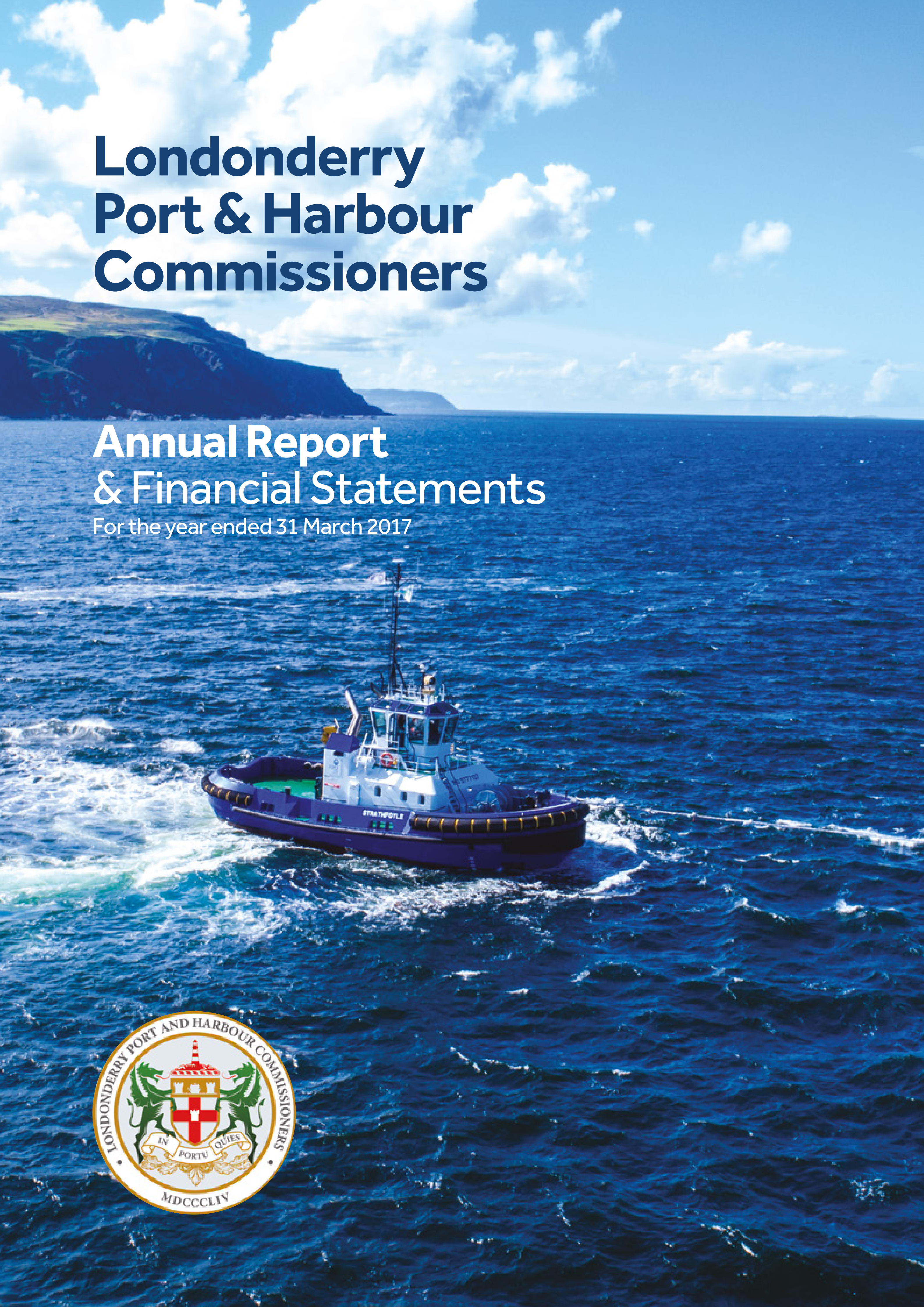
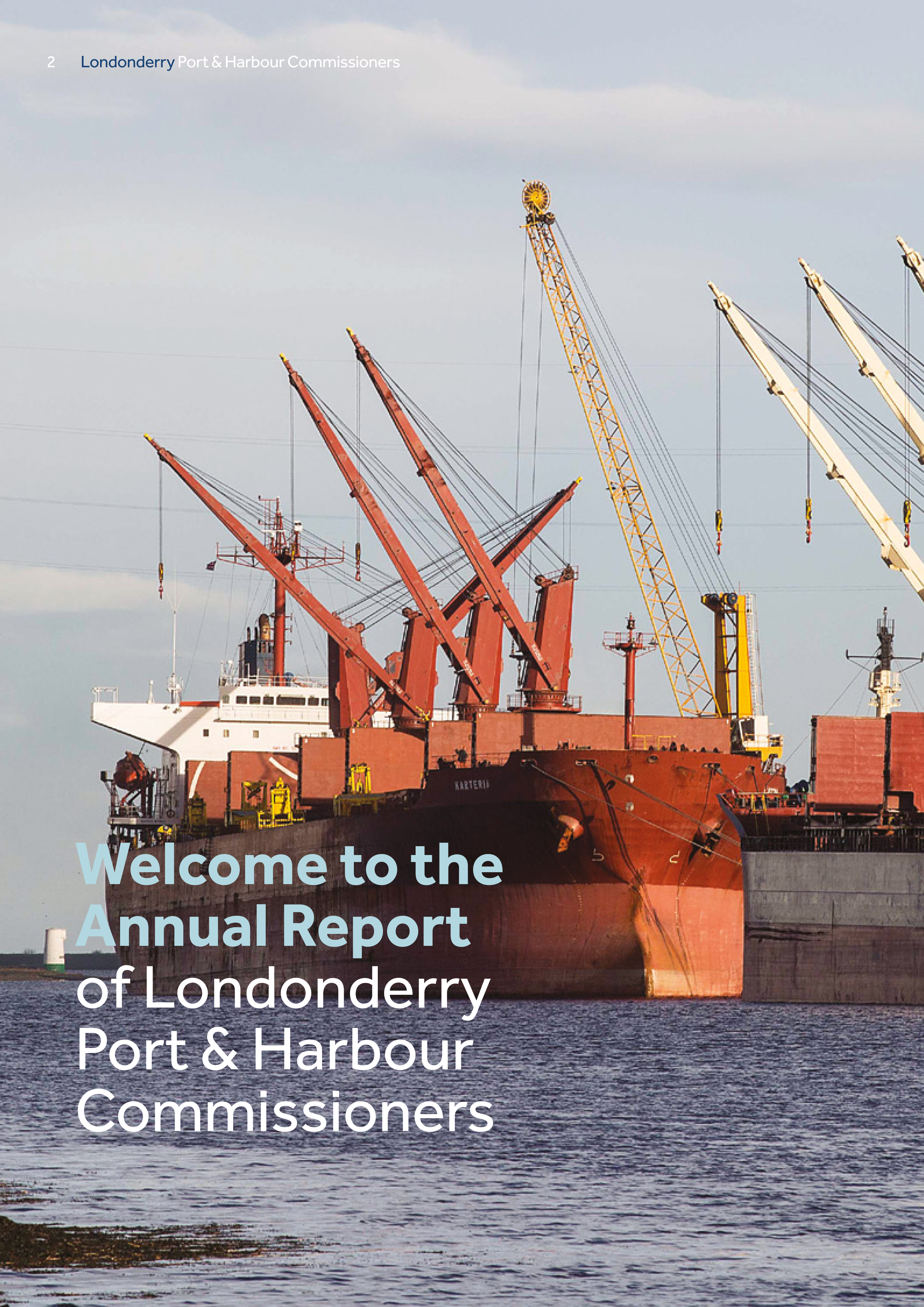
Londonderry Port & Harbour Commissioners

Annual Report
& Financial Statements

For the year ended 31 March 2017





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.

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 J McKeever	

Auditors

RSM UK Audit LLP
Number One
Lanyon Quay
Belfast
BT1 3LG

Bankers

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

Solicitors

Tughans
Marlborough House
30 Victoria Street
Belfast
BT1 3GG

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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 proud to present the Annual Report of the Londonderry Port & Harbour Commissioners (LPHC) for the financial year ended 31st March 2017.

Londonderry Port and Harbour Commissioners are an Independent Statutory Corporation. We are a United Kingdom Trust Port recognised by the Irish Government as the Competent Harbour Authority for all of Lough Foyle and its designated pilotage district.

During the financial year 2016/17, LPHC achieved a turnover of £8.6million (£7million in 2015/16) and a margin of 25%. The average number of employees also increased 19% year on year. The financial performance of the organisation this year has been stronger than at any other time in our long 162-year history.

This record result is set in the context of the strategic plan ‘Defend & Grow’ 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 Commissioners have seen the organisation more than treble in size in recent years with consistent sustained growth facilitating approximately £100 million of inward investment into the region. More specifically capital investment during 2016/17 totalled £3.6 million including the purchase of a state of the art tug which will help safeguard the shipping operations in Lough Foyle for the future.

Chair’s Statement — Continued

LPHC have a significant land resource surrounding the port development at Lisahally. The Commissioners are committed to continuing their strategy of growth and diversification with land acquisition and development. In 2016/17 the Commissioners committed £700K of port funds for the purchase of key adjacent lands required to provide vital capacity for future growth. Also, during the year, the new Lisahally Biomass Power Station was commissioned and launched by the Evermore Group on Foyle Port land. The significance of this £80 million energy project demonstrates the Port’s regional importance and its ability to facilitate and deliver key infrastructure projects.

The Statutory Duty and Organisational Vision of the Londonderry Port & Harbour Commissioners transcends borders and politics. Our unique location straddling both British and Irish jurisdictions establishes us as the Atlantic Gateway for the North-West city region for Ireland, European and international markets.

We continue to engage with our stakeholders and contribute widely to the local community. In June 2016, Foyle Port facilitated the third Clipper Round the World Yacht Race Homecoming event for the city. Also during the year a number of schools (both primary and post-primary) were hosted and given tours of the Port facilities.

This year, the Commissioners have welcomed the input from port employees into our Corporate Social Responsibility Policy which will see 1% of profits donated to local community charities and clubs.

I would like to thank the Commissioners for their diligence, enthusiasm, dedication and expertise. As a result of our review the corporate governance workload has increased in the past year. The subsequent commitment of energy and time given by each individual Commissioner is very much appreciated by the organisation as a whole. I would like to extend my thanks to the previous Minister and the staff at the Department for Infrastructure for their support during the year. Thanks to our port customers, suppliers and associated organisations for their continued support and patronage. I would also like to thank our employees for their hard work but also for the extra that they give to make the wider port operation the success that it is.

In the current economic climate, with the uncertainties of Brexit and with no sitting assembly in Northern Ireland, there are significant challenges to the Commissioners who have a statutory obligation to ensure a sustainable business model that will improve, maintain, regulate and manage the development of the harbour undertaking.

It is not only our duty but our Vision to grow and constantly improve the business and reinvest our profits for the benefit of future generations of stakeholders. We have therefore developed and follow a strategy that works with our many stakeholders on many different levels and that provides for a facility that best suits the changing needs of the North West city region.

Londonderry Port & Harbour Commissioners greatly value our stakeholders in all their guises. We value our role as a unique and irreplaceable gateway handling £1 billon of commodities and supporting in excess of 1,000 jobs.

The Commissioners would welcome the opportunity to widen the voice of LPHC in strategic forums that are concerned with the current political and economic uncertainty. Closer association with key stakeholders in this context would be an opportunity for all concerned.

Ms Bonnie Anley MA MSc
Chairman

Board Attendance

2016/2017 Attendance

NAME	POSSIBLE	ACTUAL
Ms B Anley	9	9
Mr M Devenney	9	8
Mr B Dougherty MBE	9	8
Mr D Hussey	9	8
Mrs H McCartan	9	9
Mr B McGrath	9	8
Mr J McKeever	9	7
Dr D O'Reilly	9	9
Mr P Sheridan	9	8

The Harbour Commissioners view the Port's new £4million state of the art tug launched in February 2017

The Board

Ms Bonnie Anley MA MSc - Chairman

Appointed as Chairman of the Board in February 2014 and also Chair's 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 a Trustee of Friends of the Earth 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 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 Hummingbird (NI) Community Interest Company. He is also a Governor at Foyle College and Director of Mellis Foods. He is currently studying for a PHD at the University of Ulster, Magee.

Mr Derek 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.

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 Jim McKeever - Commissioner

Appointed as a Harbour Commissioner in February 2016, Jim is an SDLP Representative on Derry 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.

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 is a Board Member of Golf United, An Ciste Infheistíochta Gaeilge and Cultúrlann Uí Chanáin. 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 the Chief Executive of Co-operation Ireland. He is also a volunteer member of the Advisory Board of The Woodland Trust, a volunteer member of the Board of Lifeline – Suicide Awareness and of the Advisory Committee of the Board History Project. 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.

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 is a Board Member of the Londonderry Chamber of Commerce and a Northern Ireland Board Member of the Prince's Trust. Brian is also a former 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 Director of Inishowen Maritime Museum, 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 having held a number of finance positions in the organisation since 2005. Arlene was promoted to Finance and 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 13 years' experience in the finance sector including Public and Private sector audit.

Chief Executive's Report

We present this year's accounts as the Brexit watershed moves within 18 months of reality. We are fast approaching the point when political decisions impact at an operational level and the consequences are felt by our customers and the wider community of port stakeholders. At the time of writing there is still no clarity on future arrangements in place of the customs union, single market and common travel area. Speculation on transition periods and general goodwill towards a practical solution to the Northern Ireland border conundrum are yet to manifest into firm agreement, and the lack of a sitting Northern Ireland assembly weakens a collective voice at a time when it is needed most. Uncertainty erodes business confidence and deters investment.

Notwithstanding the external uncertainties the necessities of day to day commercial life goes on. The organisation has made significant progress during the year in the implementation of our latest five-year strategic plan, "Port + 2020, Defend and Grow". We already support over 1000 regional jobs and handle over £1 billion of commodities for the agri and energy sectors. Defending our market share and retaining our key customer base whilst growing the organisation through further diversified services and the wider Port economic zone has proved to be very successful.

Foyle Port is a classic Brexit case study. We are a UK Trust Port with 50% of trade imported from the EU by sea and 40% of our trade re-exported to the Republic of Ireland by road. A vital third of the port's trade is imported from the rest of the world and the port also has an important role as a domestic gateway with 20% of trade handled from GB.

Foyle Port is unique in its location. We are the Atlantic gateway for the North-West City region and the day to day work of the Foyle Port economic zone transcends borders and politics. The Lough straddles the Northern Ireland and Republic of Ireland coastlines, and we operate performing our statutory duties and commercial activities across both jurisdictions. We are the Competent Harbour Authority for all of Lough Foyle and the Commissioners are committed to continuing this in a post -Brexit context.

It is generally recognised that a port is a barometer of regional demand and as the economic appetite for bulk commodities in Ireland, North and South, remain static in terms of volumes consumed, the efficiency of an organisation and the relationship between tonnage handled, operating costs and profit margins become increasingly important. It is the generation of profits for re investment which ensures long term sustainability to meet our fiduciary obligations.

This year's accounts reflect our best ever corporate performance delivering a fifth consecutive year of growth with a 23% increase in turnover year on year to £8.6 million. This generated an operating profit of £2.2 million depicting an organisation in rude health with the significant contribution from the complimentary diversified activities setting us apart from our regional competitors and national peers. We reinvested £3.6 million in capital investment during the year giving us a fixed asset base of £40 million.

The result reflects the close working relationship we enjoy with our customers who have invested significantly within the port to leverage added value from our assets into the regional economy in real terms through employment and economic activity.

We have continued to invest in our people increasing our average employee numbers by 19% year on year to an average of 92 staff with payroll costs of £3.2 million impacting directly on the local economy. We have invested this year in a bespoke middle management development programme to strengthen and broaden our operational capabilities.

Unlike many ports we also have the physical capacity readily available to develop water and land based growth to deal with any demands of future border regulation.

As ever my thanks go to the Chair and the Board for their diligent oversight of our Governance framework, and particularly acknowledge the hard work of the committee Chairs in Health and Safety, Risk and Audit for their support and advices throughout the year. Such a strong result not only reflects the ongoing success of our customers but comes through a sustained effort by a flexible workforce who are led expertly by our three divisional directors.

A consistently strong performance over many years means we face the commercial consequences of the UK leaving the European Union with confidence. A solid balance sheet, strong liquidity and development capacity is our platform for the future.

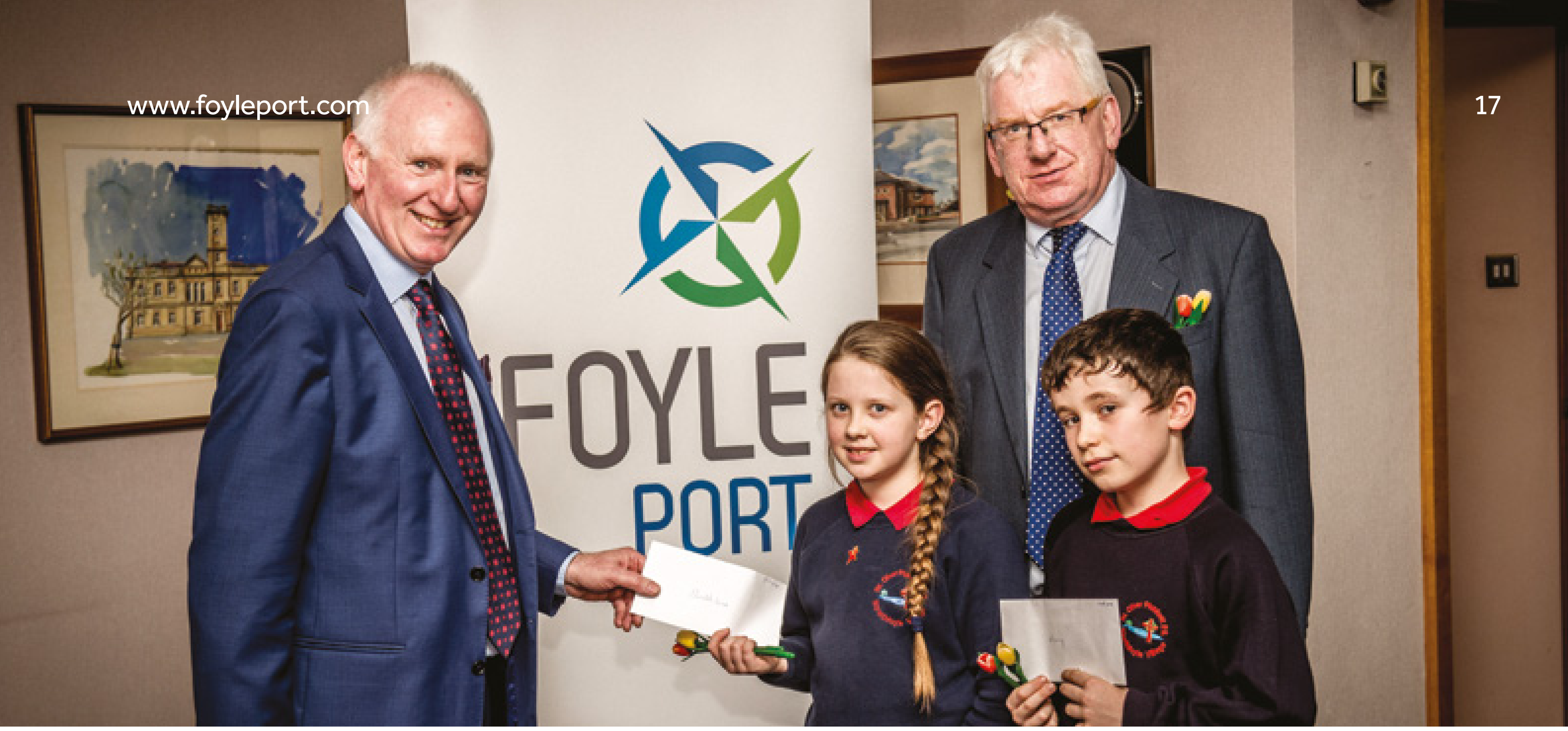
We are ready for the challenges ahead.

Brian McGrath
Chief Executive

STRATHFOYLE WOMENS ACTIVITY GROUP LTD.
Investing in You and Your Family
Tel : 7186 0733

FOYLE SAILABILITY

Foyle Port in the Community



CHILD
Community Help in Learning and Development

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.

Ms B Anley
Chair
27th June 2017

Independent Auditor's Report to the Londonderry Port & Harbour Commissioners

Opinion on the financial statements

We have audited the financial statements of The Londonderry Port & Harbour Commissioners ('LPHC') for the year ended 31 March 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of LPHCs' affairs as at 31 March 2017 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at **http://www.frc.org.uk/auditscopeukprivate.**

Opinion on other matters

In our opinion, 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.

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.

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.

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.

RSM UK Audit LLP
Chartered Accountants and
Statutory Auditors
27th June 2017

Number One
Lanyon Quay
Belfast
BT1 3LG

Turnover & Profitability

£8.6million Turnover

25% operating margin

Turnover doubled in last 10 years

£2.2million record operating profit

Fifth consecutive year of growth for the Port

6.7% Return on Capital Employed

Profit and Loss Account for the Year Ended 31 March 2017

	NOTE	2017 £	2016 £
Turnover	3	8,649,904	7,001,026
Cost of Sales		(4,932,245)	(4,017,717)
Gross Profit		3,717,659	2,983,309
Administrative Expenses		(1,552,282)	(1,542,276)
Operating Profit	4	2,165,377	1,441,033
Profit on Disposal of Fixed Assets		1,437	5,384
Profit on ordinary activities before interest		2,166,814	1,446,417
Interest Receivable and Similar Income	7	51,292	38,894
Foreign Exchange (Loss)/Gain		(3,320)	694
Interest Payable and Similar Charges	8	(202,238)	(136,340)
Profit on Ordinary Activities Before Taxation		2,012,548	1,349,665
Tax on Profit on Ordinary Activities	9	(321,210)	(335,855)
Profit for the Financial Year		1,691,338	1,013,810

The notes on pages 30 to 45 form part of these financial statements and should be read in accordance therewith.

Statement of Comprehensive Income for the Year Ended 31 March 2017

	NOTE	2017 £	2016 £
Profit for the Financial Year		1,691,338	1,013,810
Total (losses) from defined benefit pension reclassification	17	-	(83,355)
Total actuarial (losses) from defined benefit pension liability	17	(150,348)	-
Movement on deferred tax relating to pension liability	18	9,200	16,700
Total Comprehensive Income for the Year		1,550,190	947,155

The notes on pages 30 to 45 form part of these financial statements and should be read in accordance therewith.

Balance Sheet as at 31 March 2017

	NOTE	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible Assets	10		40,410,066		38,377,191
CURRENT ASSETS					
Stock	12	251,372		178,189	
Debtors	13	1,489,028		1,708,817	
Cash at Bank and on Hand		7,869,893		9,057,528	
		9,610,293		10,944,534	
CREDITORS					
Amounts falling due within one year	14	(1,892,840)		(1,730,148)	
Net Current Assets			7,717,453		9,214,386
Total Assets Less Current Liabilities			48,127,519		47,591,577
CREDITORS					
Amounts falling due after more than one year	15		(4,732,011)		(5,365,907)
Capital Grants	16		(13,040,472)		(13,414,453)
Pension Liability	17		(1,894,000)		(1,848,000)
Provisions for Liabilities and Charges	18		(341,129)		(393,500)
NET ASSETS			28,119,907		26,569,717
RESERVES					
Profit and Loss Account			28,119,907		26,569,717
TOTAL RESERVES			28,119,907		26,569,717

These financial statements were approved by the Commissioners on 27th June 2017 and signed on their behalf by:

Ms B. Anley
Chair

Mr B. McGrath
Chief Executive

The notes on pages 30 to 45 form part of these financial statements and should be read in accordance therewith.

Capital Investment

£3.6million capital investment

Over £30million reinvestment programme

£40m

£40million fixed asset base

Employment & Payroll Costs

19% increase in average employee numbers

>£3million payroll costs for the year

Statement of Changes In Equity for the Year Ended 31 March 2017

	Profit and loss reserves	Total
	£	£
Balance at 1 April 2015	25,622,562	25,622,562
Year ended 31 March 2016		
Profit for the Financial Year	1,013,810	1,013,810
Total (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	26,569,717	26,569,717
Year ended 31 March 2017		
Profit for the Financial Year	1,691,338	1,691,338
Total actuarial (losses) from defined benefit pension	(150,348)	(150,348)
Movement on deferred tax relating to pension liability	9,200	9,200
Balance at 31 March 2017	28,119,907	28,119,907

The notes on pages 30 to 45 form part of these financial statements and should be read in accordance therewith.

Statement of Cash Flows for the Year Ended 31 March 2017

	NOTE	£	2017 £	£	2016 £
Cash flows from operating activities					
Cash generated from operations	1		3,646,899		2,766,204
Interest paid			(202,238)		(136,340)
Income taxes paid			(255,649)		(289,092)
Net cash inflow from operating activities			3,189,012		2,340,772
Investing activities					
Purchase of tangible fixed assets		(3,612,612)		(1,874,360)	
Proceeds from disposal of tangible fixed assets		9,310		21,385	
Interest Received		35,038		38,894	
Net cash used in investing activities			(3,568,264)		(1,814,081)
Financing activities					
New loans		-		3,500,000	
Repayment of borrowings		(808,383)		(700,073)	
Net cash used in financing activities			(808,383)		2,799,927
Net (decrease)/increase in cash and cash equivalents			(1,187,635)		3,326,618
Cash and cash equivalents at beginning of the year			9,057,528		5,730,910
Cash and cash equivalents at end of the year			7,869,893		9,057,528
Relating to:					
Cash at bank and in hand			7,869,893		9,057,528

The notes on page 28 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

	2017 £	2016 £
Profit for the year after tax	1,691,338	1,013,810
Adjustments for:		
Taxation charged	321,210	335,855
Finance costs	202,238	136,340
Investment income	(51,292)	(38,894)
Gain on disposal of tangible fixed assets	(1,437)	(5,384)
Depreciation and impairment of tangible fixed assets	1,571,864	1,480,012
Amortisation of Capital Grants	(373,981)	(381,744)
Movements in working capital:		
Decrease/(Increase) in Stock	(73,183)	27,051
Decrease/(Increase) in Debtors	236,043	352,471
(Decrease)/Increase in Creditors	228,446	(53,915)
(Decrease)/Increase in Pension	(104,347)	(99,398)
	3,646,899	2,766,204

Regional Contribution

£1billion

Handling c. £1billion worth of commodities annually

Supporting 1000 jobs for the region

Facilitating 20,000 farms in the North West of Ireland

£100million private investment to the region

Capacity for Growth

Potential of up to 3million sq ft of warehousing

>500 acres

Expansion Capacity

Notes to the Financial Statements for the Year Ended 31 March 2017

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.

(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

Notes to the Financial Statements — Continued

1. ACCOUNTING POLICIES - CONTINUED

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 the profit and loss account.

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.

Notes to the Financial Statements — Continued

1. ACCOUNTING POLICIES - CONTINUED

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.

Notes to the Financial Statements — Continued

1. ACCOUNTING POLICIES - CONTINUED

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.

(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.

Notes to the Financial Statements — Continued

1. ACCOUNTING POLICIES - CONTINUED

(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 17.

(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.

Notes to the Financial Statements — Continued

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

	2017 £	2016 £
An analysis of turnover is as follows:		
Revenue from Port Customers	7,236,468	5,796,987
Rents Receivable	381,588	378,950
Storage Receipts	1,031,848	825,089
	8,649,904	7,001,026
Turnover analysed by geographical market		
United Kingdom and Ireland	8,649,904	7,001,026

4. OPERATING PROFIT

	2017 £	2016 £
Operating Profit is stated after charging:		
Depreciation of tangible fixed assets	1,571,864	1,480,012
Auditor's Remuneration	7,700	7,733
and after crediting:		
Capital Grant Amortisation	373,981	381,744

Notes to the Financial Statements — Continued

5. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Commissioners during the year was 92 (2016: 77).

	2017 £	2016 £
Their aggregate remuneration comprised:		
Wages and Salaries	2,808,537	2,332,007
Social Security Costs	278,748	244,705
Pension Costs	132,402	115,249
	3,219,687	2,691,961

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 £818,852 (2016: £722,884).

6. COMMISSIONERS' REMUNERATION

	2017 £	2016 £
Remuneration for qualifying services	85,362	74,868

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Bank Interest	51,292	38,894

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Bank Interest & Charges	155,350	89,411
Interest on Pilots' National Pension Fund Liability	46,442	46,442
3 1/2% Consolidated Loan Stock	446	487
	202,238	136,340

Notes to the Financial Statements — Continued

9. TAXATION

	2017	2016
Current year tax	**£**	**£**
UK Corporation Tax on profits for the current period	364,381	237,555
Deferred Tax		
Origination and reversal of timing differences	(43,171)	98,300
Total tax charge	321,210	335,855
The charge for the year can be reconciled to the profit per the profit and loss account as follows:		
Profit before taxation	2,012,548	1,349,665
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2016: 20%)	402,510	269,933
Effects of :		
Non Deductible Expenses-		
PNPF	(20,870)	(19,879)
Other	(2,487)	4,047
Depreciation in excess of capital grant amortisation	239,577	205,260
Capital Allowances	(254,349)	(220,729)
(Profit) on Disposal	-	(1,077)
Deferred tax charge	(43,171)	98,300
Tax expense for the year	321,210	335,855

Notes to the Financial Statements — Continued

10. 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 or Valuation										
At 1 April 2016										
Cost	41,815,652	2,131,950	7,958,734	3,814,177	3,131,321	644,111	165,513	2,449,773	382,228	62,493,459
Additions	604,451	41,508	158,450	14,170	2,491,483	-	13,699	108,796	180,055	3,612,612
Disposals	-	-	-	-	-	-	(4,999)	(7,384)	-	(12,383)
At 31 March 2017	42,420,103	2,173,458	8,117,184	3,828,347	5,622,804	644,111	174,213	2,551,185	562,283	66,093,688
Depreciation										
At 1 April 2016										
Accumulated Depreciation	13,390,615	606,847	5,676,688	1,569,645	832,179	335,027	51,876	1,529,935	123,456	24,116,268
Charge for Year	703,662	138,229	217,109	110,792	101,306	36,265	39,369	144,317	80,815	1,571,864
Release on disposal	-	-	-	-	-	-	(416)	(4,094)	-	(4,510)
At 31 March 2017	14,094,277	745,076	5,893,797	1,680,437	933,485	371,292	90,829	1,670,158	204,271	25,683,622
Net Book Value										
31 March 2017	28,325,826	1,428,382	2,223,387	2,147,910	4,689,319	272,819	83,384	881,027	358,012	40,410,066
31 March 2016	28,425,037	1,525,103	2,282,046	2,244,532	2,299,142	309,084	113,637	919,838	258,772	38,377,191

Notes to the Financial Statements — Continued

11. FINANCIAL INSTRUMENTS

	2017	2016
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost:		
Trade Debtors	1,299,384	1,529,454
Other Debtors	12,326	2,491
	1,311,710	1,531,945

Carrying amount of financial liabilities		
Measured at amortised cost:		
Bank loans	-	369,014
Government loans	5,261,459	5,700,828
Trade Creditors	317,053	202,219
Other Creditors	234	5,396
	5,578,746	6,277,457

12. STOCK

	2017	2016
	£	£
Consumables	181,956	178, 189
Materials	66,409	-
Finished Goods	3,007	-
	251,372	178, 189

13. DEBTORS (Amounts falling due within one year)

	2017	2016
	£	£
Trade Debtors	1,299,384	1,529,454
Other Debtors	12,326	2,491
Prepayments & Accrued Income	177,318	176,871
	1,489,028	1,708,817

Notes to the Financial Statements — Continued

14. CREDITORS (Amounts falling due within one year)

	2017 £	2016 £
Bank Loans	-	255,419
Trade Creditors	317,053	202,219
Other Creditors	234	5,396
Corporation Tax	182,554	73,823
Accruals & Deferred Income	766,046	641,254
Government Loan	544,507	463,573
VAT	12,572	24,842
Other Tax & Social Security	69,874	63,622
	1,892,840	1,730,148

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

	2017 £	2016 £
3 ½% Consolidated Loan Stock (Undated)	15,057	15,057
Bank Loans	-	113,595
Government Loan	4,716,954	5,237,255
	4,732,011	5,365,907

Analysis of Loans	£	£
Not wholly repayable within five years other than by instalments:		
Bank Loans	-	369,014
Other Loans	5,261,461	5,700,828
	5,261,461	6,069,842
Included in current liabilities	(544,507)	(718,992)
	4,716,954	5,350,850

Loan Maturity Analysis	£	£
In more than one year but not more than two years	536,281	633,897
In more than two years but not more than five years	756,308	1,292,589
In more than five years	3,424,365	3,424,364
	4,716,954	5,350,850

Notes to the Financial Statements — Continued

16. CAPITAL GRANTS

	Works & Improvements	Pontoon	Cranes	Plough Boat & Dredging Plant	Tug Boat & Launch	Pilot Boat & Station	Plant, Machinery & Equipment	TOTAL
	£	£	£	£	£	£	£	£
Cost or Valuation								
At 1 April 2016								
Cost	18,705,421	2,009,663	2,620,034	337,500	15,395	134,240	367,117	24,189,370
Disposals	-	-	-	-	-	-	-	-
At 31 March 2017	18,705,421	2,009,663	2,620,034	337,500	15,395	134,240	367,117	24,189,370
Amortisation								
At 1 April 2016								
Accumulated Amortised Grants	6,854,099	574,807	2,620,034	337,500	5,860	96,327	286,290	10,774,917
Amortised for year	236,133	126,104	-	-	514	5,718	5,512	373,981
Release on disposal	-	-	-	-	-	-	-	-
At 31 March 2017	7,090,232	700,911	2,620,034	337,500	6,374	102,045	291,802	11,148,898
Net Book Value								
31 March 2017	11,615,189	1,308,752	-	-	9,021	32,195	75,315	13,040,472
31 March 2016	11,851,322	1,434,856	-	-	9,535	37,913	80,827	13,414,453

Notes to the Financial Statements — Continued

17. 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 £132,402 (2016: £115,249).

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 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 has 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.

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 2013. The results of these calculations have been updated to 31 March 2017 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	2017	2016
Discount rate (% p.a.)	2.6%	-
Discount rate pre-retirement (% p.a.)	-	7.0%
Discount rate post-retirement (% p.a.)	-	3.5%
Rate of salary increases (% p.a.)	3.1%	3.3%
Rate of increase to pensions in deferment where not subject to a minimum (% p.a.)	2.1%	2.1%
RPI inflation (% p.a.)	3.1%	2.8%
CPI inflation (% p.a.)	2.1%	2.1%
Pension increases: maximum 5% p.a., minimum 0% p.a.	3.0%	2.7%
Pension increases: maximum 5% p.a., minimum 3% p.a.	3.5%	3.5%

Notes to the Financial Statements — Continued

17. EMPLOYEE BENEFITS - CONTINUED

Key Demographic Assumptions as at 31 March

	2017	2016
Mortality base table (% of S2PxA Standard Tables)	100%	95%
Mortality future improvements (core projections)	CMI_2016	CMI_2015
Mortality future improvements (% p.a. long term improvement)	1.25%	1.50%
Male life expectancy		
• Retiring at age 65 now	22.1 years	22.9 years
• Retiring at age 65 in 20 years	23.5 years	25.0 years
Female life expectancy		
• Retiring at age 65 now	23.9 years	24.9 years
• Retiring at age 65 in 20 years	25.4 years	27.2 years

Contributions to meet PNPF liability

LPHC made contributions of £150,789 in respect of the PNPF recovery plan during the year ended 31 March 2017 (2016: £145,839). Contributions will be reassessed as part of the next formal actuarial valuation, as at 31 December 2016, the results of which will be available later in 2017.

Changes in the value of assets

	2017 £	2016 £
Opening fair value of assets	3,176,000	-
Interest income on assets	123,000	-
Member contributions	3,000	-
LPHC Contributions	151,000	-
Actuarial gain/(loss) on assets	323,000	-
Benefits paid	(346,000)	-
Expenses paid	(12,000)	-
Net increase in assets from reclassification	-	3,176,000
Closing fair value of assets	3,418,000	3,176,000

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

	2017 %	2016 %
'Growth' Assets		
• Global Equities	16.9	14.7
• Fund of Hedge Funds	16.6	15.4
• Diversified Growth Funds	15.6	15.3
'Matching' Assets		
• Corporate Bonds	31.7	39.1
• Gilts	17.4	14.2
• Cash	1.8	1.3
	100.0	100.0

Notes to the Financial Statements — Continued

17. EMPLOYEE BENEFITS - CONTINUED

Actual return on assets	**2017**	**2016**
	£	**£**
Expected return on assets	123,000	-
Actuarial gains on assets	323,000	-
Actual return	446,000	-

Changes in the defined benefit liabilities	**2017**	**2016**
	£	**£**
Opening defined benefit liability	5,024,000	-
Service cost	1,000	-
Interest cost	194,000	-
Member contributions	3,000	-
Actuarial (gain)/loss on liability	438,000	-
Benefits paid	(346,000)	-
Past service costs	(2,000)	-
Net increase in liabilities from reclassification	-	5,024,000
Closing defined benefit liability	5,312,000	5,024,000

Analysis of amounts recognised in Income Statement	**2017**	**2016**
	£	**£**
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	**2017**	**2016**
	£	**£**
Total losses from reclassification	-	83,355
Total actuarial losses	150,348	-
Total Losses in Statement of Comprehensive Income	150,348	83,355

Reconciliation of funded status to Balance Sheet	**2017**	**2016**
	£	**£**
Present value of funded defined benefit obligation	(5,312,000)	(5,024,000)
Fair value of assets	3,418,000	3,176,000
(Deficit)	(1,894,000)	(1,848,000)
Liability recognised on the balance sheet	(1,894,000)	(1,848,000)
Related deferred tax asset	378,800	369,600
Net Liability recognised on the Balance Sheet	(1,515,200)	(1,478,400)

Notes to the Financial Statements — Continued

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation
	£
Opening balance 1 April	393,500
Credit to profit and loss account	(43,171)
Credit to statement of comprehensive income	(9,200)
Closing balance 31 March	341,129

The amount credited to the statement of comprehensive income of £9,200 represents the portion of the deferred tax asset, being the difference between the defined benefit liability as at 31 March 2017 and the defined benefit liability as at 31 March 2016, 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:

	2017	2016
Balances:	£	£
Accelerated capital allowances	719,929	763,100
Pension deficit	(378,800)	(369,600)
	341,129	393,500

The net deferred tax liability expected to reverse in the next 12 months is £136,876. This primarily relates to the reversal of timing differences.

19. CAPITAL COMMITMENTS

	2017	2016
	£	£
Capital Expenditure contracted for or authorised by the Commissioners but not provided in the financial statements	757,000	3,617,288

Trade and Statistics for the Year Ended 31 March 2017

GROSS TONNAGE OF VESSELS	2017	2016
Home trade	301,412	506,910
Foreign trade	1,867,376	1,418,297
	2,168,788	1,925,207

GROSS TONNAGE OF CARGO	2017	2016
Imports	1,777,477	1,656,441
Exports	83,913	70,467
Total Trade	1,861,390	1,726,908

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