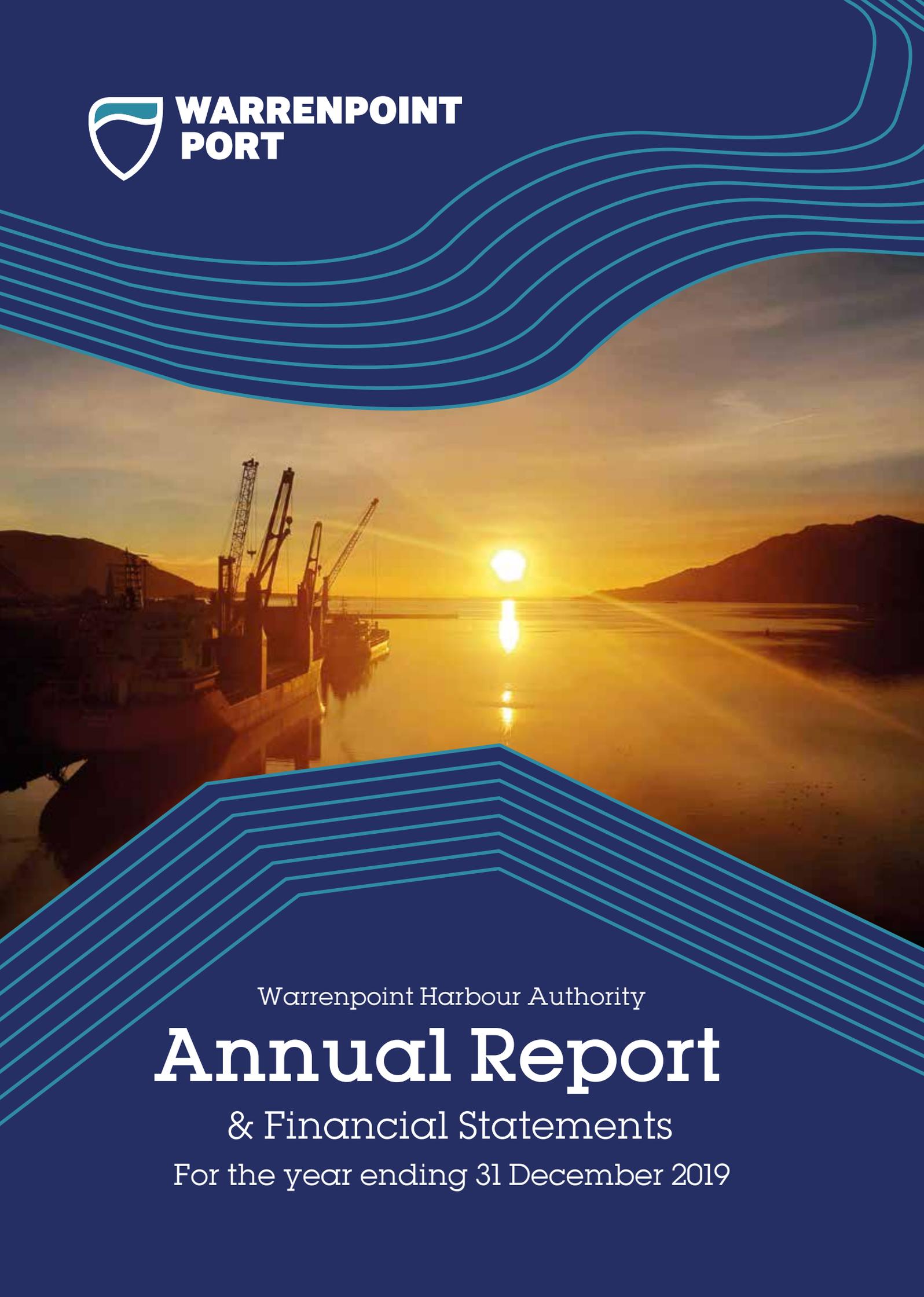




**WARRENPOINT
PORT**



Warrenpoint Harbour Authority

Annual Report

& Financial Statements

For the year ending 31 December 2019

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Senior Management

Chief Executive	D Holmes
Finance Director	K Grant, FCMA
Head of Engineering & Estate	E O Mahony
Harbour Master	Michael Young
Operations Manager	I Taylor
Health, Safety & Environmental Manager	T Rodgers

Warrenpoint Harbour Authority

Members

S McIlvenny OBE (Chairman)

D Holmes (Chief Executive)
Appointed 9th August 2019

K Grant (Finance Director)

Cllr. G Hanna

Cllr. C Mason
Appointed 1st March 2020

Cllr. K McKeivitt
Appointed 1st March 2020

G Donaghy
Appointed 1st December 2019

D Gray
Appointed 1st December 2019

R Johnston

D Sagar

Cllr. S Doran
Term completed 29th February 2020

Cllr. G Fitzpatrick
Term completed 1st May 2019

T Haslett CBE
Term completed 30th November 2019

A Stephens
Term completed 30th November 2019

C Guinness
Resigned as Chief Executive 8th August 2019

Professional Advisers

Bankers	Ulster Bank Limited
Independent Auditor	Deloitte (NI) Limited, Belfast
Solicitors	Mills Selig

Chairman's statement

This year, the financial performance was mixed with a significant 40% increase in containers, 6.3% in ro-ro freight and a small decrease in bulk and breakbulk commodity worked. Overall tonnage handled was marginally down by 3.4%. Warrenpoint Harbour Authority's (WHA) cargo volume represents circa 12% of Northern Ireland ports' activity. Of total tonnage, approximately 45% was export and 55% was import.

Income for the period was £5,999,416, a 1.7% decrease on the previous year. Exceptional site re-organisation costs of £880K significantly impacted the business resulting in an after tax loss of £578,878.

2019 was an important year for the Authority with considerable progress in the outworking of the strategic plan. This culminated in £2.7m of capital expenditure consisting of: two cranes refurbished, new forklift trucks and bobcats purchased, computer system upgraded, refurbishment of the Town Dock office and staff canteen, and purchase of modular office space to accommodate Shipping Agents.

Warrenpoint Harbour Authority is an edge of town facility which has limited operational space and little opportunity to acquire additional land, therefore making efficient use of existing land a strategic imperative. I am pleased to announce that the demolition of redundant buildings has given a significant increase in productive operational space.

The year saw some personnel changes with the Chief Executive Clare Guinness leaving to take up a position in London. I would like to express my thanks to Clare for her exceptional contribution to the organisation during her time here.

In August I was delighted to welcome David Holmes as Chief Executive Officer. David joins us with a wealth of experience gained in the fast moving consumer goods

industry where he was Operations Director. David's skills and his fresh perspective will be invaluable in delivering the strategic plan and implementing change to modernise WHA for the 21st century.

During the year three members of the Board stood down; Gillian Fitzpatrick, a local council representative did not stand for re-election, Trevor Haslett CBE and Alan Stephens, both of whose terms of office expired. WHA is a valuable regional asset serving the island of Ireland and it is overseen by Board members who have a responsibility to safeguard it for succeeding generations; I would like to thank all three retiring individuals for their invaluable contribution.

WHA is a trust port, a model which is both longstanding and unique. Trust ports are independent organisations that operate commercially without government revenue support and are accountable to stakeholders including port users, local communities and Government. These responsibilities permeate our strategic plan and direction including how business is conducted. WHA is currently involved in a wide range of community initiatives including the supply of a water fountain for a local school, support for Warrenpoint Community Centre events and support for Arbour House respite initiatives.

The shipping and stevedoring industries have demanding expectations of WHA and we are determined to provide flexible and innovative solutions to address our customer needs, as finances permit.

WHA understands that a detailed engineering study regarding the preferred route for the southern relief road is underway and we look forward to its construction. The board decided that dredging will be undertaken annually in future, to provide greater certainty regarding water depth despite such activity being capital intensive.

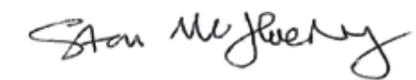
The General Election of December 2019, resulted in a

majority government which created certainty regarding one aspect of Brexit i.e. the date on which the United Kingdom will exit the European Union. What is now required is clarity around customs arrangements both east/west and north/south in order to ensure continuity of trading.

At the time of writing this report, we continue to closely monitor the Coronavirus outbreak, with particular regard to the well-being of our colleagues. We are continuing to assess the potential impacts on the business and the subsequent mitigating actions.

It is an honour to be Chairman of an organisation whose management and employees are dedicated and professional, and who make WHA a great port serving the local economy and the region.

I am, as always, very grateful for the much considered input and support from fellow directors.



Stan McIlvenny OBE
Chairman

Warrenpoint Harbour Authority

“2019 was an important year for the Authority with considerable progress in the outworking of the strategic plan.”



Strategic report

As a trust port, Warrenpoint Harbour Authority is not bound by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. However, consistent with corporate entities of a similar size to the Harbour, the Members have adopted the main provisions of the Act and therefore present a Strategic Report.

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

Strategy update

Current and future developments

Masterplan goals of optimising Port space were significantly progressed during 2019 with the Six Acre Project initiated in December. As the Project title denotes, on completion this initiative will create approximately 10% of new operational footprint whilst simultaneously addressing and improving : the asbestos site register with not fit for purpose building demolition ; traffic management

with road realignment, and operational ergonomics with quayside clearance. Substantial write-down costs of £570k were incurred as a result of demolishing the not fit for purpose buildings. The new trailer park was commissioned in July.

Newly leased forklift fleet arrived toward the end of the second quarter and have supported operational efficiencies. The new and refurbished cranes continue to perform well also. The P&L impact of depreciation and new leasing costs year on year at £261k has been significant but consistent with the Port achieving world class service levels these investments are necessary.

Total site re-organisation costs have amounted to £880k and whilst this has adversely transformed year on year profitability, it essentially positions the Port with considerably more flexibility toward meeting the demands of its current and future customers. The £2.7m capital investment likewise underpins that strategy.

Development of Ireland's only CO2 distribution centre continues and (Covid 19 notwithstanding) is due for construction completion during 2020. The stainless steel holding tanks were delivered by sea to the Port in November.

Refurbishment of Town Dock House was completed in October and this serves to better integrate the Port with the local community as well as provide an outstanding picturesque meeting venue for existing and potential customers. The Community Fund proved popular to such an extent that it was depleted by the end of Quarter Three and subject to Trading Performance we look forward to releasing further funds in 2020.

Development options presented in the Masterplan are not a prescriptive menu of developments that will be carried out in Warrenpoint Port, but a set of possible options for development that will depend on demand and capacity and will remain subject to securing relevant planning and other necessary consents. A fundamental Masterplan review ought to be completed 10-yearly.

The Port has begun to explore the concept of Free Port and how that might fit with the Warrenpoint and Newry business and local communities.

Risk and uncertainties

Economic & Brexit

Despite the tumultuous uncertainty pertaining to Brexit for much of the year which carries on into 2020 in the absence of an Irish Protocol coupled with the absence of an NI Executive, the NI Economy was remarkably resilient.

The Port has sustained for the 4th year in a row, volumes in and around the 3.6m tonne mark, demonstrating its readiness for further expansion. Whilst the whole island including Warrenpoint Port experienced a significant decline in animal feeds due to the previous unseasonably

“*Refurbishment of Town Dock House was completed in October and this serves to better integrate the Port with the local community*”

kind winter, all other cargos held up well.

Inordinate time however has been spent on trying to prepare for and understand an unspecified EU Exit. The Port remains committed to frictionless trade and continuation of open market access not only in pursuit of its own business objectives, but in the wider economic interests of the region we serve.

Covid 19 which was little more than a far flung whisper at the end of 2019 threatens to redefine all of the Port's current economic assumptions. In liaising with Government more recently on Covid 19, the Port continues to stress the importance of making clear the Irish Protocol so where strategic goals are redrawn because of Covid that they can then at least dovetail with the 2021 EU Exit. This all remains unacceptably uncertain.

Immediate Covid focus is on protecting the wellbeing of our employees whilst keeping the Port open for business as an essential component of the island's supply chain enjoying designated key worker status.

“*Masterplan goals of optimising Port space were significantly progressed during 2019*”



Recent investment in plant and equipment and the outcomes of the Six Acre Project all serve to maximise Port flexibility, enabling the Port to remain adaptable at these exceptionally uncertain times. Warrenpoint Port is open for business.

The proposed Southern Relief Road remains in the port's opinion highly advantageous to both the local communities and the Port.

Health, safety & environmental

Transformational Health & Safety investment was facilitated by the DfI assisted Six Acre Project under the direction of the new CEO who joined in August. New eyes also adopted an innovative training approach set to conclude in early 2020 with the Port's own Trained Trainers and a newly crafted - and as yet unique to Warrenpoint - Port H&S credential syllabus equivalent to the Construction Industry's Labouring Card for roll-out in 2020. Major improvements have also been made to Traffic Management within the Port. With the appointment of a H&S&E Manager in 2018, Environmental audits by various governing bodies remained compliant throughout the year.

In July it is with deep regret that the Port can confirm it suffered the tragic loss of one of its employees. This continues to be reviewed and investigated by the relevant statutory bodies. Our deepest condolences remain extended to the deceased's family.

Environmental initiatives have extended to working collaboratively with a local environmental group to plant an additional 300 saplings and triggering of initial solar energy / renewable energy assessments.

Additionally the first Port electric vehicle was ordered.

Dredging

Routinely scheduled hydrographic surveys are now digitally visualised to support Harbour Master analysis and support the Port's technological journey toward the future. Dredging remains a huge but necessary expense and the Port continues to investigate potential strategies to alleviate same to maintain safe navigation and Port access.

Funding

The Port benefited from a competitive tender-led EU Exit led DfI funding scheme that covered 80% of the Six Acre Project excluding write-down costs. This substantial capital expenditure programme will ultimately benefit the regional economy both during and post-completion.

Corporate governance

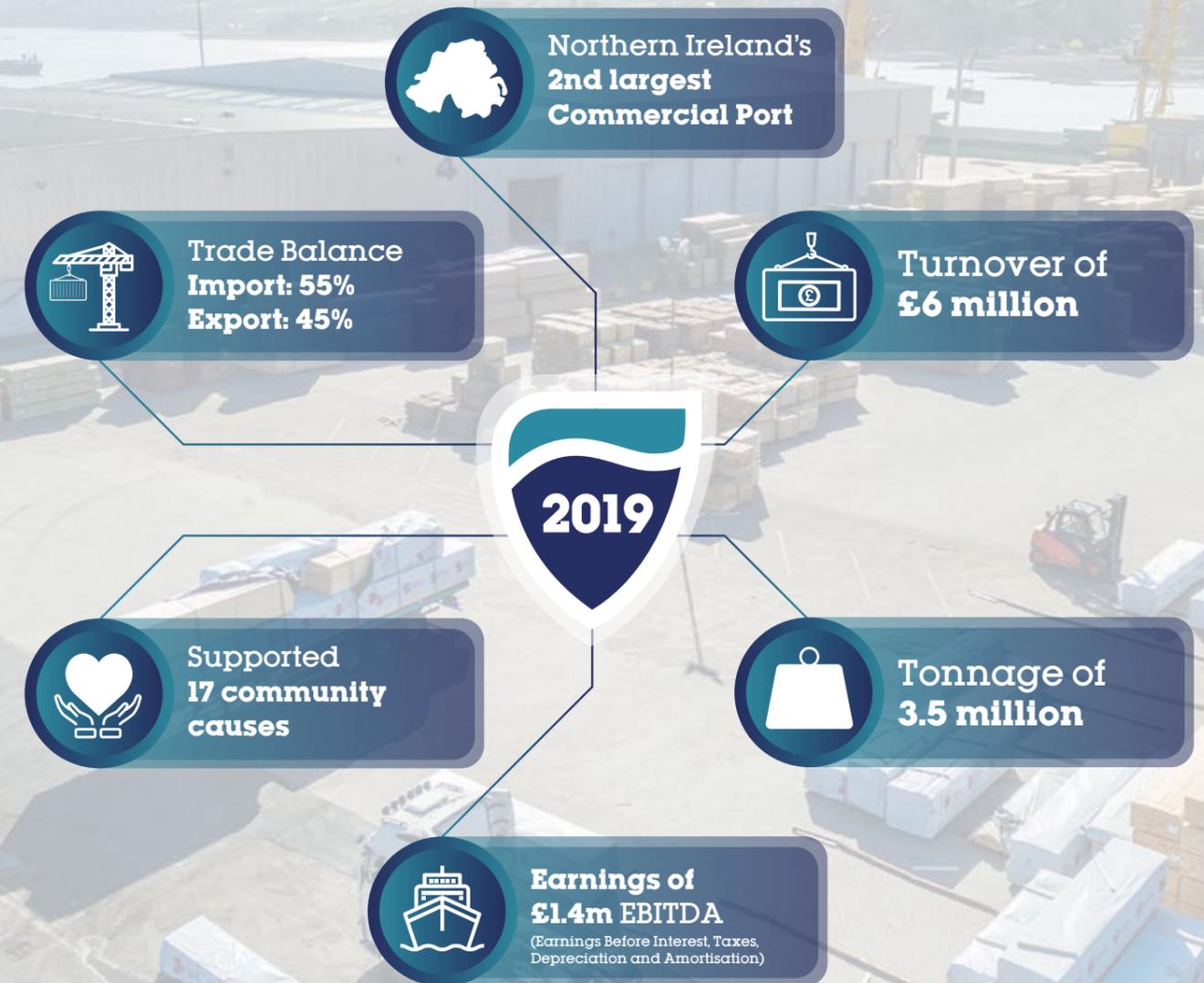
As a Trust Port and like other Trust Ports across the UK it is not owned by Government but operates autonomously and with a degree of public accountability and a strong public interest ethos. The Port is required to operate in a commercial manner and is an independent statutory body governed by its own 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) 2012. The Board is comprised of a Chairman, seven board members including three local councillors and two members of the executive team.

Approved by the Members on 28th May 2020 and signed on behalf of the Members



David Holmes
Chief Executive
Warrenpoint Harbour Authority

Warrenpoint Port by numbers



Chief Executive's report

Trading

Warrenpoint achieved Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of £1.4m (2018: £1.8m) on Turnover of £5.99million (2018 : 6.1m) and throughput tonnages of 3.5million tonnes (2018: 3.6m).

In a year of significant upheaval for the Port with major investment, the unseasonably kind 2019 winter depressed island-wide imported animal feed consumption impacting on turnover.

The overall balance of trade at 45% export and 55% import remains a strategically important feature to the regional economy and substantiates the Port's pivotal role in the supply chain.

Warrenpoint Harbour has a significant direct economic impact, generating £3.8million of GVA (total economic impact £9.6m), 68 full-time equivalent jobs (total economic impact 190 jobs), and £2.5million of earnings in 2019.

The full underlying trading impact of Covid 19 is yet to be established, but between Covid 19 and the EU Exit, Warrenpoint Harbour flexibility will remain key to shorter-term future trading successes.

Corporate services

The Port remains compliant with and committed to the Port Marine Safety Code (PMSC) and continues to liaise with external expertise.

Going concern

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.

The outcome of Brexit remains a source of continued uncertainty and the Members have considered this risk along with the risk of normal business activity in preparation of the financial statements on a going concern basis. The outbreak of coronavirus and the impact on the business given the economic uncertainty has also been considered.

By way of background, the Authority's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's, Chief Executive's and Strategic Reports.

Using this information, the Members consider that:

- The Regional Development Strategy has highlighted the strategic importance of Northern Irish ports. The port has consolidated its position as the second only to Belfast by tonnage.
- The Authority'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 Authority has diversified income streams and will continue to do so wherever possible. The completion of the long-term CO2 facility deal is an example of same.
- The Authority has treasury and cash management procedures and policies in place to manage its finances effectively and efficiently.
- The Authority is able to make day-to-day decisions regarding its working capital based on up-to-date financial reports and analysis



- The Authority use 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 the 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 2019 are set out in detail on page 18. The loss after tax for the year is £577,899 (2018: profit after tax of £683,678).

Members

S McIlvenny OBE (Chairman)

D Holmes (Chief Executive)

K Grant (Finance Director)

Cllr. G Hanna

Cllr. C Mason

Cllr. K McKeivitt

G Donaghy

D Gray

R Johnston

D Sagar

Approved by the Board on 28th May 2020 and signed on behalf of the Board

David Holmes
Chief Executive
Warrenpoint Harbour Authority

Warrenpoint Port in our community

Over the course of the 2019 calendar year Warrenpoint Port supported the following charities and community groups, also playing an active part in business organisations to promote the Port's values and support its position as an economic driver.



Warrenpoint Port donated timber to the Rostrevor Men's Shed in 2019



Southern Area Hospice Services receives a donation from Warrenpoint Port following 2019's fundraising efforts



Best Business in the Community 2019

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 that he / she ought to have taken as a Member in order to make himself / 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 28th May 2020 and signed on behalf of the Members

David Holmes
Chief Executive
Warrenpoint Harbour Authority

Independent auditor's report to the Members of Warrenpoint Harbour Authority

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Warrenpoint Harbour Authority affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

We have audited the financial statements of Warrenpoint Harbour Authority 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
- the related notes 1 to 20.

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

Basis for opinion

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

We are independent of the Warrenpoint Harbour Authority 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the Members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements

and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of Members

As explained more fully in the Statement of Members' responsibilities, 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 Warrenpoint Harbour Authority'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 Warrenpoint Harbour Authority

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

Independent auditor's report to the Members of Warrenpoint Harbour Authority

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Use of our report

This report is made solely to the 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 Authority'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 Warrenpoint Harbour Authority as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters

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

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

Matters on which we are required to report by exception

We are required 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

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Deloitte (NI) Limited

Deloitte (NI) Limited
Statutory Auditor
Belfast, United Kingdom



Warrenpoint Port joined with our community in celebrating frontline workers during the Covid 19 pandemic

Profit and loss account For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	5,999,416	6,104,422
Site reorganisation costs		(879,689)	-
Other operating expenses		(5,529,549)	(5,235,069)
Total operating expenses		(6,409,238)	(5,235,069)
Operating (loss)/profit		(409,822)	869,353
Investment income - interest receivable		26,513	10,730
Interest payable		(81,048)	(56,727)
Other finance income		26,536	30,016
(Loss)/profit on ordinary activities before taxation	4	(437,821)	853,372
Tax charge on (loss)/profit on ordinary activities	6	(140,078)	(169,694)
(Loss)/profit for the financial year		(577,899)	683,678

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

Statement of comprehensive income For the year ended 31 December 2019

	Note	2019 £	2018 £
(Loss)/profit for the financial year	Above	(577,899)	683,678
Other comprehensive income		-	-
Total comprehensive income		(577,899)	683,678

Balance sheet At 31 December 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	7	26,080,997	26,514,178
Current assets			
Stocks		39,088	28,172
Debtors: due within one year	9	1,634,250	1,893,277
Debtors: due after one year	9	1,723,875	1,978,818
Investments		1,518,659	3,500,000
Cash at bank and in hand		1,667,138	725,579
		6,583,010	8,125,846
Creditors - Amounts falling due within one year	10	(1,865,172)	(1,525,859)
Net current assets		4,717,838	6,599,987
Total assets less current liabilities		30,798,835	33,114,165
Creditors - Amounts falling due after more than one year	11	(16,787,949)	(18,732,286)
Provisions for liabilities & charges			
Deferred taxation	12	(624,190)	(417,284)
Net Assets		13,386,696	13,964,595
Reserves		13,386,696	13,964,595

The financial statements of Warrenpoint Harbour Authority were approved by the Members and authorised for issue on 28th May 2020 They were signed on its behalf by:



David Holmes
Chief Executive
Warrenpoint Harbour Authority



Stan McIlvenny OBE
Chairman
Warrenpoint Harbour Authority

Statement of changes in equity As at 31 December 2019

	Reserves £	Total £
At 1 January 2018	13,280,917	13,280,917
Total comprehensive income	683,678	683,678
At 31 December 2018	13,964,595	13,964,595
At 1 January 2019	13,964,595	13,964,595
Total comprehensive income	(577,899)	(577,899)
At 31 December 2019	13,386,696	13,386,696

Cash flow statement For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash generated by operations	16	1,534,431	1,499,827
Cash flows from investing activities			
Purchase of equipment		(2,254,559)	(3,156,456)
Proceeds from sale of equipment		(5,020)	1,167
Interest paid		(86,328)	(34,335)
Investment income received		26,513	10,730
Finance lease receipts		278,000	272,600
Net cash flows from investing activities		(2,041,394)	(2,906,294)
Cash flows from financing activities			
Repayment of borrowings		(532,819)	(252,150)
New loan raised		-	3,000,000
Net cash flows from financing activities		(532,819)	2,747,850
Net (decrease)/increase in cash and cash equivalents		(1,039,782)	1,341,383
Cash and cash equivalents at beginning of year		4,225,579	2,884,196
Cash and cash equivalents at end of year		3,185,797	4,225,579
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		1,667,138	725,579
Cash equivalents		1,518,659	3,500,000
		3,185,797	4,225,579

Notes to financial statements Year ended 31 December 2019

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 on pages 6 to 8.

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

The outcome of Brexit remains a source of continued uncertainty and the Members have considered this risk along with the risk of normal business activity in preparation of the financial statements on a going concern basis. The outbreak of coronavirus and the impact on the business given the economic uncertainty has also been considered.

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.

Notes to financial statements (continued)

Year ended 31 December 2019

(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.

Notes to financial statements (continued)

Year ended 31 December 2019

Employee benefits

The defined benefit pension scheme (the Warrenpoint Harbour 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 profit or loss in the period in which they are incurred.

2. Critical accounting judgements and key sources of estimation uncertainty

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 vessel 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.

1. 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.
2. 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.

3. Maintenance dredging. Again this is similar to points 1 and 2 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.
4. 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)

Year ended 31 December 2019

3. Turnover

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

	2019	2018
	£	£
Rendering of services	5,908,116	5,983,580
Rental income	91,300	120,842
	<u>5,999,416</u>	<u>6,104,422</u>

4. Profit on ordinary activities before taxation

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

	2019	2018
	£	£
Depreciation of tangible fixed assets (note 7)	3,119,452	1,737,632
Amortisation of grants on tangible fixed assets (note 13)	(1,380,862)	(711,255)
Exceptional site reorganisation costs	879,689	-
Foreign exchange loss/(gain)	(98)	705
Profit/(loss) on disposal of fixed assets	(5,020)	1,167
Operating lease rentals	6,811	6,106
	<u>6,811</u>	<u>6,106</u>

Site reorganisation costs of £879,689 comprise demolition and write down of building costs (£570,377); investment in cranes & forklifts (£261,148) and accelerated dredging depreciation charges (£48,164)

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

	2019	2018
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>15,250</u>	<u>14,900</u>
Total audit fees	15,250	14,900
Taxation compliance services	4,750	8,250
Total non-audit fees	<u>4,750</u>	<u>8,250</u>

5. Employee numbers

The average number of employees during the year was 68 (2018: 66).

6. Tax on profit on ordinary activities

(a) Analysis of charge in year	2019	2018
	£	£
Current tax:		
UK corporation tax on profits of the current year	(67,475)	114,021
Adjustments in respect of previous periods	645	(16,349)
Total current tax	<u>(66,830)</u>	<u>97,672</u>
Deferred tax:		
Origination and reversal of timing differences (including impact of rate change)	228,254	80,827
Effect of decrease in tax rate	2,680	(297)
Adjustments in respect of previous periods	(24,026)	(8,508)
Total deferred tax charge – Note 12	<u>206,908</u>	<u>72,022</u>
Tax on profit on ordinary activities	<u>140,078</u>	<u>169,694</u>
(b) Factors affecting tax charge for the year	2019	2018
	£	£
Profit on ordinary activities before tax	<u>(437,821)</u>	<u>853,372</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(83,185)	162,141
Effects of:		
Other expenses not deductible for tax purposes	25,027	2,917
Ineligible depreciation	218,920	29,790
Change in tax rate	(24,026)	(8,508)
Adjustments to tax charge in respect of previous periods	3,342	(16,646)
Tax charge for year	<u>140,078</u>	<u>169,694</u>
(c) Factors that may affect future tax charges		

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2018: 19%). The applicable tax rate has changed following substantive enactment of the Finance (No 2) Act 2015, which provided for the reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and the substantive enactment of the Finance Act 2016, which provided for the reduction in the main rate of corporation tax from 19% to 17% on 1 April 2020. This will affect the future tax charge of Warrenpoint Harbour Authority. It is not expected this rate reduction will have a material impact on Warrenpoint Harbour Authority.

Notes to financial statements (continued)

Year ended 31 December 2019

7. Tangible assets

	Land and Buildings £	Dredging £	Dock Structures and Excavations £	Plant and Equipment £	Total £
Cost or valuation					
At 1 January 2019	13,872,096	8,494,506	24,310,595	13,117,855	59,795,052
Additions	725,663	-	917,656	1,058,939	2,702,258
Disposals	(2,049,151)	(1,265,576)	-	(522,658)	(3,837,385)
At 31 December 2019	12,548,608	7,228,930	25,228,251	13,654,136	58,659,925
Depreciation					
At 1 January 2019	(6,670,618)	(6,580,644)	(11,664,925)	(8,364,687)	(33,280,874)
Charge for year	(1,475,862)	(391,663)	(652,098)	(599,830)	(3,119,453)
Disposals	2,049,151	1,265,576	-	506,672	3,821,399
At 31 December 2019	(6,097,329)	(5,706,731)	(12,317,023)	(8,457,845)	(32,578,928)
Net Book Value					
At 31 December 2019	6,451,279	1,522,199	12,911,228	5,196,291	26,080,997
At 31 December 2018	7,201,478	1,913,862	12,645,670	4,753,168	26,514,178

Included in land and buildings is land with a cost of £ 3,348,747 (2018 - £3,348,747) in respect of which no depreciation is provided.

The net book value of land and buildings comprises freehold property £4,262,317 (2018 - £3,852,731) and short leasehold property £nil (2018 - £nil).

8. Financial commitments

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

	2019 £	2018 £
Leases expiring:		
Within one year	-	-
Within one and five years	8,173	14,189
After five years	-	-

9. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	918,328	1,435,849
VAT	154,796	67,858
Corporation Tax Debtor	67,475	-
Prepayments and accrued income	238,707	138,106
Amounts receivable under finance leases	254,944	251,464
	1,634,250	1,893,277
Due greater than one year		
Amounts receivable under finance leases	1,723,875	1,978,818
	3,268,585	3,872,095
Finance Lease receivables	Minimum lease payments	2018
	2019	2018
	£	£
Amounts receivable under finance leases:		
Within one year	278,000	278,000
In the second to fifth years inclusive	1,126,686	1,118,971
After five years	662,441	938,789
Less: unearned finance income	(88,308)	(105,477)
Present value of minimum lease payments receivable	1,978,819	2,230,283
Present value of minimum lease payments	2019	2018
	£	£
Amounts receivable under finance leases:		
Within one year	254,944	251,464
In the second to fifth years inclusive	1,069,264	1,047,629
After five years	654,611	931,189
Present value of minimum lease payments receivable	1,978,819	2,230,282
Analysed as:		
Non-current finance lease receivables (recoverable after 12 months)	1,723,875	1,978,818
Current finance lease receivables (recoverable within 12 months)	254,944	251,464
Present value of minimum lease payments receivable	1,978,819	2,230,282

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)

Year ended 31 December 2019

10. Creditors - Amounts falling due within one year

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

	2019	2018
	£	£
Loan from Dfl	424,513	532,819
Trade creditors	434,987	390,400
Corporation tax	-	114,021
Other taxation and social security	63,802	70,557
Accruals & deferred income	941,870	418,062
	<u>1,865,172</u>	<u>1,525,859</u>

11. Creditors - Amounts falling due after more than one year

	2019	2018
	£	£
Loan from Dfl	3,383,272	3,807,784
Accruals & deferred income	741,790	880,753
Grants	12,662,887	14,043,749
	<u>16,787,949</u>	<u>18,732,286</u>

Borrowings are repayable as follows:

	2019	2018
	£	£
Loan from Dfl		
Between one and two years	433,132	424,513
Between two and five years	1,352,883	1,325,960
After 5 years	1,597,256	2,057,312
	<u>424,513</u>	<u>532,819</u>
On demand or within one year	3,807,784	4,340,604
	<u>3,807,784</u>	<u>4,340,604</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:

	2019	2018
	£	£
Accelerated capital allowances	626,666	420,119
Other timing differences	(2,476)	(2,835)
	<u>624,190</u>	<u>417,284</u>
Provision at start of year	417,284	345,262
Adjustment in respect of prior years	2,680	(297)
Deferred tax charge to income statement for the period	204,226	72,319
	<u>624,190</u>	<u>417,284</u>
Provision at end of year	624,190	417,284

13. ERDF and other grants

	2019	2018
	£	£
At start of year	14,073,749	14,755,004
Released to profit and loss account	(1,380,862)	(711,255)
	<u>12,662,887</u>	<u>14,043,749</u>
At end of year	12,662,887	14,043,749

14. Investments 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 2019 was £122,107 (2018: £129,588).

Notes to financial statements (continued)

Year ended 31 December 2019

16. Cash flow statement

(i) Reconciliation of operating profit to cash generated by operations

	2019	2018
	£	£
Operating profit/(Loss)	(409,822)	869,353
Adjustment for		
Depreciation charges (net of grant release)	1,738,590	1,026,376
(Loss)/Profit on sale of tangible fixed assets	21,005	(1,167)
Corporation tax paid	(114,663)	(178,467)
	<u>1,235,110</u>	<u>1,716,095</u>
Operating cash flow before movement in working capital		
(Increase)/Decrease in stocks	(10,916)	(1,492)
(Increase)/Decrease in debtors	352,047	(237,842)
Increase/(Decrease) in creditors	(41,810)	23,066
	<u>1,534,431</u>	<u>1,499,827</u>
Cash generated by operations	1,534,431	1,499,827

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.

18. Financial instruments (continued)

b) Categories and carrying value of financial instruments

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

	2019	2018
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	918,328	1,435,849
Debt instruments measured at amortised cost		
Finance leases	1,978,819	2,230,282
Total interest income for financial assets at amortised cost	26,536	30,016
Financial liabilities		
Measured at amortised cost		
Loans payable	3,807,784	4,340,603
Measured at undiscounted amount payable		
Trade and other creditors	764,454	756,429

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.

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.

Notes to financial statements (continued) Year ended 31 December 2019

19. Related party transactions

(i) Reconciliation of operating profit to cash generated by operations

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 £ 570,642 (2018: £580,426), included in these figures is a total remuneration package of £76,206 (2018: £80,721) for the non-executive members of the Board.

20. Post balance sheet events

After the balance sheet date, we have seen macroeconomic uncertainty as a result of the coronavirus outbreak. The Authority considers this to be a non-adjusting post balance sheet event. The scale and duration of these developments remain uncertain but could affect our revenues, cash flow and financial condition. We have been implementing contingency plans to mitigate the potential adverse impact on the port's staff and operations. Immediate Covid focus is on protecting the wellbeing of our employees whilst keeping the Port open for business as an essential component of the island's supply chain enjoying designated key worker status.





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