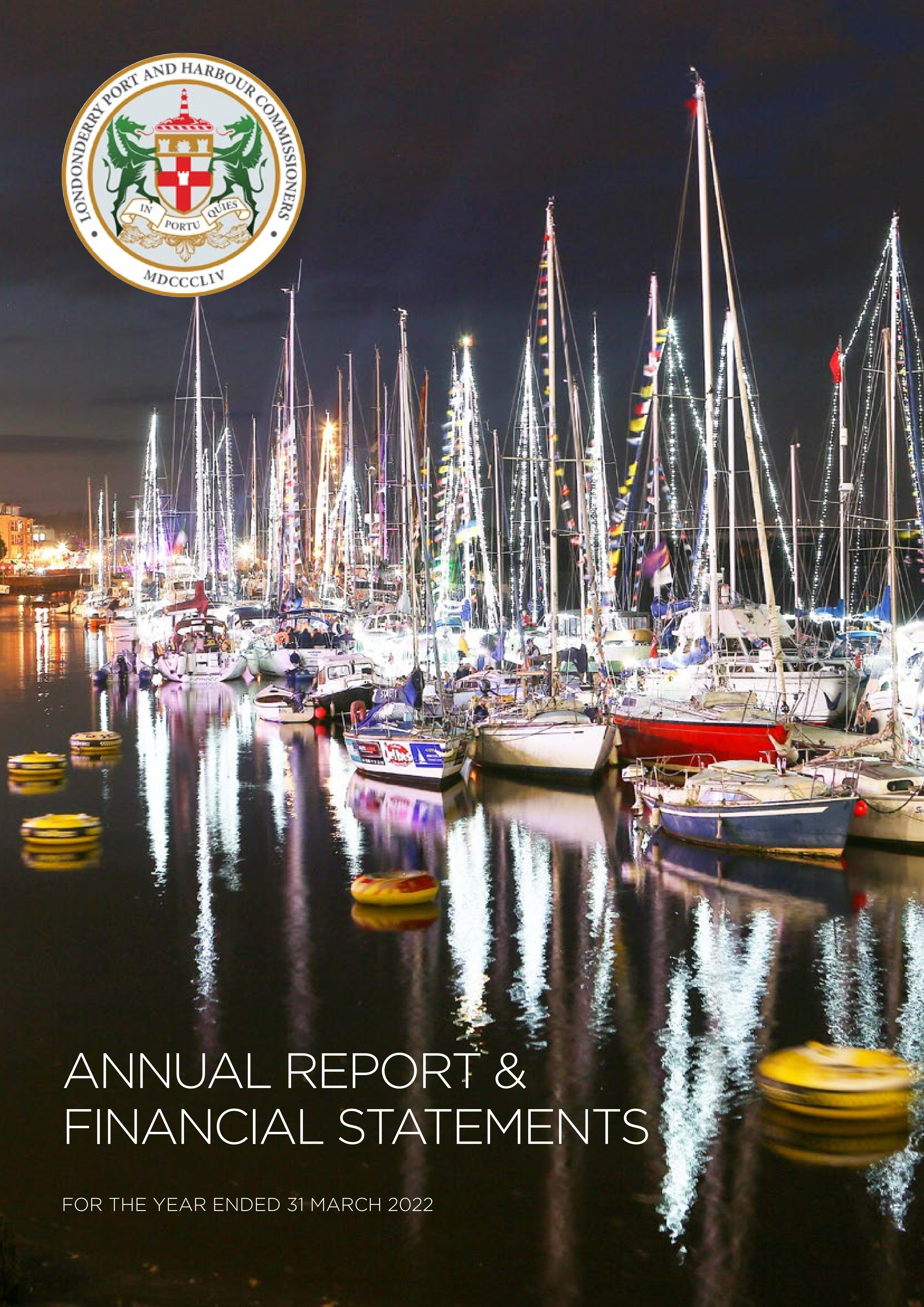

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

WELCOME TO THE ANNUAL REPORT

OF LONDONDERRY PORT & HARBOUR COMMISSIONERS

FOYLE PORT

Londonderry Port & Harbour Commissioners was first established by Act of Parliament in 1854. As an Independent Statutory Authority the Port has a duty to develop, maintain and operate to the highest standards of efficiency, financial prudence, environmental awareness, safety and security.

The Port is independent of Government and is self-financing. All financial surpluses are reinvested in the business for the benefit of future generations of stakeholders. Londonderry Port & Harbour Commissioners operate under the Foyle brand.

MEMBERS OF THE BOARD

B Anley	**Chair**
B McGrath	**Chief Executive**
A Bissett	
F Hewitt	
C McHugh	
N Robbins	
R Ferguson	
C Jackson	
R McCready	

AUDITORS

Deloitte N.I. Limited
Lincoln Building, 27 - 45 Great Victoria Street
Belfast, BT2 7SL

BANKERS

Ulster Bank
Da Vinci Complex, Culmore Road
Londonderry, BT48 8JB

SOLICITORS

Tughans
Marlborough House, 30 Victoria Street
Belfast, BT1 3GG

Carson McDowell
Murray House, Murray Street
Belfast, BT1 6DN

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CHAIR'S STATEMENT

On behalf of the Commissioners, I am delighted to present the Annual Report & Financial Statements for the year ended 31st March 2022. This year was dominated by the continued challenges of the Covid-19 pandemic and also reflects the first full year of trading since the end of the Brexit transition period. It is a great credit to the Chief Executive and the wider port team that I am able to report a solid organisational performance in 2021/22.

STATUTORY DUTY

It is the Statutory Duty of Londonderry Port & Harbour Commissioners to improve, maintain, regulate, and manage the Port to facilitate the harbour undertaking and re-invest all the profits in the Organisation for the benefit of future generations of stakeholders.

Foyle Port is a UK Trust Port that is recognised by both the UK and Irish Governments as the Competent Harbour Authority for all of Lough Foyle and its designated pilotage district.

My thanks to my Commissioner colleagues who applied their expertise and leadership during this challenging year and who continue to prioritise employee safety, engaging staff views on the Covid-19 response and implementing all necessary protocols to safeguard employees.

My thanks also to our staff and our customers for their support and co-operation throughout this difficult year.

Finally, my thanks to our Chief Executive who worked tirelessly to ensure that Foyle Port delivered in its performance and its strategic objectives, despite the lack of certainty and un-precedented economic challenges.

TRADING AND FINANCIAL PERFORMANCE

Despite the uncertain backdrop to the year, trade levels increased by 11% to 1.93million tonnes with turnover achieved of £10.8million representing an increase of 17% on our previous year. It should be noted that last year's trade and turnover figures were reduced as a result of business interruption due to a significant fire on port premises during 2020.

Trade highlights include increased imports of both liquid and break bulk in addition to an uplift in project cargoes and new export trade. Our cruise ship activity continued to be affected by the Covid-19 pandemic throughout this trading year, however the outlook is increasingly more positive for this industry.

Foyle Port achieved growth in harbour estate revenue during the year, with a number of new tenants. The Port also achieved a solid performance from our diversified activities which includes our marine services business, our consultant engineering business, and our steel fabrication business. Foyle Marine Services continued to provide external dredging and towage services to ports and harbours throughout the UK and

"During the year, the Commissioners re-invested £3.6 million in fixed assets including a significant land acquisition to expand the harbour estate and provide essential capacity for growth."

BONNIE ANLEY
CHAIR

Ireland. These strands of port activity have played a vital role in contributing to Foyle Port's overarching performance this year and have now fully resumed previous trading levels, post pandemic.

I wish to thank the senior leadership team at Foyle Port and their divisional staff for putting in so much work to ensure that our port and related businesses have recovered well and achieved such solid results.

RE-INVESTMENT

This year Foyle Port achieved operating profit of £1.85million, which is an increase of 22% on our previous year. As a self-financing organisation, a strong operating profit is essential to ensure continued investment in port facilities and growth in our competitive offering.

During the year, the Commissioners re-invested £3.6million in fixed assets including a significant land acquisition to expand the harbour estate and provide essential capacity for growth. A further £3.3million of capital commitments has been approved with budgeted capital expenditure of £7million over the coming years.

COMMUNITY SUPPORT

During the year the Commissioners, in conjunction with port employees, continued their focus on supporting mental health and wellbeing which was also a key area of focus during the Covid-19 pandemic. We extended our corporate partnership with Aware NI who provided 'Mindfulness' and 'Mood Matters' training session for employees. Five mental health champions have now been trained in the Organisation with more employees currently passing through the training. I am also delighted to announce that Foyle Port signed the Equality Commission's Mental Health Charter during this year, which commits our Organisation to five key pledges in supporting mental health and well-being.

Foyle Port also supported a number of local charities and sports clubs during the year with 1% of port profits going towards the Organisation's corporate responsibility fund. Organisations receiving donations this year included Strathfoyle Community Groups, Foyle Foodbank, YMCA Ukraine Humanitarian Appeal, and the Woodland Trust. In addition, we recently supported Culmore Community Club's 'Cooking on a Budget' programme which aims to help members of the local community cope with food poverty.

This year has been the first full year of our Stakeholder Engagement Working Group, who have had a very productive year, overseeing increasingly positive and proactive engagement with our local communities.

STRATEGY AND FUTURE OUTLOOK

The strategic targets set out in our previous financial plan to 2020 were all achieved. With the onset of the challenges of Brexit and a pandemic in the same year, Commissioners have taken a prudent approach by implementing a 'Strategy Bridge' which covers a shorter period to 2023. This Strategy Bridge was designed to cover an anticipated period of significant economic instability, whilst maintaining a strategic focus on the key areas of port development, investment, tourism, and energy.

Whilst our Strategy Bridge is on track in its key targets, there is little positivity in the economic outlook for 2022/23 with a backdrop of extremely challenging trading conditions, such as the energy crisis, high inflation levels and global supply chain issues. In this context Commissioners will remain cautious in their strategic approach.

The Port Masterplan, 'Foyle Port 2.0', was initially developed in 2019 and Commissioners intend to review and update the Port Masterplan this year with a specific focus on decarbonisation.

Foyle Port has shown great resilience in the past two very difficult years. This success has been underpinned by the assistance and support of the Department for Infrastructure. I wish to extend my grateful thanks to our sponsor Department, NICS, our regional councils/agencies and to our political stakeholders for supporting Foyle Port in navigating the challenges presented during this year.

At Foyle Port we are resolved to grow and improve our organisation in the year ahead and to continue to deliver in our role as a vital strategic gateway for the North West Region.

Bonnie Anley
Chair

BOARD OF COMMISSIONERS & EXECUTIVE TEAM AT PILOT STATION IN GREENCASTLE

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Londonderry Port & Harbour Commissioners (LPHC) is a Trust Port constituted by the Londonderry Port & Harbour Act and Orders 1854-2002. Trust Ports are autonomous, statutory bodies with perpetual succession and established to improve, maintain and manage ports and harbours in accordance with specific legislation. Trust Ports must act commercially with all surpluses re-invested in the organisation for the benefit of all stakeholders, existing, potential and future. In 2005, LPHC was designated as a Public Corporation.

THE BOARD

The Constitution, Powers and Duties of LPHC are set out in the Londonderry Harbour Order (Northern Ireland) 2002. The Order states that the primary duty of LPHC is to take such steps as it considers *"necessary or expedient for the improvement, maintenance and management of the port and the accommodation and facilities afforded therein or in connection therewith"*.

The Department for Infrastructure appoints the Board Members of LPHC. The Board is constituted by a minimum of eight and a maximum of twelve Board Members including the Chairman and Chief Executive. A maximum of three Commissioners on the Board are Council Members of Derry City & Strabane District Council.

PORT MARINE SAFETY CODE

Londonderry Port & Harbour Commissioners as the Competent Harbour Authority and duty holder under the Port Marine Safety Code (PMSC) recognise a responsibility to publicly report on PMSC performance. The main requirements of the Code are to carry out risk assessments for marine operations, implement a safety management system, employ properly qualified marine personnel and ensure that sufficient powers and resources are provided to manage marine operations safely.

Internal compliance audits are carried out on an annual basis on the Port's Safety Management System to ensure that the standards as detailed in the PMSC and associated guide to good practice are met. External independent audits are carried out every three years and the results of the audits are reported by the designated person to the Safety Committee and the Board of Commissioners.

Londonderry Port & Harbour Commissioners are committed to discharging all of its statutory duties and to remaining open, accountable and fit for purpose. The Port manages the safety of marine operations and complies with all of the requirements of the Code. The Port takes reasonable care so that all who may choose to navigate in the harbour may do so without danger to their lives or property. The Port conserves and promotes the safe use of the harbour and has regard to the efficiency, economy and safety of marine operations. Further details on the PMSC can be found on the Port's website **https://www.foyleport.com/publications.**

CORPORATE GOVERNANCE

The Board of the Londonderry Port & Harbour Commissioners is committed to achieving the highest standards of corporate governance and accountability. The LPHC Corporate Governance Framework sets out a Schedule of Matters reserved for the collective decision of the Board and each Board Member commits to adhere to the LPHC Commissioners' Code of Conduct.

Although LPHC is not a company, the duties and responsibilities of a Commissioner are analogous to those of a company director. The Board has regard to the UK Corporate Governance Code and the guidance provided within the draft Code of Practice for Northern Ireland Trust Ports.

INTERNAL CONTROL

It is the responsibility of the Commissioners to ensure that LPHC operates and maintains an effective system of risk management, control and governance sufficient to safeguard the assets of LPHC and to prevent and to detect fraud or error.

There are a range of sources of assurance available to LPHC. These sources include LPHC's risk management system, including LPHC's Risk Register, independent Internal Audit function and the Audit Committee which oversees the work of Internal and External Audit. In addition, LPHC's External Auditors identify within their 'Report to the Board and Audit Committee' those control weaknesses identified during the course of the annual audit of the financial statements.

During 2021/22, no significant control weaknesses which pose a significant risk of financial loss, operational disruption or fraud were identified.

BOARD TRAINING AND DEVELOPMENT

The Board as a whole participates in various training sessions each year to keep abreast of key corporate governance developments. The Chair of the Board also conducts a formal performance review meeting with each Commissioner annually. During 2021/22, the Board completed training on Corporate Governance, Dignity at Work, Risk Management, Risk Appetite, Finance and Cyber Security Awareness. The Board also conducted a Self-Effectiveness review in January 2022.

COMMISSIONERS' ATTENDANCE

The Board met in plenary session ten times during 2021/22. The Commissioners also attended a number of Committee Meetings during the year. The Board and Committee attendance for the Financial Year 2021/22 is outlined in the table below:

Name	Board Meetings		Committee Meetings	
	Possible	Actual	Possible	Actual
B Anley	10	10	2	2
B McGrath	10	10	14	12
A Bissett	10	10	7	7
F Hewitt	10	8	9	9
C McHugh	10	10	12	12
N Robbins	10	10	12	12
R Ferguson	10	9	5	4
C Jackson	10	10	2	2
R McCready	10	10	7	6

BOARD COMMITTEES

The Board has established four Committees. Each Committee has a specific purpose to oversee and report to the Board on key governance aspects including Audit, Risk, Health, Safety & Environment; and Pension & Remuneration. The Role and Membership of each Committee is outlined below:

AUDIT COMMITTEE

C McHugh **(Chair)**
N Robbins
R Ferguson
R McCready

The Audit Committee has the primary duty of the oversight of Financial Reporting, Audit and Internal Control. In addition, the Committee has the following roles and responsibilities:

1. To review the adequacy and effectiveness of the Port's internal financial controls and financial risk management systems.

2. To monitor the integrity of the annual financial statements of LPHC.

3. To oversee the relationship with the External Auditors of the Organisation, including their terms of engagement and an annual assessment of their independence and objectivity.

4. To ensure that the internal audit function established by management is adequate and provides appropriate independent assurance to the Board through the Audit Committee and Chief Executive.

RISK COMMITTEE

N Robbins **(Chair)**
A Bissett
F Hewitt
C McHugh

The Board has overall responsibility for corporate risk. The primary duty of the Risk Committee is to oversee risk and to provide assurance to the Board that the risk management system is functional and that the identified risks are relevant and accurately assessed. In addition, the Committee has the following roles and responsibilities:

1. To advise the Board on LPHC's overall risk appetite, tolerance, and strategy.

2. To keep under review the adequacy and effectiveness of LPHC's risk management systems, covering all material controls including financial, strategic, operational and compliance.

HEALTH, SAFETY & ENVIRONMENTAL COMMITTEE

F Hewitt **(Chair)**
A Bissett
C Jackson
R McCready

The primary duty of the Health, Safety & Environmental Committee is to provide oversight of the implementation and effectiveness of the Company's Health, Safety & Environmental Risk Management procedures, policies and programmes and to give assurances to the Board on the performance and compliance of the management systems in place.

PENSION & REMUNERATION COMMITTEE

B Anley **(Chair)**
F Hewitt
C McHugh
N Robbins

The primary duty of the Pension & Remuneration Committee is to make recommendations to the Board concerning its overall policy of employee remuneration and to set the framework for executive remuneration. The Committee also has a duty to advise the Board on specific remuneration packages and conditions of employment and to oversee any major changes in employee benefits structures throughout LPHC.

THE BOARD & DUTY HOLDERS

BONNIE ANLEY - CHAIRMAN

Bonnie Anley has chaired the Board of Commissioners since February 2014 and is also Chair of Foyle Port's Pension & Remuneration Committee. Bonnie is a Chartered Director and a Fellow of the Institute of Directors. She is a Member of the IoD Northern Ireland Committee and a Committee Member with the Public Sector Chairs' Forum. Bonnie is also a Director of Mourne Country Park Limited. Bonnie was appointed Chair of Northern Ireland Blood Transfusion Service in April 2019 and as a Lay Board Member of the Northern Ireland Fire and Rescue Service in April 2020.

ALAN BISSETT - COMMISSIONER

Alan Bissett was appointed Harbour Commissioner in October 2019. Alan is a senior utilities lawyer and has advised on a wide range of corporate and commercial matters at leading firms in Belfast and London. He is a member of the Law Societies of Northern Ireland and of England & Wales. Alan is a Member of the Port's Risk Committee and Health, Safety & Environmental Committee.

CATRIONA MCHUGH - COMMISSIONER

Catriona McHugh was appointed Harbour Commissioner in October 2019. Catriona is a Chartered Certified Accountant. She worked as a financial consultant overseas for almost 15 years, returning to Northern Ireland in 2016. She has provided financial consulting services for a range of public sector bodies in Ireland and the UK. Catriona Chairs the Port's Audit Committee and is a Member of the Port's Risk Committee and Pension & Remuneration Committee.

FRANK HEWITT - COMMISSIONER

Frank Hewitt was appointed Harbour Commissioner in October 2019. Frank's career spans both the Public and Private sectors. Mr Hewitt has extensive Non-Executive Board Member experience, including former appointments as Chair of Translink and of the Northern Ireland Science Park, and as Board Member of Invest NI, Strategic Investment Board, and Ilex Urban Regeneration Company. He was the German Government's Honorary Consul in Northern Ireland. Frank Chairs the Port's Health, Safety & Environmental Committee and is a Member of the Pension & Remuneration Committee and Risk Committee.

NIGEL ROBBINS - COMMISSIONER

Nigel Robbins was appointed Harbour Commissioner in October 2019. Nigel has over 25 years' experience within the digital, technology, and telecommunications field. He has experience within the Private and Public sectors. He was a senior executive with Viacom Inc. for 15 years and has developed worldwide businesses. Nigel Chairs the Port's Risk Committee and is a Member of the Port's Audit Committee and Pension & Remuneration Committee.

RACHAEL FERGUSON - COMMISSIONER

Rachael Ferguson was appointed Harbour Commissioner in March 2020. She is a Councillor on Derry City & Strabane District Council representing the Faughan Electoral Ward since May 2019. She is a co-founder of an online support group for mothers. She is Vice Chair of NILGA, a Director of Tiny Tots Community Group, a Board Member of Strathfoyle Women's Activity Group, a Board Member of St. Oliver Plunkett's Primary School, a Director of the Rural Partnership Board and a Member of Strathfoyle Safety Forum. Rachael is a Member of the Port's Audit Committee.

RYAN MCCREADY - COMMISSIONER

Ryan McCready was appointed Harbour Commissioner in April 2020. He is a Councillor on Derry City & Strabane District Council (DCSDC), representing the Faughan Electoral Ward and is a Member of the Business and Culture Committee. Ryan is a Member of the Port's Audit Committee and Health, Safety & Environmental Committee.

CHRISTOPHER JACKSON - COMMISSIONER

Christopher Jackson was appointed Harbour Commissioner in March 2020. He is a Councillor on Derry City & Strabane District Council (DCSDC), elected to represent the Waterside DEA in 2014. Christopher is the Chair of DCSDC's Planning Committee and sits on the Environment and Regeneration Committee. He is Chairperson of The Whistle Project, a Board Member of Advice North West, a Board Member of Hillcrest Trust and a Board Member of Jack and Jill Playgroup. Christopher is a Member of the Port's Health, Safety & Environmental Committee.

THE EXECUTIVE TEAM

BRIAN MCGRATH - CHIEF EXECUTIVE/COMMISSIONER

Brian was appointed as the Chief Executive and Harbour Commissioner in March 2003. A former Director of Harland and Wolff, Brian has many years' experience in ship design and maritime economics. He is a Chartered Director, a Fellow of the Institute of Directors and a Fellow of the Royal Institution of Chartered Surveyors. Brian is a Past President of the Londonderry Chamber of Commerce and a former Council Member of the Northern Ireland Prince's Trust, British Ports' Association and the Confederation of British Industries Northern Ireland.

CAPTAIN BILL MCCANN - OPERATIONS DIRECTOR & HARBOUR MASTER

Bill was appointed as Harbour Master in July 1996 and was promoted to Operations Director in January 2016. He is a Class 1 Master Mariner and spent 16 years in the Merchant Navy with BP Shipping, Souter Shipping and P&O Irish Sea Ferries. He is a Member of the Nautical Institute and a Member of the Institute of Directors. Bill is also the Chairman and Port Security Officer for the Londonderry Port Security Authority.

GEORGE CUTHBERT - ENGINEERING & DEVELOPMENT DIRECTOR

George was appointed as Port Engineer in April 2004 and was promoted to Engineering & Development Director in January 2016. Previously a Senior Engineer at Harland and Wolff, George has over 20 years' project management experience in the engineering, marine and infrastructure sectors. He is a Chartered Engineer and a Chartered Director, a Member of the Institute of Mechanical Engineers and a Fellow of the Institute of Directors.

ARLENE THOMPSON - FINANCE & CORPORATE SERVICES DIRECTOR

Arlene was appointed as Financial Controller in May 2013 having worked in the role of Assistant Financial Controller since 2005. Arlene was promoted to Finance & Corporate Services Director in January 2016. She is a Fellow of Chartered Accountants Ireland and holds an Executive Master of Business Administration. Having trained and qualified with Moore Stephens Chartered Accountants, Arlene has over 19 years' experience in the finance sector including Public and Private Sector audit.

DUTY, VISION & VALUES

OUR STATUTORY DUTY

To improve, maintain, regulate and manage the Port to facilitate the development of the harbour undertaking

OUR VISION

To grow and constantly improve the business and reinvest our profits for the benefit of future generations of stakeholders

CHIEF EXECUTIVE'S REPORT

RESULT

The Londonderry Port & Harbour Commissioners was established by an Act of Parliament in 1854 as an Independent Statutory Corporation. The Trust Port model continues to serve the long-term fiduciary interests of the Port and its stakeholders. This year we can report a strong overall result despite the operational impacts of the Covid pandemic. The financial snapshot of the Organisation's performance for the year ended 31st March 2022 depicts a strong balance sheet with healthy levels of liquidity.

Our sustained delivery over recent strategic cycles has enabled continued reinvestment in our people and assets. Long-term and prudent treasury management has amassed the cash reserves to provide the resilience needed in the face of looming challenges which are likely to reduce future profitability and impact negatively on our reserves. The £3.6million invested in fixed assets this year brings the total capital expenditure invested over the last two decades since 2003 to £45million.

The long-term consolidation of the Commissioners' land holding progresses well and is central to our decarbonisation plans and future growth. Land acquisition in this year added 39.5 acres to the harbour estate, which now extends to a substantive 206 acres. Further property negotiations within the port economic zone are ongoing. We enjoy substantial development capacity, both for port services and decarbonisation related projects, which is complimented by our close physical proximity to industrial power and high-speed data capabilities. This makes Foyle Port one of the most attractive port locations for development in Britain and Ireland.

We look forward to concluding the Magilligan terminal transfer from Causeway Coast and Glens Council to complement our plans to enhance cruise tourism facilities within Lough Foyle.

ORGANISATION

A modern port requires the sustained application of a team with a diverse mix of complex skills and experience. We have benefitted over the last few years from the addition of new team members who have already made significant contributions along with long serving staff. We continue to progress our succession planning arrangements and the Board have agreed to recruit a Chief Development Officer to enhance the executive team and drive future inward investment.

POLICY

We are encouraged to see the UK Government acknowledge in policy terms the value of the ports to the regional and national economy. Foyle Port has long made the case that enhanced innovation zones should be established at Northern Ireland ports. Although the controversial Freeport model has been established in England, we believe that a bespoke innovation version of this could be

"We enjoy substantial development capacity, both for port services and decarbonisation related projects, which is complimented by our close physical proximity to industrial power and high-speed data capabilities. This makes Foyle Port one of the most attractive port locations for development in Britain and Ireland."

BRIAN MCGRATH
CHIEF EXECUTIVE

adapted to secure the necessary cross-party support within the NI Executive.

Although we are proud of our record to date, we believe that we could deliver a step change in scale at Foyle Port with aligned political, policy and legislative support. We require the urgent modernisation of our legislation to provide a fit for purpose framework to meet the marine, industrial and climate change demands of the 21st century. In the meantime, we continue to work with the Department for Infrastructure to ensure a better mutual understanding of Ports' legislation to ensure the fair allocation of future Departmental or Executive funding.

THANKS

I would like to thank the entire workforce yet again for an outstanding collective performance in very demanding circumstances. The Directors have continued to lead the Organisation through the application of their outstanding individual expertise and commitment and they have been central to the sustained level of performance for many years.

My thanks also go to the Chair and the Board for the governance oversight of the Port and for the space and approvals needed for the Executive to run the day-to-day operations on a commercial basis. The oversight of a Trust Port is very demanding of its non-executive Commissioners. Beyond the regular board duties are the specific demands of our Harbour Acts and Orders including the oversight of the conservancy area between Magilligan and Greencastle to the Craigavon Bridge in the City. The Executive Team greatly appreciate the efforts of the Commissioners in the professional execution of their function.

The Port represents a trading gateway and is a regional asset for business activity. We are fortunate in the resilience and continued success of our customers whose valued business remains at the heart of what we do.

FOYLE PORT'S EXECUTIVE TEAM

CONCLUSION

I am confident that the port team are well prepared and ready to tackle the challenges ahead in what is being described by some commentators as the great reset. Beyond the near-term risk due to energy led inflationary pressures, our vision remains to develop the core port business and prepare for a decarbonisation of our activities. Foyle Port represents an excellent location for future investment. We are ready to play our part in supporting our existing and future customers in the economic development of the Northwest region.

Brian McGrath
Chief Executive and Commissioner

Turnover, Profitability & Investment

TURNOVER
£10.7 MILLION

PROFIT BEFORE TAX
£1.7 MILLION

EBITDA
£3.7 MILLION

£45 MILLION INVESTMENT PROGRAMME IN LAST 20 YEARS

FLEET OF 14 MARINE VESSELS

10 HARBOUR CRANES

MULTI-TERMINAL DEEP SEA PORT

Trade, Connectivity & Growth

1,929,095 TONNES HANDLED

GROSS TONNAGE OF VESSELS 2,170,093

FACILITATING TRADE FROM OVER 20 COUNTRIES WORLDWIDE

AEO STATUS HOLDER

POWER ADJACENCY & DATA CONNECTION

206 ACRE HARBOUR ESTATE WITH 500 ACRES EXPANSION CAPACITY

POTENTIAL OF UP TO 3 MILLION SQ FT OF WAREHOUSING

UK & EUROPEAN GATEWAY

Health, Safety & Environmental

MEMBER SINCE 2016

6 ELECTRIC VEHICLES

CO_2 EMISSIONS REDUCED BY 17T

88% OF ELECTRICITY HAS BEEN SOURCED FROM LOW CARBON FUELS

PLANTED 1,000 TREES

CERTIFIED TO

ISO:14001 ENVIRONMENTAL MANAGEMENT

ISO:9001 QUALITY MANAGEMENT

ISO:45001 HEALTH & SAFETY MANAGEMENT

People & Stakeholders

107 EMPLOYEES

73% INCREASE IN EMPLOYEE NUMBERS IN THE LAST 10 YEARS

£4.2 MILLION PAYROLL COSTS FOR THE YEAR

MENTAL HEALTH AWARENESS TRAINING ATTENDED BY 20% OF EMPLOYEES

6 MENTAL HEALTH CHAMPIONS

SUPPORTING APPRENTICESHIPS AND GRADUATES

DONATED TO 10 CHARITIES AND COMMUNITY PARTNERS

FOYLE PORT IN THE COMMUNITY

Foyle Maritime Festival

Launch of Foyle Port's Mental Health Charter

Aware NI representative with Foyle Port employees

Foyle Foodbank Christmas Donations


Woodland Trust visit to Foyle Port

Strathfoyle Community Association
Greencastle FC
AWARE
Saint Oliver Plunkett Primary
Strathfoyle Women's Activity Group Ltd. Investing in You and Your Family Tel: 7186 0733
Foyle foodbank
Woodland Trust
IWAI
MOVEMBER

OUR PEOPLE


Foyle Port Mental Health Champions


25 Years Long Service Award


25 Years Long Service Award

Engineering Mechanical Apprenticeship


Engineering Mechanical Apprenticeship

International Women's Day

Fixed Electrical Inspection Certification


Associate Membership of CIPD


ILM Level 5 in
Leadership & Management

STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Commissioners are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

The law requires the Commissioners to prepare financial statements for each financial year. 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). 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 Londonderry Port & Harbour Commissioners ('LPHC') and of the profit of LPHC for that period. In preparing these financial statements, the Commissioners are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that LPHC will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain LPHC's transactions and disclose with reasonable accuracy at any time the financial position of LPHC and enable them to ensure that the financial statements comply with the appropriate statutory requirements. They are also responsible for safeguarding the assets of LPHC 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 Organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each person who was a Commissioner at the date of approving this report is aware, there is no relevant audit information of which LPHC's auditor is unaware. Additionally, each Commissioner has taken all the necessary steps that they ought to have taken as a Commissioner in order to make themselves aware of all relevant audit information and to establish that LPHC's auditor is aware of that information.

Bonnie Anley
Chair
21st September 2022

INDEPENDENT AUDITOR'S REPORT TO
LONDONDERRY PORT & HARBOUR COMMISSIONERS

OPINION

In our opinion the financial statements of Londonderry Port & Harbour Commissioners ('LPHC'):

- Give a true and fair view of LPHC's affairs as at 31 March 2022 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

We have audited the financial statements of the LPHC which comprise:

- The profit and loss account;
- The statement of comprehensive income;
- The balance sheet;
- The statement of changes in equity;
- The statement of cash flows; and
- The related notes 1 to 24.

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

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Commissioners are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF COMMISSIONERS

As explained more fully in the Commissioners' responsibilities statement, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing LPHC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners intend to liquidate LPHC or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

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

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

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

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

REVENUE RECOGNITION

- We assessed the design and determined the implementation of the key controls over the posting of revenue relating to the cut-off of port revenue;
- We selected a sample of transactions, and ensured the revenue was recorded accurately and in the correct period; and
- We tested a sample of credit notes to ensure the amount was accurately recorded.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON OTHER MATTERS

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

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

In the light of the knowledge and understanding of LPHC and its environment obtained in the course of the audit, we have not identified any material misstatements in the Chair's Statement and Chief Executive's Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

We have nothing to report in respect of these matters.

USE OF OUR REPORT

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

Ian Kelsall (Senior Statutory Auditor)
For and on behalf of Deloitte (NI) Limited
Statutory Auditor
Belfast, Northern Ireland
27th September 2022

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2022 £	2021 £
Turnover	**3**	10,753,230	9,212,535
Cost of Sales		(6,662,839)	(6,151,565)
Gross Profit		**4,090,391**	**3,060,970**
Administrative Expenses		(2,471,499)	(2,132,553)
		1,618,892	928,417
Other Operating Income	**5**	232,416	587,035
Operating Profit	**4**	**1,851,308**	**1,515,452**
Profit / (Loss) on Disposal of Fixed Assets		12,298	(60,255)
Profit on Ordinary Activities Before Interest		**1,863,606**	**1,455,197**
Interest Receivable and Similar Income	**8**	20,373	30,395
Foreign Exchange (Loss) / Gain		(6,207)	11,633
Interest Payable and Similar Charges	**9**	(177,691)	(191,098)
Profit on Ordinary Activities Before Taxation		**1,700,081**	**1,306,127**
Tax on Profit on Ordinary Activities	**10**	(688,233)	(301,156)
Profit for the Financial Year		**1,011,848**	**1,004,971**

The notes on pages 39 to 58 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2022 £	2021 £
Profit for the Financial Year		1,011,848	1,004,971
Total actuarial gains / (losses) from defined benefit pension liability	**19**	189,333	(405,350)
Movement on deferred tax relating to pension liability	**20**	(39,330)	77,017
Total Comprehensive Income for the Year		**1,161,851**	**676,638**

The notes on pages 39 to 58 form part of these financial statements and should be read in accordance therewith.

BALANCE SHEET AS AT 31 MARCH 2022

	NOTE	£	2022 £	£	2021 (Restated) £
FIXED ASSETS					
Intangible Assets	**11**		9,010		10,657
Tangible Assets	**12**		44,046,356		42,682,556
			44,055,366		42,693,213
CURRENT ASSETS					
Stock	**14**	285,410		257,623	
Debtors	**15**	2,378,042		2,932,307	
Investments		-		3,267,680	
Cash and Cash Equivalents		9,191,205		6,345,113	
		11,854,657		12,802,723	
CURRENT LIABILITIES					
Amounts falling due within one year	**16**	(2,939,687)		(3,024,858)	
Capital Grants	**18**	(341,750)		(395,660)	
		(3,281,437)		(3,420,518)	
Net Current Assets			8,573,220		9,382,205
Total Assets Less Current Liabilities			**52,628,586**		**52,075,418**
LONG TERM LIABILITIES					
Amounts falling due after more than one year	**17**		(4,721,006)		(5,184,916)
Capital Grants	**18**		(11,336,030)		(11,677,479)
Pension Liability	**19**		(1,155,000)		(1,498,000)
Provisions for Liabilities and Charges	**20**		(1,344,533)		(804,857)
NET ASSETS			**34,072,017**		**32,910,166**
RESERVES					
Profit and Loss Account			34,072,017		32,910,166
TOTAL RESERVES			**34,072,017**		**32,910,166**

These financial statements were approved at a meeting of the Commissioners held on 21st September 2022 and signed on their behalf by:

Bonnie Anley
Chair

Brian McGrath
Chief Executive

The notes on pages 39 to 58 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Profit and loss reserves £
Balance at 1 April 2020	32,233,528
Year ended 31 March 2021	
Profit for the Financial Year	1,004,971
Total actuarial losses from defined benefit pension	(405,350)
Movement on deferred tax relating to pension liability	77,017
Balance at 31 March 2021	**32,910,166**
Year ended 31 March 2022	
Profit for the Financial Year	1,011,848
Total actuarial gains from defined benefit pension	189,333
Movement on deferred tax relating to pension liability	(39,330)
Balance at 31 March 2022	**34,072,017**

The notes on pages 39 to 58 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	£	2022 £	£	2021 £
Cash flows from operating activities					
Cash generated from operations	1		4,274,778		3,067,557
Interest paid			(180,014)		(193,364)
Income taxes paid			(359,638)		(175,367)
Net cash inflow from operating activities			**3,735,126**		**2,698,826**
Investing activities					
Purchase of tangible fixed assets		(3,617,087)		(967,953)	
Proceeds from disposal of tangible fixed assets		18,696		185,946	
Net amounts drawn down from treasury deposits		3,267,680		1,996,286	
Interest received		20,135		47,272	
Capital grants received		-		551,023	
Net cash used in investing activities			(310,576)		1,812,574
Financing activities					
Repayment of borrowings		(578,458)		(564,775)	
Net cash used in financing activities			(578,458)		(564,775)
Net increase in cash			2,846,092		3,946,625
Cash and cash equivalents at beginning of the year			6,345,113		2,398,488
Cash and cash equivalents at end of the year			**9,191,205**		**6,345,113**

The notes on page 38 form part of the statement of cash flows and should be read in accordance therewith.

NOTES TO THE STATEMENT OF CASH FLOWS

1. Cash Generated from Operations

	2022 £	2021 £
Profit for the year after tax	1,011,848	1,004,971
Adjustments for:		
Taxation charged	688,233	301,156
Finance costs	177,691	191,098
Investment income	(20,373)	(30,395)
(Gain) / Loss on disposal of tangible fixed assets	(12,298)	60,255
Amortisation of intangible fixed assets	1,647	1,646
Depreciation of tangible fixed assets	2,246,888	2,206,773
Amortisation of capital grants	(395,359)	(395,660)
Adjustment for pension funding	(153,667)	(131,350)
Movements in working capital:		
Increase in stock	(27,787)	(1,842)
Decrease / (Increase in debtors)	554,503	(939,015)
Increase in creditors	203,452	799,920
	4,274,778	**3,067,557**

2. Analysis of Changes in Net Debt	**1 April 2021 £**	**Cash Flows £**	**Other Non-Cash Changes £**	**31 March 2022 £**
Cash and Cash Equivalents	6,345,113	2,846,092	-	9,191,205
Investments	3,267,680	(3,267,680)	-	-
	9,612,793	(421,588)	-	9,191,205
Government Loans (Note 17)	(5,546,686)	578,458	-	(4,968,228)
Pension Liability (Note 19)	(1,498,000)	153,667	189,333	(1,155,000)
3½% Consolidated Stock (Note 17)	(15,057)	-	-	(15,057)
Total	**2,553,050**	**310,537**	**189,333**	**3,052,920**

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) General Information

The legal form of the entity, its country of incorporation, and the nature of the entity's operations and principal activities are set out in the Corporate Governance Statement on page 5 of the Annual Report.

(b) Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). There were no material departures from that standard.

The financial statements are prepared in sterling, which is the functional currency of the organisation. Monetary amounts in these financial statements are rounded to the nearest £Sterling.

The principal accounting policies adopted are set out below.

(c) Going Concern

The Commissioners have assessed the financial position of the Organisation, including the likely impact of the war in Ukraine, potential changes to the NI Protocol and COVID-19 and at the time of approving the financial statements, have a reasonable expectation that the Organisation has adequate resources to continue in operational existence for the foreseeable future. Thus, the Commissioners continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services and rentals provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from services to Port users and rentals is recognised when the service has been provided and the contractual obligation has been met.

(e) Grants

The Organisation has adopted the accruals model whereby capital grants are recognised as a liability on the balance sheet and released to the profit and loss account over the useful economic life of the asset. Revenue grants, including the Coronavirus Job Retention Scheme are credited to the profit and loss account in the period to which they relate.

(f) Intangible Fixed Assets

The cost of intangible assets comprises the purchase price of development, materials and employee benefits. Intangible fixed assets are initially measured at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life as follows:

CE Marking	10 years

CE marking is a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area. The CE marking is also found on products sold outside the EEA that are manufactured in, or designed to be sold in, the EEA.

(g) Tangible Fixed Assets and Depreciation

The cost of fixed assets comprises the purchase price of land, structures, plant and machinery, etc. acquired, plus costs of construction and installation. Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life as follows:

Work and Improvements comprising:

Buildings	20 years	-	100 years
Tools and Equipment	5 years	-	10 years

Other assets:

Pontoon	10 years	-	20 years
Cranes	10 years	-	20 years
Plough Boat and Dredging Plant	10 years	-	30 years
Tug Boats	5 years	-	30 years
Pilot Boat and Station	5 years	-	20 years
Plant, Machinery and Equipment	3 years	-	50 years
Dry Dock	5 years		
Motor Vehicles	4 years		

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

(h) Impairment of Assets

At each reporting end date, the Organisation reviews the carrying amounts of its tangible and intangible 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 it is not possible to estimate the recoverable amount of an individual asset, the Organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Stock

Stocks are valued at the lower of cost and net realisable value.

(j) Investments

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

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(l) Financial Instruments

The Organisation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments measured at amortised costs. An equity instrument is any contract that evidences a residual interest in the assets of the Organisation after deducting all of its liabilities. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Debt instruments are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost, using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(m) Provisions

Provisions are recognised when the Organisation has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

(n) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Organisation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Organisation has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

(o) Employee Benefits
The pension entitlements of pensionable employees arise under a defined contribution pension scheme. This scheme is maintained by contributions from the Commissioners and employees to an independently administered fund. Annual contributions are charged to the Profit and Loss Account on an accruals basis.

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Commissioners, in common with other Competent Harbour Authorities, are making recovery plan payments to the Pilot's National Pension Fund (PNPF), which is a centralised, multi-employer defined benefit pension scheme for non-associated employers which provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement. Full details are disclosed in note 19.

(p) Foreign Currency
Assets and liabilities in foreign currencies are translated at the rate of exchange at the Balance Sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transactions. All differences in foreign currency are taken to the Profit and Loss Account.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Organisation's accounting policies, the Commissioners are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There are no critical accounting judgements, other than those included under estimation uncertainty.

Key Sources of Estimation Uncertainty - Employee Benefits
The Organisation has recognised a defined benefit pension scheme liability in the balance sheet, the value of which has been prepared by an independent qualified actuary. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

3. TURNOVER AND OTHER REVENUE

An analysis of turnover is as follows:	2022 £	2021 £
Revenue from Port Customers	9,046,379	7,634,840
Rents Receivable	706,201	632,135
Storage Receipts	1,000,650	945,560
	10,753,230	9,212,535
Turnover analysed by geographical market		
United Kingdom and Ireland	10,753,230	9,212,535

4. OPERATING PROFIT

Operating Profit is stated after charging:	2022 £	2021 £
Amortisation of intangible fixed assets (Note 11)	1,647	1,646
Depreciation of tangible fixed assets (Note 12)	2,246,888	2,206,773
Auditor's remuneration for audit of the financial statements	15,000	17,000
Auditor's remuneration for taxation compliance services	4,400	5,000
Foreign exchange loss	6,207	-
and after crediting:		
Capital grant amortisation (Note 18)	395,359	395,660
Foreign exchange gain	-	11,633

5. OTHER OPERATING INCOME

	2022 £	2021 £
Insurance proceeds	211,339	436,223
Grants received in relation to Covid-19	19,577	150,812
Grants received	1,500	-
	232,416	587,035

Insurance proceeds relate to the income received as a result of a fire on the premises during the financial year.

6. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Commissioners during the year was 107 (2021: 108).

Their aggregate remuneration comprised:	2022 £	2021 £
Wages and salaries	3,630,073	3,707,400
Social security costs	380,786	362,361
Pension costs	199,582	190,699
	4,210,441	4,260,460

Key Management Personnel

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 £1,139,778 (2021: £1,122,190).

7. COMMISSIONERS' REMUNERATION

	2022 £	2021 £
Remuneration for qualifying services	123,160	91,951

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £	2021 £
Bank Interest	20,373	30,395

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Bank Interest & Charges	130,488	144,226
Interest on Pilots' National Pension Fund Liability	46,442	46,442
3½% Consolidated Loan Stock	394	430
Other interest	367	-
	177,691	191,098

10. TAXATION

	2022 £	2021 £
Current year tax		
UK Corporation Tax on profits for the current period	187,340	300,197
Adjustment in respect of prior periods	547	(13,986)
Deferred tax		
Origination and reversal of timing differences	180,318	20,043
Adjustment in respect of prior periods	697	(5,098)
Effect of changes in tax rates	319,331	-
Total tax per profit and loss account	688,233	301,156

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2022 £	2021 £
Profit before taxation	1,700,081	1,306,127
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	323,015	248,164
Effects of :		
Expenses not deductible	51,009	72,076
Impact of capital allowances super deductions	(9,389)	-
Gains/rollover relief etc	3,023	-
Adjustment in respect of prior periods	1,244	(19,084)
Tax rate changes	319,331	-
Tax charge for the year	688,233	301,156

The standard rate of tax applied to reported profit on ordinary activities is 19% (2021: 19%). In the 2021 Budget the Government announced that from 1 April 2023 the main rate of corporation tax would increase from 19% to 25% on profits over £250,000. The deferred tax liability has therefore been increased by an amount of £319,331 to reflect the enacted rate of 25%.

11. INTANGIBLE FIXED ASSETS

	CE Marking £
Cost	
At 1 April 2021	
Cost	16,464
Additions	-
Disposals	-
At 31 March 2022	16,464
Depreciation	
At 1 April 2021	
Accumulated Amortisation	5,807
Charge for Year	1,647
Release on Disposal	-
At 31 March 2022	7,454
Net Book Value	
31 March 2022	**9,010**
31 March 2021	10,657

12. TANGIBLE FIXED ASSETS

	Works & Improvements £	Pontoon £	Cranes £	Plough Boat & Dredging Plant £	Tug Boats £	Pilot Boat & Station £	Motor Vehicles £	Plant, Machinery & Equipment £	Dry Dock £	TOTAL £
Cost										
At 1 April 2021 Cost	45,986,364	2,239,690	11,411,356	4,686,901	5,977,318	660,306	179,603	2,960,194	929,014	75,030,746
Additions	3,022,528	296	-	2,462	-	-	18,000	299,610	274,191	3,617,087
Disposals	-	-	(35,922)	-	-	-	-	(60,860)	(181,513)	(278,295)
At 31 March 2022	49,008,892	2,239,986	11,375,434	4,689,363	5,977,318	660,306	197,603	3,198,944	1,021,692	78,369,538
Depreciation										
At 1 April 2021 Accumulated Depreciation	16,971,860	1,303,986	7,032,654	2,216,536	1,749,620	493,532	138,547	1,965,541	475,914	32,348,190
Charge for Year	861,029	143,651	410,693	168,933	212,023	22,318	26,571	208,468	193,202	2,246,888
Release on Disposal	-	-	(35,922)	-		-	-	(54,461)	(181,513)	(271,896)
At 31 March 2022	17,832,889	1,447,637	7,407,425	2,385,469	1,961,643	515,850	165,118	2,119,548	487,603	34,323,182
Net Book Value 31 March 2022	**31,176,003**	**792,349**	**3,968,009**	**2,303,894**	**4,015,675**	**144,456**	**32,485**	**1,079,396**	**534,089**	**44,046,356**
31 March 2021	29,014,504	935,704	4,378,702	2,470,365	4,227,698	166,774	41,056	994,653	453,100	42,682,556

13. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost:		
Cash and Cash Equivalents	9,191,205	6,345,113
Trade Debtors	1,892,984	1,466,310
Other Debtors	240,252	971,998
	11,324,441	8,783,421

	2022 £	2021 £
Carrying amount of financial liabilities		
Measured at amortised cost:		
Government Loans	4,968,228	5,546,686
Trade Creditors	833,564	698,093
Other Creditors	64	29,341
	5,801,856	6,274,120

14. STOCK

	2022 £	2021 £
Consumables	234,583	203,633
Materials	50,827	53,990
	285,410	257,623

15. DEBTORS (Amounts falling due within one year)

	2022 £	2021 £
Trade Debtors	1,892,984	1,466,310
Other Debtors	240,252	971,998
VAT	2,235	264,741
Prepayments & Accrued Income	242,571	229,258
	2,378,042	2,932,307

16. CREDITORS (Amounts falling due within one year)

	2022 £	2021 (Restated) £
Trade Creditors	833,564	698,093
Corporation Tax	47,474	219,225
Government Loans	592,477	578,458
Other Tax & Social Security	100,570	88,367
Accruals & Deferred Income	1,365,538	1,411,374
Other Creditors	64	29,341
	2,939,687	3,024,858

17. CREDITORS (Amounts falling due after more than one year)

	2022 £	2021 (Restated) £
3½ % Consolidated Loan Stock (Undated)	15,057	15,057
Government Loans	4,375,751	4,968,228
Accruals & Deferred Income	330,198	201,631
	4,721,006	5,184,916

Analysis of Loans	2022 £	2021 £
Not wholly repayable within five years other than by instalments:		
Government Loans	4,968,228	5,546,686
	4,968,228	5,546,686
Included in current liabilities	(592,477)	(578,458)
	4,375,751	4,968,228

Loan Maturity Analysis	2022 £	2021 £
In more than one year but not more than two years	606,841	592,477
In more than two years but not more than five years	1,308,559	1,469,091
In more than five years	2,460,351	2,906,660
	4,375,751	4,968,228

18. CAPITAL GRANTS

	Works & Improvements £	Pontoon £	Cranes £	Plough Boat & Dredging Plant £	Tug Boat & Launch £	Pilot Boat & Station £	Plant, Machinery & Equipment £	TOTAL £
Cost								
At 1 April 2021								
Cost	19,256,444	2,009,663	2,618,856	337,500	15,395	134,240	338,280	24,710,378
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	(26,250)	-	-	-	(32,424)	(58,674)
At 31 March 2022	19,256,444	2,009,663	2,592,606	337,500	15,395	134,240	305,856	24,651,704
Amortisation								
At 1 April 2021								
Accumulated Amortisation	8,058,646	1,204,051	2,618,856	337,500	8,426	124,745	285,015	12,637,239
Amortised for Year	258,134	125,540	-	-	513	5,660	5,512	395,359
Release on Disposal	-	-	(26,250)	-	-	-	(32,424)	(58,674)
At 31 March 2022	8,316,780	1,329,591	2,592,606	337,500	8,939	130,405	258,103	12,973,924
Net Book Value								
At 31 March 2022	**10,939,664**	**680,072**	-	-	**6,456**	**3,835**	**47,753**	**11,677,780**
At 31 March 2021	11,197,798	805,612	-	-	6,969	9,495	53,265	12,073,139

Total Capital Grants of £11,677,780 is split between current liabilities £341,750 (2021: £395,660) and non-current liabilities £11,336,030 (2021: £11,677,479).

19. EMPLOYEE BENEFITS

The Commissioners operate a defined contribution pension scheme for all employees. Employees are automatically enrolled in this scheme once mandatory registration criteria are met. Employees who meet these criteria have the option of opting out of the scheme. The amount charged in the profit and loss account for pension costs under the above scheme was £199,582 (2021: £190,699).

PILOTS' NATIONAL PENSION FUND ('PNPF')

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement.

The PNPF is administered by a separate Trustee Company which is legally separate from LPHC. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the PNPF's investment policy and day-to-day administration.

The Trustee of the PNPF sought the guidance of the court on a number of issues relating to the Trustee's powers under the Rules of the PNPF, including who is liable to contribute. Until the legal status of the PNPF had been clarified, LPHC was unable to determine its share of the liabilities of the PNPF.

Following the court's determination and further information being made available on the extent of the PNPF's liabilities, LPHC is able to determine its share of the liabilities as described below.

LPHC is responsible for its own share of the total liabilities in the PNPF, together with a proportionate share of the 'orphan' liabilities of the PNPF i.e. those liabilities that cannot be attributed to another participating port authority.

The last formal actuarial valuation of the PNPF was completed as at 31 December 2019 and showed a deficit of £159 million. This was higher than anticipated under the existing recovery plan, requiring an increase in the deficit contributions payable with effect from 1 January 2021. The results of these calculations have been updated to 31 March 2022 by a qualified independent actuary.

The present value of the defined benefit obligation, the current service costs and any past service costs were measured using the projected unit credit method. Actuarial gains and losses have been recognised in the period in which they occur (but outside of the profit and loss account) through the Statement of Comprehensive Income.

The main assumptions used to calculate scheme liabilities are as follows:

Key Financial Assumptions as at 31 March	**2022**	**2021**
Discount rate (% p.a.)	2.8%	2.0%
Rate of salary increases (% p.a.)	2.8%	2.5%
Rate of increase to pensions in deferment where not subject to a minimum (% p.a.)	2.8%	2.5%
RPI inflation (% p.a.)	3.7%	3.0%
CPI inflation (% p.a.)	2.8%	2.5%
Pension increases: maximum 5% p.a., minimum 0% p.a.	3.6%	3.0%
Pension increases: maximum 5% p.a., minimum 3% p.a.	3.8%	3.5%

Key Demographic Assumptions as at 31 March	2022	2021
Mortality base table % of S3 PxA Standard Tables	105%	105%
Mortality future improvements (core projections)	CMI_2021	CMI_2020
Mortality future improvements (% p.a. long term improvement)	1.00%	1.00%
Male life expectancy		
- Retiring at age 65 now	21.6 years	21.6 years
- Retiring at age 65 in 20 years	22.6 years	22.6 years
Female life expectancy		
- Retiring at age 65 now	24.0 years	23.9 years
- Retiring at age 65 in 20 years	25.1 years	25.1 years

Contributions to meet PNPF liability

LPHC made contributions of £200,000 in respect of the PNPF recovery plan during the year ended 31 March 2022 (2021: £178,000).

Changes in the value of assets	2022 £	2021 £
Opening fair value of assets	3,273,000	3,342,000
Interest income on assets	64,000	82,000
Member contributions	3,000	3,000
LPHC Contributions	200,000	178,000
Actuarial loss on assets	(17,000)	(3,000)
Benefits paid	(302,000)	(312,000)
Expenses paid	(11,000)	(17,000)
Closing fair value of assets	3,210,000	3,273,000

The value of the assets did not include any assets used directly by LPHC, nor did it include any direct investment by LPHC's own financial instruments.

Actual asset allocation	2022 %	2021 %
'Growth' Assets		
- Partners Growth Fund	37.9	35.6
- Fund of Hedge Funds	0.0	0.9
- Diversified Growth Funds	5.7	5.3
- Downside Risk Hedge	0.2	0.3
'Matching' Assets		
- Corporate Bonds	14.6	10.2
- Gilts	25.5	25.7
- Liquidity Fund	12.8	19.1
- Cash	3.3	2.9
	100.0	100.0

Actual return on assets	2022 £	2021 £
Expected return on assets	64,000	82,000
Actuarial loss on assets	(17,000)	(3,000)
Actual return	47,000	79,000

Changes in the defined benefit liabilities	2022 £	2021 £
Opening defined benefit liability	4,771,000	4,566,000
Service cost	2,000	1,000
Interest cost	92,000	110,000
Member contributions	3,000	3,000
Actuarial (gain) / loss on liability	(201,000)	403,000
Benefits paid	(302,000)	(312,000)
Closing defined benefit liability	4,365,000	4,771,000

Analysis of amounts recognised in Income Statement	2022 £	2021 £
Financing cost		
- Net interest on the net liability	46,442	46,442
Total Expense	46,442	46,442

Analysis of amounts recognised in Statement of Comprehensive Income	2022 £	2021 £
Total actuarial (gains) / losses	(189,333)	405,350
Total (gains) / losses in Statement of Comprehensive Income	(189,333)	405,350

Reconciliation of funded status to Balance Sheet	2022 £	2021 £
Present value of funded defined benefit obligation	(4,365,000)	(4,771,000)
Fair value of assets	3,210,000	3,273,000
Deficit	(1,155,000)	(1,498,000)

	2022 £	2021 £
Liability recognised on the balance sheet	(1,155,000)	(1,498,000)
Related deferred tax asset (Note 20)	288,750	284,620
Net Liability recognised on the Balance Sheet	(866,250)	(1,213,380)

20. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation
	£
Opening balance 1 April 2021	804,857
Debit to profit and loss account	500,346
Credit to statement of comprehensive income	39,330
Closing balance 31 March 2022	**1,344,533**

The amount debited to the Statement of Comprehensive Income of £39,330 represents the portion of the deferred tax asset relating to the actuarial gain recognised in the Statement of Comprehensive Income multiplied by the appropriate rate of tax.

Deferred tax assets and liabilities are offset where the Organisation has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022	2021
Balances:	£	£
Timing differences	1,633,283	1,089,477
Pension deficit	(288,750)	(284,620)
	1,344,533	804,857

The net deferred tax liability expected to reverse in the next 12 months is £117,715. This primarily relates to the reversal of timing differences.

21. CAPITAL COMMITMENTS

	2022	2021
	£	£
Capital Expenditure contracted for or authorised by the Commissioners but not provided in the financial statements	3,314,483	3,928,241

22. CONTINGENT LIABILITY

The Court of Appeal ruled in June 2019 that Police Service of Northern Ireland (PSNI) staff were owed money for a shortfall in pay going back 20 years. The Court ruled that miscalculations arose because holiday pay had been based on basic working hours excluding overtime. A number of aspects of this decision were appealed to the Supreme Court and if that appeal was successful, it would have impacted directly on the potential loss to be claimed in the holiday pay claims lodged by employees of Londonderry Port & Harbour Commissioners. The appeal to the Supreme Court did not proceed in June 2021 and is now listed for hearing in December 2022. Therefore, it is not yet possible to quantify the potential loss for all claims currently lodged against Londonderry Port & Harbour Commissioners.

23. INVESTMENT IN SUBSIDIARIES

Londonderry Port & Harbour Commissioners hold one ordinary €1 share, not yet paid, representing a 100% holding in Foyle Port (Ireland) Limited, a dormant company, registered in the Republic of Ireland. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

24. PRIOR PERIOD RESTATEMENT

It has been noted that deferred income as at 31st March 2021 was classified as current liabilities when an element should have been classified as long term liabilites. The comparative figures in the primary financial statements and notes have been restated to reflect this. The effects of the prior period reclassification are summarised below:

	As Previously Reported	Adjustment	As Restated 31 March 2021
	£	£	£
Current Liabilities	3,226,489	(201,631)	3,024,858
Long Term Liabilities	4,983,285	201,631	5,184,916
Net Assets	32,910,166	-	32,910,166

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