



**WARRENPOINT
PORT**

**WARRENPOINT HARBOUR AUTHORITY
ANNUAL REPORT**

2022

www.warrenpointport.com





**WARRENPOINT
PORT**



WARRENPOINT HARBOUR AUTHORITY



MEMBERS

Dr G O'Hare CBE DL FRICS (Chairman)
D Holmes (Chief Executive)
K Grant (Finance Director)
R Johnston
F Hanna
Cllr G Hanna
Cllr K McKeivitt (Resigned 22nd May 2023)
Cllr J Brennan (Appointed 2nd February 2023)
G Donaghy
D Gray

Board members as Duty Holders remain committed to Port Marine Safety Code compliance.



SENIOR MANAGEMENT

Chief Executive D Holmes
Finance Director K Grant
Head of Engineering & Estate E O'Mahony
Harbour Master M Young
Operations Manager I Taylor
Health, Safety & Environmental Manager T Rodgers
Project Manager K Farrell (Resigned 28th February 2023)

PROFESSIONAL ADVISERS

Bankers Ulster Bank Limited / Barclays Bank UK
Independent Auditor FPM Accountants Limited
Solicitors Mills Selig



CHAIRMAN'S STATEMENT



I have now completed the second year in my term of office as Chair of the Board of Warrenpoint Harbour Authority, during this Financial Year 2022. Still facing Covid restrictions, this was another year starting with unpredictability and uncertainty, shortly to be followed by the Russian invasion of Ukraine, an unstable world economy and yet another suspension of the Northern Ireland Assembly and Executive. These factors and others led to immense inflationary pressures in the second half of the year, and which are still continuing into 2023.

Despite this tumultuous backdrop I am pleased to state that we are presenting a reasonably strong performance for Warrenpoint Harbour for the year 2022. Although a year-on-year comparative analysis would be distorted with the recovery effects of 2021 on the pandemic year of 2020, if we review a three-year trajectory, we can see a significant uplift in profit after tax from 2020 of £71,601, to profit after tax for 2022 coming in at £480,379 (Profit in 2021 settled at £303,353).

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was down slightly at £1.5m in 2022 from £1.9m in 2021. Tonnage was also down just over 11% with 3.3m tonnes processed in 2022, compared to 3.75m in 2021. This is reflective of how badly hit the supply of many commodities have been right across the board, due to the global challenges and higher inflation.

In reporting these figures, there is however, a real sense of diligent delivery because by the end of

quarter one of 2022, projections were pointing towards, much more significant reductions in trade. It is a testament to the effort by both Warrenpoint Harbour and our stakeholders that business remained robust and profitable despite the very many challenges.

Despite an immense effort by our Executive Team into the Levelling Up Fund Application for a Phase One Decarbonisation Port Project, it was disappointing to have missed out on this opportunity and to have no Government economic subsidies during this particular year. In 2023 and beyond, we will continue to work tirelessly to exhaust all avenues for support to deliver ambitious carbon reduction and efficiency targets. It is for Government to recognise the sub regional importance and sustainability of such projects for the greater good of the economy.

Capital investment continued during 2022 including a £0.72m order placed for combilifts that were delivered in quarter one of 2023. In 2023 there are already a number of further capital investment projects in the pipeline to deliver a programme of continuous improvement at Warrenpoint Harbour and Port operations.

During 2022, we held several exceptional events including hosting the Grace O'Malley Tallship for almost one week during the Loughside Festival in Warrenpoint in August 2022. More than 2,000 people had the opportunity to get on board a Tall Ship for free and have a look around. We also had a very successful cruise programme, with three cruise

ships coming into Port during the summer season. We are building on this for the season ahead with four vessel calls planned and further promotion for future years through Cruise Ireland membership.

The Warrenpoint Port Community Fund continued to go from strength to strength with further engagement from local organisations; and despite the challenging environment, we received even more support from customers and stakeholders via donations. We are very humbled to play a small part in supporting the local community through this fund. You can read more about it in the Community section on pages 12 and 13.

Since my appointment in 2021, the Board has established a number of pertinent Board sub committees. These committees have been fully engaged throughout 2022 and are putting in place new processes and procedures to help plan for the future and support the operational efficiency of the Port operations. I would like to thank my fellow Board members for their ongoing efforts and their willingness to participate in a meaningful and professional manner.

I would also like to take this opportunity to welcome Cllr Jim Brennan who has joined us recently on the Board. I look forward to working with him over the coming years.

I would like to also acknowledge the work of our Warrenpoint Harbour Port Management team and indeed the entire staff, led by David Holmes CEO and Kieran Grant, Finance Director.

Finally, I believe that we can be on the cusp of achieving great things at Warrenpoint Harbour as we head towards our 250th year later this decade. We are perfectly placed to offer major infrastructure resilience outside of Greater Belfast. We have the opportunity to be a direct and easy gateway to both Europe and to Great Britain. With imminent progress expected on infrastructure projects such as the Southern Relief Road which is essential for the future growth of Warrenpoint Harbour Authority ; and the Narrow Water Bridge, linking us to our nearest neighbours, we have real opportunities on the North South/East West economic corridors to explore. The opportunity to add a container service to Europe, and to be innovative with carbon reduction proposals, are two examples that will enhance further future potential with our growing network of both current and future customers and tenants.

Warrenpoint Harbour remains a profitable and exciting port entity, playing a vital role and offering unique solutions in this island economy despite the many prevailing global challenges. I look forward to continuing to being part of this journey with confidence.

Dr Gerard O'Hare CBE DL FRICS
Chairman



58%

**PROFIT AFTER
TAX £480,379**



60+

**LOCAL
ORGANISATIONS
SUPPORTED
THROUGH
COMMUNITY
FUND**

Warrenpoint Harbour Authority trading as Warrenpoint Port is a vital economic driver for South Down and Northern Ireland, offering major supply chain infrastructure resilience outside of greater Belfast. It is the second largest Port by volume in Northern Ireland, handling circa 12% of NI's port activity. During the 2022 financial year, Warrenpoint Port contributed a total Gross Value Added (GVA) impact of £9.1m to the local economy. This comprises supply chain and salary impact. Reductions in government multiplier calculations, account for a modest reduction in this GVA figure.

The Port has paid £10m in taxes in the last decade. It supports the local economy through employment with 69 direct employees; while it indirectly continues to support more than 400 additional jobs and delivers balanced export and import activities.

Warrenpoint Harbour Authority is a Trust Port which is not bound by The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013. The Members however choose, as a measure of good governance and practice, to present a Strategic Report.

This overview of matters of strategic importance to the Members should be read as part of the entire annual report.

UPDATE

The raft of uncertainties that have characterised commerce and society in Northern Ireland in recent years prevailed during 2022. Brexit, Covid-19, the invasion of Ukraine, ongoing significant inflation pressures with recessionary forecasts, continue to make for challenging trading conditions.

Despite the many challenges, the Port has again delivered a successful year. Cost-control management in tandem with a commitment to delivering 'preferred Port' customer service have been key strategic drivers.

2022 tonnage decline is reflective of overall economic trading conditions and changes in commodity composition. It slipped back to 3.3m tonnes processed from 3.75m in 2021. This 11% tonnage reduction is partially offset by protecting revenue year on year reduction to 7.5%.

The Port has now delivered many aspects of its Masterplan relevant to infrastructure investment, site optimisation and plant. Strategy review exercises are building on the original vision (Masterplan 2018-2043) with a five-year strategic review planned by the end of 2023.

Significant capital investment in a climate of uncertainty was deliberately deferred. Only essential projects were invested in, resulting in a reduced expenditure during 2022 of £0.45m. New equipment supply chain delays also accounted for deferral. In contrast, 2023 will see capital investment of more than £4m. Significant investment continues to be made in quay infrastructure and cyber security as well as internal digital process upgrades.

Debt reduction continues to be a priority with borrowings reduced by a further 14% in 2022.

The Port remains a port of choice for 'project' cargo' or specialist loads. The Port has invested in this, making it a niche market, enhancing its relevance, and adding another revenue stream. As well as continuing to handle wind turbines, the end of 2022 saw plans in place for 'project cargo' involving complex lifts, in excess of 140 tonnes.

RISKS AND UNCERTAINTIES

Risk-management has been further strengthened across the organisation at both departmental and corporate level. The broader risks of deteriorating political stability in Northern Ireland, and the macro-economic, as well as supply chain logistics, associated with war in Ukraine, inflationary pressures,

and potential recession remain areas of concern for any Port - barometers as they are for the economy.

The Port continues to try to mitigate these factors by advancing commodity and service delivery. This strategic development dovetails with selective capital investment that can further enhance productivity and maintain 'preferred Port' status.

HEALTH SAFETY AND ENVIRONMENT

Investment in personnel and capability has ensured the Port's ongoing compliance with the Port Marine Safety Code, driven also by the Member Duty Holders, successfully delivering year on year improvements in marine safety standards.

An equally unwavering commitment to continuous improvement in shoreside health, safety, and environment impact continues to be embedded in all Port activities. 2022 Key Performance Indicators (KPIs) confirm that health and safety incidence year on year reduced by 44%. Ongoing investment in employee training and development remain a cornerstone of that improvement strategy.

Extensive Covid-19 measures largely remained in place across the site during 2022 to safeguard against personnel illness and Port disruption. Consequently, there was no service level disruption.

The commitment to the green agenda continued with an ambitious decarbonisation project (albeit unsuccessful on this occasion) submission to the Levelling Up Round 2 Fund. This application received widespread local stakeholder and political support and it is the Port's intention to persevere with identifying decarbonisation funding opportunities.

The roll-out of electric vehicles has continued, and a further 100 additional indigenous willow

trees were planted across the site during 2022. The Port is looking forward to witnessing in bloom for the second year, its collaborative community development of planters around the Town Dock.

Additional planting also premised on collaborative community development is planned for 2023. The Port engaged meaningfully in MarPAMM (Marine Protected Area Management and Monitoring) and wider stakeholder forums during 2022.

The Port also continued to participate in CACHE 22, a 'Clean Air Clean Harbour Environmental Project' and has committed to continue to work with that evolving body again in 2023. Base-lining emission monitoring during 2022 was completed and new environmental KPIs have been targeted for 2023. Please see Environmental Metrics on page 11.

COMMUNITY

The Warrenpoint Port Christmas Community Fundraiser, despite the then bleak economic outlook, went from strength to strength with its customers and stakeholders raising over £26k at the end of 2022. This was distributed to more than 60 local organisations. Further details about this activity can be found in the 'Port in the Community' section.

In 2022 the Port continued to publish its ezine 'On Board' to provide an update on activities at the Port. It also addresses 'recently asked questions' that it receives through the onboard@warrenpointharbour.co.uk community engagement email address. The Port continued to build its social media audiences with regular news and updates. The Port also consolidated the regular meetings held with locally elected representatives. This is another mechanism for improving community ties, promoting transparency, and addressing community concerns.

The Port hosted a 'Big Spring Clean' initiative and plans to repeat this activity again in 2023.

FUNDING

No government funding was made available to the Port during 2022.

FUTURE PLANS

The Government's Newry Southern Relief Road, funded by the Belfast Region City deal continues to be viewed by the Port as a welcome new infrastructure asset for the area, as does maximising the available space on site to facilitate continued growth. Certainty in relation to the final implementation of the Windsor Framework is essential to help the Port support its customers with future plans. The Port welcomes that DfI has begun the next stage of consultation on the Southern Relief Road.

The Narrow Water Bridge is now expected to begin construction during 2024. The Port has been extensively liaising with Louth County Council officials and the Project Engineers. The Port expects to mitigate the disruptive short-term impact so far as is reasonably practicable and is committed to helping facilitate the bridge's successful build completion. The Port has commissioned an economic impact assessment of the bridge due in 2023.

During 2022 there was minimal discussion with local, regional Government and other Ports on taking a Northern Ireland wide approach on the implementation of Freeport status. The concept of Investment Zones was also introduced during this time. The Port will continue to explore these potential initiatives as it will its role in delivering on Northern Ireland's sustainability objectives within the Programme for Government.

CORPORATE GOVERNANCE

Warrenpoint Port like other Trust Ports across the UK is not owned by Government and is an independent statutory body governed by its own legislation. Governing Legislation includes the Harbours Act (Northern Ireland) 1970, the Warrenpoint Authority Order 1971, the Harbours

(Northern Ireland) Order 2002 and the Warrenpoint Authority Order (Northern Ireland) 2002.

The current board consists of the Chief Executive, the Finance Director and eight non-executive members including three local councillors who are all appointed by the Department for Infrastructure as per The Warrenpoint Harbour Authority 2002 Order (Northern Ireland) 2002 Schedule 1.

Trust Ports are both strategically and financially independent of Government, are required to operate in a commercial manner and for the benefit of all stakeholders to which they are publicly accountable. Trust Ports have powers to raise revenues by levying dues and charging for the use of port facilities. They operate on a commercial basis, pay taxes and, except in limited cases where there is specific local legislation or exceptional circumstances, receive no systematic public subsidies.

During 2022 to continue to build on the corporate governance continuous improvement of the organisation, a number of Board-led sub committees regularly convened:

- Strategy and Policy
- Remuneration and Human Resources
- Audit, Risk and Compliance
- Commercial and Operations
- Health, Safety, Environment and Marine

Each of these committees drives ongoing oversight of policy within the Harbour Authority's core objectives.

Approved by the Members on 23rd May 2023 and signed on behalf of Members by:

Dr Gerard O'Hare CBE DL FRICS
Chairman

David Holmes
CEO - Warrenpoint Harbour
Authority



CHIEF EXECUTIVE'S REPORT



A strong team performance was successfully delivered in 2022, despite a challenging backdrop comprising of Brexit uncertainty, supply chain interruption with the war in Ukraine, escalating inflation and forecast recession. These factors amongst others drove a reduction in tonnage across almost all ports, with 11.3% reduction in tonnage. Given 2021 was viewed as a rather exceptional year, with the positive impact of 'Covid-bounce-back', 2022's profit after tax of £480,379 (2021: £303,353) demonstrates a welcomed growth trajectory.

Robust focus was maintained on customer relationships, productivity, health, safety (shoreside and marine) and environment, delivering positive outcomes. It is encouraging that multiple core components of the 2018 Masterplan have now been completed with reviewed strategic direction embedded within operational goals.

TRADING:

EBITDA in 2022 at £1.5m was down from £1.9m in 2021 with profit after tax at £480,379.

Certain commodities saw major tonnage reductions including for example timber, tied to Ukrainian related international supply chain disruption. Unprecedented commodity cost escalation impacted the construction industry and in particular home-building, going into what has been described as 'safe-mode' as that sector witnessed significant input cost-rises and cautiously viewed the likely impact of interest-rate hikes on new housing demand. The Port's dedicated container service was also stood down during July 2022 with that export customer unable to absorb increases in Irish Sea ship-chartering costs and choosing to relocate that component of its manufacturing tonnage to GB. In that regard, and subject to the Windsor Framework 'landing', the Port is assessing new container routes

that could operate from the Port. Project cargoes helped to offset some of the Port's general cargo decreases.

Continuing improvement in the overall finances continued with debt reduction of 14%.

These encouraging results can be attributed to several key factors including:

- Seizing project cargo opportunities as they arose
- Diversifying the commodity mix
- Strong relationships with existing customers
- Continuing with a robust training investment in the Port team
- Realising strategic improvements within the Port
- Embedding enhanced employee flexibility within the workforce

SAFETY:

The Port remains absolutely committed to a 'safety first' mantra at all times and this is manifest in a further 44% year on year reduction in health and safety incidences. Robust adherence has also been achieved to the Port Marine Safety Code, with personnel development supporting compliance. Safety will continue to be a major focus for the team on both land and water as the Port delivers a safe working environment for its team and those who work in, and use, the Port facilities.

CHALLENGES:

Effective teamwork has overcome the many challenges that 2022 has presented. I would like to thank the team for their ongoing commitment. Strategically aligned and modified operational goals will support continuing mitigation so far as is practicable; bearing in mind that we continue to wait for resolution of the Windsor Framework. We continue to be impacted by inflation, compressed Ukrainian-related supply chain disruption, shifting commodity demands and macro-economic demand pressures. The Port team continued to work closely with all customers to alleviate these burdens. Specific focus now continues to be applied toward resolving the difficulties of GB goods entering ROI through NI given the end-consignee requirements. This particular issue continues to distort Warrenpoint's natural hinterland whilst increasing supplier costs and needlessly generating additional environment emissions.

The Port, like all businesses, especially suffered with escalating fuel and energy costs, but this was exacerbated in the Port environment with the banning of duty-free red-diesel in Port operations effective since 1st April 2022. Energy efficiency improvements are strategically aligned to infrastructure investment.

COMMUNITY:

Warrenpoint Port's place in the community continues to be a core value. The central outreach programme is the Christmas Community Fundraiser. This local community application process helps maximise beneficial impact. This engagement is importantly then underpinned by regular and transparent information across several different mediums including newsletters, face to face engagement, press and social media. The Port's door during 2022 was open to all interested visitors. In modestly helping over 60 different community and charity organisations in the local area recently, the Port is enjoying developing further links with some of those groups.

GOING CONCERN STATEMENT:

The current economic conditions present increased risks and uncertainties for all businesses. In response to such conditions, the Members have carefully considered these risks and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Using this information, the Members consider that:

- Warrenpoint Harbour Authority was set-up in 1971 through government legislation. The Regional Development Strategy has highlighted the strategic importance of Northern Irish ports. Warrenpoint Port is now the second only to Belfast Port in Northern Ireland in terms of tonnage throughput.

- The Port's key customers appear to be in a reasonably resilient position given the unprecedented present economic climate. Long-term contracts are in place and some customers continue to make significant investments to service their shipping through the Port of Warrenpoint.
- The Port has sought to diversify wherever possible to maintain revenue streams.
- The Port has treasury and cash management procedures and policies in place to manage its finances effectively and efficiently.
- The Port uses up-to-date budget projections that are revised throughout the year so that financial decisions can be made in a timely and effective manner.

The Members therefore consider that Warrenpoint Harbour Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RESULTS

The financial results for the year ended 31 December 2022 are set out in detail on page 18. The Profit after Tax for the year is £480,379. Previous year 2021 was £303,353.

THE FUTURE

The Port is very much open for business and actively pursuing growth in 2023 and beyond. Continued investment in facilities, people, plant, processes, and corporate responsibility will help to position Warrenpoint Harbour Authority at the forefront of strategic infrastructure assets in Northern Ireland and the wider UK and Ireland economies.

David Holmes
CEO

THE PORT IN NUMBERS



Size: 60 acres



Team: 69 (average)



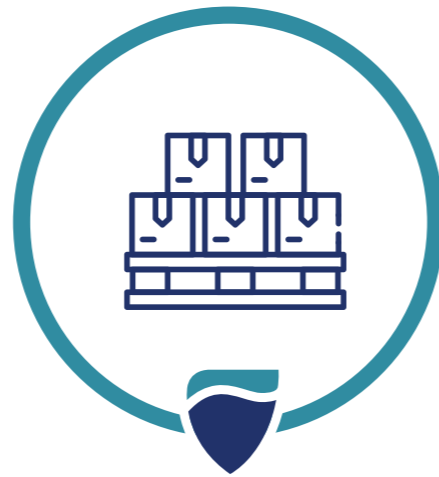
Berths: 7



Imports v Exports 47% 53%



Profit after Tax for 2022:
£480,379



EBITDA: £1.5m



Tonnage: 3.3m tonnes



THE PORT AND THE ENVIRONMENT



Warrenpoint Harbour Authority has continued to work towards delivering continuous improvement on its environmental credentials. In 2022 it applied for £13 million from the UK wide Levelling Up Fund for Phase 1 of a Decarbonisation Project. Unfortunately, it was unsuccessful on this occasion. It will continue to pursue other avenues of funding support to help deliver upon its environmental objectives.

In the interim, the team at Warrenpoint Port and its customers have delivered the following:

ENVIRONMENTAL METRICS:

- Since 2020 71 tonnes of steel has gone to recycling.
- Since 2020 470 tonnes of timber diverted from landfill.
- April 2022- April 2023, 205 tonnes of waste animal feed has gone to recycling.
- Since 2020 200 trees have been planted within the port.
- Green electric decarbonisation since 2021 : approx. 400t Co2.
- Electric company car conversion rate 67%.
- External LED lighting 100% conversion: The current wattage rating is 61.28kw, a decrease from 94.03kw (35% reduction).
- Since 2020 >1.6m road kms averted as a result of Nippon Gases. This is the equivalent of 168 tonnes of CO2.
- 3 Annual Litter picks since 2021 in the public areas in the vicinity of Warrenpoint Port.



THE PORT IN THE COMMUNITY



In 2022 Warrenpoint Harbour Authority continued to build upon its On Board objectives by working in partnership with the local community.

The Community Fund, now in its third year has become an important contributor to the local area, by raising £26,700 in 2022, which has been distributed to more than 60 different organisations.

The third annual fund brings the total raised and distributed to the local community to more than £60,000. The average donation is £500 with 123 financial awards made to 78 different organisations over the past three years.

In 2022 the Port also launched its Spring into Action campaign. This incorporated its annual Big Spring Clean Litterpick and a new initiative with Green Spaces (formerly part of the Cabbage Patchers) and Warrenpoint Men's Shed to develop a Town Dock Pollinator space. The Men's Shed used timber donated from the Port to build larger planters which were placed along the Town Dock. The Green Spaces team planted these with plants purchased locally by Warrenpoint Port, along with volunteers from the Port.

During the summer August 2022, Warrenpoint Port hosted the Grace O Malley Tall Ship. The ship was brought in during the new Lough Shore Festival to give local people the opportunity to get on board and experience a Tall Ship at no cost. The Grace O Malley was in place from Friday 12th August until Tuesday 16th August.

The 164ft long schooner was purchased in Sweden by the Atlantic Youth Trust Charity to introduce young people across the island of Ireland to the opportunity to sail aboard a Tall Ship and potentially explore a career in the maritime sector.

Over the course of the weekend the ship was open, whilst moored, free of charge to walk around and experience life on board. From Friday 12th August more than 2,000 people visited the ship. Warrenpoint Port also hosted a Family Day as a thank you to its team and their families on Sunday 14th August.



Young people at St Bronagh's Youth Club Rostrevor enjoy new equipment from the Port Community Fund



Local Irish Dancers perform at arrival of cruise ship in Warrenpoint



Lislea Women's Group who benefitted from the Port Community Fund



The Chilli Dippers Swimmers, Hiking Hens and Amy Murtagh, who is travelling on St Mark's School Kenya trip were all amongst the 60+ recipients of the Community Fund



The Green Spaces team are pictured at the completion of the new Town Dock pollinator planters



Enjoying the fun at the Grace O Malley Tall Ship in Warrenpoint Town Dock, August 2022



Members of the Port team during the annual Big Spring Clean Litterpick



Pictured are some of the contributors to the Warrenpoint Port Community Fundraiser which raised £26,700 for more than 60 local causes

STATEMENT OF MEMBERS' RESPONSIBILITIES



The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Harbours Act (Northern Ireland) 1970 requires the Members to prepare such financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Authority and of the profit or loss of the Authority for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

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

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

AUDITOR

Each of the persons who is a Member at the date of approval of this report confirms that:

- so far as the Member is aware, there is no relevant audit information of which the Authority's auditor is unaware; and
- the Member has taken all the steps they ought to have taken as a Member in order to make themselves a / herself aware of any relevant audit information and to establish that the Authority's auditor is aware of that information.

Approved by the Members on 23 May 2023 and signed on behalf of the Members:

David Holmes
CEO
Warrenpoint Harbour Authority

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



OPINION

We have audited the financial statements of Warrenpoint Harbour Authority (the 'entity') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our

other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF MEMBERS

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We obtained an understanding of the legal and regulatory framework applicable to the entity through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the entity - the Harbours Act (Northern Ireland) 1970 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiries of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and

evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

FPM

FPM Accountants Limited
Chartered Accountants
Statutory Auditors

Dromalane Mill
The Quays
Newry
Co. Down
Northern Ireland
BT35 8QS



PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

	Note	2022 £	2021 £
TURNOVER	3	6,523,102	7,054,640
OPERATING EXPENSES		<u>(6,013,311)</u>	<u>(6,285,925)</u>
TOTAL OPERATING EXPENSES		<u>(6,013,311)</u>	<u>(6,285,925)</u>
OPERATING PROFIT		509,791	768,715
Investment income - interest receivable		33,126	2,716
Interest payable		(51,749)	(62,660)
Other finance income		<u>16,095</u>	<u>19,576</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	507,263	728,347
Tax charge on (loss)/profit on ordinary activities	6	<u>(26,884)</u>	<u>(424,994)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>480,379</u></u>	<u><u>303,353</u></u>

All activities in the current and prior year derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

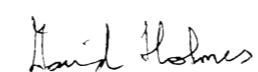
	Note	2022 £	2021 £
PROFIT FOR THE FINANCIAL YEAR		<u>480,379</u>	<u>303,353</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>480,379</u></u>	<u><u>303,353</u></u>

BALANCE SHEET

At 31 December 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	7	<u>24,107,216</u>	<u>25,432,436</u>
CURRENT ASSETS			
Stocks		40,062	40,768
Debtors: due within one year	9	1,740,626	1,721,503
Debtors: due after one year	9	925,280	1,200,772
Investments		2,000,000	1,027,687
Cash at bank and in hand		<u>3,635,198</u>	<u>4,385,531</u>
		8,341,166	8,376,261
CREDITORS - Amounts falling due within one year	10	<u>(1,730,110)</u>	<u>(2,099,721)</u>
NET CURRENT ASSETS		<u>6,611,056</u>	<u>6,276,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,718,272	31,708,976
CREDITORS - Amounts falling due after more than one year	11	(15,459,300)	(16,817,870)
PROVISIONS FOR LIABILITIES & CHARGES			
Deferred taxation	12	<u>(1,016,943)</u>	<u>(1,129,456)</u>
NET ASSETS		<u><u>14,242,029</u></u>	<u><u>13,761,650</u></u>
RESERVES		<u><u>14,242,029</u></u>	<u><u>13,761,650</u></u>

The financial statements of Warrenpoint Harbour Authority were approved by the Members and authorised for issue on 23 May 2023. They were signed on its behalf by:



David Holmes
Chief Executive
Warrenpoint Harbour Authority



Dr Gerard O'Hare CBE DL FRICS
Chairman
Warrenpoint Harbour Authority

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

	Reserves	Total
	£	£
At 1 January 2021	13,458,297	13,458,297
Total comprehensive income	303,353	303,353
At 31 December 2021	13,761,650	13,761,650
At 1 January 2022	13,761,650	13,761,650
Total comprehensive income	480,379	480,379
At 31 December 2022	14,242,029	14,242,029

CASH FLOW STATEMENT

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Cash generated by operations	16	1,115,225	2,852,083
Cash flows from investing activities			
Purchase of equipment		(453,994)	(2,287,159)
Proceeds from sale of equipment		5,500	-
Interest paid		(52,046)	(66,080)
Grant income received		-	1,500,000
Investment income received		49,221	22,292
Net cash flows from investing activities		(451,319)	(830,948)
Cash flows from financing activities			
Repayment of borrowings		(441,926)	(506,449)
Net cash flows from financing activities		(441,296)	(506,449)
Net increase/(decrease) in cash and cash equivalents		221,980	1,514,686
Cash and cash equivalents at beginning of year		5,413,218	3,898,532
Cash and cash equivalents at end of year		5,635,198	5,413,218
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		3,635,198	4,385,531
Cash equivalents		2,000,000	1,027,687
		5,635,198	5,413,218

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless otherwise stated.

General information and basis of accounting

Warrenpoint Harbour Authority is a Trust Port operating under the Harbours Act (Northern Ireland) 1970, the Warrenpoint Harbour Authority Order 1971, the Warrenpoint Harbour Authority Order (Northern Ireland) 2002, and the Warrenpoint Harbour Authority Order (Northern Ireland) 2002. The nature of the entity's operations and principal activities are set out in the strategic report.

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the entity is considered to be pounds sterling as that is the currency of the primary economic environment in which it operates.

Going concern

During the year end 31 December 2022, the Port still faced Covid restrictions, followed by the Russian invasion of Ukraine, an unstable world economy and yet another suspension of the Northern Ireland Assembly & Executive. However, Members have considered this risk along with the risk of normal business activity in preparation of the financial statements on a going concern basis and despite the challenges, the Authority has continued to perform well during the year and post year end to date.

The members have a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets not in use, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Capital dredging:
25 to 35 years

Maintenance dredging:
5 to 6 years

Emergency dredging:
2 years

Buildings:
5 to 50 years

Plant and equipment:
3 to 20 years

Dock structures and excavations:
10 to 50 years

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

Assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation on these assets commences when the assets are ready for their intended use.

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

(i) Financial assets and liabilities

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

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

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

are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the entity transfers to another party substantially all of the risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

Investments

Investments comprise short term deposits held with banks and are held at fair value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment of assets

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

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

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

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

Taxation

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

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

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

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

Turnover

Turnover is the amount derived from charges to port users and from rents of property in the normal course of business.

Turnover is stated net of VAT, other sales-related taxes, and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Where a contract has been only partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Employee benefits

The defined benefit pension scheme (the Warrenpoint Harbour

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

Authority Pension and Assurance Scheme) was closed to new members on 30 April 2002 and was wound up on 4 July 2012. The defined benefit scheme was replaced on the same date by a new Group Personal Pension Scheme, a defined contribution scheme, to which the members of the defined benefits scheme were transferred.

All pension liabilities in respect of the defined benefit pension scheme have now been discharged.

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

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

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any exchange gains or losses are recognised in the profit and loss account.

Leases

As lessee

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

As lessor

Rental income from operating

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

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

Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Provisions

Provisions are recognised when a past event gives rise to a present obligation, a transfer of economic benefits is probable, and when a settlement amount can be reliably estimated.

Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are not capitalised as part of the cost of those assets. Instead, all borrowing costs are recognised as an expense in the profit or loss account in the period in which they are incurred.



2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Authority's accounting policies:

The following are the critical judgements and key sources of estimation uncertainty that have the most significant effect on the amounts disclosed in the financial statements.

Recognition and depreciation of dredging assets:

Dredging is an essential requirement of most ports whereby siltation of the channel, turning circle and berths is removed to a different location in order to keep waterways navigable by the commercial and recreational vessels that utilise the Port.

This Port currently classifies dredging under four different headings depending on the nature

and expected useful life of the dredging campaign. The useful life of the dredging campaign is monitored by continued surveying of the waterways to ascertain the rate of siltation in these areas. The economic life is deemed to have ended when a vessel can no longer safely navigate the appropriate waterway.

I. Operational dredging. This is a form of maintenance dredging required to maintain existing navigable waterways or channels. In this particular type of dredge there is usually an immediate requirement to remove siltation from a berth or waterway that has been caused by external forces such as vessel movements or extreme weather conditions. The cost of this dredge is fully charged to the profit and loss account when costs are incurred.

II. Emergency dredging. This is similar to above but the siltation rate is such that the useful economic life of the dredge is spread over two or more years. In the Port, the

deep water quays currently silt up at such a rate that there has been a requirement to dredge this area every one/two years so that it can facilitate larger commercial vessels and cruise ships.

III. Maintenance dredging. Again, this is similar to points I and II above, the main difference being a different siltation rate. In Warrenpoint Port, the first 1km of the channel including the non-deep water berths require a maintenance dredge every five to six years.

IV. Capital dredging. This is typically dredging to create a new berth or waterway or to deepen existing facilities to allow large ships access. Therefore, the depreciation rate of this type of dredge is much longer. Once the capital dredging is complete the area will usually be subject to a maintenance dredge depending again on the siltation rates of the area.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. TURNOVER

An analysis of the Authority's turnover is as follows:

	2022	2021
	£	£
Rendering of services	6,407,872	6,948,546
Rental income	115,230	106,094
	<hr/>	<hr/>
	6,523,102	7,054,640

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2022	2021
	£	£
Depreciation of tangible fixed assets (note 7)	1,779,214	2,093,713
Amortisation of grants on tangible fixed assets (note 13)	(810,345)	(854,888)
Foreign exchange gain	(540)	183
Profit on disposal of fixed assets	(5,500)	-
Operating lease rentals	10,347	9,880

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

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	12,500	12,000
	<hr/>	<hr/>
Total audit fees	12,500	12,000
	<hr/>	<hr/>
Taxation compliance services	8,000	7,000
	<hr/>	<hr/>
Total non-audit fees	8,000	7,000

5. EMPLOYEE NUMBERS

The average number of employees during the year was 69 (2021: 70).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in year

	2022	2021
	£	£
Current tax:		
UK corporation tax on profits of the current year	145,322	171,752
Adjustments in respect of previous periods	(5,925)	
	<hr/>	<hr/>
Total current tax	139,397	171,752
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences (including impact of rate change)	(112,513)	253,242
	<hr/>	<hr/>
Total deferred tax charge - Note 12	(112,513)	252,242
	<hr/>	<hr/>
Tax on profit on ordinary activities	26,884	424,994

(b) Factors affecting tax charge for the year

	2022	2021
	£	£
Profit on ordinary activities before tax	507,263	728,347
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	96,380	138,386
	<hr/>	<hr/>
Effects of:		
Other expenses not deductible for tax purposes	2,481	2,995
Ineligible depreciation	(66,052)	295,252
Change in tax rate	-	-
Adjustments to tax charge in respect of previous period	(5,925)	(11,599)
	<hr/>	<hr/>
Tax charge for year	26,884	424,994

(c) Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2021: 19%). The main rate of corporation tax is due to increase from 19% to 25% from 1 April 2023 on profits over £250,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. TANGIBLE ASSETS

	Land and Buildings £	Dredging £	Dock Structures and Excavations £	Plant and Equipment £	Total £
Cost or valuation					
At 1 January 2022	12,659,472	7,015,087	27,630,375	13,520,766	60,825,700
Additions	4,017	9,335	309,173	131,469	453,994
Disposals	-	-	-	-	-
At 31 December 2022	12,663,489	7,024,422	27,939,548	13,652,235	61,279,694
Depreciation					
At 1 January 2022	6,517,174	6,170,197	13,933,117	8,772,776	35,393,264
Charge for year	208,734	75,205	809,785	685,490	1,779,214
Disposals	-	-	-	-	-
At 31 December 2022	6,725,908	6,245,402	14,742,902	9,458,266	37,172,478
Net Book Value					
At 31 December 2022	5,937,581	779,020	13,196,646	4,193,969	24,107,216
At 31 December 2021	6,142,298	844,890	13,697,258	4,747,990	25,432,436

Included in land and buildings is land with a cost of £3,348,747 (2021 - £3,348,747) in respect of which no depreciation is provided.

The net book value of land and buildings comprises freehold property of £3,707,278 (2021 - £3,707,278).

8. FINANCIAL COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Leases expiring:		
Within one year	17,015	24,842
Within one and five years	17,897	34,912

9. DEBTORS

	2022 £	2021 £
Due within one year		
Trade debtors	1,217,370	1,198,141
VAT	15,143	51,607
Prepayments and accrued income	237,144	207,074
Amounts receivable under finance leases	270,969	264,681
	1,740,626	1,721,503
Due greater than one year		
Amounts receivable under finance leases	925,280	1,200,772
	925,280	1,200,772
Finance Lease receivables		
	Minimum lease payments	
	2022	2021
	£	£
Amounts receivable under finance leases:		
Within one year	283,588	280,780
In the second to fifth years inclusive	941,668	1,151,480
After five years	-	73,776
Less: unearned finance income	(29,007)	(40,583)
Present value of minimum lease payments receivable	1,196,249	1,465,453
	Present value of minimum lease payments	
	2022	2021
	£	£
Amounts receivable under finance leases:		
Within one year	270,969	264,681
In the second to fifth years inclusive	925,280	1,121,892
After five years	-	78,880
Present value of minimum lease payments receivable	1,196,249	1,465,453
Analysed as:		
Non-current finance lease receivables (recoverable after 12 months)	925,280	1,200,772
Current finance lease receivables (recoverable within 12 months)	270,969	264,681
Present value of minimum lease payments receivable	1,196,249	1,465,453

The authority has entered into finance lease arrangements for certain installations on the harbour site. The term of the finance lease is 10 years and no value has been placed on the unguaranteed residual values of the leased assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Loan from Dfl	446,391	437,507
Trade creditors	186,234	404,713
Corporation tax	188,230	138,214
Other taxation and social security	38,356	83,806
Accruals & deferred income	870,899	1,035,481
	<u>1,730,110</u>	<u>2,099,721</u>

11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Loan from Dfl	2,275,145	2,725,955
Accruals & deferred income	305,974	403,389
Grants	12,878,181	13,688,526
	<u>15,459,300</u>	<u>16,817,870</u>

Borrowings are repayable as follows:

	2022	2021
	£	£
Loan from Dfl		
Between one and two years	446,391	446,391
Between two and five years	1,394,296	1,231,886
After 5 years	443,342	1,047,678
	<u>437,507</u>	<u>437,507</u>
On demand or within one year		
	<u>2,721,536</u>	<u>3,163,462</u>

Interest is payable on the loans at rates of between 2.01% and 2.04% on the principal amount.

12. DEFERRED TAX

Deferred tax is provided as follows:

	2022	2021
	£	£
Accelerated capital allowances	1,016,943	1,134,172
Other timing differences	-	(4,716)
	<u>1,016,943</u>	<u>1,129,456</u>
Deferred Tax		
Provision at start of year	1,129,456	876,214
Adjustment in respect of prior years	-	-
Deferred tax charge to income statement for the period	(112,513)	253,242
	<u>1,016,943</u>	<u>1,129,456</u>
Provision at end of year		

13. ERDF AND OTHER GRANTS

	2022	2021
	£	£
At start of year	13,688,526	13,043,414
Grants received in the year	-	1,500,000
Released to profit and loss account	(810,345)	(854,888)
	<u>12,878,181</u>	<u>13,688,526</u>
At end of year		

14. INVESTMENT IN SUBSIDIARIES

The Authority holds two ordinary £1 shares, not yet paid, representing a 100% holding in Warrenpoint Bulk Liquid Storage Co. Limited, a dormant company, registered in the United Kingdom. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

The Authority also holds two ordinary £1 shares, not yet paid, representing a 100% holding in Warrenpoint Harbour Authority Marina Limited, a dormant company, registered in the United Kingdom. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

15. PENSION SCHEMES

The Authority operates defined contribution schemes for all staff. The total expense charged to profit or loss in the year ended 31 December 2022 was £158,758 (2021: £151,907).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. CASH FLOW STATEMENT

(i) RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	2022	2021
	£	£
Operating profit	507,263	728,347
Adjustment for		
Depreciation charges (net of grant release)	968,869	1,238,825
Profit on sale of tangible fixed assets	(5,500)	-
Corporation tax paid	187,047	58,552
	<hr/>	<hr/>
Operating cash flow before movement in working capital	1,657,679	2,025,724
Decrease/(Increase) in stocks	707	6,437
Decrease/(Increase) in debtors	(17,235)	398,350
Increase/(Decrease) in creditors	(525,926)	421,572
	<hr/>	<hr/>
Cash generated by operations	1,115,225	2,852,083

17. CONTINGENT LIABILITY

Government Grant

It is a condition upon which grants are paid that the fixed infrastructure assets to which they relate remain in use by Warrenpoint Harbour Authority for periods which reflect their economic life. In the event that either of these conditions is breached, a liability to repay any or all of the grants will arise.

18. FINANCIAL INSTRUMENTS

a) Overview

This note provides details of the entity's financial instruments.

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

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

b) Categories and carrying value of financial instruments

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

	2022	2021
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	1,217,370	1,198,141
Debt instruments measured at amortised cost		
Finance leases	1,196,249	1,465,453
Total interest income for financial assets at amortised cost	49,221	19,576
Financial liabilities		
Measured at amortised cost		
Loans payable	2,721,536	3,163,462
Measured at undiscounted amount payable		
Trade and other creditors	956,527	1,343,492

c) Credit risk management

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

d) Liquidity risk management

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

19. RELATED PARTY TRANSACTIONS

All board members 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 £636,060 (2021: £567,850), included in these figures is a combined remuneration package in total of £84,180 (2021: £76,277) for the non-executive members of the Board.

20. CAPITAL COMMITMENTS

The company had capital commitments for plant and machinery for the acquisition of assets of £806,625.





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