate investment within the constraints of no borrowing.

Economic

Belfast Harbour trade is reflective of the health of the overall Northern Ireland economy, and although trade growth consolidated in 2015 revenue growth was achieved.

The economy will always be a managed risk. In mitigation of this risk, Belfast Harbour has a well-diversified trading base, strong trading counterparties, and continues to seek new business investment with sustainable financial returns.

Trading

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

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 Safety, Environment and Security. In addition Belfast Harbour is aware of the need for good governance, including governance specifically pertaining to Trust Ports. In mitigation, Belfast Harbour has strong oversight mechanisms in place at Board and Executive level for monitoring and meeting the ongoing regulatory challenges.

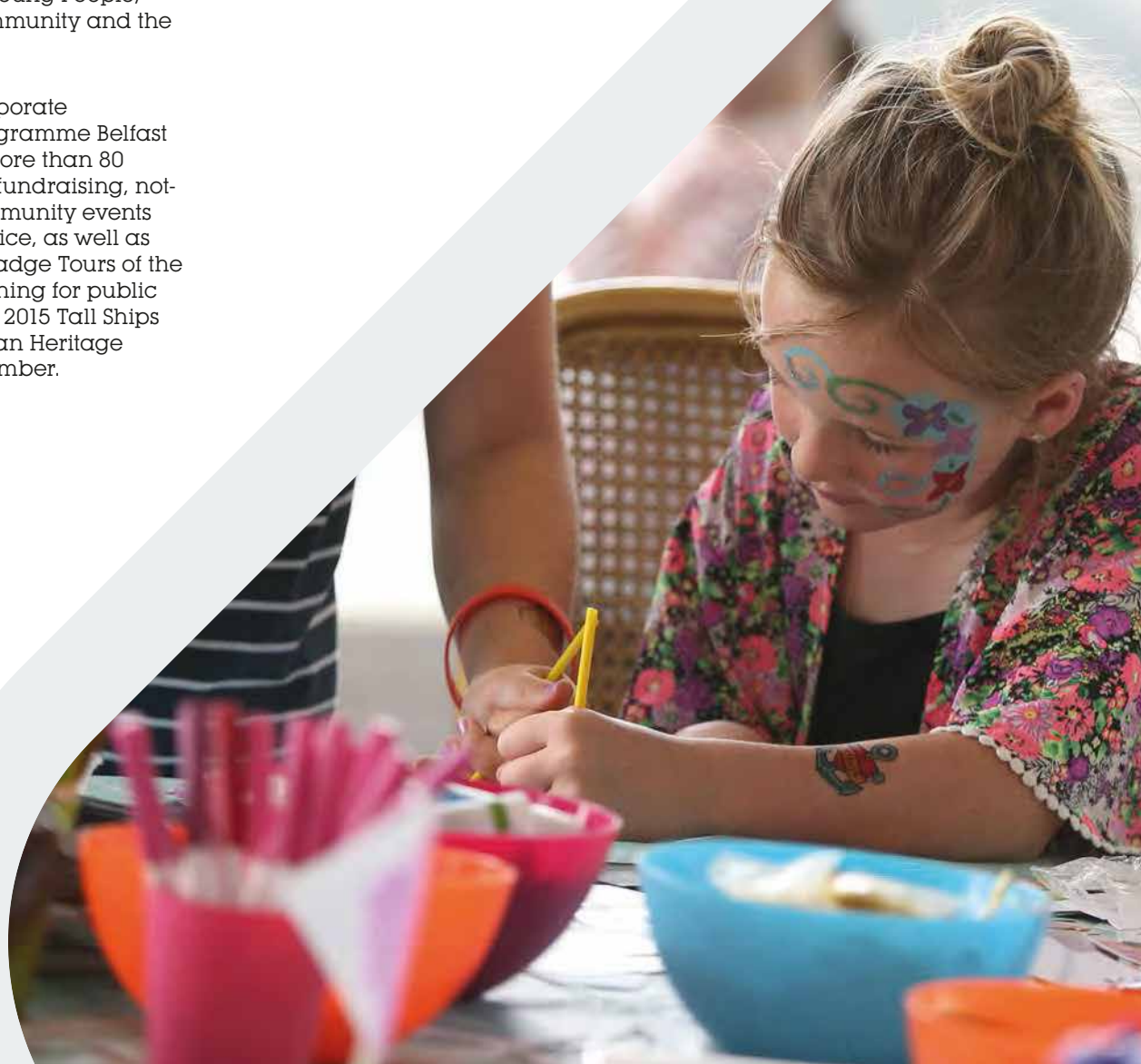
Belfast Harbour and the Community

While Belfast Harbour is fully committed and understands the importance of the Port to the City and the regional economy, it continues to commit more than 1% of its profits to the communities it works alongside, with more than 130,000 people benefitting from programmes, initiatives and events supported by Belfast Harbour.

Belfast Harbour's Corporate Responsibility commitment is a strategic objective formalised by four core pillars: Young People, Environment, Community and the Arts.

As part of our Corporate Responsibility Programme Belfast Harbour hosted more than 80 business, charity, fundraising, not-for-profit and community events in the Harbour Office, as well as organising Blue Badge Tours of the building and opening for public access during the 2015 Tall Ships Race and European Heritage Weekend in September.

For four days during July Belfast Harbour played host to 46 vessels starting the Tall Ships 2015 Race. More than 500,000 visitors enjoyed the spectacle spread from Queen's Quay to Pollock Dock and tens of thousands of people watched the ships sail out of Belfast Lough on their last day, to the race starting point, just off Portrush.



In 2015 Belfast Harbour supported a variety of organisations through programme support, donations and sponsorships including:

Corporate Responsibility Partners

Young People Partnerships

Prince's Trust Development Awards
 BITC Responsible Business Internships
 Atlantic Youth Trust
 Beyond Skin
 BookTrust
 Wheelworks
 Artscare
 Disability Sport NI

Environmental Partnerships

RSPB
 Enactus

Arts Partnerships

The Lyric – Hydebank Restorative Justice programme
 The Talent Tribe
 Young at Art
 Du Dance
 Open Arts
 Culture Night

Community Sponsorships

Feile an Phobail
 The Mela
 Sailortown

CR Pillar	Numbers impacted
Young People	2321
Arts	1990 plus 65,000 attendance at Belfast Culture Night
Environment	350
Community sponsorship	65,000 attendees at events (25,000 at Belfast Mela, c.40,000 Feile an Phobail)

(Note: includes all attendees at events part funded by Belfast Harbour).

Additional Support

Regional Economic support

Riddell Hall at Queen's University
 NI Centre for Economic Policy
 NI Connections
 NI Science Park Connect
 American Ireland Fund

Support within the Harbour Estate

HMS Caroline Berthing
 Nomadic Charitable Trust Hamilton Dock
 Sea Cadets Provision

The wide variety of partners we work with enables us to reach a large audience in a variety of different sectors.

Impact

The most significant addition to the Harbour's CR activities was the partnership with Culture Night Belfast underpinning our economic support of the area as well as playing our part in further developing a vibrant city for Foreign Direct Investors to base themselves in.

Fundraising

The Employee Corporate Responsibility Committee held several events throughout 2015 such as a coffee morning for Macmillan Cancer and a Christmas Jumper Day for Seafarers. Overall the team raised £3,500. Employees also volunteered during the annual Be a Saint Day.

Testimonials

The Lyric – Hydebank Restorative Justice programme
"I am not one for theatre but best crime/risk taking prevention performance I have ever seen. Realistic, professional, emotional and engaging the audience." (PSNI Sergeant (Community))

"It was an outstanding performance. I'd like more of our students to see it and talk to the young guys who contributed their own personal experience. Thank you!" (Teacher)

RSPB Partnership

"I felt this was an excellent session delivering for the "World Around Us" curricular area. The children were very taken with the facilitators and learnt a lot about birds and the environment. They particularly enjoyed using the binoculars, telescopes and playing the tern migration game." Ligoniel PS

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.

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 Regional Development 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 ten and no more than 15, with up to four Board Members being elected representatives from Belfast City Council.

The Board

The constitution of the Board is set out in the Belfast Harbour Order (Northern Ireland) Order 2002, Schedule 1.

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 2 of the Board's Committees. All Committees report back to the Board.

Belfast Harbour Pension Fund Ltd

The sole function of the Belfast Harbour Pension Fund Limited 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 Limited comprise:

Four Board Members, including the Chief Executive Officer, as well as two Directors nominated by the scheme membership.

Commercial Projects Committee

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

Corporate Governance & Audit Committee

BHC is committed to high standards of Corporate Governance which is under the oversight of the Corporate Governance & Audit Committee. The primary reference point for corporate governance is considered to be the pertinent content within the "UK Corporate Governance Code (2014)" and taking account any best practice guidance relating to Trust Ports.

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

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, and
4. Monitoring and reviewing the external auditors' independence, objectivity and effectiveness.

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

Remuneration Committee

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

This 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 Committee

This Committee considers major property and estate issues not related to pure port operations within the Commissioners' land management role. It is particularly concerned with all matters relating to the regeneration projects including City Quays, Titanic Quarter and elsewhere.

Policy and Corporate Planning Committee

To develop strategy on behalf of the Board, guide the Board on Policy matters, guide the Executive on Corporate Planning and consider and advise the Board on matters relating to the legal status powers and duties of BHC.



Corporate Matters

Health & Safety

Belfast Harbour is committed to the Port Marine Safety Code, the provision of a safe and healthy working environment and the elimination of accidents. During 2015 Belfast Harbour's Safety Systems were validated against the internationally recognised OHSAS 18001:2007 standard. It is pleasing to note that the Harbour's reportable accident statistics continue to compare favourably with industry benchmarks.

Belfast Harbour continued to be an active participant in the Northern Ireland Safety Group which seeks to promote the adoption of best health and safety practice throughout local industry.

Environment

Belfast Harbour is committed to the prevention of pollution and to responsible and sustainable environmental management. During 2015 Belfast Harbour's Environmental Management system was validated against the internationally recognised ISO 14001 standard. There were no significant single environmental incidents during 2015 however due to the significant increase in the Dry Bulk trade and the unusually dry and windy weather considerable efforts were required on dust management.

Belfast Harbour continues to be an active participant in a number of key strategic environmental forums which include the:

- Eco-Ports Project which seeks to identify and share environmental best practice within the Port industry
- Water Framework group which addresses River Basin Management
- Climate NI
- Northern Ireland Bio-diversity Group
- Belfast Strategic Flood Forum
- Business in the Community Environmental Workshops

During the year Belfast Harbour achieved certification to ISO 50001 the internationally recognised standard for energy management systems and continued to reduce carbon emissions.

Other achievements during 2015 included:

- Achievement of Platinum status in Business in the Community's (BITC) annual ARENA Network Environmental Benchmarking Survey for the seventh consecutive year
- Attainment of the Platinum standard in the BITC Biodiversity Charter

Business Continuity

Belfast Harbour is committed to maintaining effective contingency plans to safeguard business continuity during disruptive events. During 2015 Belfast Harbour's Business Continuity Management System was validated against the internationally recognised ISO 22301

standard. Belfast Harbour continues to be an active participant in the Belfast Emergency Preparedness Group and chairs a Harbour Resilience Forum comprised of key stakeholders and emergency responders.

People, Diversity and Inclusion

Belfast Harbour strives to achieve a modern people-centric culture with a strong focus on our employees' engagement, development and well-being; seeking to attract and retain high performing employees and creating an environment where these expectations co-exist in an enabling culture of appropriately skilled and motivated employees.

Belfast Harbour continues to invest in developing the skills and expertise of our people. In 2015 employees participated in a number of wellbeing initiatives and Corporate Social Responsibilities activities in local communities.

We continue our commitment to implementing Belfast Harbour's revised Equality Scheme and Action Plan. Belfast Harbour is committed to meeting its statutory duties and continues to promote diversity, equality of opportunity and good relations through our people culture and corporate responsibility activities.



Financial Statements

For the year ended 31 December 2015

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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 the Belfast Harbour Commissioners and of the profit or loss of the Belfast Harbour Commissioners 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 the 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 the 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 the 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

We have audited the financial statements of the Belfast Harbour Commissioners for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 21. 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'*.

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.

Respective responsibilities of commissioners and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Belfast Harbour Commissioners' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commissioners; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Belfast Harbour Commissioners' affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

Opinion on other matters

In our opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom
27 April 2016

Income Statement

	Note	2015	2014
		£'000	£'000
Turnover	5	54,346	52,567
Net operating expenses		(25,648)	(24,804)
Operating profit		28,698	27,763
Surplus on revaluation of investment properties		3,623	7,172
Profit on ordinary activities before interest and similar income		32,321	34,935
Investment income	6	1,215	1,475
Profit on ordinary activities before taxation	8	33,536	36,410
Tax on profit on ordinary activities	17	(6,299)	(5,635)
Profit for the financial year		27,237	30,775

All activities derive from continuing operations

Explanation of "Underlying" Profit before Taxation

	2015	2014
	£'000	£'000
Profit before taxation as reported	33,536	36,410
Less: Surplus on revaluation of investment properties	(3,623)	(7,172)
"Underlying" profit before taxation	29,913	29,238

Statement of Other Comprehensive Income

	Note	2015	2014
		£'000	£'000
Profit for the year	Above	27,237	30,775
Actuarial gain on defined benefit pensions	18	2,607	752
Deferred tax debit associated with defined benefit pensions		(472)	(150)
Total comprehensive income for the year		29,372	31,377

Statement of Financial Position

	Note	2015	2014
		£'000	£'000
Fixed assets			
Tangible assets	10	338,561	327,622
Current assets			
Stocks		697	667
Debtors: due within one year	12	19,617	19,493
Debtors: due greater than one year	12	10,035	5,492
Investments	13	70,500	54,350
Cash at bank and in hand		1,836	800
		102,685	80,802
Creditors: Amounts falling due within one year	14	(16,652)	(11,112)
Net current assets		86,033	69,690
	Note	£'000	£'000
Total assets less current liabilities		424,594	397,312
Creditors : Amounts falling due after more than one year	15	(31,529)	(33,216)
Provisions for liabilities	16	(18,634)	(19,037)
Net assets		374,431	345,059
Reserves			
Profit & Loss Account		318,403	292,654
Revaluation Reserve		56,028	52,405
		374,431	345,059

The financial statements were approved by the Commissioners on 27 April 2016 and signed on their behalf by:-

Dr D. DOBBIN CBE
Chairman

DAME R. JOHNSTON CBE
Commissioner

R. ADAIR CBE
Chief Executive

J.M. BULLICK
Finance Director

Statement of Changes in Equity

	Property Revaluation Reserve	Profit & Loss account	Total
	£'000	£'000	£'000
Balance at 31 December 2013 as previously reported	49,792	271,674	321,466
Release of EU grants (see note 20)	(4,559)	4,559	-
Changes on transition to FRS 102 (see note 20)	-	(7,784)	(7,784)
At 1 January 2014 as restated	45,233	268,449	313,682
Profit for the year	-	30,775	30,775
Transfer to the revaluation reserve	7,172	(7,172)	-
Other comprehensive income for the year	-	602	602
Balance at 31 December 2014	52,405	292,654	345,059
Profit for the year	-	27,237	27,237
Transfer to the revaluation reserve	3,623	(3,623)	-
Other comprehensive income for the year	-	2,135	2,135
Balance at 31 December 2015	56,028	318,403	374,431

Statement of Cash Flows

	2015	2014
	£'000	£'000
Cash flows from operating activities		
Operating profit	28,698	27,763
Adjustments for:		
Depreciation	11,118	10,492
Release of EU grants	(1,496)	(1,535)
Profit on disposal of fixed assets	(28)	(19)
Increase in maintenance dredging provision	750	1,943
FRS 102 Pension Charge	309	270
Pension contributions in cash	(223)	(230)
Increase in stocks	(30)	(89)
Decrease / (increase) in debtors due within 1 year	(717)	(1,365)
(Increase) / decrease in debtors due greater than 1 year	(1,602)	31
Decrease in creditors due within 1 year	(625)	(1,586)
Cash from operations	36,154	35,675
Corporation tax paid	(2,368)	(6,740)
Net cash generated from operating activities	33,786	28,935
Cash flows from investing activities		
Purchase of tangible assets	(17,806)	(12,710)
Net realisation from sale of tangible assets	163	19
Interest received	1,043	960
Net cash from investing activities	(16,600)	(11,731)
Net increase in cash	17,186	17,204
Cash and cash equivalents at the beginning of the year	55,150	37,946
Cash and cash equivalents at the end of the year	72,336	55,150
Components of cash and cash equivalents		
Cash at bank and in hand	1,836	800
Investments	70,500	54,350
	72,336	55,150

Notes to the Financial Statements

1. Statutory Information

Belfast Harbour 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 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 nature of the Harbour's operations and its principal activities 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

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously. An explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 20.

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 presentation currency is pounds sterling.

The organisation 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.

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.

Employee benefits

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

For the defined contribution section of the scheme the amount charged to the income statement in respect of pension costs and other post-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.

3. Accounting Policies (cont.)

Employee benefits (cont.)

In accordance with FRS 102 the operating and financing costs of the defined benefit pension scheme are charged to the income statement in the period in which they arise and are recognised separately. The cost of benefits accruing during the year in respect of current and past service is charged against operating profit. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The expected return on the scheme assets and the interest cost, being the increase in the present value of the scheme liabilities arising from the passage of time are included in other finance (costs)/income within investment income. Changes in the actuarial assumptions used to value the Scheme's past service benefit obligations, and the difference between actual and expected returns on assets during the year, are both recognised in the statement of comprehensive income. Pension costs are assessed in accordance with the advice of qualified actuaries.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Turnover

This comprises revenue from charges to port users and from rents of both operational and estate property. 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 2015 to December 2015. To the extent that rental and storage income is received in 2015 but relates to 2016 it is treated as deferred income. Rental and storage income relating to 2015 but not received until 2016 is accrued for in the financial statements.

Inventories

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

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).

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 are recognised in the Income Statement. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

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).

No provision is made for depreciation of land. 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 40
Roads	5 to 50
Plant & machinery	3 to 40

3. Accounting Policies (cont.)

Taxation

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

Deferred tax is recognised in respect of all timing differences between accounting and taxable profits which have originated but not reversed at the balance sheet date. Deferred tax is measured at the average tax rate expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

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 taxable profits and the 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.

Where items recognised in other comprehensive income 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 as the transaction or other event that resulted in the tax expense or income.

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity 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 instruments (continued)

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, 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.

Impairment

At each balance sheet date, the entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. Accounting Policies (cont.)

Provisions

Provisions are recognised when a past event gives rise to a present obligation and when a settlement amount can be reliably estimated.

EU grants

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

Investments

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As Lessor

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

Assets leased under operating leases are recorded as fixed assets and depreciated over their useful lives. The method of depreciation reflects the pattern of usage of the asset. Rental income is recognised on a straight-line basis over the lease term.

Lease incentives

Lease incentives are recognised as a debtor. The income is allocated to accounting periods on a straight-line basis over the term of the lease.

4. Critical accounting judgements and key sources of estimation uncertainty

The following are the Commissioners' critical accounting judgements and key sources of estimation uncertainty:

Revaluation of investment properties

Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2015 at fair value. There are elements of uncertainty in the underlying assumptions of the methodology used to determine the fair value of investment property.

The surplus 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.

5. Turnover

Turnover is analysed as follows:

	2015	2014
	£'000	£'000
Port revenue	48,246	47,029
Estate revenue	6,100	5,538
	54,346	52,567

6. Investment income

	2015	2014
	£'000	£'000
Interest receivable	575	874
Finance lease income	635	635
Other finance income / (costs)	5	(34)
	1,215	1,475

7. Employee numbers

The average number of employees during the year was 138 (2014:122).

8. Profit before tax

Profit before tax is stated after charging/ (crediting) the following:

	2015	2014
	£'000	£'000
Depreciation of tangible fixed assets - owned	11,118	10,492
Amortisation of EU grants	(1,496)	(1,535)
	9,622	8,957
Profit on disposal of fixed assets	(28)	(19)

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

	2015	2014
	£'000	£'000
Audit of the financial statements	34	33
Total audit	34	33
Taxation compliance services	18	14
Other taxation advisory services	50	43
Total non-audit services	68	57

Fees payable to the auditor in respect of associated pension scheme

	2015	2014
	£'000	£'000
Actuarial services	12	7
Audit	12	10
Total	24	17
	126	107

9. Pilotage

Income from pilotage (included in turnover)

	2015	2014
	£'000	£'000
Pilotage services	1,969	1,917
Ships navigating under pilotage exemption certificates	167	156
	2,136	2,073

Expenditure on provision of pilotage (included in net operating expenses)

	2015	2014
	£'000	£'000
Providing the services of pilots	1,471	1,280
Providing, maintaining and operating pilot boats	468	682
	1,939	1,962
Gain against port operational costs	197	111
(net operating expenses)	2,136	2,073

10. Tangible fixed assets

	Capital Dredging	Dock Structures	Land & Buildings	Roads	Plant & Machinery	Assets in the Course of Construction	Operational Assets	Estate Property	Total 2015	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 January	15,099	223,593	73,008	28,734	69,405	9,798	419,637	69,512	489,149	468,389
Reclassified	-	1,289	(406)	42	2,845	(14,199)	(10,429)	10,429	-	-
Revaluation adjustment	-	-	-	-	-	-	-	3,623	3,623	7,172
Additions	-	188	1,038	229	1,175	14,831	17,461	1,108	18,569	13,634
Disposals	-	-	-	-	(860)	-	(860)	-	(860)	(46)
At 31 December	15,099	225,070	73,640	29,005	72,565	10,430	425,809	84,672	510,481	489,149
Depreciation										
At 1 January	(5,702)	(71,698)	(18,367)	(14,433)	(51,120)	-	(161,320)	(207)	(161,527)	(150,883)
Depreciation charge	(260)	(4,011)	(1,590)	(867)	(4,378)	-	(11,106)	(12)	(11,118)	(10,690)
Reclassified	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	725	-	725	-	725	46
At 31 December	(5,962)	(75,709)	(19,957)	(15,300)	(54,773)	-	(171,701)	(219)	(171,920)	(161,527)
Balance sheet value										
31 December 2014	9,397	151,895	54,641	14,301	18,285	9,798	258,317	69,305	-	327,622
31 December 2015	9,137	149,361	53,683	13,705	17,792	10,430	254,108	84,453	338,561	-

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 2015 at fair value. The surplus arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £11,626,493 (2014: £11,617,493) 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 2015 are capital contributions amounting to £287,457 (2014: £303,012).

11. Capital commitments

	2015	2014
	£'000	£'000
Capital expenditure which has been contracted for but has not been provided for in the accounts	45,091	6,762
Capital expenditure which has been authorised by the Commissioners but has not yet been contracted for	54,656	30,200

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

12. Debtors

Due within one year:

	2015	2014
	£'000	£'000
Trade debtors	6,173	6,645
Other debtors	10,769	9,453
Amounts receivable under finance leases	600	600
Corporation Tax	-	834
Prepayments and accrued income	2,075	1,961
	19,617	19,493

Due greater than one year:

	2015	2014
	£'000	£'000
Other debtors	2,014	448
Amounts receivable under finance leases	5,080	5,044
Pension asset (note 18)	2,941	-
	10,035	5,492

Other debtors due within one year include an amount owed by the Belfast Harbour Commissioners' Pension Scheme of £8,972k at 31 December 2015 (2014: £8,220k).

Amounts receivable under finance leases comprises a net investment in the Northern Ireland Science Park lease of £5,680k (2014: £5,644k). The cost of assets acquired for the purpose of letting under this finance lease were £5,546k (2014: £5,546k) as at 31 December 2015. During the year income receivable in respect of this finance lease was £635k (2014: £635k).

13. Investments

	2015	2014
	£'000	£'000
Short-term deposits	70,500	54,350

14. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade creditors	444	593
Other taxation and social security	217	208
Other creditors	8,990	6,968
Corporation tax	3,681	-
Accruals	1,824	1,809
EU grants	1,496	1,534
	16,652	11,112

15. Creditors: amounts falling due after one year

	2015	2014
	£'000	£'000
EU grants	28,045	29,502
Other creditors	3,484	3,354
Pension liability (note 18)	-	360
	31,529	33,216

Pilots National Pension Fund

The Belfast Harbour Commissioners' share of the PNPf liabilities has been determined by the PNPf Trust Company Ltd and was notified to the Commissioners on 29 October 2012. The appropriate obligation of £3.4m, (2014: £3.5m) 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 £170k (2014: £164k) and creditors: due after one year of £3,184k (2014: £3,354k). The majority of this obligation refers to "Orphan Liabilities", which do not relate to retirement benefit obligations of employment with Belfast Harbour Commissioners.

16. Provisions for liabilities

	Deferred taxation	Maintenance dredging	Total
	£'000	£'000	£'000
At 1 January 2015	14,929	4,108	19,037
Charged/(credited) to profit and loss account	(527)	750	223
Charged to other comprehensive income	472	-	472
Adjustment in respect of prior years	(57)	-	(57)
Amounts applied	-	(1,041)	(1,041)
At 31 December 2015	14,817	3,817	18,634

Deferred tax

Deferred tax is provided as follows:

	2015	2014
	£'000	£'000
Fixed asset timing differences	5,839	6,019
Short term timing differences	(825)	(836)
Investment properties held at fair value and rollover relief	9,274	9,818
Pensions	529	(72)
Provision for deferred tax	14,817	14,929

Maintenance dredging

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

17. Tax on profit on ordinary activities

The tax charge comprises

	2015	2014
	£'000	£'000
Current tax on profit on ordinary activities		
UK corporation tax	6,874	7,094
Adjustment in respect of previous periods	9	(4,179)
Total current tax	6,883	2,915

17. Tax on profit on ordinary activities (cont.)

	2015	2014
	£'000	£'000
Deferred tax		
Origination and reversal of timing differences	1,084	2,057
Adjustment in respect of previous periods	(57)	842
Effect of decrease in tax rate	(1,611)	(179)
Total deferred tax	(584)	2,720
Total tax on profit on ordinary activities	6,299	5,635

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.5%). The applicable tax rate has changed following the substantive enactment of the Finance (No 2) Act 2015, which provided for the reduction in the main rate of corporation tax from 20% to 19% on 1 April 2017 and from 19% to 18% on 1 April 2020. This will affect the future tax charge of BHC.

It is not expected that this rate reduction will have a material impact on BHC.

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:

	2015	2014
	£'000	£'000
Profit on ordinary activities before tax	33,536	36,410

	2015	2014
	£'000	£'000
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014:21.5%)	6,791	7,828
Effects of:		
Expenses not deductible for tax purposes	185	353
Non-qualifying depreciation	1,224	1,160
Decrease in tax rate	(1,611)	(179)
Non-taxable credit – entitlement to indexation allowances	(242)	(190)
Adjustments to tax charge in respect of previous periods	(48)	(3,337)
Total tax charge for period	6,299	5,635

18. Employee Benefits

Defined contribution scheme

The Commissioners operate a defined contribution pension scheme. The total cost charged to the income statement of £460k (2014: £384k) represents contributions payable to the defined contribution section of the scheme at rates specified in the Schedule of Contributions. As at 31 December 2015, contributions of £44k (2014: £37k) 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 pension scheme. The last full actuarial valuation was carried out at 31 December 2014 by a qualified independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Weighted average assumptions to determine benefit obligations at:

	31/12/2015	31/12/2014
Discount rate	3.70%	3.40%
Rate of compensation increase	3.40%	3.40%
Rate of pension increases	2.90%	2.90%
Rate of price inflation	2.90%	2.90%

Weighted average assumptions to determine cost relating to defined benefit plans at:

	31/12/2015	31/12/2014
Discount rate	3.40%	4.40%
Rate of compensation increase	3.40%	3.90%
Rate of pension increases	2.90%	3.20%
Rate of price inflation	2.90%	3.40%

18. Employee Benefits (cont.)

Assumed life expectancy on retirement at age 65

	Male Years	Female Years
Retiring today (member age 65)	21.1	24.0
Retiring in 20 years (member age 45 today)	22.8	25.9

The principal assumptions 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:

	2015	2014
	£'000	£'000
Current service cost	309	270
Net interest (income) / cost	(5)	34
	304	304
Recognised in other comprehensive income	(2,607)	(752)
Total cost relating to defined benefit scheme	(2,303)	(448)

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

	2015	2014
	£'000	£'000
Present value of defined benefit obligation	38,879	42,810
Fair value of plan assets	(41,820)	(42,450)
(Asset) / liability recognised in the balance sheet	(2,941)	360

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

	At year end 31/12/2015	At year end 31/12/2014
	£'000	£'000
At 1 January	42,810	39,108
Service cost	309	270
Interest cost	1,413	1,671
Participant contributions	26	27
Actuarial (gains) / losses	(3,175)	3,998
Benefits paid	(2,504)	(2,264)
At 31 December	38,879	42,810

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

	At year end 31/12/2015	At year end 31/12/2014
	£'000	£'000
At 1 January	42,450	37,296
Interest income	1,418	1,637
Actuarial (loss) / gain	(568)	4,750
Employer contributions	998	1,004
Participant contributions	26	27
Benefits paid	(2,504)	(2,264)
At 31 December	41,820	42,450

Plan Assets

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

	Plan Assets At 31/12/2015	Plan Assets At 31/12/2014
Asset Category		
Equities	21%	31%
Debt instruments	51%	60%
Property	9%	8%
Cash and cash equivalents	0%	1%
Other	19%	0%
	100%	100%

19. Related party transactions

The 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, administrative expenses of £554k (2014: £651k) were borne by the Belfast Harbour Commissioners on behalf of the scheme. Amounts owed by the Belfast Harbour Commissioners' Pension Scheme are disclosed in note 12.

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 £2,671k (2014: £2,624k).

20. Explanation of transition to FRS 102

This is the first year that the Commissioners have presented their financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014, Statement of Financial Position as at 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

Reconciliation of Profit for 2014

Note		£'000
	Profit for the financial year under previous UK GAAP	25,796
1.	Pensions – unrecognised past service cost	(197)
2.	Investment properties – revaluation surplus	7,172
3.	Deferred tax	(1,996)
	Profit for the financial year under FRS 102	30,775

Notes to the reconciliation of profit for 2014

1. Defined benefit pension scheme

Under previous UK GAAP, past service costs were recognised in profit and loss on a straight line basis over the period in which the increases in benefit vest. FRS 102 requires that all past service costs are recognised immediately. As a result, an unrecognised past service cost of £197k was recognised on transition to FRS 102.

2. Investment properties – revaluation surplus

Previously under UK GAAP the surplus on revaluation of investment properties was credited against the revaluation reserve. On transition to FRS 102 this is now credited against the income statement.

3. Deferred tax

On transition to FRS 102, a deferred tax liability has arisen as deferred tax is now calculated on all timing differences arising on the revaluation of investment properties.

Reconciliation of the Statement of Financial Position for 2014

		As previously stated	Effect of transition	FRS 102 (as restated)
Note		£'000	£'000	£'000
4.	Fixed assets	296,586	31,036	327,622
	Current assets	80,802	-	80,802
5.	Creditors: amounts falling due within one year	(9,578)	(1,534)	(11,112)
	Net current assets	71,224	(1,534)	69,690
	Total assets less current liabilities	367,810	29,502	397,312
5.	Creditors: amounts falling due after more than one year	(3,354)	(29,862)	(33,216)
6.	Provisions for liabilities	(9,578)	(9,459)	(19,037)
	Net assets	354,878	(9,819)	345,059
	Reserves	354,878	(9,819)	345,059

20. Explanation of transition to FRS 102 (cont.)

Notes to the reconciliation of the Statement of Financial Position for 2014

4. Fixed assets

On transition to FRS 102, EU grants relating to an asset are now recognised as deferred income.

Within this is an adjustment of £4.6m for EU grants which have deemed to be fully amortised and fully credited against reserves.

5. Creditors

On transition to FRS 102, EU grants relating to an asset are now recognised as deferred income and classified between falling due within one year and falling due after more than one year.

On transition to FRS 102, the pension liability is now included within creditors: amounts falling due after more than one year and is gross of deferred tax.

6. Provisions for liabilities

On transition to FRS 102, a deferred tax liability has arisen as deferred tax is now calculated on all timing differences arising on the revaluation of investment properties.

On transition to FRS 102, the pension liability is now included within creditors: amounts falling due after more than one year and is gross of deferred tax.

Reconciliation of Equity for 2014

		At 1 January 2014	At 31 December 2014
Note		£'000	£'000
	Total reserves under UK GAAP as previously reported	321,466	354,878
	Adjustments to reserves on transition to FRS 102		
7.	Deferred tax	(7,784)	(9,819)
	Total reserves under FRS 102	313,682	345,059

Notes to the reconciliation of reserves for 2014

7. Deferred tax

On transition to FRS 102, a deferred tax liability has arisen in relation to the revaluation of investment properties and the defined benefit pension scheme.

21. 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 disclosures provided in this note.

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

(B) Categories and carrying value of financial instruments

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

	2015	2014
	£'000	£'000
Financial assets		
Investments	70,500	54,350
Cash	1,836	800
Loans and receivables	24,636	22,190
Financial liabilities		
Amortised cost	9,651	7,769

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

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

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

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

(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 financial assets and liabilities.

Trade and Shipping Statistics

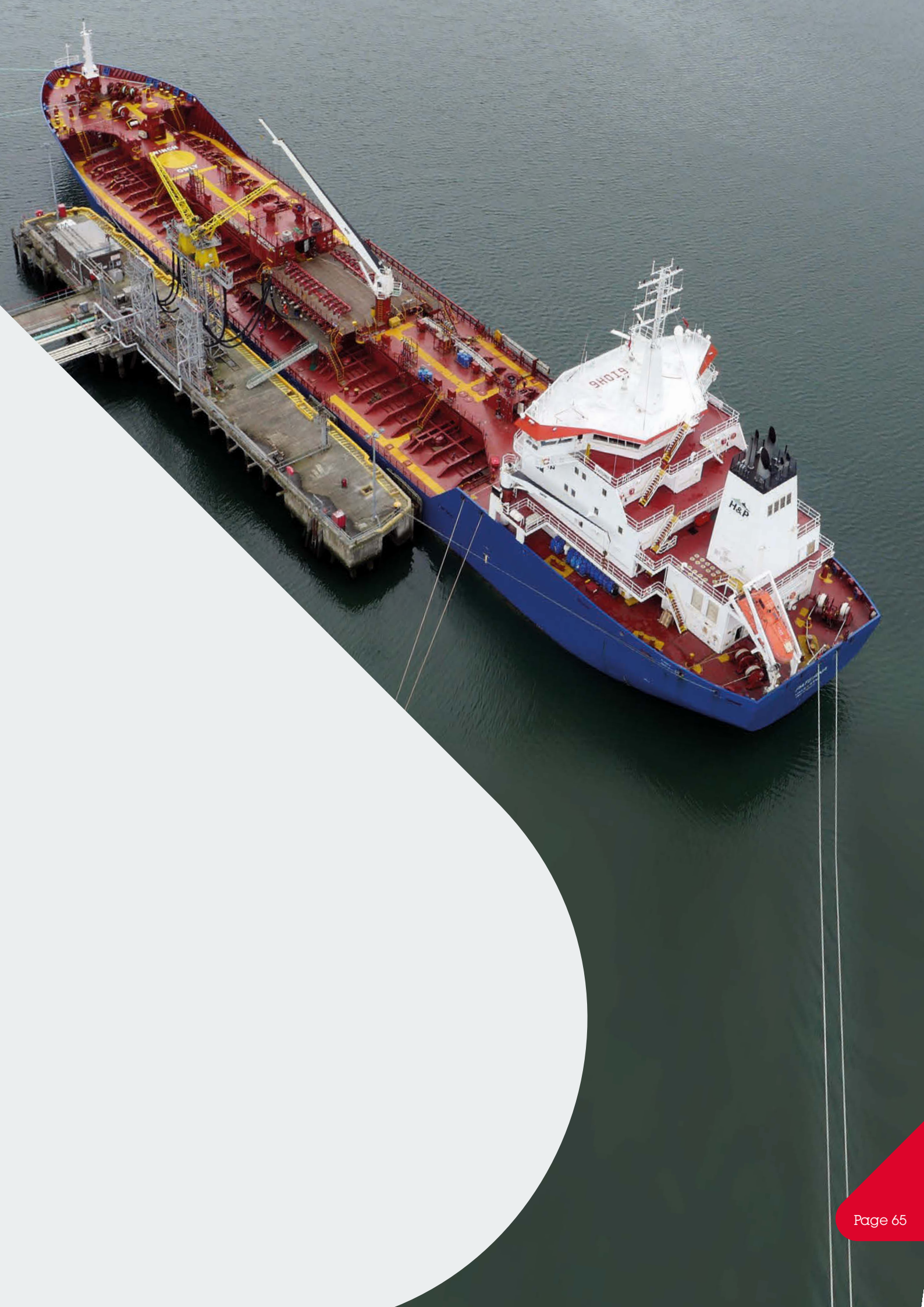
Passengers	2015 (000s)	2014 (000s)
Passengers	1,367	1,405
Passengers Cars	282	279

Unit Load	2015 (000s)	2014 (000s)
Freight Vehicles	481	476
Containers	123	125

Bulk Cargo	2015 (000s)	2014 (000s)
Liquid Bulk	2,255	2,119
Dry Bulk	6,594	7,078
Break Bulk	384	416

Import Bulk Commodities	2015 (000s)	2014 (000s)
Petroleum Products	1,956	1,847
Grain & Feeds	1,970	2,156
Coal	2,171	2,596
Fertilisers	275	355
Stones	1,534	1,441
Scrap	360	373
Timber	52	43

Shipping	2015 (000s)	2014 (000s)
Gross Tonnage (000s Tonnes)	108,589	108,571
Number of Arrivals	5,662	5,649



Belfast Harbour

Harbour Office
Corporation Square
Belfast BT1 3AL
+44 28 9055 4422
(text phone) +44 28 9032 2013

belfast-harbour.co.uk



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