LONDONDERRY PORT & HARBOUR COMMISSIONERS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

WELCOME TO THE ANNUAL REPORT OF LONDONDERRY PORT & HARBOUR COMMISSIONERS

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.

FOYLE PORT

FOYLE MARINE SERVICES

FOYLE CONSULTING ENGINEERS

FOYLE ENGINEERING

Members of the Board

Ms B Anley	Chair
Mr B McGrath	Chief Executive
Dr D O'Reilly	
Mr P Sheridan	
Mrs H McCartan	
Mr B Dougherty MBE	
Mr D Hussey	
Mr M Devenney	
Mr G Diver	(resigned 31/12/2015)
Mr J McKeever	(appointed 08/02/2016)

Principal Officer

Mrs A Thompson, Finance Director

Auditors

Moore Stephens (NI) LLP
Chartered Accountants & Statutory Auditors
21/23 Clarendon Street
Londonderry
BT48 7EP

Bankers

Ulster Bank
Da Vinci's Complex
Culmore Road
Londonderry
BT48 8JB

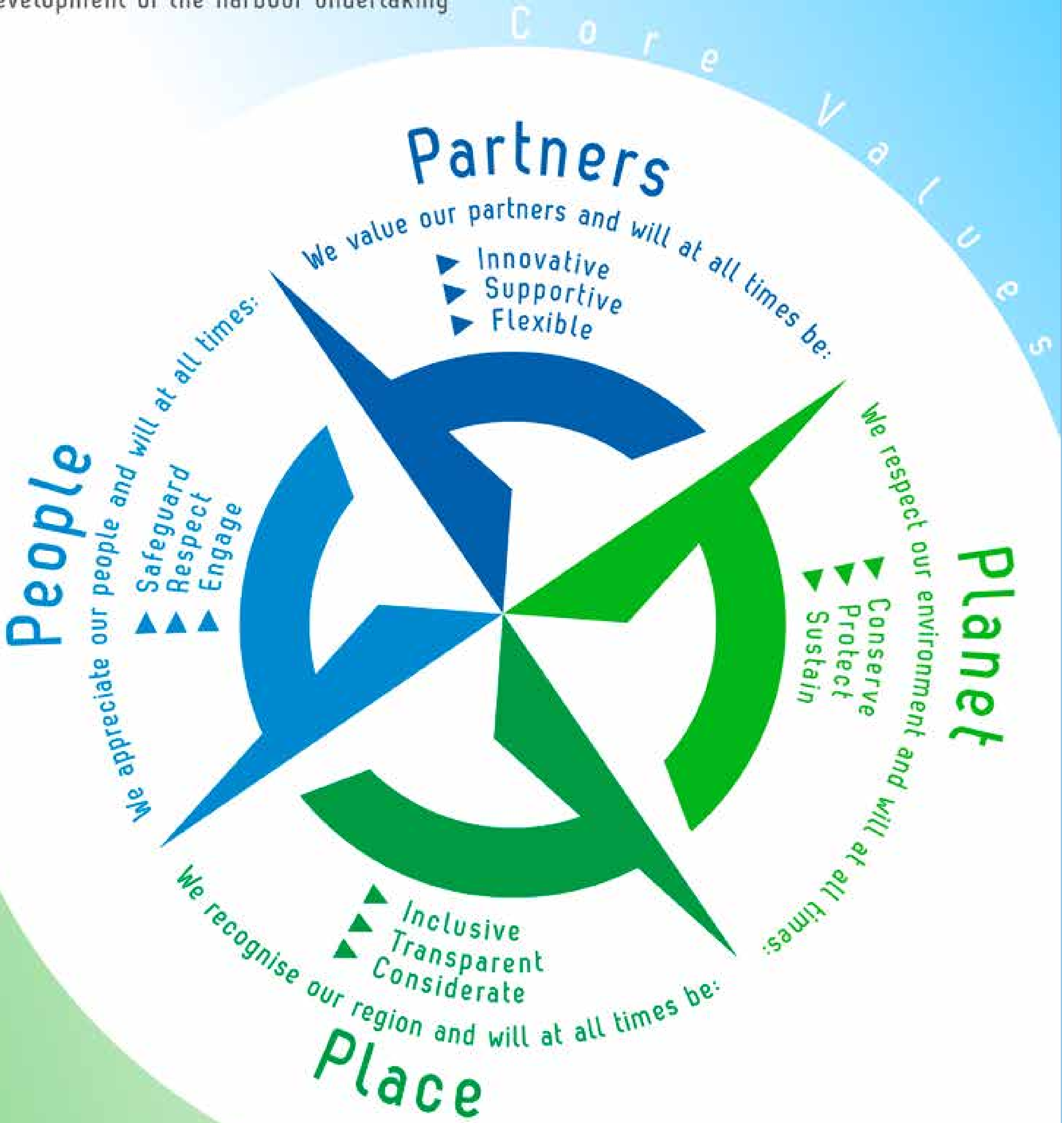
Solicitors

Tughans
Marlborough House
30 Victoria Street
Belfast
BT1 3GG

CONTENTS

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

CHAIR'S STATEMENT

I am delighted to present the Annual Report of Londonderry Port & Harbour Commissioners (LPHC) for the Financial Year ended 31st March 2016. 2015/16 has been an excellent trading year for LPHC with a record turnover of £7 million generated and operating profits achieved in line with strategic projections. The financial year 2015/16 marks the first full year of the Commissioners' new strategy Port+2020. The strategy is based on a model of increased diversification and aims to strengthen the service offering of the Port whilst avoiding an over-reliance on cross-quay trade.

The organisation now operates a range of trading divisions including Foyle Marine Services which offers towage and dredging services, Foyle Consulting Engineers which offers structural and civil engineering services and Foyle Engineering which offers specialist steel fabrication services. Each of the divisions contribute to our core business of Foyle Port. During the year an ambitious organisational restructuring plan was rolled out to support our further diversified business model and also to prepare the organisation for our projected future growth.

A statutory duty of LPHC is to reinvest our profits into the organisation for the benefit of future generations of stakeholders. During 2015/16 Londonderry Port and Harbour Commissioners invested £1.9 million in port assets and infrastructure including the first payment for our new harbour tug. Foyle Marine Services will take delivery of the new tug during 2016/17 representing a total investment by the Commissioners of £4 million. The new tug will safeguard the marine operations of the Port well into the future and will also provide an emergency towage facility beyond the coast of Lough Foyle.

In February 2016 Foyle Port received the following endorsement from the Eco Ports organisation in Europe;

'As would be expected from a port with ISO 14001 accreditation (and ISO 9001:2008 and BS OSHAS 18001:2007), Foyle Port demonstrates all the components of an International Standard of Environmental Management. It is an exemplar port in several key areas because it demonstrates good practice and a policy of 'compliance-plus' in terms of its environmental protection and objectives of sustainable development. The Port's Environmental Management Programme with its standards, organization and activity profile not only serves the Port Authority itself but also illustrates a model worth copying throughout the sector. Foyle Port's environmental credentials can be assessed against European and International benchmarks as exemplifying good practice. This reflects not only the EMS standard achieved, but also the Port's applied good practices in its own port area' (EcoPorts, 2016).

The Commissioners are delighted that the Environmental Management System currently in operation at Foyle Port has been highlighted as exemplary in relation to industry best practice and intend to continue to develop the

CHAIR'S STATEMENT

Port's environmental profile on a Europe wide scale.

At the time of writing the vote for Britain to leave the European Union has created a number of uncertainties which may be detrimental to the future growth of the Port. As an organisation situated close to the border it is our priority to safeguard the current status of 'soft borders' and to eschew any potential burden of import tariffs so that we remain on a level playing field with our competitors.

However, change brings with it both opportunity and risk. As an organisation in existence for over 160 years and having traded through many difficult economic times the Port remains on a solid strategic platform and has prepared well both to exploit opportunity and mitigate risk with a wide ranging and diverse strategy that focuses on port growth and portfolio expansion.

As a key regional gateway and a significant employer that supports an estimated 1,000 jobs, LPHC has a vital role to play in the future of the North West region. We remain confident that the uncertainties arising from the Brexit vote will be resolved politically therefore safeguarding our continued contribution to the regional economy.

Our excellent trading results this year are due in no small part to the hard work and dedication from our excellent team of employees. On behalf of the Commissioners I extend our sincere thanks to the Executive Team and to all those who work for the organisation both directly and indirectly. I am especially proud of the successful integration of our new team of 5 apprentices; who are testament to the organisation's commitment to our values of diversity and career development within our work force.

Our customers have also played a key role in our continued success and our thanks to them along with all those we serve indirectly for helping us to secure such a positive outcome this year and in helping us continue to build a sustainable contribution to the North West region.

I would also take this opportunity to thank the Commissioners of Londonderry Port and Harbour Commissioners for their hard work and dedication throughout the year. The role of the Board is to improve, maintain and manage the Port for the development of the Harbour Undertaking and the Commissioners have discharged their duties in this regard to the highest level.

I pay tribute to Gerard Diver who retired from the Board having made his mark as an actively engaged Commissioner with excellent skills and who served on the Health & Safety Committee. I also extend a warm welcome to Jim McKeever who joined the Board and has played an active role in decision making since then.

I would also like to extend my thanks to the Minister and officials at the Department for Infrastructure who have offered support and guidance throughout the year.

Finally, my thanks go to you, the stakeholders in the local communities who have a vested interest in the future of your Port. LPHC will continue to engage with local schools and charities and through our Corporate Social Responsibility Policy will continue to play a hands on role in supporting education and charitable initiatives to further the experiences of young people. We greatly value our close relationship with those in the community who seek the same aims.

The Commissioners are very proud to represent the key marine gateway to the North West and we are confident that with our new strategy and with the commitment of our employees we will continue to make a vital contribution to improve the prosperity of the whole North West region.

COMMISSIONERS' ATTENDANCE

2015/16 BOARD MEETINGS

NAME	POSSIBLE	ACTUAL
Anley, B	10	10
Devenney, M	8	8
Diver, G	5	4
Dougherty, B	10	10
Hussey, D	8	8
McCartan, H	10	10
McGrath, B	10	10
McKeever, J	2	2
O'Reilly, D	10	8
Sheridan, P	10	9

THE BOARD

Ms Bonnie Anley MA MSc - Chairman

Appointed as Chairman of the Board in February 2014 and also chairs the Port's Pension and Remuneration Committee. Ms Anley is a member of the Institute of Directors (Dip IOD) and Director of Mourne Country Park Limited. Bonnie is the Chair of Friends of the Earth Limited and also Trustee of Friends of the Earth Trust.

Dr Dolores O'Reilly - Commissioner

Appointed as a Harbour Commissioner in February 2011 and was reappointed for a second term in April 2015. Dolores is Professor Emerita of International Business and Strategy at the University of Ulster. She was appointed as an Independent Board Member of the Department of Finance in 2010 and is Chair of the Audit and Risk Committees of Northern Ireland Statistics and Research Agency and Land and Property Services. Dolores is also a Member of the Audit and Risk Committee of Enterprise Shared Services and a Director of Northern Ireland Opera, Derry Theatre Trust and the Millennium Forum. Dolores chairs the Port's Risk Committee and is a member of the Port's Pension & Remuneration Committee.

Mr Peter Sheridan - Commissioner

Appointed as a Harbour Commissioner in February 2011 and was reappointed for a second term in April 2015. Peter is Chairman of the Port's Health, Safety and Environmental Committee and is also a member of the Pension and Remuneration Committee and Risk Committee.

Mr Brian Dougherty MBE - Commissioner

Appointed as a Harbour Commissioner in April 2015 and is a member of the Port's Health, Safety and Environmental Committee and Audit Committee. Brian is a Partner in Symes Global and a Partner in Hummingbird (NI) Community Interest Company. He is also a Board Member of Apex Housing Association and a Trustee of the Community Foundation for Northern Ireland. He is currently studying for a PHD at the University of Ulster, Magee.

THE BOARD

Mrs Hilary McCartan - Commissioner

Appointed as a Harbour Commissioner in April 2015. She is Chairperson of the Port's Audit Committee and a Member of the Port's Pension and Remuneration Committee and Risk Committee. Hilary is a Fellow of Chartered Accountants Ireland and has held a number of senior management posts in the private sector including the role of Finance Director. Hilary is currently a Non-Executive Director of the Northern Ireland Transport Holding Company (DFI) and a Non-Executive Director of the Southern Health & Social Care Trust.

Mr Maurice Devenney - Commissioner

Appointed as a Harbour Commissioner in December 2011 and was reappointed for a second term in August 2015 as one of the three nominations from Derry City and Strabane District Council. Maurice served as an MLA in the Northern Ireland Assembly in 2014. Maurice is a member of the Port's Audit Committee and Risk Committee.

Mr Jim McKeever – Commissioner

Appointed as a Harbour Commissioner in February 2016, Jim is an SDLP Representative on Derry City and Strabane District Council (DCSDC) and is currently the deputy Mayor. He is a member of the Assurance, Audit & Risk and Environment & Regeneration Committees for the DCSDC. Jim is a member of the Executive Committee of NILGA and a member of the National Association of Councillors. Jim is a member of the Port's Health, Safety & Environmental Committee.

Mr Derek R Hussey - Commissioner

Appointed as a Harbour Commissioner in August 2015 as one of the three nominations from Derry City and Strabane District Council. Derek is the UUP group leader on the Council and has represented the Derg Electoral Area as a Councillor since 1989. The former Head of Business Studies at Castlederg High School also served as an MLA for West Tyrone in the Northern Ireland Assembly from 1998 to 2007. Derek is a member of the Port's Health, Safety and Environment Committee and Audit Committee.

THE EXECUTIVE TEAM

Mr 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 also has experience as a Board Member of the Londonderry Chamber of Commerce and a Council Member of the 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.

Mr George Cuthbert – Engineering & Development Director

George was appointed as Port Engineer in April 2004 and was promoted to Engineering and 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.

Mrs Arlene Thompson – Finance & Corporate Services Director

Arlene was appointed as Financial Controller in May 2013 and was promoted to Finance and Corporate Services Director in January 2016. She is a Fellow of Chartered Accountants Ireland and holds a Master of Business Administration. Having trained and qualified with Moore Stephens Chartered Accountants, Arlene has over 12 years' experience in the finance sector including public and private sector audit.

CHIEF EXECUTIVE'S REPORT

The year ending 31st March 2016 has seen the organisation move strongly into our new five-year strategic planning cycle. Building on the successful delivery of our previous plan we have continued to develop the organisation with a new divisional structure designed to maximise diversified growth in support of our traditional port operations. I am delighted that we could promote three long serving members of the Executive team to become directors of our new corporate structure. This will greatly facilitate the delivery of the strategic plan and is well deserved.

Financial Performance

The trading year 2015-16 produced a solid financial performance for Londonderry Port & Harbour Commissioners (LPHC) with significant contributions from the diversified businesses.

Our core business of Foyle Port produced a strong performance for the year with an increase in vessels facilitated and a number of new cargoes handled including woodchip and concrete blocks. Overall the 1.7million tonnes handled represent a total value, verified by independent experts, to be in the order of £1 billion. The harbour estate is fully let and we continue to expand the Port land bank for future growth.

Foyle Marine Services also generated a solid performance handling a number of external marine on hire jobs as well as managing the internal harbour towage and the successful introduction of the new internal pilotage service.

Similarly, our newest trading division of Foyle Consulting Engineers and Foyle Engineering made a notable contribution to the overall organisational performance as they continue to establish their position in the market.

Overall record turnover of £7 million was achieved with a healthy margin generated in line with our strategic targets with all profits reinvested to meet our fiduciary duty.

Balance Sheet Position

With a £38 million fixed asset base including a 100-acre site the Port has continual infrastructure investment requirements. This year, as well as the capital investment committed to the new harbour tug, the Commissioners have also committed a further £1 million for additional infrastructure including new land capacity to facilitate growth.

Net cash inflows generated from operating activities continue to strengthen and the total net assets of the organisation increased 4% year on year to £26.6 million. A robust organisational balance sheet is vital as we look to address customer concerns following Britain's vote to the leave the EU and the unhelpful resulting political uncertainty.

This year the financial statements have been prepared in accordance with the new accounting regulation FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

We keenly anticipate the delivery in 2016 of our new build Damen tug which was supported through a loan from the Department for Infrastructure. This significant investment of c.£4 million demonstrates the long term commitment by the Commissioners in the future of Lisahally as the North West regional gateway. This vessel will play a major role for years to come as a core piece of marine infrastructure.

Port Marine Safety Code (PMSC) 2016

The Port Marine safety code (PMSC) applies to all harbour authorities in the UK that have statutory powers and duties.

The Code establishes the principle of a national standard for every aspect of port marine safety and aims to enhance safety for those who use or work in ports, their ships, passengers and the environment. It applies to port marine operations the well-established principles of risk assessment and safety managements systems. It also provides a measure by which harbour authorities can be accountable for legal powers and duties which they have to run their harbours safely and help to discharge their obligations effectively.

LPHC's Safety Management System has been developed to ensure that all aspects of marine operations are managed safely in line with the Port Marine Safety Code and follow the guidance in the Guide to Good Practice on Port Marine Operations.

Measuring and audit performance are achieved by the appointment of a "Designated Person" which provides independent assurance to the "Duty Holder" (Board of Commissioners) that the Safety Management is working effectively.

Compliance with the code is achieved through yearly internal compliance audits and three yearly external independent audits of the safety management system. The results of the audits are reported by the "Designated Person" directly to the Board. No non-conformances were found for 2015/16.

Regular marine safety and pilotage meetings are held in order to ensure that LPHC meets the requirements of the Code with particular reference to lessons learned from any incidents or near misses within the port and Ports industry.

The Port is committed to the provision of adequate resources for high quality training programmes for all marine personnel.

A letter of compliance has been sent to the Maritime and Coastguard Agency (MCA) in 2016 confirming the Port's continued compliance with the Code.

The MCA carried out a full "Health Check" in October 2015 to test the Port's compliance with the PMSC.

The findings of the Health check concluded that the standard of implementation of the PMSC was of a high standard at LPHC.

LPHC welcomed the opportunity to participate in the "Health Check" by the MCA and recognises the benefit of an independent review of the Port's Safety management System. It was particularly reassuring that the high standard of the Port's "Pilotage Manual" was recognised by the verification team as complying with the PMSC.

Health and Safety

LPHC continue to prioritise and maintain the highest standards in health and safety management by ensuring compliance with internationally recognised standard for Occupational Health and Safety OHSAS 18001 and the Port Marine Safety Code (PMSC). Throughout the reporting period the integrated management systems have been audited externally by independent third parties, which resulted in zero non-conformances. The Commissioners continue to be active participants working with local council, safety advisory groups and emergency services to help organise maritime events within the region.

Environment

Londonderry Port and Harbour Commissioners is committed to the prevention of pollution and is dedicated to creating a cleaner safer environment for everyone. To ensure we meet these obligations the Port retains the internationally recognised Environmental Management standard ISO 14001, which is externally validated on a twice yearly basis by external certified auditors and resulted in zero non-conformances.

We have also developed an oil pollution plan under the Oil Pollution Preparedness, Response and Co-operation Convention Regulation 1998. The plan has completed a five yearly renewal in Jan 2016 by the Marine Coastguard Agency's counter pollution and salvage officer.

An oil pollution exercise was carried out by the Tier 2 responder/contractor during April 2016. The exercise involved the deployment of emergency response equipment to test the capability of the equipment and response teams within the Port. The exercise was attended by Port staff, jetty operators and delegates from neighbouring Councils.

Port Security Authority

The Port Security Committee continues to meet on a regular basis with jetty operators and security advisors. The frequency of committee meetings is defined by The Port Security (Port of Londonderry) Regulations 2009. A representative for the Maritime Security and Resilience Division (MSRD) visited the Port to review the Port Security Authority's security plan and risk assessments.

The Port continues to play a significant part in the business life in the City and the North West region on both sides of the border. We work closely with the Londonderry Chamber of Commerce on strategic infrastructure issues such as the A5 and A6 road developments and connectivity issues in support of future industrial growth in the area. We have also been at the forefront of promoting the further development of the region as a cruise destination.

I wish to record our thanks to all our customers who trade in complex and difficult commercial environments and choose to do their business through our gateway here at Lisahally. My deep appreciation as ever goes to our dedicated and flexible workforce who have facilitated the delivery of our strategic ideas on the ground.

Finally, my thanks go to the Chair and the Board who continue to provide the challenge and support needed in equal measure to allow us to press ahead with our ambitious plans for future growth and exceptional performance delivery.

STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Commissioners are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations which require 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 statement of affairs of The Londonderry Port & Harbour Commissioners ('LPHC') and of its profit or loss 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 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 LPHC will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain LPHCs' 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 financial statements are published on LPHCs' website. The Commissioners are responsible for the maintenance and integrity of the corporate and financial information included on LPHCs' website. The Commissioners' responsibilities also extend to the on-going integrity of the financial statements contained therein.

Statement of disclosure of information to Auditors

So far as the Commissioners are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the Commissioners have taken all the necessary steps that they ought to have taken as Commissioners in order to make themselves aware of all relevant audit information and to establish that the auditors are aware of that information.

B Anley

Ms B. Anley
Chair
29th June 2016

INDEPENDENT AUDITOR'S REPORT TO THE LONDONDERRY PORT & HARBOUR COMMISSIONERS

We have audited the financial statements of The Londonderry Port & Harbour Commissioners ('LPHC') for the year ended 31 March 2016 which comprise the Profit and Loss Account including the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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 Financial Reporting Standard 102, applicable in the UK and Republic of Ireland.

This report is made solely to the Commissioners, as a body, in accordance with The Londonderry Port & Harbour Acts. Our audit work has been undertaken so that we might state to the Commissioners those matters we are required to state to them in the 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 LPHC and the Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Commissioners and Auditors

As explained more fully in the Statement of Commissioners' Responsibilities, 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 & Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 LPHCs' 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 Chair's Statement and Chief Executive's 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 misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of LPHCs' affairs as at 31 March 2016 and 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 Londonderry Port & Harbour Acts.

Opinion on other matters

In our opinion the information 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.

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 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 or returns; or
- certain disclosures of Commissioners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Steven Lindsay FCA
Senior Statutory Auditor

For and on behalf of
Moore Stephens (NI) LLP
Chartered Accountants and Statutory Auditors
21-23 Clarendon Street.
Londonderry BT48 7EP

29th June 2016

LONDONDERRY PORT & HARBOUR COMMISSIONERS

PROFIT AND LOSS ACCOUNT INCLUDING THE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	2016 £	2015 £
Turnover	3	7,001,026	6,932,144
Cost of Sales		(4,017,717)	(3,764,073)
Gross Profit		2,983,309	3,168,071
Administrative Expenses		(1,542,276)	(1,639,850)
Operating Profit	4	1,441,033	1,528,221
Profit on Disposal of Fixed Assets		5,384	8,909
Profit on Disposal of 3 1/2% Consolidated Loan Stock		-	20
Profit on ordinary activities before interest		1,446,417	1,537,150
Other Interest Receivable and Similar Income	7	38,894	33,784
Foreign Exchange Gain/(Loss)		694	(8,201)
Interest Payable and Similar Charges	8	(136,340)	(136,815)
Profit on Ordinary Activities Before Taxation		1,349,665	1,425,918
Tax on Profit on Ordinary Activities	9	(335,855)	(360,849)
Profit for the Financial Year		1,013,810	1,065,069
Statement of Comprehensive Income			
Profit for the Financial Year		1,013,810	1,065,069
Total gains/(losses) from defined benefit pension reclassification		(83,355)	-
Movement on deferred tax relating to pension liability		16,700	-
Total comprehensive income for the Year		947,155	1,065,069

The notes on pages 24 to 41 form part of these financial statements and should be read in accordance therewith.

LONDONDERRY PORT & HARBOUR COMMISSIONERS

BALANCE SHEET AS AT 31 MARCH 2016

	NOTES	£	2016 £	£	2015 £
Fixed Assets					
Tangible Assets	10		38,377,191		37,998,844
Current Assets					
Stock	12	178,189		205,240	
Debtors	13	1,708,817		2,061,288	
Cash at Bank and on Hand		9,057,528		5,730,910	
		10,944,534		7,997,438	
Creditors					
Amounts falling due within one year	14	(1,730,148)		(1,944,493)	
Net Current Assets			9,214,386		6,052,945
Total Assets Less Current Liabilities			47,591,577		44,051,789
Creditors					
Amounts falling due after more than one year	15		(5,365,907)		(4,321,130)
Capital Grants	17		(13,414,453)		(13,796,197)
Pension Liability	18		(1,848,000)		-
Provisions for Liabilities and Charges	19		(393,500)		(311,900)
Net Assets			26,569,717		25,622,562
Reserves					
Profit and Loss Account			26,569,717		25,622,562
Total Reserves			26,569,717		25,622,562

These financial statements were approved at a meeting of the Commissioners held on 29th June 2016.

B Anley
Chair

B McGrath
Chief Executive

The notes on pages 24 to 41 form part of these financial statements and should be read in accordance therewith.

LONDONDERRY PORT & HARBOUR COMMISSIONERS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	Profit and loss reserves £	Total £
Balance at 1 April 2014	21	24,557,493	24,557,493
Year ended 31 March 2015			
Profit and total comprehensive income for the year		1,065,069	1,065,069
Balance at 31 March 2016	21	25,622,562	25,622,562
Year ended 31 March 2016			
Profit for the Financial Year		1,013,810	1,013,810
Total gains/(losses) from defined benefit pension reclassification		(83,355)	(83,355)
Movement on deferred tax relating to pension liability		16,700	16,700
Balance at 31 March 2016	21	26,569,717	26,569,717

The notes on pages 24 to 41 form part of these financial statements and should be read in accordance therewith.

LONDONDERRY PORT & HARBOUR COMMISSIONERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	£	2016 £	£	2015 £
Cash flows from Operating Activities					
Cash generated from operations	1		2,766,204		2,460,000
Interest paid			(136,340)		(136,815)
Income taxes paid			(289,092)		(292,353)
Net cash inflow from operating activities			2,340,772		2,030,832
Investing activities					
Purchase of tangible fixed assets		(1,874,360)		(2,586,480)	
Proceeds from disposal of tangible fixed assets		21,385		24,970	
Interest Received		38,894		33,784	
Net cash used in investing activities			(1,814,081)		(2,527,726)
Financing activities					
New loans		3,500,000		-	
Repayment of borrowings		(700,073)		(759,003)	
Net cash used in financing activities			2,799,927		(759,003)
Net decrease in cash and cash equivalents			3,326,618		(1,255,897)
Cash and cash equivalents at beginning of the year			5,730,910		6,986,807
Cash and cash equivalents at end of the year			9,057,528		5,730,910
Relating to:					
Cash at bank and in hand			9,057,528		5,730,910

The notes on page 23 form part of these financial statements and should be read in accordance therewith.

NOTES TO THE STATEMENT OF CASH FLOWS

1. Cash generated from operations

	2016	2015
	£	£
Profit for the year after tax	1,013,810	1,065,069
Adjustments for:		
Taxation charged	335,855	360,849
Finance costs	136,340	136,815
Investment income	(38,894)	(33,784)
Gain on disposal of tangible fixed assets	(5,384)	(8,909)
Gain on disposal of consolidated stock	-	(20)
Depreciation and impairment of tangible fixed assets	1,480,012	1,387,440
Amortisation of Capital Grants	(381,744)	(391,893)
Movements in working capital:		
Decrease in Stock	27,051	39,749
Decrease/(Increase) in Debtors	352,471	(72,792)
Decrease in Creditors	(153,313)	(22,524)
	2,766,204	2,460,000

LONDONDERRY PORT & HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

(a) 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").

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 £.

The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of The Londonderry Port & Harbour Commissioners prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

(b) Going Concern

At the time of approving the financial statements, the Commissioners 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.

(c) 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.

(d) 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 are credited to the profit and loss account in the period to which they relate.

(e) 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 or valuation, 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 Boat and Launch	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 profit or loss.

Impairment of fixed 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.

(f) Stock

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

(g) 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.

(h) 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 instruments are recognised in the organisation's balance sheet when the organisation becomes party to the contractual provisions of the instrument.

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 assets

Basic financial assets, which include trade and other debtors and cash and bank balances, which are receivable within one year and do not constitute a financing transaction, are initially measured at transaction price including transaction costs. Basic financial assets are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

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 organisation after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, which are payable within one year and do not constitute a financing transaction, are initially measured at transaction price including transaction costs. Basic financial liabilities are subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement constitutes a financing transaction, the transaction is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

(j) 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.

(k) 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 18.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

(l) 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.

2. 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.

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

	2016	2015
An analysis of turnover is as follows:	£	£
Revenue from Port Customers	5,796,987	5,522,451
Rents Receivable	378,950	458,556
Storage Receipts	825,089	951,137
	7,001,026	6,932,144
Turnover analysed by geographical market		
United Kingdom and Ireland	7,001,026	6,932,144

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. OPERATING PROFIT

	2016	2015
Operating Profit is stated after charging:	£	£
Depreciation of tangible fixed assets	1,480,012	1,387,440
Auditor's Remuneration	7,733	7,567
and after crediting:		
Capital Grant Amortisation	381,744	391,893

5. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Commissioners during the year was 77 (2015: 70).

	2016	2015
Their aggregate remuneration comprised:	£	£
Wages and Salaries	2,332,007	1,996,445
Social Security Costs	244,705	211,273
Pension Costs	115,249	86,272
	2,691,961	2,293,990

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 £722,884 (2015: £694,344).

6. COMMISSIONERS' REMUNERATION

	2016	2015
	£	£
Remuneration for qualifying services	74,868	79,645

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Bank Interest	38,894	33,784

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Bank Interest & Charges	89,411	89,624
Interest on Pilots' National Pension Fund Liability	46,442	46,442
3 1/2% Consolidated Loan Stock	487	697
Finance Leases and Hire Purchase Contracts	-	52
	136,340	136,815

9. TAXATION

Current year tax	2016	2015
	£	£
UK Corporation Tax on profits for the current period	237,555	269,349
Deferred Tax		
Origination and reversal of timing differences	98,300	91,500
Total tax charge	335,855	360,849

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

	2016	2015
Profit before taxation	1,349,665	1,425,918
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2015: 21%)	269,933	299,443
Effects of :		
Non Deductible Expenses-		
PNPF	(19,879)	(16,061)
Other	4,047	3,345
Depreciation in excess of capital grant amortisation	205,260	198,253
Capital Allowances	(220,729)	(213,756)
Loss/(Profit) on Disposal	(1,077)	(1,875)
Deferred tax charge	98,300	91,500
Tax expense for the year	335,855	360,849

10. TANGIBLE FIXED ASSETS

	Works & Improvements	Pontoon	Cranes	Plough Boat & Dredging Plant	Tug Boat & Launch	Pilot Boat & Station	Motor Vehicles	Plant, Machinery & Equipment	Dry Dock	TOTAL
	£	£	£	£	£	£	£	£	£	£
Cost or Valuation										
At 1 April 2015:										
Cost	41,660,627	2,052,267	7,941,942	3,814,177	1,972,951	493,868	139,092	2,298,660	333,840	60,707,424
Additions	144,378	79,683	16,792	-	1,158,370	150,243	86,416	190,090	48,388	1,874,360
Disposals	-	-	-	-	-	-	(59,995)	(28,330)	-	(88,325)
At 31 March 2016	41,805,005	2,131,950	7,958,734	3,814,177	3,131,321	644,111	165,513	2,460,420	382,228	62,493,459
Depreciation										
At 1 April 2015:										
Accumulated Depreciation	12,699,550	474,765	5,465,680	1,458,493	760,765	302,514	62,543	1,432,783	51,487	22,708,580
Charge for Year	690,887	132,082	211,008	111,152	71,414	32,513	33,327	125,660	71,969	1,480,012
Release on disposal	-	-	-	-	-	-	(43,994)	(28,330)	-	(72,324)
At 31 March 2016	13,390,437	606,847	5,676,688	1,569,645	832,179	335,027	51,876	1,530,113	123,456	24,116,268
Net Book Value										
31 March 2016	28,414,568	1,525,103	2,282,046	2,244,532	2,299,142	309,084	113,637	930,307	258,772	38,377,191
31 March 2015	28,961,077	1,577,502	2,476,262	2,355,684	1,212,186	191,354	76,549	865,877	282,353	37,998,844

11. FINANCIAL INSTRUMENTS

	2016	2015
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost:		
Trade Debtors	1,529,454	1,767,276
Other Debtors	14,147	83,140
	1,543,601	1,850,416
Carrying amount of financial liabilities		
Measured at amortised cost:		
Bank loans	369,014	619,763
Government loans	5,700,828	2,550,055
Trade Creditors	202,219	104,041
Other Creditors	206,878	227,692
	6,478,939	3,501,551

12. Stock

	2016	2015
	£	£
Consumables	178,189	205,240

13. DEBTORS (Amounts falling due within one year)

	2016	2015
	£	£
Trade Debtors	1,529,454	1,767,276
Other Debtors	14,147	83,140
Prepayments	165,216	210,872
	1,708,817	2,061,288

14. CREDITORS (Amounts falling due within one year)

	2016	2015
	£	£
Bank Loans	255,419	255,419
Trade Creditors	202,219	104,041
Other Creditors	206,878	227,692
Corporation Tax	73,823	125,359
Accruals	503,394	748,021
Government Loan	463,573	373,670
VAT	24,842	10,893
Pilots' National Pension Fund (note 16)	-	99,398
	1,730,148	1,944,493

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

	2016	2015
	£	£
3 ½% Consolidated Loan Stock (Undated)	15,057	15,757
Bank Loans	113,595	364,344
Government Loan	5,237,255	2,176,385
Pilots' National Pension Fund (note 16)	-	1,764,644
	5,365,907	4,321,130

Analysis of Loans	£	£
Not wholly repayable within five years other than by instalments:		
Bank Loans	369,014	619,763
Other Loans	5,700,828	2,565,812
	6,069,842	3,185,575
Included in current liabilities	(718,992)	(629,089)
	5,350,850	2,556,486

Loan Maturity Analysis	£	£
In more than one year but not more than two years	633,897	627,984
In more than two years but not more than five years	1,292,589	1,179,664
In more than five years	3,424,364	748,838
	5,350,850	2,556,486

Bank of Ireland hold a letter of comfort dated 27th September 2002 as security for bank loans.

16. PILOTS' NATIONAL PENSION FUND ANALYSIS

	2016	2015
	£	£
Amounts payable		
Within one year	-	99,398
Within two to five years	-	448,845
In more than five years	-	1,315,799
	-	1,864,042
Included in current liabilities	-	99,398
Included non-current liabilities	-	1,764,644
	-	1,864,042

The PNPF liability has been reclassified as a defined benefit pension scheme in the year. Full details are disclosed at note 18.

17. CAPITAL GRANTS

	Works & Improvements	Pontoon	Cranes	Plough Boat & Dredging	Tug Boat & Launch	Pilot Boat & Station	Plant Machinery	TOTAL
	£	£	£	£	£	£	£	£
Cost or Valuation								
At 1 April 2015:								
Cost	18,705,421	2,009,663	2,620,034	337,500	15,395	134,240	382,665	24,204,918
Disposals	-	-	-	-	-	-	(15,548)	(15,548)
At 31 March 2016	18,705,421	2,009,663	2,620,034	337,500	15,395	134,240	367,117	24,189,370
Amortisation								
At 1 April 2015:								
Accumulated Amortised Grants	6,617,965	448,867	2,620,034	330,469	5,347	90,017	296,022	10,408,721
Amortised for year	236,134	125,940	-	7,031	513	6,310	5,816	381,744
Release on disposal	-	-	-	-	-	-	(15,548)	(15,548)
At 31 March 2016	6,854,099	574,807	2,620,034	337,500	5,860	96,327	286,290	10,774,917
Net Book Value								
31 March 2016	11,851,322	1,434,856	-	-	9,535	37,913	80,827	13,414,453
31 March 2015	12,087,456	1,560,796	-	7,031	10,048	44,223	86,643	13,796,197

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. 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 £115,249 (2015: £86,272).

PILOTS NATIONAL PENSION FUND

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

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

Following the court's determination and further information being made available on the extent of the Fund's liabilities, the PNPF advised LPHC on 27th August 2015 that it is able to determine its share of the liabilities in respect of the Fund for the first time. The PNPF has therefore been accounted for on a 'defined benefit' basis in the year ended 31 March 2016.

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

The last formal actuarial valuation of the Fund was completed as at 31 December 2013. The results of these calculations have been updated to 31 March 2016 by an independent qualified actuary, using assumptions consistent with those used by the PNPF Trustees when carrying out the actuarial valuation as at 31 December 2013.

The main assumptions used to calculate scheme liabilities are:

	2016	2015
Discount rate		
- Pre-retirement (% p.a.)	7.0%	-
- Post-retirement (% p.a.)	3.5%	-
Rate of salary increases (% p.a.)	3.3%	-
Rate of increase to pensions in deferment where not subject to a minimum (% p.a.)	2.1%	-
RPI inflation (% p.a.)	2.8%	-
CPI inflation (% p.a.)	2.1%	-
Pension increases: maximum 5% p.a., minimum 0% p.a.	2.7%	-
Pension increases: maximum 5% p.a., minimum 3% p.a.	3.5%	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

The mortality assumptions used were as follows:

Mortality - base table: 95% of S2PxA Standard Tables
Mortality - future improvements: CMI_2015 core projections, 1.5% p.a. long-term improvement

	2016	2015
Longevity in years at age 65 for current pensioners:		
- Men	22.9 years	-
- Women	24.9 years	-
Longevity in years at age 65 for current pensioners:		
- Men	25.0 years	-
- Women	27.2 years	-

Prior to 31st March 2016, LPHC did not reflect a liability in its balance sheet with respect to the PNPF defined benefit scheme, as its share of its assets and liabilities could not be separately identified. It did however, reflect a liability in respect of its share of the recovery plan agreed in 2013 and any movements following the actuarial report have been reflected in the Statement of Comprehensive Income, along with the corresponding deferred tax adjustment. LPHC has one active self-employed pilot who makes monthly contributions to the Pension Fund. No contributions are made by LPHC directly.

Contributions to meet PNPF liability

LPHC made contributions of £145,839 in respect of the PNPF recovery plan during the year ended 31 March 2016. (2015: £122,922). Contributions will be reassessed as part of the next formal actuarial valuation, to be conducted as at 31 December 2016.

The analysis of the assets in the scheme were:

	2016	2015
	£	£
Global Equities	467,000	-
Fund of Hedge Funds	489,000	-
Diversified Growth Funds	486,000	-
Corporate Bonds	1,242,000	-
Gilts	451,000	-
Cash	41,000	-
Total fair value of assets	3,176,000	-
Present value of scheme liabilities	(5,024,000)	-
Scheme deficit	(1,848,000)	-
Pension liability	(1,848,000)	-
Related deferred tax	369,600	-
Net pension liability	(1,478,400)	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

Amounts recognised in the Statement of Comprehensive Income:

	2016	2015
	£	£
Total (gains)/losses from reclassification	83,355	-
Total actuarial (gains)/losses	-	-
Change in irrecoverable surplus	-	-
Total (gains)/losses in the Statement of Comprehensive Income	83,355	-

Movements in the fair value of scheme assets were:

	2016	2015
	£	£
At 1 April	-	-
Net increase in assets from re-classification	3,176,000	-
At 31 March	3,176,000	-

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

Reconciliation of present value of scheme liabilities:

	2016	2015
	£	£
At 1 April	-	-
Net increase in assets from re-classification	5,024,000	-
At 31 March	5,024,000	-

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation
	£
Opening balance 1 April	311,900
Charge to profit and loss account	98,300
Credit to the statement of comprehensive income	(16,700)
Closing balance 31 March	393,500

The amount credited to the statement of comprehensive income of £16,700 represents the portion of the deferred tax asset, being the difference between the defined benefit liability as at 31 March 2016 and the amount previously recognised as a liability under the recovery plan, 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:

	2016	2015
Balances:	£	£
Accelerated capital allowances	763,100	703,349
Pension deficit	(369,600)	(391,449)
	393,500	311,900

The net deferred tax liability expected to reverse in the next 12 months is £44,398. This primarily relates to the reversal of timing differences.

20. CAPITAL COMMITMENTS

	2016	2015
	£	£
Capital Expenditure contracted for or authorised by the Commissioners but not provided in the financial statements	3,617,288	940,000

21. RECONCILIATIONS ON ADOPTION OF FRS 102

These financial statements for the year ended 31 March 2016 are the first financial statements of The Londonderry Port & Harbour Commissioners prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) profit or loss for the comparative period reported under previous UK GAAP; (ii) equity at the date of transition to FRS 102; and (iii) equity at the end of the comparative period are given below.

Reconciliation of profit or loss for the year

There were no changes to the reported profit under previous UK GAAP as a result of transition to FRS 102.

Reconciliation of equity

	Notes	At 1 April 2014 Previous UK GAAP £	Effect of transition £	FRS 102 £	At 31 March 2015 Previous UK GAAP £	Effect of transition £	FRS 102 £
FIXED ASSETS							
Tangible Assets	1	22,627,755	14,188,090	36,815,845	24,202,647	13,796,197	37,998,844
CURRENT ASSETS							
Stock		244,989	-	244,989	205,240	-	205,240
Debtors		1,988,496	-	1,988,496	2,061,288	-	2,061,288
Cash at Bank and on Hand		6,986,807	-	6,986,807	5,730,910	-	5,730,910
		9,220,292	-	9,220,292	7,997,438	-	7,997,438
CREDITORS							
Amounts falling due within one year		(2,051,906)	-	(2,051,906)	(1,944,493)	-	(1,944,493)
Net Current Assets		7,168,386	-	7,168,386	6,052,945	-	6,052,945
Total Assets Less Current Liabilities		29,796,141	14,188,090	43,984,231	30,255,592	13,796,197	44,051,789
CREDITORS							
Amounts falling due after more than one year		(5,018,248)	-	(5,018,248)	(4,321,130)	-	(4,321,130)
Capital Grants	1	-	(14,188,090)	(14,188,090)	-	(13,796,197)	(13,796,197)
Provisions for Liabilities and Charges		(220,400)	-	(220,400)	(311,900)	-	(311,900)
NET ASSETS		24,557,493	-	24,557,493	25,622,562	-	25,622,562
RESERVES							
Profit and Loss Account		24,557,493	-	24,557,493	25,622,562	-	25,622,562
TOTAL RESERVES		24,557,493	-	24,557,493	25,622,562	-	25,622,562

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

Notes to reconciliations on adoption of FRS 102

1. Capital Grants

Under FRS 102, capital grants have been represented under the accruals method, recognising the capital grant as a liability on the balance sheet and releasing the grant in profit and loss over the useful economic life of the asset. Although this new treatment has been adopted, it has no impact on the overall net asset position previously reported under UK GAAP.

GROSS TONNAGE OF VESSELS

	2016	2015
Home Trade	506,910	295,625
Foreign Trade	1,418,297	1,736,737
	1,925,207	2,032,362

GROSS TONNAGE OF VESSELS

	2016	2015
Imports	1,656,441	1,735,253
Exports	70,467	105,100
	1,726,908	1,840,353

This note does not form part of the statutory financial statements


FOYLE SAILABILITY
FOYLE SAILABILITY
FOYLE PORT
2551
ADVENTURE IS GREAT
unicef
QINGDAO
DANANG
WELCOME

SUPPORTING OUR COMMUNITY

LONDONDERRY PORT &
HARBOUR COMMISSIONERS

HARBOUR OFFICE, PORT RD
LISAHALLY, LONDONDERRY BT47 6FL

TEL: (028) 7186 0555
WWW.LONDONDERRYPORT.COM