





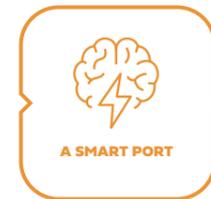
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# Chair's Statement

Without doubt, the pandemic dominated all aspects of society during 2021. Despite this challenging backdrop, I am proud to reflect upon a year of record trading at Belfast Harbour, with its diverse trading portfolio generating significant economic and social value for the region.

I was delighted to take up my role in July 2021, and I pay tribute to Dr David Dobbin for his substantial contribution during his preceding tenure as Chair. We also welcomed six new Commissioners to our Board during 2021, and I thank both our current and our recently exited Commissioners, for their hard work, commitment and diligence.



## A RESILIENT PORT

Our 2021 results once again demonstrated the resilience and ambition of Belfast Harbour and its customers. Despite the impact of Covid-19, port trade reached record levels.

As our region works to recover from the economic and societal trauma of the pandemic, Belfast Harbour's delivery of its ambitious strategic vision is playing a critical role at the heart of the city's regeneration.

Belfast Harbour's vision to become a world leading regional port and a key economic hub and iconic waterfront for the city, is well on track for delivery.

In delivering its core purpose as a trust port, Belfast Harbour is essential to the smooth running of day-to-day life in this region and is a major contributor to Northern Ireland's economy. It is notable that despite the impact of the pandemic on daily life, Belfast Harbour has continued to enhance economic activity, and to show industry leadership by adopting new smart technology and upholding the highest environmental standards as a clean, green port. 2021 was a record year for Belfast

Harbour, both in terms of port trade and wider estate activity.

This resilient trading performance across our diverse portfolio provides a strong platform for 2022, ensuring we remain a gateway to opportunity for people and communities, trade and the regional economy.

## P20

Read more about  
**our trading performance  
in 2021**

## 2021 HIGHLIGHTS

Total tonnage through Belfast Harbour reached 25.6 million tonnes for the first time, an increase of 9% on the Covid-19 impacted figures of 2020 and 5% higher than the previous record levels from 2019.

Belfast Harbour's strong performance throughout the year benefitted from an increase in global trade, the restart of domestic travel and cruise tourism and our investment in new infrastructure projects.

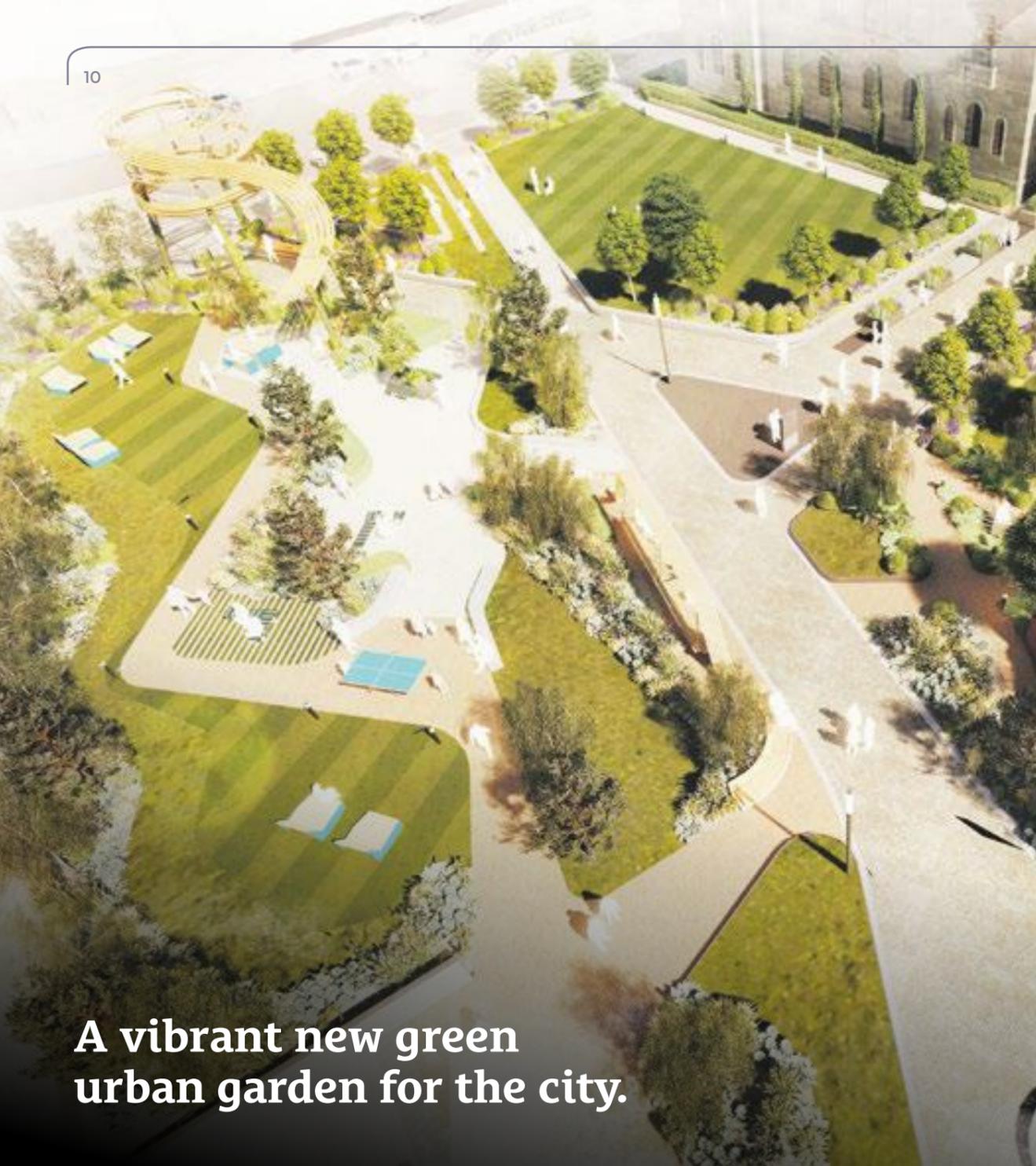
Stena Line, must be congratulated for its strong 2021 performance, with Roll-on Roll-off freight volumes rising 12% from 2020 to almost 600k freight units, following significant investment in terminals and facilities by both Stena Line and Belfast Harbour.

The overall volume of ferry passengers travelling through the Port increased by 69% year on year to almost 1.5 million people, with routes benefitting from the easing of Covid-19 travel restrictions and the growth in the 'Staycation' market.

Working closely with our partner, Visit Belfast, Belfast Harbour also welcomed 72 cruise ship calls in 2021 as cruise travel partially resumed, compared with one cruise call in the year prior, due to the pandemic.

Belfast Harbour's wider business portfolio also expanded, with a number of major investments in the Harbour Estate making significant progress in 2021, including the topping out of two landmark office projects, City Quays 3 and Olympic House, the latter of which Belfast Harbour is co-promoting with Titanic Quarter Ltd.





**A vibrant new green urban garden for the city.**

Belfast Harbour Studios had another encouraging year, which began with the first Netflix production to film in Northern Ireland. Planning permission is in place to quadruple the size of Belfast Harbour Studios as part of a significant investment in the local film industry, and we look forward to progressing this project in 2022.

Belfast Harbour was also delighted to announce plans for a multi-million-pound investment in a vibrant new green urban garden for the city. Known as City Quays Gardens, the proposed investment will develop new public space for local and visiting communities which will blend the rich industrial and maritime heritage of the area with an innovative and sustainable design.

### **A GATEWAY TO OPPORTUNITY**

As Belfast Harbour strives to grow the economy and to lead responsibly, it is committed to creating a gateway to opportunity for all communities.

As a Trust Port, delivering a positive social impact is at the centre of Belfast Harbour's decision making as it strives to develop sustainably, protect the environment and connect communities.

Through imaginative development and innovative partnerships, Belfast Harbour is transforming our city's waterfront and port.

The Harbour Estate is home to the Maritime Mile, and to much of Belfast's new and emerging Innovation District, and with its Innovation City Belfast partners, Belfast Harbour is working to create opportunities for generations to come.

The year saw Belfast Harbour highlight its commitment to the planet through the signing of a Prosperity Agreement with the Northern Ireland Environment Agency. The Agreement will see Belfast Harbour commit to reducing both CO2 emissions and waste, improving air and water quality, and enhancing both terrestrial and marine biodiversity.

Engaging with local communities, Belfast Harbour also invested close to £250,000 in strategic community partnerships, grass-roots organisations and charities across the region, including the launch of the 2021 Belfast Harbour Community Awards.

To date, projects benefitting from grants have included mental health and wellbeing programmes, community events and sports programmes, with plans in place to further extend the programme in 2022.

Belfast Harbour also announced a new partnership as the Community Outreach Partner of the Belfast Giants, working closely with the team to progress a shared commitment to inclusivity, equality and working with local communities.





## 2022 AND BEYOND

Belfast Harbour's Board remains committed to delivering on the ambitious investment plans in its long-term strategy, which has the objective of making Belfast Harbour a world-leading regional port, continuing to be a key economic hub for the region and developing an iconic waterfront for the city.

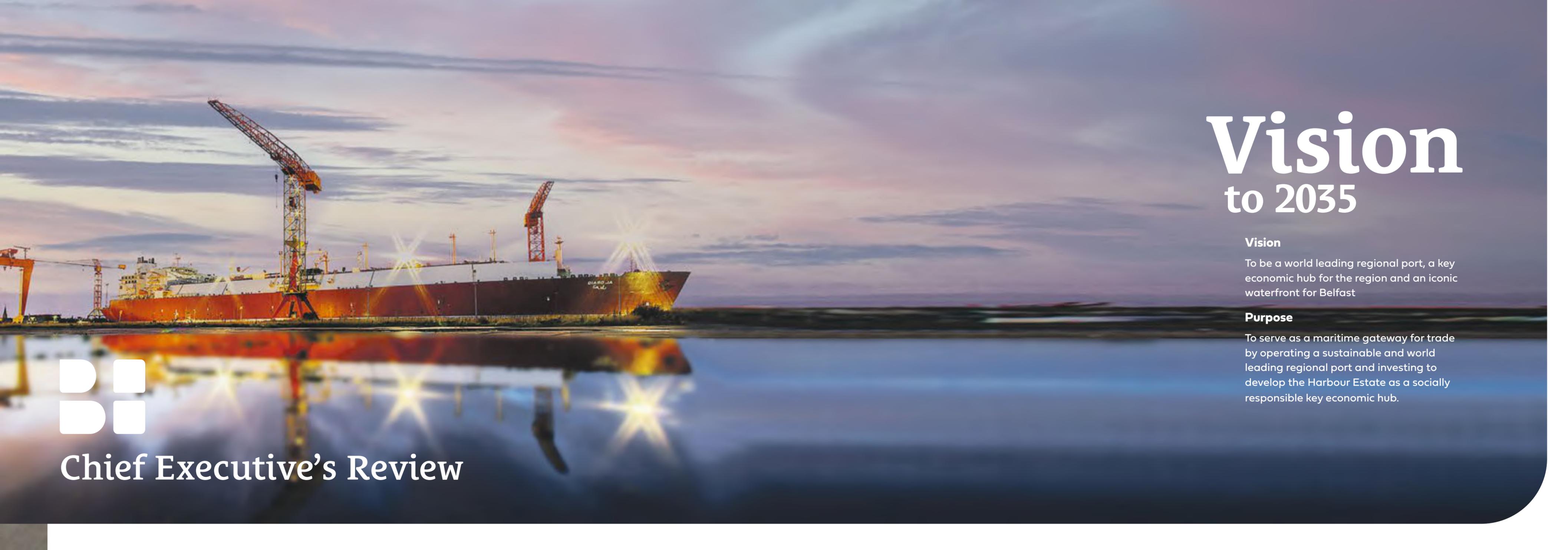
Following the United Kingdom's exit from the European Union, trade has continued to flow, with some categories recording improved trade volumes, and with some traffic diversion from Dublin port services. The outlook for 2022 is positive, but we remain mindful of the continuing risks posed by the ongoing pandemic, the global energy and supply chain challenges and related inflationary environment.

As a Trust Port, Belfast Harbour's capacity to take a long-term strategic view on investment is more relevant than ever and its

strategic partnership working and leadership role in the city is vitally important for the future of Belfast and Northern Ireland.

To conclude, I would like to place on record my thanks to the Board, and to the committed and resilient team at Belfast Harbour for their hard work and dedication during such a challenging year. I also pay sincere tribute to our customers, partners and to the wider Port and Estate community, for their tenacity, agility and determination, as together we faced the headwinds of the last 12 months. We look forward to continuing to deliver social value and economic growth for the region in 2022.

**Dr Theresa Donaldson**



# Vision to 2035

## **Vision**

To be a world leading regional port, a key economic hub for the region and an iconic waterfront for Belfast

## **Purpose**

To serve as a maritime gateway for trade by operating a sustainable and world leading regional port and investing to develop the Harbour Estate as a socially responsible key economic hub.



## Chief Executive's Review

# Chief Executive's Review

## STRATEGIC CONTENT

Belfast Harbour's diverse and resilient trading portfolio is a core organisational strength, that enables us, as a Trust Port, to add significant economic and social value to the region. As we work to deliver our strategic vision and invest in building a world leading 'Port for Everyone', we remain focused and committed to our Trust Port purpose to maintain, operate, and develop the Port.

2021 saw significant progress in delivering our 2035 vision, as we continued to invest in the infrastructure required to create a world leading regional port for the future, and a key economic hub for the region. Since 2019, we have been active in delivery of our progressive, £254m, 5-year investment programme in projects which impact and support regional economic growth. Despite the industry-wide trading



challenges of the pandemic, this capital investment programme continued, with £36.4m invested in 2021, in delivery of an innovative port infrastructure and estate development programme.

As a Trust Port, we reinvest our profits into port future-proofing projects, world class developments and public space, helping to create a gateway to opportunity for local communities and businesses and for future generations. To date we have self-funded all our investments through retained profits, however going forward, delivery of our ambitious and transformative vision may require utilisation of Belfast Harbour's borrowing powers.

Our goal to grow as a key economic hub is fast becoming a reality. Our partnership with Innovation City Belfast is just one example of how we are transforming Belfast Harbour, as we work to develop a hub for

innovation for new and future industries, like media production, medical research and cyber security.

Along our iconic waterfront, we continue to develop market leading office spaces, still much sought after by local and FDI organisations, despite the changes the pandemic has brought to office working. With planning approval in place for a significant extension to our film studios, Belfast Harbour has already played a significant part in developing the region as a recognised filming location for some of the world's biggest production brands. Bringing forward the planned expansion will only further embed this reputation.



We continue to work with our partners and to consult with local communities, as we develop and deliver sustainable transport options for our tenants and those who live, work and learn in the Estate. We are also creating new green urban spaces for all communities to enjoy, such as our new City Quays Gardens, which we hope will be open in Spring 2023.

As part of Belfast Harbour's 'port first' ethos, technical innovation supports our development as a world leading regional port, that is both agile and customer focused. In line with our Smart Port ambitions, we are committed to investing in technological innovations and leading-edge assets to deliver value and efficiency for our customers and partners. Initiatives such as our private 5G network investment, and our introduction of Smart traffic solutions within the Estate are examples of how

Smart technology can usefully enhance our offering to tenants and stakeholders. By following our Trust Port Purpose, we are committed to developing a thriving port and innovative economic hub. We take our environmental responsibilities seriously and support our partners in delivering our shared 'Green' Port ambitions. Belfast has been famed for its innovation over generations and with developments in technology and a global drive to address the climate emergency, we are well positioned to bring forward opportunities and creative thinking to drive sustainable economic growth, playing our part in building a city where people and place can thrive. Whilst Belfast Harbour is a community in itself, we look beyond our boundaries and work in close partnership with our neighbours and with the wider community. We are committed to doing business the right way and making a

positive contribution to our society, creating social value and inclusive growth for everyone in our city and wider region.

Whilst Belfast Harbour has continued on a positive trajectory with regards investment and the further development of projects, we acknowledge that the last two years have been extremely challenging for many, and we have tried to play our part in supporting our communities and partners.

Our culture and values at Belfast Harbour are core to our strategic performance and delivery. Working in close collaboration with our port and estate partners, I am proud of the resilience and commitment shown by our Belfast Harbour team, as they worked throughout 2021 to not only support our customers and tenants, but also to serve the local and regional economy.

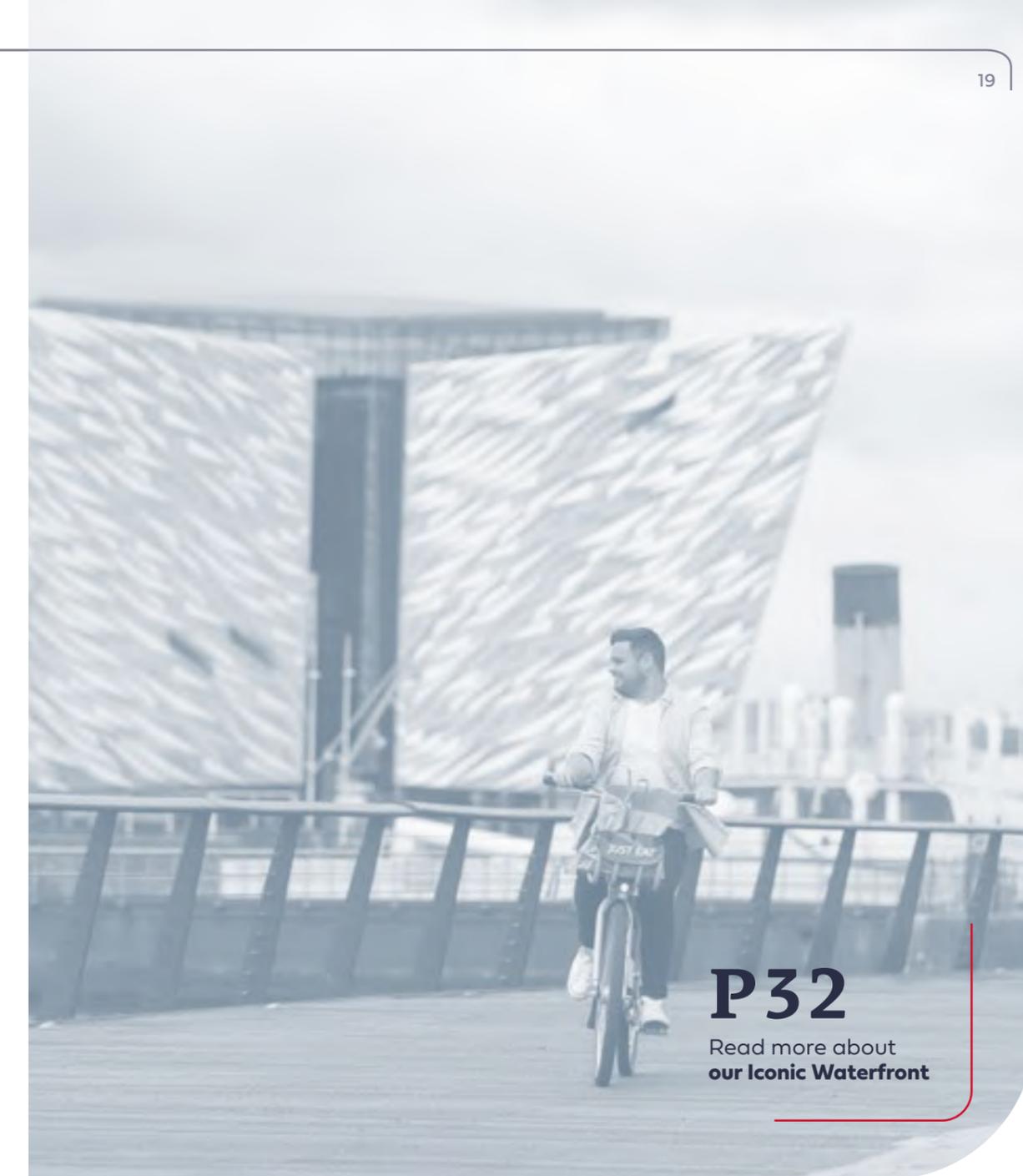


## FINANCIAL PERFORMANCE

In spite of the unprecedented challenges faced by all sectors throughout 2021, Belfast Harbour delivered a resilient financial performance, recording a Group Revenue of £73.3m. This represents an increase of £10.5m (17%) on the previous year, with the initial negative impacts of Covid-19 being substantially recovered by most trading sectors by Quarter 4.

The increase in net operating expenses of £6.3m (19%), also reflected the post Covid-19 return to normal operating cost levels across the wider business. EBITDA, at £46.2m, was 14% improved against prior year, with EBITDA margin at 63% in 2021 slightly reduced on 2020.

This very credible performance was due in no small part to the diversity of our portfolio and the tremendous response and endeavours of all our teams and partners. Underlying Profit before Tax at £34.0m was up £3.9m (14%) against prior year. Net Assets increased by £23m (4%) to £549m reflecting the effect of trading profits an investment property revaluation gain of £5.8m.



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Read more about  
our Iconic Waterfront



Trading Performance

# Trading Performance

## PORT TRADE

Trade through Belfast Harbour has benefitted from a recovery in both local and global economies, with increasing global trade, our investment in new infrastructure projects and the restart of domestic travel and cruise tourism all contributing to a record trading performance in 2021. A record 25.6m tonnes was handled by the Port in 2021, an increase of 9% on the previous year, which had been impacted by Covid-19.

This positive trading performance demonstrates the importance of Belfast Harbour and the Port community as a key economic driver for the region. Working together, we ensure the flow of goods and services 24/7 throughout the pandemic, enabling access to export markets and providing a tourism gateway to Northern Ireland. In addition, following the UK's exit

from the European Union, changes in RoRo traffic volumes on routes between Ireland and Great Britain have taken place, with all NI Ports, including Belfast, experiencing improved trade volumes whilst grace periods continue to apply.



## FREIGHT VEHICLES AND PASSENGERS

Roll-On Roll-Off freight performed strongly, rising 12% from 2020 to almost 600k freight units, following significant investment by Stena Line and Belfast Harbour in terminals and facilities and demonstrating the importance of Stena Line's freight traffic routes to Scotland and England to the local economy.

The overall number of ferry passengers travelling through the Port increased by 69% year on year to almost 1.5 million people, with routes benefitting from the easing of Covid-19 travel restrictions and the 2021 'Staycation' travel market. Stena Line's Belfast to Liverpool route proved particularly popular as over 400,000 passengers used the service in 2021, up over 150% since the introduction of two larger, higher passenger capacity new build vessels in 2020.



## BULK

Overall bulk tonnages handled by Belfast Harbour were up 3% to 9.76m tonnes, with a number of bulk categories posting their strongest year on record.

In the dry bulk sector, 2021 was a record year with the port handling more than 7.3mt, up more than 200kt on the previous record set in 2014.



## HIGHLIGHTS INCLUDED:

Grains and feedstuffs up 4% to 2.43m tonnes, demonstrating a period of strong demand from the agri-food sector.

Aggregate exports up 6% to 1.86m tonnes, with Northern Ireland's high-quality material continuing to play an important role in large infrastructure and road building projects in GB.

Steel imports for Northern Ireland's manufacturing sector up by 50% to 244kt.

Scrap metal up by 13% to 412kt as strong prices and high demand for recyclable materials promoted growth in the sector.

## CONTAINERS (LOLO)

Container traffic increased 15% to 132k units handled, which was the highest level since 2008. 2021 was nevertheless a turbulent year for the sector as supply chains adjusted from earlier Covid-19 restrictions. Rapid economic recovery prompted large increases in the cost of shipping, which was compounded when the 'Ever Given' container ship ran aground in the Suez Canal in March 2021, further disrupting global supply chains.

In June 2021, a new service linking Belfast and other Irish ports with the UK hub port of Southampton, was introduced by Unifeeder to supplement the existing regular services operated by Eucon, BG Freight and Xpress Container Line.



## CRUISE

Belfast welcomed the MSC Virtuosa in June 2021 as the first cruise call following a 15 month break due to the pandemic. Cruise travel operated throughout the season under strict health protocols which restricted capacities on board and ports of call. A total of 72 cruise vessels were welcomed during the season, as a result of detailed planning and collaboration by Belfast Harbour with Visit Belfast and statutory agencies and cruise industry partners. This partnership approach ensured that safety protocols were sufficiently robust, to enable the gradual increasing of capacities on board, and to secure some limited international cruise calls towards the end of the summer. During the season we welcomed our 1000th cruise ship, the MS Queen Elizabeth,

marking a significant milestone for tourism in Northern Ireland. The MS Queen Elizabeth, Cunard's newest luxury ocean liner, first visited Belfast in 2016 and this was her sixth call to Belfast Harbour.

Cruise call volumes are expected to grow in 2022, as the cruise tourism market continues to recover, and we expect to welcome more than 140 vessels.

## PORT DEVELOPMENT

Our ongoing investments in key port infrastructure, aimed at creating a world leading regional port, also contributed to the strong trading performance with increased capacity facilitating the strong growth witnessed in many sectors of port trade.

During 2021 Belfast Harbour and Stena Line committed to investing more than £3m into Victoria Terminal 2 (Belfast–Liverpool) passenger terminal, to improve facilities by expanding and modernising the terminal building and domestic car check in/waiting areas.

With further growth expected in future, this improved and enlarged facility is required, to maximise the opportunity to grow the passenger business, and to reflect the modern and improved passenger experience on board Stena Line's newer and larger ships.

A full refurbishment of the Victoria Terminal 1 Roll-on Roll-off ferry berth was completed in 2021 representing a £2.5million investment by Belfast Harbour. Contractor McLaughlin & Harvey refitted and modernized the linkspan ramp, extending its life span for a further 25 years. Work also included refurbishment of the berth, the access walkways and the fenders.

## PORT CUSTOMER SERVICE

Supporting our customers and working in close partnership with them to deliver effective port services and operations, has been key to our success and ongoing resilience during the pandemic. As part of our commitment to consistently improve our customer service, we sought customer feedback during 2021, undertaking a port customer survey to obtain insights on areas that could further enhance our service offering. The feedback received will prove invaluable as we seek to further improve and enrich our customer service and partnership working.





# Property and Place

# Property and Place

## DEVELOPING A KEY ECONOMIC HUB AND AN ICONIC WATERFRONT

Belfast Harbour's Real Estate and Property business continued to bring forward world-class regeneration development projects along the City's waterfront.

In particular, engagement with multiple partners across the Harbour Estate and the wider City enabled progress on the development of an Innovation District and further awareness raising and animation of the Maritime Mile tourism initiative along the waterfront.

## CITY QUAYS

In line with Belfast Harbour's ambitious Placemaking Strategy and the development of high-quality spaces, a Planning Application was submitted at the end of 2021 for the first phase of a new £3m urban gardens space. Located between the Harbour Office and the City Quays water-fronting buildings, 'City Quays Gardens' will create a green leisure space and incorporate a maritime art trail together with performance spaces as well as outside work areas for use by both Harbour Estate occupants, citizens of Belfast and visitors alike.

The new urban gardens are being designed to 'One Planet Living' sustainable accreditation and will be the first project in the region to attain such a rating. Subject to obtaining a suitable and timely Planning

Approval it is hoped construction works, funded entirely by Belfast Harbour, will commence during 2022.

Work continued on site for a further Grade 'A' waterfront office development – City Quays 3. This 16-storey 250,000 square feet, highly environmentally sustainable building, will include a tenant 'wellbeing space' together with views to the inner leisure harbour. City Quays 3 is one of the largest new build commercial office properties to be built in the City in the last number of years. The design team led by RPP Architects, with construction undertaken by main contractor Farrans Construction, made good progress in 2021 and work was completed early 2022. This project represents a further £50m strategic investment by Belfast Harbour and the



completed building will accommodate some 1,800+ office workers. The depth and strength of the occupier base in City Quays stands testament to Belfast Harbour's strategy of providing high quality, flexible, and highly sustainable (BREEAM 'Excellent') buildings. During the year, a half floor of vacant space in the City Quays 1 office was occupied by Abbey Bond Lovis, from the insurance sector. This resulted in the building once again being fully let despite the challenges of the COVID-19 pandemic.

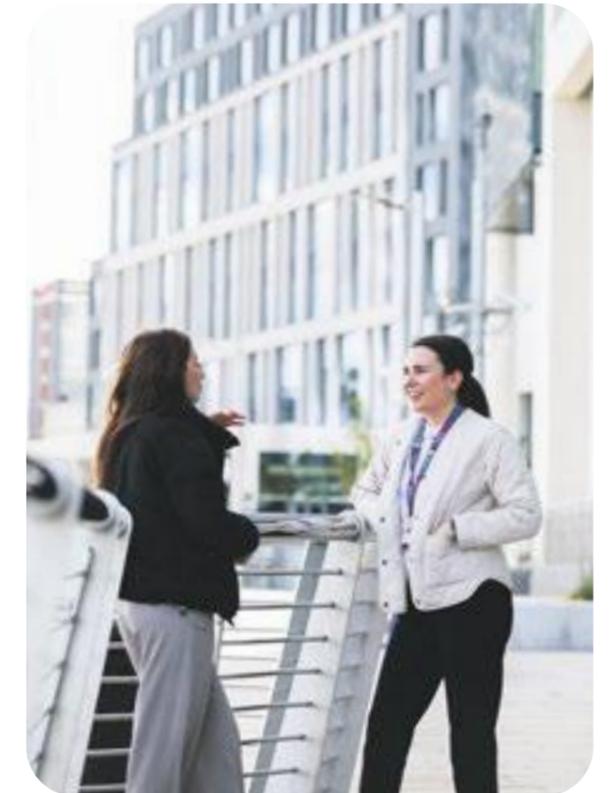
The quality of product and associated building management services at City Quays, in its response to providing the occupier experience expected from FDI companies entering the Belfast market, has resulted in Belfast Harbour maintaining 'Premier Property' status, a global standard employed by managing agent CBRE which

identifies commercial office assets in each region which offer unique, high-quality properties for tenants and their visitors.

This standard of management allowed Belfast Harbour customers to navigate the COVID-19 pandemic facilitating a mix of remote and office working and maintaining a first-class occupational experience at City Quays. The City Quays community also continues to benefit from an increasing level of ancillary uses such as retail, and high-quality public spaces.

## P34

Read more about **our future development opportunities**



## TITANIC QUARTER, QUEEN'S ISLAND

At a strategic level, work continued, in conjunction with Titanic Quarter Limited, to evolve the Vision Masterplan for the remaining undeveloped Titanic Quarter lands, together with an associated Strategic Transport Masterplan which will assist in the delivery of our strategy of developing an iconic waterfront and a key economic hub.

Work progressed throughout the year on the £25m BREEAM 'Excellent' Grade A office scheme known as 'Olympic House'. This project, due for completion during 2022, is a co-investment between Belfast Harbour and Titanic Quarter Limited and the main contractor is O'Hare and McGovern.

Despite the impacts of the COVID-19 pandemic, progress was achieved in Titanic Quarter during 2021 with the development of the requisite legal documentation to facilitate the construction of a number of proposed developments - the 98 aparthotel rooms and 156 bed hotel at Hamilton Dock and nearby ReefLIVE aquarium. Physical delivery of these

projects has been delayed due to the market down-turn as a result of the pandemic, but both are anticipated to further progress during 2022.

A Planning Application for a 770-unit build-to-rent apartment scheme, to be located on the waterfront beside Titanic Belfast, has been approved.

The scheme, known as 'Loft Lines', aligns with the Belfast Agenda to create homes for city living and aims to create a new urban community with residences and associated amenity space together with a public area which will accommodate a play area and sports park.

Following receipt of Planning Approval, Whitemountain was appointed to undertake the construction of a new link road into the area from Queen's Road to Sydenham Road which will open in Spring 2022. This £2.5m infrastructure project, co-funded by Belfast Harbour and Titanic Quarter Limited, will enable active travel via cycle lanes and a new 'Belfast Bike' docking station.

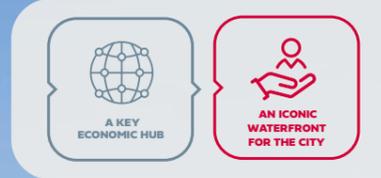


## MARKET CONFIDENCE

Despite the move to remote working during the COVID-19 pandemic, Belfast Harbour anticipates a return to office/hybrid working during 2022, with a continued need for quality "Grade A" office space by both Foreign Direct Investment companies and growing indigenous companies.

Work continued with Invest NI, local, national and international real estate agents, and in-market specialists regarding awareness and direct sales and marketing, with Belfast Harbour hosting several prospective occupier visits for both expanding indigenous businesses and new market entrants.

Belfast Harbour's ability to fund projects and its land ownership with the associated requisite planning use, creates a platform for the organisation to progress strategic investment developments. Office occupiers acknowledge the market-informed design and energy efficient, sustainable, quality-built product.



## BELFAST HARBOUR STUDIOS

2021 opened in Belfast Harbour Studios with a Netflix production 'The School for Good and Evil', based on a series of young adult books with an all-star Hollywood cast including Charlize Theron, Kerry Washington, Michelle Yeoh and Laurence Fishburne.

The 20-week production employed 500 crew whilst based in Belfast Harbour Studios and North Belfast, with an expected boost of £30m to the local economy.

Furthermore, Paramount Pictures continued occupation in Titanic Studios during 2021 with the local NI crew base demonstrating its capacity to accommodate several large productions at the same time.

The continuing attraction of Belfast Harbour Studios, Titanic Studios and Northern Ireland as a film location coupled with the development of the local crew base, and significant global demand for studio space, provides a compelling rationale for extending the existing Belfast Harbour Studios. In line with our strategic ambition to create a leading European creative and media hub, Belfast Harbour plans to quadruple the size of the current

studio space after securing necessary planning approval.

A construction tender process commenced at the end of 2021 to progress the development of the media hub to become the largest film and TV production facility outside the south-east of England.

Work continued with NI Screen in terms of securing productions which might occupy the existing studio complex as well as utilising its expertise towards developing a best-in-class next phase of development which will assist in reinforcing the region as an internationally recognised location for media creation. Hollywood stars such as Nicole Kidman and Kerry Washington have taken to social media to praise both the welcome they received whilst here, and also the Northern Ireland landscape.



# Iconic Waterfront Development

In 2021 the Board approved a Placemaking Strategy, inclusive of a number of catalysing projects. The Strategy aims to create a people-centric sense of place for the Port and Harbour Estate anchored in the local communities and taking reference from their individual characteristics and history. Creation of active travel linkages to the city and adjoining neighbourhoods is one of the key Placemaking Strategy ambitions working in collaboration with Belfast City Council.

Belfast Harbour also worked in close partnership with Maritime Belfast Trust, continuing a long-standing collaboration to curate and animate the city's iconic waterfront.

The outputs from this partnership are clearly brought to life along the Maritime Mile, with Belfast Harbour providing financial support for projects such as Sound Yard, an interactive artwork exhibition which opened to the public in October 2021. Sound Yard was designed by local architects to include a metal pipework design which creates sound frequencies reminiscent of those from the shipyard.



# Future Developments and Opportunities

## INNOVATION CITY BELFAST (ICB)

Belfast Harbour was pleased to work with city partners throughout 2021, to help to spearhead the development and launch of Innovation City Belfast (ICB). ICB's strategic goal to create an economic powerhouse for innovation complements our ambition at Belfast Harbour to grow as a key economic hub for the region. Working in partnership with Belfast City Council, the two universities and Catalyst, and with Invest Northern Ireland as an advisory partner we are collectively combining our knowledge base, resources and influence, to attract capital and investment to help Northern Ireland businesses thrive through innovation.

ICB's Innovation District spans more than 400 acres, from Belfast City Centre to City Quays and across to Queen's Island. It builds upon existing innovation infrastructure and aims to develop an international window of competitive opportunity for local and global investors. ICB is committed to delivering an ambitious long-term plan that will maximise the impact of the £1bn Belfast Region City Deal, with Smart District (City Core) and Smart Port ambitions also underpinning its strategic delivery.

## BELFAST REGION CITY DEAL

Belfast Harbour has been working collaboratively with Ulster University and Queen's University on their respective Belfast Region City Deal projects, assisting with identification of mutual investment opportunities to build upon and create an immersive eco-system that encourages entrepreneurship and creates future employment opportunities for the wider NI economy.

## FREEPORTS

In 2021 Belfast Harbour, as part of a wider stakeholder group, sought to advance the opportunity afforded by the UK Government Freeport Policy, drawing on the learnings from the English Freeport process announced in early 2021. We look forward in 2022 to further progressing work to secure Freeport status for Northern Ireland, which will deliver social and economic benefits for the Region, and which will complement the respective Northern Ireland City Deals, the Northern Ireland Executive 10x strategy and the ambitions of Innovation City Belfast.



# A Socially Responsible Port

Belfast Harbour's Responsible Business activity, which encompasses all elements of our operations, is driven by four pillars:



**People**

AN INCLUSIVE PORT:  
A gateway to opportunity for all



**Partnerships**

A COMMUNITY PORT:  
Delivering grassroots engagement



**Planet**

A CLEAN, GREEN PORT:  
Delivering environmental sustainability



**Place**

A DESTINATION PORT:  
Delivering a place that adds social value for all

**Delivering Social Impact**

As a Trust Port, social responsibility has been embedded in Belfast Harbour's DNA for generations. Following a rigorous assessment process in 2021, Belfast Harbour was delighted to achieve Platinum accreditation for CORE - Business in the Community's Responsible Business accreditation. Belfast Harbour is one of only two companies who have achieved this level, an improvement from the 'Gold' level awarded in 2018. This strong external benchmarking strengthens the delivery of our strategic goal to be a leading socially responsible port.



# People

An inclusive port: a gateway to opportunity for all



Enabling employment, supporting over 46,000 jobs



Providing employee wellbeing programmes



Keeping people safe



Supporting apprenticeships and internships



Delivering equality campaigns



# Partnerships

A community port: delivering grassroots engagement



Donating £3m to charities and community partners over the last 10 years



Supporting education, employment and skills programmes



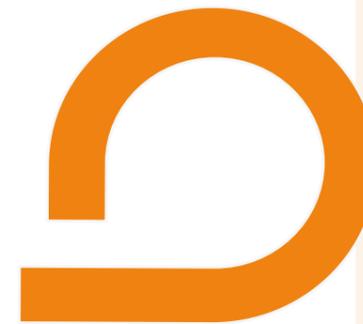
Increasing digital skills and access for young people



Promoting social and cultural inclusion



Supporting health & wellbeing and environmental initiatives



Decarbonising and running on 100% renewable electricity



Investing in sustainable transport infrastructure



Increasing resource efficiency



Building to BREEAM 'Excellent' environmental standards



Enhancing biodiversity and reducing pollution



# Planet

A clean, green port: delivering environmental sustainability



Delivering high-quality developments, including over £275m of investment in City Quays



Transforming the public realm



Supporting regeneration in neighbouring communities



Developing traditional industries



Enabling emerging industries

# Place

A destination port: delivering a place that adds social value for all





## PEOPLE

As well as supporting projects that focused on mental health in communities, Belfast Harbour acknowledged the impact Covid-19 restrictions and lockdowns could have on the well-being of its employees.

As an essential service provider, the team at Belfast Harbour, along with our operational partners, have maintained vital port operations throughout the pandemic. Our staff are our strongest asset, and as part of our health and well-being support programme, 10 employees undertook extensive training to become Mental Health First Aiders.

As part of its work to keep people safe, officers and volunteers from Belfast Harbour Police (BHP) along with partners, Lagan Search and Rescue (LSAR), received Dementia Awareness training from Belfast City Council staff, on behalf of the Alzheimer's Society. The training provided more than 30 people who work within the waterfront area of the City with information on the symptoms of dementia, to enable them to understand and communicate with people with the condition, and who may require assistance.

BHP also welcomed the arrival of its first fully equipped Police boat during 2021, which aims to help improve crime prevention and water safety along Belfast's waterfront. The boat is crewed by fully trained Belfast Harbour Police Officers and supports Belfast Harbour Police's work as first responders to incidents around the City's waterfront and in joint operations with Lagan Search and Rescue (LSAR) and PSNI.

Belfast Harbour is patron of LSAR, which works in partnership with the Harbour Police to enhance provision for water safety in the area and support the increasing number of tourists, leisure visitors and residents within the Estate.



## PARTNERSHIPS

A significant strand of Belfast Harbour's responsible business activity involves support for, and partnership with, community engagement projects. This support focuses on positively impacting 3 core areas:

- Supporting Employability and Skills;
- Supporting our Environment; and
- Supporting Communities.

Our significant investment each year in grassroots community engagement and local charitable organisations is just one strand of our responsible business activity in action. Delivering a positive social impact is at the heart of our decision making, as we develop sustainably, protect our environment and connect communities.

Our annual programme of Community Engagement support is based on c.1% of our annual operating profit. This significant

level of funding in support of community and charitable organisations, enables Belfast Harbour to make a meaningful and positive social impact across communities, the environment and to young people's development opportunities.

2021 saw the launch of a new Community Awards Fund granting £50k to grassroots organisations supporting the communities in which they operate. The successful completion of the first year saw a diverse group of organisations benefitting from grants to create community gardens, host family fun days and run well-being events, to name but a few. Recipients have provided strong endorsement and support for the awards, helping to raise public awareness of the scheme, and to encourage future applications from community groups delivering grass-roots projects.

Our 3-year commitment to Business in the Community's 'Time to Code' programme culminated in 2021. A total of 2277 pupils and 102 schools were engaged in learning new digital skills during the programme,

which adapted its delivery model in response to lockdown and the move to remote learning. Belfast Harbour's funding support for a hybrid version of the programme has continued for the 2021-22 academic year, engaging a further 900 pupils in face-to-face and online digital skills training.

As the Official Community Outreach Partner with the Belfast Giants, we will extend our impact as a socially responsible port and strengthen our relevance as a 'Port for Everyone' to wider audiences. As well as the opportunity to partner with the Giants' awards winning Community Outreach programme, the collaboration will also increase public awareness of Belfast Harbour's commitment to local communities.





## PLANET

Belfast Harbour's ambition to become a leading 'Green' Port, underpins the stretching goals within our updated Sustainability Strategy. Belfast Harbour's commitment to sustainability is evident in our pledge to reduce carbon emissions to net zero by 2030, achieve zero waste to landfill, improve air and water quality and enhance both land and marine biodiversity.

Work to achieve our net zero targets is already well underway, as we introduce electric vehicles, develop our use of renewable energy, instigate studies to better understand our marine diversity and embed sustainable development across the Estate.

By seeking to partner with tenants and port customers to adopt more sustainable transport and resource usage practices, Belfast Harbour is putting people, place and the environment at the heart of our sustainable business model.

In supporting the environment, community projects that had been on hold due to the pandemic took place in Autumn 2021, led by our partners Keep Northern Ireland Beautiful (KNIB) and Citizen Sea. Both projects involved marine and land-based volunteering, coastal 'clean-up' campaigns and environmental education and awareness building.

## PLACE

Belfast Harbour is committed to developing sustainably and as such, has significant ambition around the development of public space and green areas, which support these developments.

In September 2021 we were delighted to announce plans for a multi-million-pound investment in the Harbour Estate's public space to create a vibrant new 'green' urban garden for the city. Transforming the public realm, maximising social cohesion and environmental sustainability, through place making developments such as City Quays Gardens, will provide long-lasting community value by cementing the location as an attractive place for local residents, workers and visitors.

Working in close partnership with Belfast City Council and Maritime Belfast Trust, physical events and festivals across the Estate were delivered successfully. Our support for communities featured prominently in the Maritime Weekender Festival and Maritime Mile 'Sound Yard' and other animation events, as well as city-wide community and arts festivals including

Culture Night, Belfast International Arts Festival and Eastside Community events.

On-going community support for the Sailortown Regeneration Group (SRG) remains active, as plans develop for public realm enhancements to Barrow Square and to install 'parklets' within Sailortown. Close engagement continued with SRG (and the wider community network) on the positive impact that the place-making investments at City Quays Gardens will have on the area.

**Visit our website to find out more about our Responsible Business Activity**



# Environment and Sustainability

Environmental sustainability is fundamental to our Trust Port responsibility to operate, maintain and develop Belfast Harbour. By putting people and place at the heart of our sustainable business model, we are developing a clean, green port, where people and planet thrive.

In 2021 we were delighted to be listed as Northern Ireland's Top Performer in the Business in the Community (BitC) Environmental Benchmarking Survey, recognising our ongoing commitment to measure our environmental performance and development. This is now our thirteenth consecutive year of being awarded Platinum status in the Survey, and during the year we were also awarded Platinum status in the BitC Business & Biodiversity Charter.

Going forward, we have developed a new and ambitious Sustainability Strategy that builds on our long-term commitment to supporting and protecting our environment. This includes commitments to fully decarbonise our own operational activity by 2030, to reduce pollution, and to protect and enhance our natural environment. We have also entered into a wide-ranging Prosperity Agreement with the Northern Ireland Environment Agency, to explore new ways of reducing environmental impacts in ways that create prosperity and well-being.

We are also committed to ensuring the responsible and sustainable environmental stewardship of all our activities, and to developing our leadership role as a sustainable property developer.

Throughout 2021, we continued to implement our Strategic Transport Masterplan by improving the cycle lane infrastructure on Airport Road and Sydenham Road, and we continued to roll out energy efficient LED street lighting throughout the Harbour Estate.

## PARTNERSHIP WORKING

We recognise that by working together with our partners we can mutually accelerate our environment and sustainability programmes. To that end, throughout 2021 we actively participated in a number of partnership initiatives including:

- Eco-Ports;
- Climate NI;
- Business in the Community;
- NI Green Seas Consortium;
- Belfast Climate Commission;
- Belfast Resilience and Sustainability Board.



## ENERGY USE AND CARBON EMISSIONS

Throughout the year we continued to work towards decarbonising activities across our operations. In practical terms, this included the ongoing deployment of energy efficient LED lighting, the replacement of diesel vehicles with electric vehicles and the purchase of renewable electricity. All of the electricity we purchase on behalf of our tenants, and for our own consumption, is from renewably certified sources.

In 2021 we also successfully trialled the use of Hydrogenated Vegetable Oil (HVO) in Belfast Harbour plant. HVO is a drop-in fuel used in lieu of diesel to reduce carbon emissions in plant with internal combustion engines. We will continue to explore the use of HVO in 2022 and have installed additional refuelling infrastructure to accommodate future trials.

Further details of our energy use and carbon emissions are provided in the Energy and Carbon Reporting Statement 2021 section of the Annual Accounts.

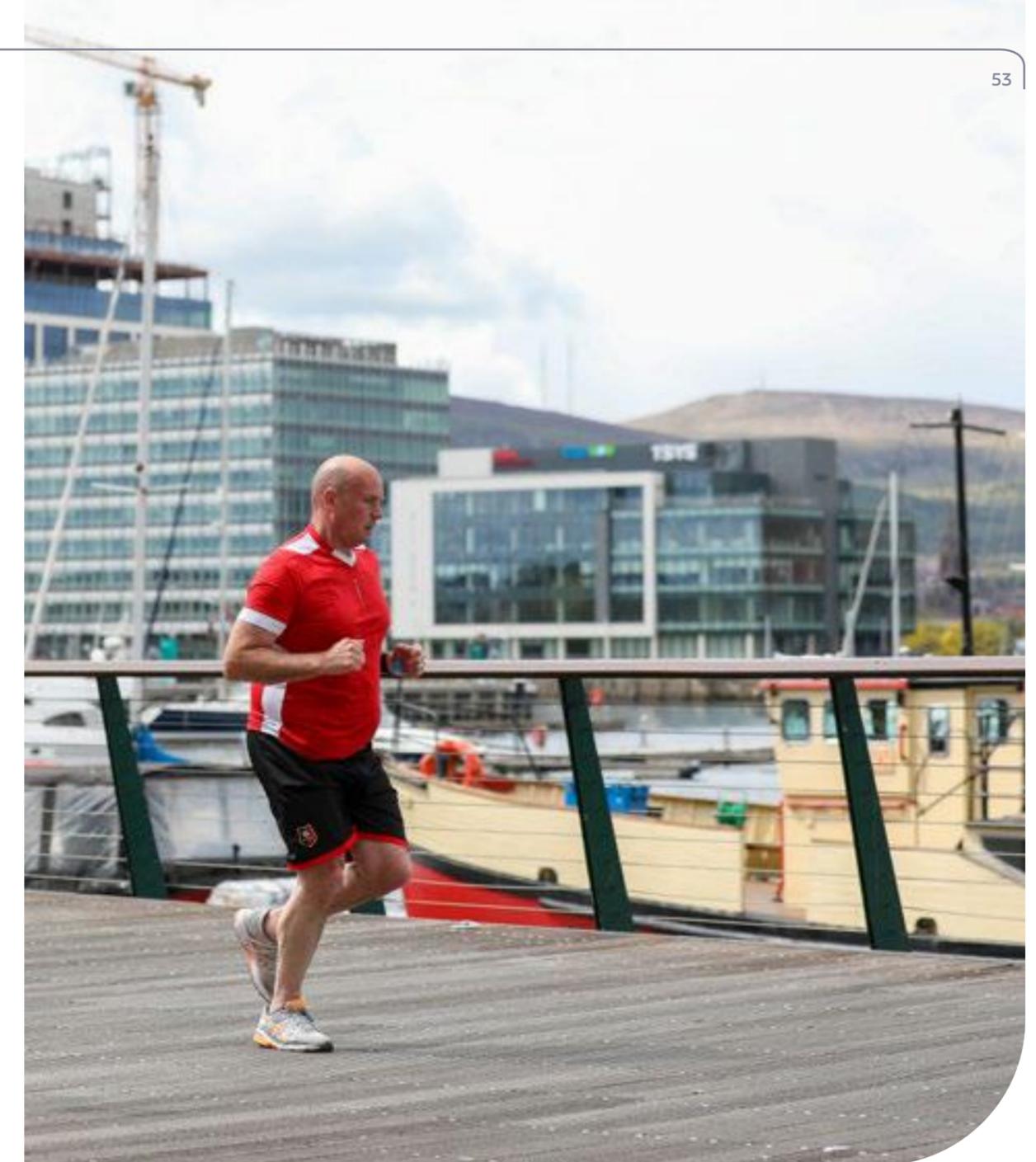


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Read more about  
**our Energy and  
Reporting Statement**

## AIR QUALITY

Building on our work in 2020 of modelling carbon emissions throughout the Harbour Estate, we have deployed a number of air quality sensors which enable real time monitoring of a range of air pollutants including Particulate Matter, NOX and SOX. We also continued to monitor dust levels associated with dry bulk cargoes in port operational areas and have established a working group and action plan to further reduce the air quality impact of such cargoes.



## WATER QUALITY

We continued to implement measures to reduce the potential of water pollution and recover marine litter, including the deployment of sea-bins within the Marina. In 2021 we launched a new litter boat in harbour waters, named the Sea Sweeper.

We also continued to monitor water quality of harbour waters, and the resultant output will be used to assist with defining the future direction of travel on enhancing water quality.

During 2020 our Belfast Harbour Oil Pollution (OPRC) Contingency Plan was updated and approved by the Maritime and Coastguard Agency. On-site and desk top exercises to test the plan were conducted with our partners and the practical deployment of spill response equipment was successfully demonstrated by our Tier 2 emergency response contractor through both 2020 and 2021.

## BIODIVERSITY

The Harbour Estate is home to Belfast's leading location for bird life, with 100 species of bird visiting the 90-acre RSPB reserve. During 2021 we partnered with Ulster Wildlife Trust to complete a Biodiversity Audit, which will establish the baseline ecological value for the Harbour Estate and set out a direction of travel for enhancing biodiversity.

While developing Belfast Harbour in a responsible way we are working to further improve marine diversity within the Harbour and waterfront areas by implementing measures to reduce the potential of water pollution and recover marine litter. The addition of City Quays Gardens as a new urban green space will also further increase the biodiversity activity within the Estate.



# Resources

## RESOURCES

We have partnered with Responsible Plastics Management to reduce and ultimately eliminate single use plastics from our operations. In conjunction with our waste management providers, we are proud to have achieved over 90% diversion of port waste from landfill during 2021.



## ENVIRONMENTAL RESILIENCE

During 2021 we partnered with agencies such as the Belfast Emergency Preparedness Group (BEPG), as part of the wider civil contingencies structure, on future arrangements, training and measures to mitigate flood risk and extreme weather events.



## SUSTAINABLE DEVELOPMENT

The construction of City Quays 3, designed to the BREEAM Excellent rating, commenced during 2020. BREEAM is an assessment undertaken via independent assessors using sustainability metrics which cover a range of environmental considerations. These considerations include an evaluation of energy and water use, health and wellbeing, pollution, sustainable transport, materials, waste, ecology and management processes. Buildings are rated and certified on a scale and an 'Excellent' rating is currently only awarded to <10% of commercial buildings in the UK. City Quays 1 and City Quays 2 are also BREEAM Excellent certified.

The objective of BREEAM, as a sustainability standard, is to raise awareness amongst owners, developers and occupiers of the benefits of adopting a sustainable approach. The standard helps successfully adopt sustainable solutions in a cost-effective manner and provides market recognition of their achievements. It aims to reduce the negative effects of construction and development on the environment.



# Corporate Matters

## PEOPLE, DIVERSITY AND INCLUSION

Our people are the critical enabler for our ambitious transformational strategy. Overall, 23 permanent roles were recruited through the year. 2021 also saw the appointment of a new Chair, new Board members and three new Directors to the business. These appointments have enabled us to review and reaffirm our strategic goals. From this, we created a new People Strategy to deliver our vision and strategic ambitions through to 2035.

Our new People Strategy aims to attract, develop and inspire top talent while ensuring a positive culture aligned with our values and business growth plans. Our people continued to live our values

throughout another Covid-19 challenged year. Once again, our focus was on the safety and wellbeing of our teams. Our colleagues adapted to the changing environmental demands throughout the year, maintaining an exemplary commitment to compliance and illustrating a strong commitment to collaboration.

This approach ensured that our essential services were delivered, and our port users and customers continued to receive a high-quality service. We initiated a project to implement a new Human Resources Management Information System. The iTrent system will be fully implemented in 2022, with employee self-service and

systems automation, significantly reducing the time to complete transactional activities. The system will also enable managers and employees to participate in continuous performance management discussions, which will provide increased opportunities for coaching, mentoring and timely feedback.





## Diversity Mark



### CULTURE AND VALUES

2021 saw the introduction of Culture Amp, a cloud-based online software package that measures corporate culture and employee engagement. The results will assist us in taking action to increase employee engagement across the business, to manage the integration of our values proactively and support a structured internal communication strategy through targeted interventions.

Following the feedback from our last engagement survey, we have invested significant time refining our core values to more closely reflect our culture. Our values are now People-Focused, Open, Responsible and Trustworthy. As part of a broader programme to roll out the new values through the organisation, we held several engagement sessions on our values with our colleagues throughout the year.

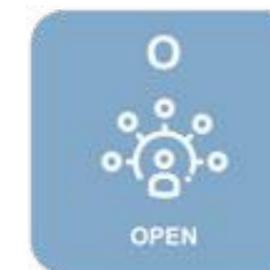
Communication events have been paramount to keeping colleagues informed and engaged during the pandemic. We had 3 all-colleague 'Townhall' events in the year and based on their feedback and success, we have planned 4 for 2022.

Our employee wellbeing online resources have proved invaluable for colleagues during the pandemic. Our internal mental health first aid team has grown to 16 volunteer staff, providing critical support to colleagues requiring assistance.

Whilst outreach activity has been a challenge in the pandemic, we have several events planned for the coming year to encourage school leavers, to consider a career in maritime industry, with a particular focus on females.

An in-house Women in Leadership development programme has been created, including four events in 2022. We continue to work with the Diversity NI Charter Mark; with the necessary commitment from the business and a detailed plan, we are determined to move from a Bronze award to Silver by the end of 2023.

Belfast Harbour is committed to meeting its statutory duties and continues to promote diversity, equality of opportunity and good relations through its people culture and corporate responsibility activities. We continue to report progress on the implementation of Belfast Harbour's Equality Scheme and Disability Action Plan to the Equality Commission through Annual Progress Reviews.



## BUSINESS CONTINUITY

Belfast Harbour is committed to maintaining effective contingency plans to safeguard business continuity during disruptive events. Certification to the internationally recognised ISO 22301 standard for business continuity management continued in 2021 for the Port Business Continuity Management System.

Belfast Harbour chairs a Harbour Working Group of the Belfast Emergency Preparedness Group comprised of key stakeholders and emergency responders and is also an active participant in the following groups:

Belfast Flooding and Severe Weather Working Group

Belfast Resilience and Sustainability Board

Belfast First Responders Group

Despite the COVID-19 pandemic other Business Continuity activities which continued, in remote format, during 2021 included:

Briefings for emergency and humanitarian responders

Provision of advice to tenants and other interested parties

Multi-agency emergency response exercises

Crisis Management processes remained invoked in response to the Covid-19 pandemic, with emphasis on the health and safety of employees, port users and members of the public. Measures were successfully put in place to ensure the continuity of essential port services and to support our customers throughout this period of unprecedented disruption.



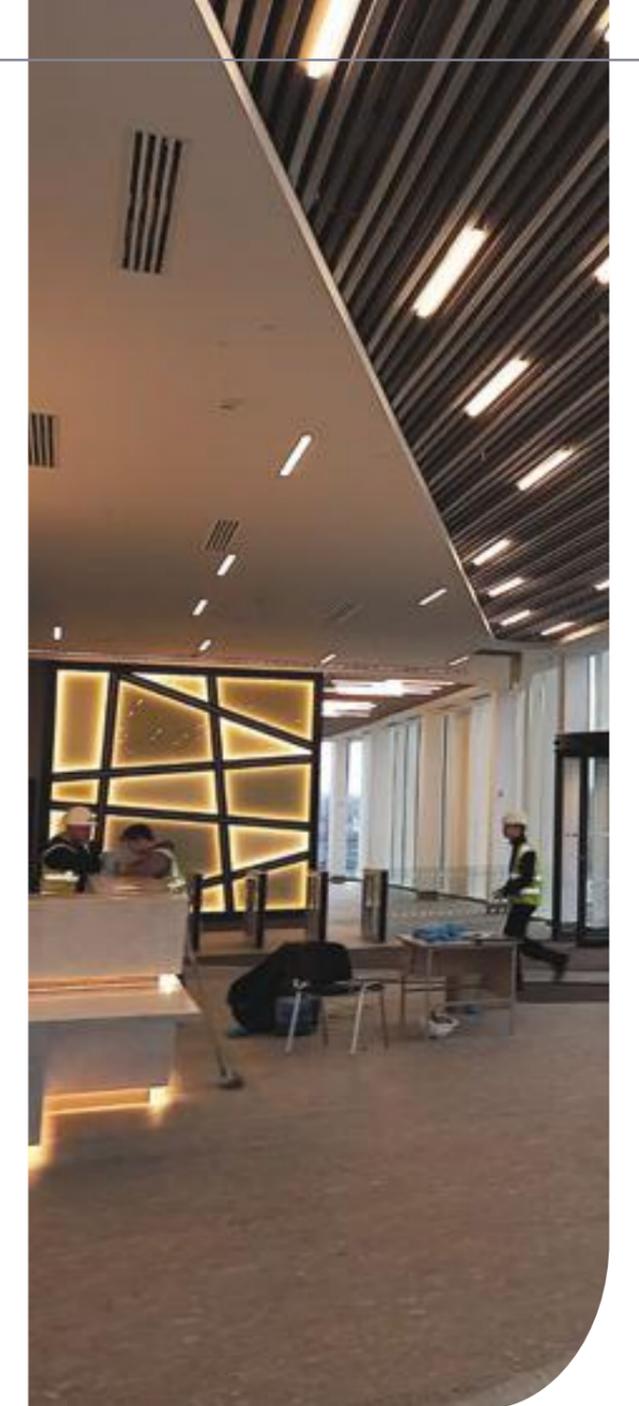
## HEALTH AND SAFETY

Belfast Harbour remains committed to the provision of a safe and healthy working environment and the elimination of accidents. During 2021, Belfast Harbour's Health and Safety Management Systems maintained certification against the internationally recognised standard ISO 45001:2018 and delivery of an ambitious comprehensive 5-year Health and Safety Action Plan continued.

Throughout 2021 significant effort was applied maintaining a Covid-19 safe workplace to deliver essential frontline services by the Port through the changing risk and regulation picture. Our pandemic plan remained invoked, continuing significant changes to working patterns, workplace layouts, operating procedures and welfare arrangements. Social distancing, sanitisation procedures and cleaning arrangements were retained throughout the organisation.

A Covid-19 testing protocol was developed and extended from critical service roles to all roles within the organisation. The controls identified were regularly risk assessed to ensure effectiveness and it is pleasing to report that a low incidence of infection was noted during the year.

Belfast Harbour continues to be an active participant in the Northern Ireland Safety Group and Port Skills and Safety which seek to promote the adoption of best health and safety practice throughout local industry and the ports' sector respectively.



## MARINE SAFETY

The Port Marine Safety Code (the "Code") is the national standard dealing with all aspects of Marine Safety and Belfast Harbour operates a Marine Safety Management System as required by the Code. In March 2021, following an independent audit, Belfast Harbour was able to confirm to the Maritime & Coastguard Agency (MCA) its compliance with the Code.

During 2021, ABP Marine Environmental Research Ltd was appointed as "Designated Person" under the requirements of the Port Marine Safety Code.

The Belfast Harbour Marine Operational Safety Plan 2021-2023 sets out our marine objectives for the three-year period ahead and these can be found on our website.





## COMMUNITY SAFETY

Belfast Harbour Police supports the development of a vibrant iconic waterfront district, by helping to ensure that Belfast Harbour is a safe and welcoming environment for people to live, work, and visit.

Throughout 2021, Belfast Harbour Police continued to provide a wide range of policing services focussed on neighbourhood policing, crime prevention and detection and personal safety.

With a strong focus on community engagement, 2021 saw a recruitment drive for more officers to continue to deliver the wide range of policing services needed to preserve a safe and secure environment.

The addition of Belfast Harbour Police's first police vessel is the latest in a series of investments by Belfast Harbour in water safety enhancements including CCTV, with improved detection capability of potential immersion incidents, and water safety equipment and officer training. This package of measures has already delivered a notable fall in the number of immersion incidents in the waters around Belfast Harbour in the last year.

Belfast Harbour Police also worked in partnership with a wide range of organisations and statutory agencies including Lagan Search and Rescue, RNLI and PSNI, together ensuring that the port is a safe place for everyone to live, work, and visit. Activity included community engagement on water safety via digital platforms and in-person interactions as well as neighbourhood policing, crime prevention and detection, and personal safety advice.

Events such as the Maritime Weekender have seen the waterfront come alive in recent months and footfall is set to continue to grow as people return to their office buildings and educational institutions.

# Technical Innovation

## TECHNICAL INNOVATION

Belfast Harbour continued to deliver on its Smart Port ambition following several successful use case trials on its new 5G Private Network. These trials included air quality monitors, CCTV and Drone technology. By working with a local SME, CLS Europe Ltd, Belfast Harbour has trained and accredited several drone pilots and identified a significant number of potential use cases to be tested during 2022.

In addition, Belfast Harbour has co-invested with BT in a proof-of-concept Digital Fabric to understand the movement of people and things within the Queen's Road area of the Harbour Estate. This primer aims to enable Belfast Harbour to quickly test and prove the value of a Digital Fabric, with a

particular focus on security, privacy, trust, interoperability, and governance. The primer will test this in a real-world environment whilst delivering initial use cases around environmental monitoring, the movement of things and wayfinding.

In addition, as part of Belfast Harbour's broader digital transformation strategy, it embarked in 2021 on ambitious plans to upgrade its Finance, HR and Compliance systems. Upon the conclusion of these projects, the new systems will deliver significant operational improvements and enhanced controls. Furthermore, Office 365 was successfully implemented during the year.





Strategic Report 2021

## STRATEGIC REPORT 2021

Belfast Harbour is incorporated as a Statutory Corporation, and whilst not directly bound by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, Belfast Harbour has adopted the main provisions of the Act and therefore presents a Strategic Report consistent with corporate entities of a similar size.

This report, to be read in conjunction with the full Annual Report, contains information that the Board considers to be of strategic importance to Belfast Harbour.

## STRATEGY UPDATE AND BUSINESS MODEL

Belfast Harbour remains committed to investing in the Harbour Undertaking, with delivery of sustainable financial returns according to investment criteria. Operating the business profitably is a legal requirement and is essential to fund investment and enable trade growth. This enables Belfast Harbour to best serve the business and the Northern Ireland economy at large. In addition, there is ongoing capital expenditure to keep the infrastructure of Belfast Harbour fit for purpose. The business model is highly capital intensive and generating retained profits to fund trading and investment is the core financial objective of Belfast Harbour.

Northern Ireland Trust Ports are independent statutory corporations, with their only source of funding being profits generated from trading. Hence Belfast Harbour must generate an acceptable return on assets in order to sustain operating expenditure and future investment.

The primary focus of Belfast Harbour is and remains major investment in port facilities to enable and develop port trade. During 2021 there was continuing substantial capital investment in port improvements, principally upgrades to key roll on roll off facilities at VT1, VT2 and container facilities at VT3 together with regeneration activities, notably City Quays three and Olympic House.

## TRADING

Belfast Harbour successfully delivered a strong profit performance for 2021, with consolidated turnover at £73.3m increasing by 17% on 2020, and consolidated operating profit at £33.9m, increasing by 14% on 2020. The improvement in 2021 largely reflected returning normal trading conditions, compared to the Covid 19 impacted 2020 trading.

The Financial Statements show consolidated Profit before Taxation for 2021 at £39.8m, an increase of £21.3m on 2020. This is stated after the movement on valuation of investment properties, which in 2021 was a £5.8m gain compared to a £11.6m loss in 2020.

The movement on valuation of investment properties is not a trading item, and after adjusting for this, the "Underlying" Profit before Taxation increased by 14% to £34.0m from £30.1m, as set out in the table below:

	2021	2020
Profit before Taxation as reported	£39.8m	£18.5m
Add Deficit/Less Surplus on revaluation of investment properties	(£5.8m)	£11.6m
"Underlying" Profit before Taxation	£34.0m	£30.1m



## CAPITAL EXPENDITURE

Belfast Harbour is primarily an infrastructure business, wholly funded by retained profits. No public money is received or spent by Belfast Harbour. All profit, net of taxation, is reinvested in the development of the Harbour's port and property activities.

The beneficiaries are the businesses throughout Northern Ireland, which trade through and rely on the Harbour, and consequently there is a significant positive impact on the local economy in general. As is common in the ports' industry, the scale of economic and social benefit from this investment is considerably in excess of the direct economic benefit to Belfast Harbour itself.

Total capital expenditure during 2021 was £36.4m, and in addition, a further £77.6m was committed at the 2021 year-end to strategically significant projects. This will be funded from net Liquid funds, which were £51.3m at December 2021, from future trading profits and bank borrowing.

A £10 million loan facility was put in place during 2021, which will be used to support the funding of future investments. In the past 10 years in excess of £345m has been invested in Belfast Harbour, mainly in port facilities and all funded from trading profit.



## TAXATION STRATEGY

It is the policy of Belfast Harbour as a good corporate citizen to adhere to all taxation legislation, ensuring payment of all tax properly due and not to engage in any contrived or artificial transactions to secure a tax saving.

Hence the risk appetite of Belfast Harbour towards any tax mitigation scheme is low, and it is anticipated that all corporation tax will be paid at a level similar to the policy rate, save for the point noted below on investment allowances.

Belfast Harbour has a capital-intensive business model, and investment in capital, including plant, is considered accretive to the development of the business and overall Northern Ireland economy. Thus, Belfast Harbour will seek to fully utilise all investment allowances, particularly capital allowances, although this will be done in a manner fully compliant with legislation, and in a fully transparent way in communication with HMRC where required.

The total taxes paid by Belfast Harbour in 2021 were in excess of £10m. The oversight of taxation compliance and risk management is within the purview of the Audit and Risk Committee.



## BUSINESS ENVIRONMENT

Belfast Harbour has considerable financial resources together with a diverse business model, holding long term contracts with key customers, and has continued to successfully manage the business risks associated with the continuing uncertain economic outlook.

The notable 2021 revenue increase on 2020, and strong financial performance was underpinned by the diversity of core income streams. In addition, Belfast Harbour continues with a forward-looking investment strategy, in capital intensive harbour facilities and real estate, which are accretive to the NI economy notwithstanding conditions posed by Covid-19 and potentially Brexit.



# Risk and Uncertainties

## FUNDING RISK

As a Trust Port, Belfast Harbour is solely responsible for funding the business operating and investing activities via retained profit. Most major UK Trust Ports are classified for public expenditure accounting purposes as “public corporations”. The classification has the potential to impact on public budgets as any exercise of borrowing powers by Belfast Harbour will “count” as public borrowing even though there is no public money involved and no recourse to government for lenders to the Harbour.

At present Belfast Harbour is able to maintain its current investment commitments at a level supported by trading profits generated by the business, with a limited £10m utilisation of borrowing capability. Continued investment in economically significant projects will, however, require further utilisation of Belfast Harbour’s borrowing powers in the near future.

## ECONOMIC RISK

Belfast Harbour trade is reflective of the health of the overall Northern Ireland economy, and the economy will always be a managed risk. Trade levels increased across most trading sectors in 2021 and revenues remained strong. In mitigation of the economic risk, Belfast Harbour has a well-diversified trading base across a number of trading sectors, with strong trading counterparties and use of minimum revenue guarantees, and continues to seek new business investment with sustainable financial returns.

## TRADING RISK

Belfast Harbour is exposed to competition on the main trades through the Port, and over time, there have been market share gains and losses through the effect of competition from other ports. In mitigation of this risk, Belfast Harbour has a well-diversified trading base, strong trading counterparties and especially an active strategy for investment in facilities to preserve and enhance the offer to customers. In future the progress towards decarbonising the economy will materially impact port trading and income, and Belfast Harbour forward plans have taken account of the trade reduction in specific sectors.

## REGULATORY RISK

Belfast Harbour, like all UK ports, operates in a highly regulated industry and is fully cognisant of the regulatory obligations, principally in respect of People, Safety, the Environment and Security. Future focus on decarbonisation of the economy will become an increasing feature of regulation and will require significant investments. In addition, the successful execution of Belfast Harbour developments, and their accretive effect on the NI economy, depends on planning and consenting processes. Belfast Harbour is also aware of the need to operate a strong governance model, including governance specifically pertaining to Trust Ports.

In mitigation of regulatory risks, Belfast Harbour has strong oversight mechanisms in place at Board and Executive level for monitoring and meeting the ongoing challenges in all of these areas.

## BREXIT

Belfast Harbour is primarily an infrastructure provider, not involved directly in cargo trading, haulage, shipping or regulatory checks and hence is largely removed from the direct impacts of Brexit and the NI Protocol.

Currently any Brexit related impact is principally on GB to NI trade, with the potential to impact the trade in goods in the internal UK market. GB to NI trade represents c. 70% of Belfast Harbour cargo trade, including 100% of Belfast Harbour freight ferry traffic.

Belfast Harbour has engaged substantially with relevant authorities and key customers as the new regulations have been implemented, with a focus on ensuring that trading flow is smooth as possible. The level of trading has benefitted from the respective grace periods associated with the implementation of the NI Protocol, and has benefited from some traffic diversion from Dublin port services.

Risks and uncertainties remain, however, particularly from the ending of the grace periods, and Belfast Harbour will continue to monitor these risks. The ultimate derived demand effects on overall economic activity from Brexit and the NI Protocol, and their concomitant impact on trade, remain difficult to predict.

## COVID-19 RISK

Port cargo traffic effects of Covid-19 in 2021 were very modest, with an overall cargo tonnage increase of c. 9%, which was in part a recovery from the 2020 trade volume decline. The effect on passenger and cruise traffic, together with hotel trading was, however, more notable. The effects on the operating model of Belfast Harbour were modest however, due in the main to the considerable effort of Belfast Harbour customers, port service providers and employees.

Belfast Harbour continually assesses the overall financial impact of Covid-19, with specific emphasis on the management of liquidity and funding. Due to the resilience of the business operating model and the continued strength of diversified cargo income streams the effects of Covid-19 are currently assessed as tolerable, with substantial financial resources available to keep operating for at least 24 months, even if there is a further decline in trade.

## ASSET RESILLIENCE RISK

As primarily an infrastructure business, Belfast Harbour's operating model depends on the availability and fitness for purpose of marine and landside assets to facilitate shipping movements, cargo handling and passenger traffic. In mitigation of this risk Belfast Harbour has an active investment strategy to replace and enhance key assets as required and operates a systematic approach to asset surveys and upkeep.





Commissioners

### **Dr Theresa Donaldson (Chair)**



Theresa was appointed as Chair to the Board in July 2021. She is the first female Chair of Belfast Harbour. Dr Donaldson brings a wealth of experience to the role, as a Non-Executive Director, Chair and former Chief Executive, with Board experience in the semi-state, public and not-for-profit sectors. She is a Chartered Director and Fellow of the Institute of Directors, with national and international experience of highly regulated business areas managing different governance arrangements in UK,

Ireland and Northern Ireland. Dr Donaldson holds a number of Northern Ireland public appointments including the Health and Social Care Board and the Equality Commission. Theresa also completed a full term with the Probation Board NI, which concluded in November 2021. She is also Vice Chair of the Eirgrid Group and Chair of SONI and holds Board positions with BBC Children in Need and the Centre for Effective Services.

### **Joe O'Neill (Chief Executive)**



Joe was appointed CEO of Belfast Harbour on 1st January 2018 having joined the organisation in 1997 and having held a number of prior roles within Belfast Harbour including Commercial Manager, Port Manager and Commercial Director. Prior to joining the Port, Joe held positions with Undus Ltd and Cantrell and Cochrane Ltd. Joe was previously Chairman of the MAC theatre in Belfast, stepping down on 31 December 2017.

Joe is a board member of the Simon Community and the UK Major Ports Group; a member of CBI Regional Council, the Centre for Competitiveness and the Supervisory Board of Artemis Technologies; he is also a Council Member of the British Ports Association and is Chair of Renewed Ambition Real Estate Initiative.

### **Councillor Ciaran Beattie**



Ciaran was appointed to the Board in 2016. He is a full-time member of the council and represents the Black Mountain Electoral Area. He is a member of the City Growth and Regeneration Committee and Strategic Policy and Resource Committee. He does not hold any other public appointments.

### **Jane Chambers**



Jane was first appointed to the Board in February 2016. She is a Chartered Civil Engineer, Chartered Environmentalist and Chartered Water and Environmental Manager holding a Masters' Degree in Civil Engineering from Queen's University, Belfast. Jane has had a long career in both contracting and consultancy environments, specialising in environmental protection and major infrastructure delivery. Currently,

Jane is working as a project manager in the delivery of the Greater Dublin Drainage project for Irish Water. Previously, she delivered project management services for Water Service / Northern Ireland Water and, ultimately, eliminated risks of Infracation Proceedings being instigated by the European Commission for non-compliance with the Urban Wastewater Treatment Directive.



### Diana Fitzsimons

Diana was first appointed to the Board in February 2016 and holds Masters degrees in Economics and Town Planning and is a Fellow of the RTPI, the RICS and the IoD. Her career included Senior Lecturer in Planning & Development; Principal Planning Appeals Commissioner; Director of the planning consultancy Turley; and a sole practitioner planning consultant. She has extensive experience in urban regeneration, port planning, housing development and

master-planning. She was formerly Chair of the RTPI and the RICS NI Branches; a member of RICS Governing Council; a member of the Ministerial Advisory Group; deputy President of the International Federation for Housing and Planning; and Chair of Radius Housing Association. Diana is a Visiting Professor at Ulster University. In 2021 she was awarded Non-Executive Director of the Year by IoD NI.



### Kevin Kingston

Kevin was appointed to the Board in April 2021. He was the Chief Executive of Danske Bank UK from 2015 through to 2021, having previously held a number of roles in Danske Bank, Ulster Bank and KPMG. He is currently a Board Member of Invest NI and the Maritime Belfast Trust.

A Fellow of the Institute of Chartered Accountants in Ireland, Kevin is a former President of the NI Chamber of Commerce & Industry and a former Chairman of the Chartered Accountants Ulster Society.



### Deborah Lange

Deborah was first appointed to the Board in February 2016. Deborah is also Deputy Chair of the Board and Chair of the Audit and Risk Committee of Invest NI and Co-Chair of the Diversity Mark Northern Ireland Board of Assessors.

Deborah is a Certified Public Accountant. Previously she was Senior Vice President of Tax at Oracle Corporation based in California. She was also a member of the

boards of Planitax and Liquid Engines, both software companies; Chair of the Silicon Valley Tax Directors Group; past Chair of the Tax Committee of the American Electronics Association and a member of the Executive Committee of the Tax Executive Institute. Deborah is a past member of the Board of Queen's University Belfast Foundation.



### Noel Lavery CB

Noel was appointed to the Board in April 2021. He was the Permanent Secretary of the former Department of Agriculture and Rural Development, followed by the Department of Agriculture, Environment and Rural Affairs and, prior to his retirement from the Department for Economy, these positions were between March 2013 and November 2019. Noel has nearly 20 years of experience of economic development working in public

sector policy, delivery and governance roles. He trained as a chartered accountant with PriceWaterhouse and the first 15 years of his career were in the private sector. He has been a Fellow of the Institute of Chartered Accountants in Ireland since 1995.



### Councillor Donal Lyons

Donal joined the Board in 2020. A native of Dublin, Donal has lived in Belfast for 15 years and has represented Balmoral as councillor since 2015. After studying Chemistry at University College Dublin, Donal worked in Dail Eireann, before building a career in public policy and human rights. He is SDLP Group leader on Belfast City Council and a former

Chairperson of the Planning Committee and the City Growth and Regeneration Committee. Donal has particular interest in lifelong learning and serves as vice chair of the board of Libraries NI. He is married with three daughters.



### Stephen Martin OBE QPM

Stephen was appointed to the Board in April 2021. Formerly he was a police officer in Northern Ireland for nearly 34 years. He retired as Deputy Chief Constable in January 2020, having had responsibility for a number of areas which included: corporate governance and performance, organisational change and professional standards. He is currently Non-Executive

Chair of the Irish Football Association, a member of the Policing Authority, Ireland and also sits on the Prince's Trust Northern Ireland advisory committee. Stephen is a Chartered Director, a Fellow of the Institute of Directors and a Fellow of the Chartered Institute of Personnel and Development.



### Councillor Emmet McDonough-Brown

Emmet is a full-time member of Belfast City Council and joined the Board in 2019. He is a member of the Alliance Party at Belfast City Hall and represents the Botanic Electoral Area. He is a member of the Strategic Policy and Resources Committee.

Emmet is also appointed to the Belfast Policing and Community Safety Partnership; The Lyric Theatre Education Advisory Panel and the South Belfast District Policing and Community Safety Partnership.



### Gerry McGinn, CBE

Gerry was first appointed to the Board in April 2021 and is an experienced business leader. He has been CEO of financial institutions in London, Dublin, and Belfast, as well as Permanent Secretary of the Department of Education and the former Department for Regional Development. He is an Independent Non-Executive Director of both the Progressive Building Society and AXA Insurance DAC.

He is the current chair of the Strategic Investment Board, appointed in September 2013.



### Councillor Malachai O'Hara

Malachai is a full-time member of Belfast City Council and joined the Board in 2020. He is the party's group leader for the Green Party at Belfast City Hall and represents the Castle District Electoral Area.

He is a member of the City Growth and Regeneration Committee, Planning Committee and the North Belfast Policing and Community Safety Partnership.

Malachai is the Deputy Leader of the Green Party in Northern Ireland and a board member of a regional mental health charity. He does not hold any other public appointments.



### Sir Malcolm McKibbin

Malcolm was appointed to the Board in April 2021. He was Head of the Northern Ireland Civil Service from 2011 to 2017. He was the Permanent Secretary of the former Departments of Regional Development and Agriculture and Rural Development. He was awarded an honorary doctorate by Queens in 2017 in recognition of his public service. Following his retirement, he led

one of the five strands in the 2019 political negotiations aimed at restoring devolution. He is an Associate of Deloitte providing advice on Strategic Issues, a member of the Board of Co-operation Ireland and in 2021 assisted Sir Peter Hendy on NI aspects of the UK Connectivity Review.



### Rose Mary Stalker

Rose Mary was first appointed to the Board in April 2021. She is an experienced business leader and Fellow of the Institute of Mechanical Engineers, who has held senior global positions at Executive Team and Board level, in organisations including Ford, Boeing and Rolls-Royce. She has been responsible for the delivery of multiple transformational projects in a range of disciplines; product development, programme management,

manufacturing, logistics, service delivery, staffing and quality, across numerous industry sectors; aerospace, automotive, construction and energy. Currently, Rose Mary is the Chair of Invest Northern Ireland, appointed in August 2019 and joined the Economy Minister's Economic Advisory Group in June 2020. Rose Mary has also been a member of the Department of International Trade Investment Trade Advisory Group since 2020.

During 2021 a number of Board Members' tenure came to an end.



Former Commissioners



### **Dr David Dobbin CBE (Former Chair)**



David Dobbin was appointed to the Board in 2012 and took up the position of Chairman in 2015. He has extensive board level experience across the private, public and voluntary sectors and is actively involved in promoting regional economic development. He is currently Chairman of Firmus Energy and a member of the KPMG Northern Ireland Advisory Board. David has wide industrial experience having previously held a number of senior executive roles in Dale Farm, Boxmore International, Dalgety, C&C and Rothmans International. He has also served as Chairman

of a number of organisations including: Dairy UK, Ulster Rugby Management Committee, the Northern Ireland Food & Drink Association, the Strategic Investment Board, Inter Trade Ireland, the Prince's Trust NI, CBI NI, the NI Centre for Competitiveness and as President of the Northern Ireland Grain Trade. He has also served as a Non-Executive on the boards of Food from Britain, the NI Agrifood Strategy Board, Invest NI, BT Ireland, Queen's University Senate and was Vice Chairman of the Ireland/Northern Ireland 2023 Rugby World Cup Bid.

### **Kyle Alexander OBE**



Kyle Alexander was appointed to the Board in February 2016. Kyle has considerable experience in delivering urban regeneration, having been Chief Executive of Laganside Corporation which was responsible for the transformation of Belfast's waterfront and Cathedral Quarter. He stepped down as Chief Executive of Maze Long Kesh Development Corporation in March 2017, having overseen the establishment of the organisation. Kyle received an OBE for

services to regeneration in N Ireland in 2007. He is a Fellow of the Royal Institute of Chartered Surveyors. Kyle's ongoing commitment to ensuring social benefit from regeneration is reflected in his role as a Trustee of The Eastside Greenways Trust and The Waterways Community. Kyle is also a Trustee of Parkinson's UK, representing Northern Ireland interests on the national charity's board.

### **Richard Everitt CBE**



Richard Everitt was first appointed to the Board in February 2016. He was formerly the Chief Executive at the Port of London Authority from 2004 to 2014 and is currently Chairman of the Dover Harbour Board.

Richard qualified as a solicitor and spent much of his career in the BAA plc, the airports company, before becoming Chief Executive of National Air Traffic Services from 2001 -2004.

### **Christine Hayes**



Christine Hayes was first appointed to the Board in February 2012. Christine has had a long career in the Finance and Banking industry with particular focus on credit risk and risk management and senior management leadership development. She was a founding Director of Egg (the UK's first internet bank), working as the Risk Director, and prior to that with TSB

Group ultimately becoming its Director of Credit Management. After leaving banking, she worked as a freelance consultant specialising in business coaching and mentoring, group facilitation and senior management development for a range of incorporated business entities. Christine subsequently completed studies with the Open University.



### **Rotha Johnston DBE**

Rotha Johnston was first appointed to the Board in February 2012. Rotha is a Director of Wildflower Property, and Ulster Garden Villages. She is also Chair of Northern Ireland Electricity Networks, a member of both the KPMG Northern Ireland Advisory Board and the UK Industrial Strategy Council, Chair of NI Screen and a Director of Qubis.

Rotha was previously BBC Trustee for Northern Ireland, Deputy Chairman of Invest NI and a Director of Variety Foods. She was also Chair of Senate and Pro Chancellor at Queen's University Belfast.

### **Dr Gerard O'Hare CBE DL FRICS**



Gerard O'Hare was first appointed to the Board in February 2012. Gerard is currently Group Chairman and Managing Director of Parker Green International, with Irish Head Offices in Newry and satellite offices in central and Eastern Europe and the USA. He is a Fellow of the Royal Institute of Chartered Surveyors and a Visiting Professor at the University of Ulster School of Built Environment and Harvard Graduate School of Design in the USA. Gerard has recently stepped down as Deputy Chairman of Invest NI having completed 8 years as a Board

Member. He was Chairman of Belfast Tall Ships 2009/2015 and sits on the NI Council of the Prince's Trust. In addition, Gerard is immediate past Honorary Consul for the Republic of Latvia in UK and NI. He was also appointed both as Ambassador for HRH The Prince of Wales for Corporate Responsibility in 2009 and, more recently, as a Deputy Lieutenant of County Down. Gerard is also a Trustee and Board member of the recently established Air Ambulance of Northern Ireland (ANNI) Charity.



### **Dr Ed Vernon OBE**

Ed Vernon was first appointed to the Board in February 2012. Ed is a board member of BT Northern Ireland, Deputy Chair of Queen's University Foundation and a member of Belfast City Council's Growth Commission. Ed founded B.I.C Systems, a technology services business which was acquired by BT Group. He is a former member of Matrix, the Northern Ireland Science and Industry Panel, former

Chairman of NI Software Industry Federation and a former Board member of Invest NI. From February 2011 until January 2014, he was Asset Management Advisor to the Northern Ireland Executive. Ed was awarded an OBE for services to economic development in 2012 and in 2013 was awarded an honorary doctorate by Queen's University for exceptional services to business and commerce.

# Commissioners' Attendance 2021

Names	Board Meetings		Committee Meetings		Total Meetings Attended		Total Meetings Attended %
	Possible	Actual	Possible	Actual	Possible	Actual	
Alexander, Kyle	1	1	2	2	3	3	100
Beattie, Ciaran	6	5	7	6	13	11	85
Chambers, Jane	6	6	9	9	15	15	100
Dobbin, David	3	3	8	8	11	11	100
Donaldson, Theresa	3	3	13	13	16	16	100
Everitt, Richard	1	1	2	2	3	3	100
Fitzsimons, Diana	6	5	15	15	21	20	100
Hayes, Christine	1	1	3	2	4	3	75
Johnston, Rotha	1	1	3	3	4	4	100
Kingston, Kevin	5	5	15	15	20	20	100
Lange, Deborah	6	6	17	17	23	23	100
Lavery, Noel	5	5	8	8	13	13	100
Lyons, Donal	6	3	11	10	17	13	76
McDonagh-Brown, Emmet	6	2	11	7	17	9	53
McGinn, Gerry	5	4	16	16	21	20	95
McKibbin, Malcolm	5	5	6	6	11	11	100
Martin, Stephen	4	4	8	8	12	12	100
O'Hara, Mal	6	6	7	7	13	13	100
O'Neill, Joe	6	6	30	30	36	36	100
Stalker, Mary Rose	5	5	9	9	14	14	100
Vernon, Ed	1	1	4	3	5	4	80





Executive Team



## Maurice Bullick

### FINANCE AND COMPLIANCE DIRECTOR

Maurice is a Chartered Accountant and has held a number of finance positions in Belfast Harbour since joining the organisation in 2000. Previously Maurice was employed by Cawoods and oversaw a range of finance portfolios. Prior to that Maurice qualified with Price Waterhouse, Chartered Accountants.

Maurice is a non-executive Director of NI Water Ltd, Treasurer and Council Member of the British Ports Association, and Council member of the Association of Participating Bodies of the Pilots' National Pension Fund.



## Mike Dawson (Joined August 2021)

### PEOPLE AND CORPORATE SERVICES DIRECTOR

Mike joined the organisation as People and Corporate Services Director in August 2021 and is responsible for our People, IT and Digital Transformation strategies. Mike is a Fellow of the Chartered Institute of Personnel and Development and holds

SHRM-SCP status from the Society for Human Resource Management. Mike previously held senior roles with Dale Farm, Glen Dimplex and Schrader Electronics. Mike was appointed to the Board of Praxis Care in October 2020.



## Allison Dowling

### COMMUNICATIONS AND MARKETING DIRECTOR

Allison joined Belfast Harbour in October 2019, after spending 11 years at Diageo, as Corporate Relations Director Great Britain, and as Communications and Public Affairs lead in a number of European and Global leadership roles. Allison has more than 20 years' experience in reputation management, brand building and marketing, gaining diverse experience in

internal and external communications and brand marketing from both private and public sectors roles. Before joining Diageo her career included five years in Government communications and five years in PR consultancy. She joined the Board of the Northern Ireland Tourism Alliance in 2021 and is a former Director of the British Brands Group and former Board Trustee with Titanic Foundation (now Maritime Belfast Trust).



## Graeme Johnston

### PROPERTY AND PLACE DIRECTOR

Graeme joined the organisation in 2007 having held a number of senior positions in the Banking and Retail sectors. Graeme is a qualified Chartered Surveyor and Chartered Project Management Surveyor and was previously Property Director for the Henderson Group and was all-Ireland Property Manager for Ulster Bank.

Graeme has extensive property sector experience in Ireland and the UK including roles in property & business acquisition, construction, development, and asset management.



## Ian Lang (Joined August 2021)

### INFRASTRUCTURE AND SUSTAINABILITY DIRECTOR

Ian joined Belfast Harbour in August of 2021 relocating from St. Andrews in Scotland to take on the new post which was created to align the Harbour's Infrastructure and Sustainability ambitions. Ian brings a wealth of infrastructure experience having led complex engineering and capital portfolios within an aviation setting as well as wider change programmes and corporate strategy. He has held posts

at BAA Glasgow International, Bahrain International Airport in the Middle East and Edinburgh International Airport as Strategy + Capital Investment Director. Prior to joining Belfast Harbour Ian led the Transformation Programme at London Gatwick Airport focused on modernising the airport's approach to managing long term capacity and its £2bn transformation programme. He holds an MBA from Strathclyde University.



## Michael Robinson

### PORT DIRECTOR

Michael joined the organisation in 2003, holding a number of roles in the organisation before being appointed Port Director in 2018. Previously, Michael held positions with both Baltimore Technologies and Informix Software Inc. and started his career in logistics with Diageo.

Michael holds a Diploma in Company Direction through the Institute of Directors and is a Board Member of Visit Belfast.



## Kevin Ryan (Joined August 2021)

### DEVELOPMENT DIRECTOR

Kevin joined Belfast Harbour in 2021 having held a number of senior positions in the Development and Retail sector. Kevin is a qualified Chartered Planning & Development Surveyor and was previously Director of Development for Hines based in Dublin and prior to Hines was the Head of Real Estate for Tesco Ireland. Kevin has extensive experience covering both

client and development sectors within the commercial real estate market at executive and board level and has a proven track record in procurement, design, development, leasing, asset management and disposal of iconic landmark mixed-use destinations.

Three former directors retired /  
exited the organisation during 2021.



Former Directors





**Trevor Anderson**  
**(Retired April 2021)**

**INFRASTRUCTURE AND BUSINESS  
TRANSFORMATION DIRECTOR**

Trevor is an engineer by profession and joined the organisation in 2006 from Bombardier Aerospace. Trevor spent a total of 22 years with Bombardier in a number of roles including Head of Enterprise Systems for Bombardier Aerospace Worldwide based in Montreal, Canada. Trevor is currently the Chairman of Viable Corporate

Services, a social enterprise that delivers services and expertise to small and medium organisations in the Voluntary, Community, Social Enterprise and Private Sectors.



**Patricia Toolan**  
**(Retired July 2021)**

**HUMAN RESOURCES DIRECTOR**

Patricia joined Belfast Harbour in 2002 as Human Resources Manager and was promoted to Director in 2014. Prior to her appointment Patricia was Human Resources Manager in Nortel Networks NI & Europe, and occupied Human Resources and Business Planning Roles within the BBC over a 10-year period.

Patricia is a member of the Chartered Institute of Personnel Development and is currently a member of the Board of Trustees of Cloona Child Contact Centre based in the South Eastern Health and Social Care Trust area.



**Scott Wilson**  
**(Resigned February 2021)**

**DEVELOPMENT DIRECTOR**

Scott joined the organisation in October 2019 from the Strategic Investment Board where he was Head of the Northern Ireland Executive's Asset Management Unit for 8 years. Scott is a qualified Member of the Chartered Institution of Surveyors and the Chartered Institute of Building and has 30 years of property sector experience in the UK and overseas including roles in construction, development,

regeneration, fund management and asset management. Scott is currently Chair of Camphill Community Holywood, a social enterprise providing residential care and work placement for adults with learning disabilities. He also holds a number of other Board positions across the Camphill movement in Northern Ireland.

# Corporate Governance Statement

## THE ORGANISATION

Belfast Harbour Commissioners (BHC) was first constituted by The Belfast Harbour Act 1847 as a statutory corporation with the purpose of operating, maintaining and improving Belfast Harbour. The powers and duties of BHC are limited to those conferred by the various Belfast Harbour Acts and Orders 1847-2002, and any relevant public general Acts such as the Harbours' Act (NI) 1970. In common with other Northern Ireland and Great Britain ports similarly constituted, BHC is generally referred to as a 'Trust Port' although it is not a trust in any legal sense.

## THE BOARD

The constitution of the Board is set out in the Belfast Harbour Order (Northern Ireland) Order 2002, Schedule 1. BHC is committed to high standards of Corporate Governance. The primary reference point for corporate governance is considered to be the pertinent content within the 'UK Corporate Governance Code' and taking account of any best practice industry guidance relating to ports, in particular the "Ports Good Governance Guidance" (2018) produced by DFT.

BHC is independent of Government and any other legal person and management is the responsibility of the Board and the Executive Team.

The duties of the Board Members are akin to those of a company director, in particular, to be accountable for the proper exercise of the statutory and administrative requirements placed upon them. The Department for Infrastructure appoints Board Members on the basis of open public advertisement. The number of Board Members, including the Chairman and Chief Executive Officer, may be no less than 10 and no more than 15, with up to four Board Members being elected representatives from Belfast City Council.

## BOARD COMMITTEES

The Board operates a Committee system with the objective of maintaining high standards of corporate governance and streamlining the work of the Board. All Board Members are also members of at least two of the Board's Committees. All Committees report to the Board.

In addition Board Members are required to:

Ensure high standards of corporate governance;

Establish the overall strategic direction of the Port, having regard to the best interests of the Port and the local economy following consultation with key stakeholders, where relevant;

Ensure that, in reaching decisions, Government policy is taken into account;

Ensure that, in carrying out their functions, due regard is paid to the need to promote equality of opportunity.

## AUDIT AND RISK COMMITTEE

The Audit & Risk Committee has responsibility for:

Monitoring the integrity of the organisation's financial statement

Reviewing the organisation's internal financial control and risk management systems

Monitoring and reviewing the effectiveness of the organisation's internal audit function

Monitoring and reviewing the external auditors' independence, objectivity and effectiveness.

Neither the Chairman of the Board nor the CEO are members of this Committee, but they are entitled to attend meetings.



## Membership

Ms R Johnston DBE (Chair)	(term ended 31st March 2021)
Mr K Kingston (Chair)	(term commenced 1st April 2021)
Mr R Everitt CBE	(term ended 31st March 2021)
Ms D Fitzsimons	
Ms D Lange	
Dr E Vernon OBE	(term ended 31st March 2021)
Cllr D Lyons	
Mr N Lavery CB	(term commenced 1st April 2021)
Mr G McGinn CBE	(term commenced 1st April 2021)
Mr S Martin OBE, QPM	(term commenced 1st June 2021)

## PORT AND INFRASTRUCTURE COMMITTEE

The role of the Port and Infrastructure Committee is to consider major commercial and infrastructure projects.

### Membership

Dr D Dobbin CBE (Chair)	(term ended 30th June 2021)
Mr G McGinn CBE (Chair)	(term commenced 1st April 2021, appointed Chair September 2021)
Dr T Donaldson	(term commenced 1st July 2021)
Mr J O'Neill	
Ms R Johnston DBE	(term ended 31st March 2021)
Dr G O'Hare CBE, DL	(term ended 31st January 2021)
Mr R Everitt CBE	(term ended 31st March 2021)
Ms J Chambers	
Cllr C Beattie	
Cllr E McDonough-Brown	
Mr N Lavery CB	(term commenced 1st April 2021)
Sir M McKibbin	(term commenced 1st April 2021)
Ms RM Stalker	(term commenced 1st April 2021)

## REMUNERATION COMMITTEE

The primary duty of the Remuneration Committee is to set policy on remuneration and related matters, and to ensure that such remuneration policy facilitates the employment and retention of senior personnel. The Committee is also responsible for senior management appointments.

### Membership

Dr D Dobbin CBE (Chair)	(term ended 30th June 2021)
Dr T Donaldson (Chair)	(term commenced 1st July 2021)
Ms C Hayes	(term ended 31st March 2021)
Ms R Johnston DBE	(term ended 31st March 2021)
Ms J Chambers	(term commenced 1st April 2021)
Mr K Kingston	(term commenced 1st April 2021)
Mr G McGinn CBE	(term commenced 1st April 2021)

## SAFETY, ENVIRONMENTAL & SECURITY COMMITTEE

The Safety, Environmental & Security Committee advises the Board on all aspects of safety, environment and security throughout the Port and Harbour Estate, including on-going obligations under the Port Marine Safety Code and the operation of Belfast Harbour Police.

### Membership

Dr G O'Hare CBE, DL (Chair)	(term ended 31st January 2021)
Ms J Chambers (Chair)	(term commenced 1st February 2021)
Mr J O'Neill	
Ms C Hayes	(term ended 31st March 2021)
Mr K Alexander OBE	(term ended 31st March 2021)
Cllr C Beattie	
Cllr M O'Hara	
Mr N Lavery CB	(term commenced 1st April 2021)
Cllr E McDonough-Brown	(term commenced 1st June 2021)
Ms RM Stalker	(term commenced 1st April 2021)
Mr S Martin OBE, QPM	(term commenced 1st June 2021)

## PROPERTY AND PLACE COMMITTEE

The Property and Place Committee considers major land issues, place making, and Estate development not related to pure port operations, within the Commissioners' land management role. It is particularly concerned with all matters relating to regeneration projects including City Quays and Titanic Quarter.

### Membership

Dr E Vernon OBE (Chair)	(term ended 31st March 2021)
Ms D Fitzsimons (Chair)	(term commenced 1st April 2021)
Dr D Dobbin CBE	(term ended 30th June 2021)
Dr T Donaldson	(term commenced 1st July 2021)
Mr J O'Neill	
Ms D Lange	
Mr K Alexander OBE	(term ended 31st March 2021)
Cllr E McDonough-Brown	
Cllr D Lyons	
Mr K Kingston	(term commenced 1st April 2021)
Mr G McGinn CBE	(term commenced 1st April 2021)

## POLICY AND STRATEGY COMMITTEE

The Policy and Strategy Committee develops strategy on behalf of the Board, guides the Board on policy matters and the Executive on Corporate Planning and assists the Board on matters relating to the legal status, powers and duties of Belfast Harbour.

### Membership

Dr D Dobbin CBE (Chair)	(term ended 30th June 2021)
Dr T Donaldson (Chair)	(term commenced 1st July 2021)
Mr J O'Neill	
Ms C Hayes	(term ended 31st March 2021)
Ms R Johnston DBE	(term ended 31st March 2021)
Dr G O'Hare CBE, DL	(term ended 31st January 2021)
Dr E Vernon OBE	(term ended 31st March 2021)
Ms D Fitzsimons	(term commenced 1st April 2021)
Ms D Lange	(term commenced 1st April 2021)
Mr K Kingston	(term commenced 1st April 2021)
Sir M McKibbin	(term commenced 1st April 2021)
Ms RM Stalker	(term commenced 1st April 2021)

## RESPONSIBLE BUSINESS COMMITTEE

The Responsible Business Committee formulates and oversees the implementation of Belfast Harbour's responsible business strategy, as a Socially Responsible Port. This includes consideration of the organisation's Community Engagement, Equality, Diversity and Inclusion, and Sustainability strategies.

### Membership

Dr D Dobbin CBE (Chair)	(term ended 30th June 2021)
Sir M McKibbin (Chair)	(term commenced 1st April 2021)
Dr T Donaldson	(term commenced 1st July 2021)
Mr J O'Neill	
Cllr C Beattie	
Ms R Johnston DBE	(term ended 31st March 2021)
Dr E Vernon OBE	(term ended 31st March 2021)
Mr K Alexander OBE	(term ended 31st March 2021)
Ms D Fitzsimons	
Cllr M O'Hara	
Mr K Kingston	(term commenced 1st April 2021)
Mr S Martin OBE, QPM	term commenced 1st June 2021)

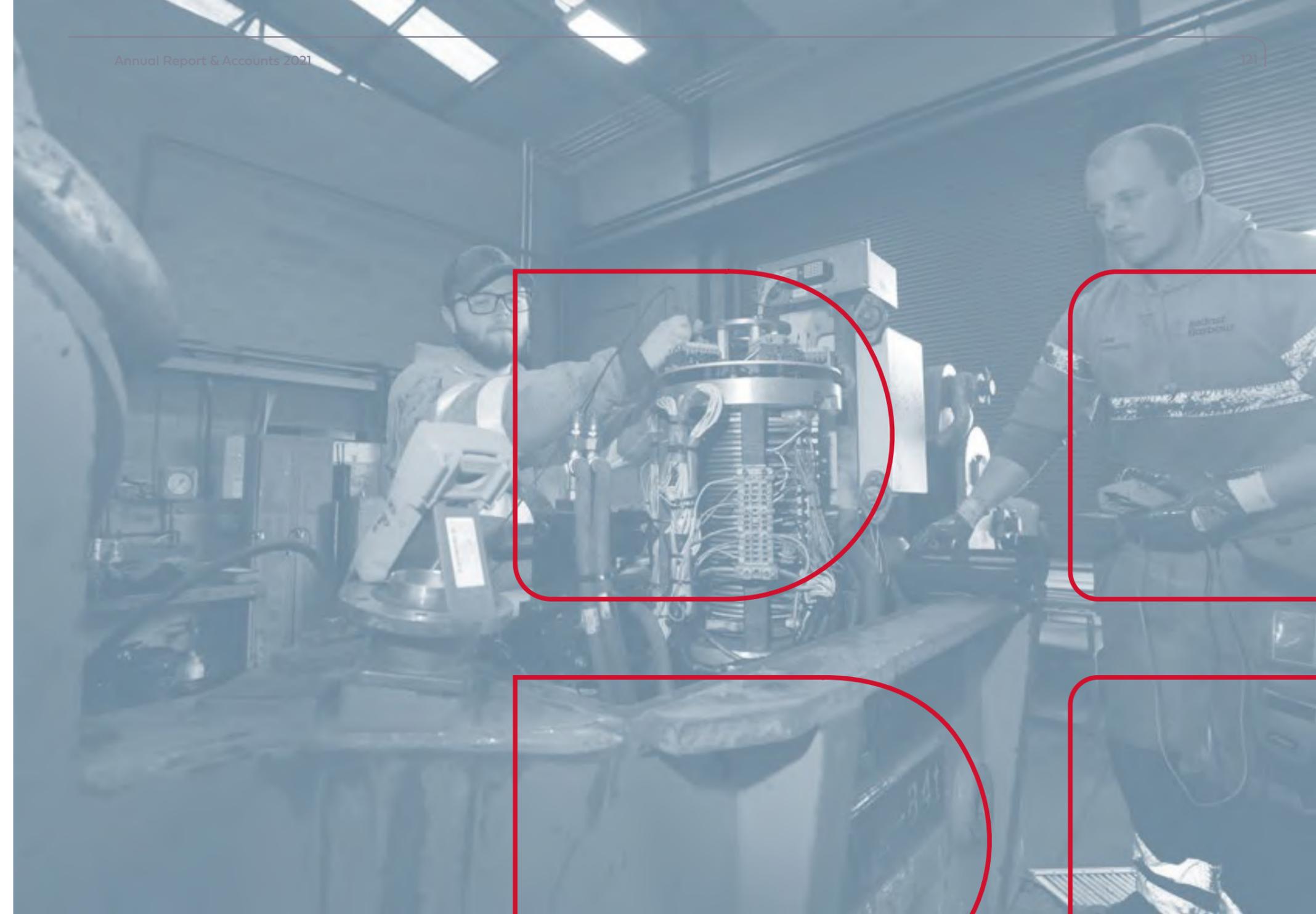
## BELFAST HARBOUR PENSION FUND LTD

The sole function of the Belfast Harbour Pension Fund Ltd is to act as Trustee to the Belfast Harbour Pension Scheme, operated for the benefit of the Board's employees. The Directors of the Belfast Harbour Pension Fund Ltd comprise of four Board Members, including the CEO, as well as two Directors nominated by the Scheme membership.

### Membership

Ms C Hayes (Chair)	(term ended 31st March 2021)
Ms D Lange (Chair)	(term commenced 1st April 2021)
Mr J O'Neill	
Dr E Vernon OBE	(term ended 31st March 2021)
Mr G McGinn CBE	(term commenced 1st April 2021)
Ms RM Stalker	(term commenced 1st April 2021)

\*plus two member nominated Directors



# Energy and Carbon Reporting Statement 2021

Belfast Harbour is not directly covered by the Energy and Carbon Reporting Requirements, as it is a Statutory Corporation and neither a limited company or limited liability partnership. However, it has decided to provide an equivalent report as a matter of good practice.

During 2021 Belfast Harbour total energy consumption increased by 9% against the previous year, whilst net carbon emissions increased by 10%. This was alleviated by an increase in turnover of 12% and a consequent reduction of carbon intensity ratio by 2% (net basis).

Energy data has been collated for the financial year ending 31 December 2021. The energy consumption figures include all electricity, gas, oil, diesel and petrol used for Belfast Harbour owned and operated premises, plant, equipment, vehicles and vessels.

All energy consumption data has been converted to kilowatt hours (kWh) and the carbon emissions calculated using the appropriate Greenhouse Gas (GHG) conversion factors published by the Department of Business Energy & Industrial Strategy (BEIS). Intensity ratios have been calculated based on turnover and port tonnage during 2021.

During 2021, Belfast Harbour maintained Environmental Management System certification to the ISO 14001:2015 standard, and our Energy Management System was re-certified against the ISO 50001:2018 standard, demonstrating ongoing performance improvements.

In 2021 Belfast Harbour was also awarded the Platinum level award in the NI Environmental Benchmarking Survey for the 13th year in a row.

## ENERGY EFFICIENCY ACTION UNDERTAKEN DURING 2021:

100% of electricity purchased by Belfast Harbour originated from low carbon sources certified under the Renewable Energy Guarantees of Origin (REGO) scheme.

Belfast Harbour continued the programme to replace street lighting, quay lighting and premises floodlighting with low energy LED fittings to reduce our energy consumption. Ca 70% of Belfast Harbour lighting is now low energy LED.

The replacement of diesel and petrol powered vehicles continued, with 25% of our light commercial vehicle fleet being replaced by electric vehicles (EV).

Belfast Harbour undertook port equipment trials in the use of low carbon HVO fuel in lieu of diesel, and commenced installation of HVO fuel storage.

Belfast Harbour was part of a consortium awarded funding by Department of Transport as part of the Clean Maritime Demonstration competition for feasibility of large-scale port decarbonisation technologies.

## BHC Greenhouse Gas Emissions

	2021 tCO <sub>2</sub> e	2021 kWh	2020 tCO <sub>2</sub> e	2020 kWh
<b>Scope 1 direct emissions</b>				
Natural gas	201	1,144,326	170	948,628
Gas oil	1,202	4,680,484	1,075	4,186,495
Marine gas oil	883	3,417,066	809	3,130,085
Diesel	85	359,181	92	382,450
Petrol	5	21,002	4	19,609
Heating Oil	7	28,101	7	28,343
Biodiesel (HVO)	0.04	10,607	0	0
<b>Total scope 1 direct emissions</b>	<b>2,383</b>	<b>9,660,766</b>	<b>2,175</b>	<b>8,695,610</b>
<b>Scope 2 indirect emissions</b>				
Grid electricity purchased	884	3,973,025	893	3,831,755
<b>Total scope 2 indirect emissions</b>	<b>884</b>	<b>3,973,025</b>	<b>893</b>	<b>3,831,755</b>

	2021 tCO <sub>2</sub> e	2021 kWh	2020 tCO <sub>2</sub> e	2020 kWh
<b>GROSS OPERATIONAL CARBON EMISSIONS</b>	<b>3,226</b>	<b>13,633,791</b>	<b>3,051</b>	<b>12,527,365</b>
Avoided emissions from renewable electricity purchased	(826)	(3,891,186)	(873)	(3,743,121)
Total avoided emissions	(826)	(3,891,186)	(873)	(3,743,121)
<b>NET OPERATIONAL CARBON EMISSIONS</b>	<b>2,400</b>	<b>9,742,605</b>	<b>2,178</b>	<b>8,784,244</b>
Greenhouse gas emissions intensity (gross basis)			2021	2020
Tonnes of CO <sub>2</sub> e per £ million of turnover (tCO <sub>2</sub> per £ million of turnover)			45.7	48.6
Greenhouse gas emissions intensity (net basis)			2021	2020
Tonnes of CO <sub>2</sub> e per £ million of turnover (tCO <sub>2</sub> per £ million of turnover)			34.01	34.68

## Trade and Shipping Statistics

	2021 (000s)	2020 (000s)
<b>Trade and Shipping Statistics</b>		
<b>Passengers</b>		
Passengers	1,467	853
Passengers Cars	411	232
<b>Unit Load</b>		
Freight Vehicles	594	529
Containers	132	115
<b>Bulk Cargo</b>		
Liquid Bulk	2,092	2,187
Dry Bulk	7,308	7,007
Break Bulk	361	260
<b>Import Bulk Commodities</b>		
Petroleum Products	1,783	1,869
Grain & Feed	2,428	2,336
Coal	2,051	2,034
Fertilisers	244	314
Timber	53	48

	2021 (000s)	2020 (000s)
<b>Trade and Shipping Statistics</b>		
<b>Export Bulk Commodities</b>		
Stones	1,856	1,749
Scrap	412	366
<b>Shipping</b>		
Gross Tonnage (000s Tonnes)	122,239	101,539
Number of Arrivals	5,536	5,198



# Consolidated Financial Statements

Year ended 31 December 2021

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## Statement of Commissioners' Responsibilities

The Commissioners are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Under that law the Commissioners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Belfast Harbour Commissioners and of the profit or loss of Belfast Harbour Commissioners and its subsidiaries for that period. In preparing these financial statements, the

### Commissioners are required to:

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

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain

the Belfast Harbour Commissioners' transactions and disclose with reasonable accuracy at any time the financial position of Belfast Harbour Commissioners 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 Belfast Harbour Commissioners and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# Independent Auditor's Report to the Belfast Harbour Commissioners

## Report on the audit of the financial statements

### OPINION

In our opinion the financial statements of the Belfast Harbour Commissioners (the 'parent entity' or 'BHC') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent entity's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard

102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and

- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

We have audited the financial statements of the Belfast Harbour Commissioners which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated statement of financial position;
- the BHC statement of financial position;

- the consolidated statement of changes in equity;
- the BHC statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 22

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

### 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 parent entity and the group 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 Commissioners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions

that, individually or collectively, may cast significant doubt on the group's and parent 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 directors with respect to going concern are described in the relevant sections of this report.

### OTHER INFORMATION

The other information comprises the information included in the annual report,

other than the financial statements and our auditor's report thereon. The Commissioners are responsible for the other information. 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 COMMISSIONERS

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

In preparing the financial statements, the Commissioners are responsible for assessing the group's and the parent 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 Commissioners either intend to liquidate the group or the parent 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.

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. The auditor includes an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- Conclude on the appropriateness of the Commissioners' 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 the auditor concludes that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, the auditor reports these conclusions in the auditor's report. 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 (or where relevant, the group) 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities with the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the

direction, supervision and performance of the Group audit. The Group auditor remains solely responsible for the audit opinion.

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.

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

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

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

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

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

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

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

#### Revenue recognition

- We assessed the design, determined the implementation and tested the operating effectiveness of the key controls over the posting of revenue relating to the accuracy of port revenue;
- we selected a sample of transactions, and ensured the revenue was recorded in the correct period;
- we developed an expectation of port revenue based on different types of port charges; and
- we tested a sample of rebates to ensure the amount was accurately recorded.

#### Property and land related transactions

- We assessed the design and determined the implementation of the key controls over the property and land transactions;
- we obtained a sample of lease agreements and ensured income due under these was recorded at the correct amount and in the correct period;
- we assessed existing asset carrying values for impairments arising from anticipated changes in lease arrangements; and
- we obtained and reviewed all property related agreements signed in the period and assessed the appropriateness of any related accounting entries, including cut off of income recognised under the agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are

indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

## Report on other legal and regulatory requirements

### OPINION ON OTHER MATTERS

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

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent entity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Annual Report.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent entity, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent entity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### USE OF OUR REPORT

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

**Kevin Sheehan (Senior Statutory Auditor)**  
For and on behalf of **Deloitte (NI) Limited**  
Statutory Auditor, Belfast, Northern Ireland,  
11 May 2022

## Consolidated Income Statement for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	5	<b>73,264</b>	<b>62,810</b>
Net operating expenses		(39,388)	(33,071)
<b>Operating profit</b>		<b>33,876</b>	<b>29,739</b>
Surplus/(Deficit) on revaluation of investment properties	12	5,799	(11,587)
<b>Profit before taxation and similar income</b>		<b>39,675</b>	<b>18,152</b>
Investment income	6	125	352
<b>Profit before taxation</b>	7	<b>39,800</b>	<b>18,504</b>
Tax on profit	10	(17,127)	(6,754)
<b>Profit for the financial year</b>		<b>22,673</b>	<b>11,750</b>

All activities derive from continuing operations.

## Consolidated Statement of Other Comprehensive Income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Profit for the financial year</b>	Above	<b>22,673</b>	<b>11,750</b>
Actuarial gain/(loss) on defined benefit pensions	21	1,094	(1,252)
Deferred tax (debit)/credit associated with defined benefit pensions	18	<b>(428)</b>	<b>161</b>
<b>Total comprehensive income</b>		<b>23,339</b>	<b>10,659</b>

## Consolidated Statement of Financial Position at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets	12	543,532	521,590
Investment in Associate	13	8,000	4,015
		551,532	525,605
<b>Current assets</b>			
Stocks		517	738
Debtors: due within one year	14	16,877	21,700
Debtors: due greater than one year	14	7,041	6,169
Investments	15	42,300	35,900
Cash at bank and in hand		19,010	2,552
		<b>85,745</b>	<b>67,059</b>
Creditors: Amounts falling due within one year	16	(27,067)	(16,525)
<b>Net current assets</b>		<b>58,678</b>	<b>50,534</b>
<b>Total assets less current liabilities</b>		<b>610,210</b>	<b>576,139</b>
Creditors: Amounts falling due after more than one year	17	(23,622)	(25,007)
Provisions for liabilities	18	(37,692)	(25,575)
<b>Net assets</b>		<b>548,896</b>	<b>525,557</b>
<b>Reserves</b>			
Profit & Loss Account		462,486	444,946
Revaluation Reserve		86,410	80,611
		<b>548,896</b>	<b>525,557</b>

The consolidated financial statements of Belfast Harbour Commissioners were approved on 26 April 2022 by the Commissioners and signed on their behalf by:



**Dr T Donaldson**  
Chair



**J O'Neill**  
Chief Executive



**K Kingston**  
Commissioner



**J M Bullick**  
Finance & Compliance Director

## BHC Statement of Financial Position at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets	12	545,927	522,883
Investment in Associate	13	8,000	4,015
		553,927	526,898
<b>Current assets</b>			
Stocks		508	734
Debtors: due within one year	14	20,249	23,212
Debtors: due greater than one year	14	7,612	6,762
Investments	15	42,300	35,900
Cash at bank and in hand		16,631	2,189
		<b>87,300</b>	<b>68,797</b>
Creditors: Amounts falling due within one year	16	(26,489)	(16,240)
<b>Net current assets</b>		<b>60,811</b>	<b>52,557</b>
<b>Total assets less current liabilities</b>		<b>614,738</b>	<b>579,455</b>
Creditors: Amounts falling due after more than one year	17	(23,622)	(25,007)
Provisions for liabilities	18	(37,910)	(25,685)
<b>Net assets</b>		<b>553,206</b>	<b>528,763</b>
<b>Reserves</b>			
Profit & Loss Account		466,945	448,667
Revaluation Reserve		86,261	80,096
		<b>553,206</b>	<b>528,763</b>

The profit of BHC for the financial year was £23,777k (2020: £11,082k).

The consolidated financial statements of Belfast Harbour Commissioners were approved by the Commissioners on 26 April 2022 and signed on their behalf by:

			
Dr T Donaldson Chair	J O'Neill Chief Executive	K Kingston Commissioner	J M Bullick Finance & Compliance Director

## Consolidated Statement of Changes in Equity at 31 December 2021

	Revaluation Reserve £'000	Profit & Loss Account £'000	Total £'000
<b>Balance at 31 December 2019</b>	<b>92,198</b>	<b>422,700</b>	<b>514,898</b>
Profit for the financial year	-	11,750	11,750
Transfer to the revaluation reserve	(11,587)	11,587	-
Other comprehensive income for the year	-	(1,091)	(1,091)
<b>Balance at 31 December 2020</b>	<b>80,611</b>	<b>444,946</b>	<b>525,557</b>
Profit for the financial year	-	22,673	22,673
Transfer to the revaluation reserve	5,799	(5,799)	-
Other comprehensive income for the year	-	666	666
<b>Balance at 31 December 2021</b>	<b>86,410</b>	<b>462,486</b>	<b>548,896</b>

## BHC Statement of Changes in Equity at 31 December 2021

	Revaluation Reserve £'000	Profit & Loss Account £'000	Total £'000
<b>Balance at 31 December 2019</b>	<b>95,016</b>	<b>423,756</b>	<b>518,772</b>
Profit for the financial year	-	11,082	11,082
Transfer to the revaluation reserve	(14,920)	14,920	-
Other comprehensive income for the year	-	(1,091)	(1,091)
<b>Balance at 31 December 2020</b>	<b>80,096</b>	<b>448,667</b>	<b>528,763</b>
Profit for the financial year	-	23,777	23,777
Transfer to the revaluation reserve	6,165	(6,165)	-
Other comprehensive income for the year	-	666	666
<b>Balance at 31 December 2021</b>	<b>86,261</b>	<b>466,945</b>	<b>553,206</b>



## Consolidated Cash Flow Statement for the year ended 31 December 2021

	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
Operating Profit	33,876	29,739
Adjustments for:		
Depreciation	13,532	12,502
Impairment	102	358
Release of EU grants	(1,165)	(1,158)
Surplus on Land	(176)	(916)
Profit/(Loss) on disposal of fixed assets	42	(20)
Increase in maintenance dredging provision	1,281	1,000
Pension Charge	-	286
Pension Gain	-	(1,165)
Pension contributions in cash	-	(120)
Decrease in stocks	222	1
Decrease /(Increase) in debtors due within 1 year	4,788	(2,316)
Decrease in debtors due greater than 1 year	291	282
Increase/(decrease) in creditors due within 1 year	3,506	(3,660)
<b>Cash from operations</b>	<b>56,299</b>	<b>34,813</b>
Corporation tax paid	(7,315)	(5,595)
<b>Net cash generated from operating activities</b>	<b>48,984</b>	<b>29,218</b>

## Consolidated Cash Flow Statement for the year ended 31 December 2021 (Continued)

	2021 £'000	2020 £'000
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(36,414)	(47,639)
Proceeds from land transactions	176	916
Net realisation from sale of tangible assets	21	20
Interest received	91	441
<b>Net cash from investing activities</b>	<b>(36,126)</b>	<b>(46,262)</b>
<b>Cash flows from financing activities</b>		
Short term loan	10,000	-
<b>Net cash from financing activities</b>	<b>10,000</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>22,858</b>	<b>(17,044)</b>
Cash and cash equivalents at beginning of year	38,452	55,496
<b>Cash and cash equivalents at end of year</b>	<b>61,310</b>	<b>38,452</b>
<b>Components of cash and cash equivalents</b>		
Cash at bank and in hand	19,010	2,552
Investments	42,300	35,900
<b>Cash and cash equivalents</b>	<b>61,310</b>	<b>38,452</b>

# Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

## 1. Statutory Information

Belfast Harbour Commissioners is a Statutory Corporation first constituted under The Belfast Harbour Act 1847 and domiciled in Northern Ireland. The principal place of business is Harbour Office, Corporation Square, Belfast, BT1 3AL.

As a Statutory Corporation, Belfast Harbour Commissioners 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 Commissioners have adopted the main provisions of the Act and therefore present a strategic report. The principal activities of the

Harbour and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report.

## 2. Compliance with Accounting Standards

The financial statements have been prepared in accordance with FRS 102. There were no material departures from that standard.

## 3. Accounting policies

### BASIS OF PREPARATION

The financial statements have been prepared under the historical 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 Belfast Harbour Commissioners is pounds sterling because that is the currency of the primary economic environment in which BHC and its subsidiaries (the Group) operate. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

### BASIS OF CONSOLIDATION

The financial statements consolidate the financial statements of the Harbour and its subsidiary undertakings drawn up to 31 December each year.

### GOING CONCERN

The financial statements have been prepared using the going concern basis of accounting.

The Group has considerable financial resources, together with long-term contracts with a number of customers and a presence across different business sectors. As a consequence, the Commissioners believe that the organisation is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Commissioners have considered the possible financial impact of Brexit and Covid-19, and whilst the situation continues to develop, the Commissioners have concluded that the Group has sufficient financial resources to operate for at least twelve months from the date of approval of these financial statements.

After making enquiries, the Commissioners have a reasonable expectation that adequate resources are available to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### TANGIBLE FIXED ASSETS – OPERATIONAL ASSETS

Operational assets are stated at cost, net of depreciation and any provision for impairment. The cost of operational fixed assets, which excludes estate property, comprises the purchase price of assets acquired, net of capital contributions received (excluding EU grants which are shown separately within creditors).

No provision is made for depreciation of land nor assets under construction. Other operational fixed assets are depreciated by the straight-line method according to their effective economic lives as follows: 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.

	Years
Capital dredging	35 to 50
Dock structures	12 to 50
Buildings	10 to 50
Roads	5 to 50
Plant & machinery	3 to 40
Fixtures & fittings	5

### TANGIBLE FIXED ASSETS – ESTATE PROPERTY

Estate property primarily represents land let to tenants who are not associated with port operations. This property falls within the FRS 102 Section 16 definition of investment property and so is not depreciated but is revalued annually and included in the balance sheet at fair value. Revaluation surpluses or deficits are recognised in the Income Statement. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

## RESERVES

The surplus arising on the revaluation of investment properties is recognised in the income statement and then transferred to the revaluation reserve (the amount transferred is stated before related deferred tax).

## FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group 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 Group after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (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 financing 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.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group 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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## INVENTORIES

Inventories are valued at cost with provision for any obsolete or defective content.

## 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 as described below.

### Non-financial assets

An 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.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead

to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

### Financial assets

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.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on

an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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 Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference

between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Group 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 Group has a legally enforceable right to set off current tax assets against 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 stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover comprises revenue from charges to port users, from rents of both operational and estate property and from the hotel. Turnover is recognised in the period in which it is earned. Shipping income is earned in the period in which it falls due i.e. in accordance with the date on which a particular ship docks in the Port of Belfast. Rental, storage and hotel income is recognised for the period January 2021 to December 2021. To the extent that rental and storage income is received in 2021 but relates to 2022 it is treated as deferred income. Rental and storage income relating to 2021 but not received until 2022 is accrued for in the financial statements. Hotel Turnover comprises revenue from rooms, sales of food and beverage and rental of meeting room space. To the extent that room income is received in 2021 but relates to 2022 it is

treated as deferred income and held in the Deposit Account. Room income relating to 2021 but not received until 2022 is accrued for in the financial statements.

## EMPLOYEE BENEFITS

The Commissioners operate both a pension scheme and a defined contribution scheme in the UK, the assets of which are held in a separate trustee-administered fund.

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other

comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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.

## LEASES

### The Group 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.

### The Group 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.

## EU GRANTS

EU grants relating to tangible fixed assets are included within deferred income and are recognised over the expected useful economic life.

## PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## INVESTMENTS

Fixed asset investments, comprising shares in subsidiary undertakings, are stated at cost less provision for impairment. Current asset investments are stated at lower of cost and net realisable value. Investments comprise monies on short term deposits.

## INVESTMENT IN ASSOCIATE

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The results and assets and liabilities are incorporated in these consolidated financial statements using the cost model. The investments in associates are measured at cost less any accumulated impairment losses.

## 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Commissioners are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

## Critical Judgements in Applying the Group's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Commissioners have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## REVALUATION OF INVESTMENT PROPERTIES

Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2021 at fair value. There are elements of uncertainty in the underlying assumptions of the methodology used to determine the fair value of investment property, specifically in relation to environmental conditions, estimated rental values and estimated rental yields. The deficit arising on the revaluation of investment properties is recognised in the income statement and then transferred to the revaluation reserve.

## DREDGING PROVISION

The provision for maintenance dredging reflects the Commissioners' obligation to maintain channels and berths within the Port at a minimum depth. Dredging costs are dependent on a range of factors including environmental conditions, volumes of material to be dredged and the nature of the dredging equipment.

## PENSIONS

The liability of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future inflation rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to uncertainty.

## TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

## 5. Turnover

Turnover is analysed as follows:

	2021 £,000	2020 £,000
Port revenue	53,609	46,760
Estate revenue	15,542	14,081
Hotel revenue	4,113	1,969
	<b>73,264</b>	<b>62,810</b>

## 6. Investment Income

	2021 £,000	2020 £,000
Interest receivable	56	249
Other finance income	69	103
	<b>125</b>	<b>352</b>

## 7. Profit before taxation

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

	2021 £,000	2020 £,000
Depreciation of tangible fixed assets (see note 12)	13,532	12,502
Impairment of tangible fixed assets (see note 12)	102	358
Amortisation of EU grants (see notes 16 and 17)	(1,165)	(1,158)
Loss/(Profit) on disposal of fixed assets	42	(20)
Gain on curtailments/changes/introductions DB Scheme (see note 21)	-	1,165
Foreign exchange loss/(gain)	87	(1)
Surplus on land transaction	(176)	(916)

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

	2021 £,000	2020 £,000
<b>Fees payable to the auditor and its associates for the audit of the annual accounts</b>	<b>42</b>	<b>41</b>
<b>Fees payable to the auditor and its associates for other services to the Group</b>		
The audit of the subsidiaries	9	9
<b>Total audit fees</b>	<b>51</b>	<b>50</b>
Taxation and compliance services	30	30
Other taxation advisory services	59	40
<b>Total non-audit fees</b>	<b>89</b>	<b>70</b>

Fees payable to Deloitte and its associates for non-audit services to BHC are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

## 8. Pilotage

	2021 £,000	2020 £,000
<b>Income from pilotage (included in turnover)</b>		
Pilotage services	2,765	2,067
<b>Ships navigating under pilotage exemption certificates</b>	168	153
	<b>2,933</b>	<b>2,220</b>
<b>Expenditure on provision of pilotage (included in net operating expenses)</b>		
Providing the services of pilots	2,013	1,903
Providing, maintaining and operating pilot boats	420	442
	<b>2,433</b>	<b>2,345</b>
Gain/ (Loss) against port operational costs	500	(125)
<b>(net operating expenses)</b>	<b>2,933</b>	<b>2,220</b>

## 9. Employee Numbers

The average number of employees during the year was 230 (2020:211).

## 10. Tax and profit

The tax charge comprises:	2021 £,000	2021 £,000
<b>Current tax and profit</b>		
UK corporation tax	6,545	5,306
Adjustments in respect of previous periods	75	(537)
<b>Total current tax</b>	<b>6,620</b>	<b>4,769</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,457	(445)
Adjustment in respect of previous periods	(156)	(110)
Effect of increase in tax rate	8,206	2,540
<b>Total deferred tax (see note 18)</b>	<b>10,507</b>	<b>1,985</b>
<b>Total tax on profit</b>	<b>17,127</b>	<b>6,754</b>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £,000	2021 £,000
<b>Group profit before tax</b>	<b>39,800</b>	<b>18,504</b>
Tax on Group profit at standard UK corporation tax rate of 19% (2020: 19%)	7,562	3,517
Effects of		
- Expenses not deductible for tax purposes	398	186
- Non-qualifying depreciation	1,041	1,160
- Entitlement indexation allowances		
- Effect of increase in tax rate	8,206	2,538
- Adjustments to tax charge in respect of previous years	(80)	(647)
<b>Group total tax charge for year</b>	<b>17,127</b>	<b>6,754</b>

## 11. Profit attributed to BHC

As permitted by section 408 of the Companies Act 2006, no separate income statement or statement of other comprehensive income is presented in respect of BHC. The profit attributable to BHC is the footnote to BHC's balance sheet.

## 12. Consolidated Tangible Fixed Assets

	Capital Dredging £,000	Dock Structures £,000	Land & Buildings £,000	Roads £,000	Plant & Machinery £,000	Assets in the Course of Construction £,000	Operational Assets £,000	Estate Property £,000	Assets in the Course of Construction £,000	Estate Assets £,000	Total 2021 £,000	Total 2020 £,000
<b>Cost or Valuation</b>												
At 1 January	15,099	253,026	121,685	32,010	115,812	7,556	545,188	178,664	20,907	199,571	744,759	721,067
Reclassified	-	235	-	-	438	(673)	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	-	-	-	5,799	-	5,799	5,799	(11,587)
Additions	-	128	1,081	993	2,069	3,747	8,018	930	20,892	21,822	29,840	43,218
Impairment	-	-	(102)	-	-	-	(102)	-	-	-	(102)	(358)
Disposals	-	-	(161)	-	(95)	-	(256)	-	-	-	(256)	(7,581)
<b>At 31 December</b>	<b>15,099</b>	<b>253,389</b>	<b>122,503</b>	<b>33,003</b>	<b>118,224</b>	<b>10,630</b>	<b>552,848</b>	<b>185,393</b>	<b>41,799</b>	<b>227,192</b>	<b>780,040</b>	<b>744,759</b>
<b>Depreciation</b>												
At 1 January	(7,225)	(92,374)	(33,430)	(19,798)	(70,123)	-	(222,950)	(219)	-	(219)	(223,169)	(218,248)
Depreciation charge	(242)	(4,531)	(2,741)	(996)	(5,022)	-	(13,532)	-	-	-	(13,532)	(12,502)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	131	-	62	-	193	-	-	-	193	7,581
<b>At 31 December</b>	<b>(7,467)</b>	<b>(96,905)</b>	<b>(36,040)</b>	<b>(20,794)</b>	<b>(75,083)</b>	<b>-</b>	<b>(236,289)</b>	<b>(219)</b>	<b>-</b>	<b>(219)</b>	<b>(236,508)</b>	<b>(223,169)</b>
<b>Balance sheet value</b>												
At 31 December 2020	7,874	160,652	88,255	12,212	45,689	7,556	322,238	178,445	20,907	199,352	-	521,590
<b>31 December 2021</b>	<b>7,632</b>	<b>156,484</b>	<b>86,463</b>	<b>12,209</b>	<b>43,141</b>	<b>10,630</b>	<b>316,559</b>	<b>185,174</b>	<b>41,799</b>	<b>226,973</b>	<b>543,532</b>	<b>-</b>

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassification as estate property in 2001, was valued by the Commissioners as at 31 December 2021 at fair value. The surplus arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £14,023,789 (2020: £12,874,346) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2021 are capital contributions amounting to £206,177 (2020: £219,724).

## 12. BHC Tangible Fixed Assets

	Capital Dredging	Dock Structures	Land & Buildings	Roads	Plant & Machinery	Assets in the Course of Construction	Operational Assets	Estate Property	Assets in the Course of Construction	Estate Assets	Total 2021	Total 2020
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Cost or Valuation</b>												
At 1 January	15,099	253,026	105,391	32,010	108,460	7,555	521,541	201,588	20,907	222,495	744,036	723,678
Reclassified	-	235	-	-	438	(673)	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	-	-	-	6,165	-	6,165	6,165	(14,920)
Additions	-	128	1,081	993	2,069	3,747	8,018	930	20,892	21,822	29,840	43,217
Impairment	-	-	(102)	-	-	-	(102)	-	-	-	(102)	(358)
Disposals	-	-	(161)	-	(95)	-	(256)	-	-	-	(256)	(7,581)
<b>At 31 December</b>	<b>15,099</b>	<b>253,389</b>	<b>106,209</b>	<b>33,003</b>	<b>110,872</b>	<b>10,629</b>	<b>529,201</b>	<b>208,683</b>	<b>41,799</b>	<b>250,482</b>	<b>779,683</b>	<b>744,036</b>
<b>Depreciation</b>												
At 1 January	(7,225)	(92,375)	(32,495)	(19,798)	(69,041)	-	(200,934)	(219)	-	(219)	(221,153)	(216,967)
Depreciation charge	(242)	(4,531)	(2,397)	(996)	(4,630)	-	(12,796)	-	-	-	(12,796)	(11,767)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	131	-	62	-	193	-	-	-	193	7,581
<b>At 31 December</b>	<b>(7,467)</b>	<b>(96,906)</b>	<b>(34,761)</b>	<b>(20,794)</b>	<b>(73,609)</b>	<b>-</b>	<b>(233,537)</b>	<b>(219)</b>	<b>-</b>	<b>(219)</b>	<b>(233,756)</b>	<b>(221,153)</b>
<b>Balance sheet value</b>												
At 31 December 2020	7,874	160,651	72,896	12,212	39,419	7,555	300,607	201,369	20,907	222,276	-	522,883
<b>31 December 2021</b>	<b>7,632</b>	<b>156,483</b>	<b>71,448</b>	<b>12,209</b>	<b>37,263</b>	<b>10,629</b>	<b>295,664</b>	<b>208,464</b>	<b>41,799</b>	<b>250,263</b>	<b>545,927</b>	<b>-</b>

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2021 at fair value. The surplus arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £14,023,789 (2020 £12,874,346) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2021 are capital contributions amounting to £206,177 (2020: £219,724).

## 13. Fixed Asset Investments

	BHC	
	2021 £,000	2020 £,000
Investment in Associate	8,000	4,015
<b>Total</b>	<b>8,000</b>	<b>4,015</b>

The Investment in Associate is held at cost at 31 December 2021 (note 22).

BHC has investments in the following associates:

Trading Entities	Registered office address	% Voting Rights
O H (Office) Developments Limited	Unit 4, the Legacy Building, Queens Road, Belfast, BT1 3AL	40%

BHC has significant influence, but not control or joint control of the Associate.

Subsidiary undertakings		
Total	-	-

BHC has investments in the following subsidiary undertakings:

Trading Entities	Registered office address	Holdings	%
BHC Estates Limited	Harbour Office, Corporation Square, Belfast, BT1 3AL	Ordinary Shares	100
City Quays Hotel Limited	Harbour Office, Corporation Square, Belfast, BT1 3AL	Ordinary Shares	100
Dormant Entities	Registered office address	Holdings	%
City Quays Car Park Limited	Harbour Office, Corporation Square, Belfast, BT1 3AL	Ordinary Shares	100
Belfast Harbour Film Studios Limited	Harbour Office, Corporation Square, Belfast, BT1 3AL	Ordinary Shares	100

## 14. Debtors

	Group		BHC	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	10,216	10,117	10,163	10,076
Amounts owed by Group undertakings	-	-	3,484	1,705
Corporation Tax	827	132	827	132
Other debtors	4,428	10,439	4,367	10,285
Prepayments and accrued income	1,406	1,012	1,408	1,014
	<b>16,877</b>	<b>21,700</b>	<b>20,249</b>	<b>23,212</b>
<b>Amounts falling due after more than one year:</b>				
Other debtors	969	1,260	1,540	1,853
Pension asset (note 21)	6,072	4,909	6,072	4,909
	<b>7,041</b>	<b>6,169</b>	<b>7,612</b>	<b>6,762</b>

Other debtors due within one year include an amount owed by the Belfast Harbour Commissioners Pension Scheme of £1,464k at 31 December 2021 (2020: £8,514k).

## 15. Investments

	Group		BHC	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Short term deposits</b>	<b>42,300</b>	<b>35,900</b>	<b>42,300</b>	<b>35,900</b>

## 16. Creditors – amounts falling due within one year

	Group		BHC	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	1,065	706	905	636
Other taxation and social security	345	325	323	312
Other creditors	12,267	12,292	12,150	12,231
Bank Overdraft	10,000	-	10,000	-
EU grants (see note 7)	1,165	1,158	1,165	1,158
Accruals and deferred income	2,225	2,044	1,946	1,903
	<b>27,067</b>	<b>16,525</b>	<b>26,489</b>	<b>16,240</b>

## 17. Creditors – amounts falling due after more than one year

	Group		BHC	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other creditors	2,109	2,322	2,109	2,322
EU grants (see note 7)	21,513	22,685	21,513	22,685
	<b>23,622</b>	<b>25,007</b>	<b>23,622</b>	<b>25,007</b>

### Pilots National Pension Fund

Belfast Harbour Commissioners' share of the PNPf liabilities has been determined by the PNPf Trust Company and was notified to the Commissioners on 29 October 2012. The appropriate obligation of £2.3m, (2020 £2.5m) based on the currently available information, has been reflected in the accounts and included within other creditors. This has been split between creditors: due within one year of £218k (£2020: £206k) and creditors: due after one year of £2,109k (2020: £2,322k). The majority of this obligation refers to "Orphan Liabilities" which do not relate to retirement benefit obligations of employment with Belfast Harbour Commissioners.

## 18. Provisions for liabilities

	Deferred Taxation £'000	Maintenance Dredging £'000	Total £'000
<b>Group</b>			
At 1 January	24,171	1,404	25,575
Adjustment in respect of prior periods	(156)	-	(156)
Charged to income statement	10,663	1,281	11,944
Charged to other comprehensive income	428	-	428
Amounts applied	-	(99)	(99)
<b>At 31 December 2021</b>	<b>35,106</b>	<b>2,586</b>	<b>37,692</b>
<b>BHC</b>			
At 1 January	24,281	1,404	25,685
Adjustment in respect of prior periods	(156)	-	(156)
Charged to income statement	10,771	1,281	12,052
Charged to other comprehensive income	428	-	428
Amounts applied	-	(99)	(99)
<b>At 31 December 2021</b>	<b>35,324</b>	<b>2,586</b>	<b>37,910</b>

## 18. Provisions for liabilities (continued)

### Deferred Tax

Deferred tax is provided as follows:

	2021 £,000	2020 £,000
Fixed asset timing differences	14,292	10,039
Short Term timing differences	(868)	(715)
Investment properties held at fair value and rollover relief	20,164	13,914
Pension	1,518	933
<b>Provision for deferred tax</b>	<b>35,106</b>	<b>24,171</b>
<b>Classification of Deferred Tax Liabilities</b>		
Within 12 months	-	-
After 12 months	35,106	24,171

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity or other entity within the Group.

There is no expiry date on timing differences, unused tax losses or tax credits.

**Factors that may affect future tax charges**  
The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). The Corporation Tax main rate will increase from 19% to 25% with effect from 1 April 2023.

New Super Deductions capital allowances were included in the Finance Act 2021 for eligible costs incurred between 1st April 2021 and 31st March 2023, where contracts were entered on or after 3rd March 2021. The tax relief is available

in the form of a 130% first year allowance in relation to qualifying plant and machinery assets and a 50% first year allowance for most qualifying special rate assets.

### Maintenance Dredging

The provision for maintenance dredging reflects the Commissioners' obligation to maintain channels and berths within the port at a minimum depth.

## 19. Financial Instruments

### A) OVERVIEW

This note provides details of the entity's financial instruments. Except where otherwise stated, the disclosures in this note exclude retirement benefit assets and obligations.

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 disclosure 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 Group and BHC's financial assets and liabilities are summarised by category below.

	Group		BHC	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Financial assets</b>				
Investments	42,300	35,900	42,300	35,900
Cash	19,010	2,552	16,631	2,189
Loans and receivables	15,613	21,718	19,554	23,919
	<b>76,923</b>	<b>60,170</b>	<b>78,485</b>	<b>62,008</b>
<b>Financial liabilities</b>				
Amortised cost	25,442	13,226	25,164	13,179
	<b>25,442</b>	<b>13,226</b>	<b>25,164</b>	<b>13,179</b>

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.

## 19. Financial Instruments (continued)

### C) CREDIT RISK MANAGEMENT

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in a 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.

### D) LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Commissioners, which has 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 the financial assets liabilities.

## 20. Capital Commitments

	2021 £,000	2020 £,000
<b>Group and BHC</b>		
Capital expenditure which has been contracted for but has not been provided for in the accounts	<b>25,947</b>	<b>42,091</b>
Capital expenditure which has been authorised by the Commissioners but has not yet been contracted for	<b>51,649</b>	<b>45,262</b>

The above amounts do not take account of any future grants or contributions which may be receivable.

## 21. Employee Benefits

### DEFINED CONTRIBUTION SCHEME

The Commissioners operate a defined contribution pension scheme. The total charged to the income statement of £1,128k (2020: £986k) represents contributions payable to the defined contribution section of the scheme at rates specified in the Schedule of Contributions. As at 31 December 2021, contributions of £109k (2020: £92k) due in respect of the current reporting period had not been paid over to the scheme.

### DEFINED BENEFIT SCHEME

The Commissioners operate a defined benefit scheme. Amounts owed to Belfast Harbour Commissioners by the Pension Scheme are disclosed in note 14 to these accounts.

The last full actuarial valuation was carried out at 31 December 2020 by a qualified independent actuary. The present value of the defined benefit obligation, the related current services cost and past service cost were measured using the projected unit credit method.

#### Weighted average assumptions to determine defined benefit obligation:

	31/12/2021	31/12/2020
Discount rate	1.80%	1.40%
Rate of compensation increase	-%	3.60%
Rate of pension increase	3.60%	3.00%
Rate of inflation increase	3.70%	3.10%

#### Assumed life expectancy on retirement at age 65:

	Male years	Female years
Retiring today (member age 65)	22.5	24.6
Retiring in 25 years (member at 45 today)	24.3	27.0

The principal assumption used to measure the scheme liabilities are the discount rate, rate of inflation, rate of salary growth and rate of mortality.

## 21. Employee Benefits (continued)

Amounts recognised in the income statement in respect of the defined benefit scheme is as follows:

Group and BHC	2021 £'000	2020 £'000
Current service cost	-	286
Gain on curtailments/changes/introductions	-	(1,165)
Net interest income	(69)	(103)
	<b>(69)</b>	<b>(982)</b>
Recognised in other comprehensive income	(1,094)	1,252
<b>Total (cost) / income relating to defined benefit scheme</b>	<b>(1,163)</b>	<b>(270)</b>

The amount included in the balance sheet arising from BHC's obligations in respect of its defined benefit scheme is as follows:

	2021 £'000	2020 £'000
Present value of defined benefit obligation	46,949	47,411
Fair value of plan assets	(53,021)	52,320
<b>Asset recognised in the balance sheet</b>	<b>(6,072)</b>	<b>(4,909)</b>

## 21. Employee Benefits (continued)

Movement in the present value of defined benefit obligation were as follows:

	At year end 31/12/21 £,000	At year end 31/12/20 £,000
<b>At 1 January</b>	<b>47,411</b>	<b>46,971</b>
Service cost	-	286
Gain on curtailments/changes/introductions	-	(1,165)
Interest cost	649	895
Participant contributions	-	22
Actuarial gains/(losses)	999	4,815
Benefits Paid	(2,110)	(4,413)
<b>At 31 December</b>	<b>46,949</b>	<b>47,411</b>

Movements in the fair value of plan assets were as follows:

	At year end 31/12/21 £,000	At year end 31/12/20 £,000
<b>At 1 January</b>	<b>52,320</b>	<b>52,030</b>
Interest Income	718	998
Actuarial gains/(losses)	2,093	3,563
Employer contributions	-	120
Participant contributions	-	22
Benefits Paid	(2,110)	(4,413)
<b>At 31 December</b>	<b>53,021</b>	<b>52,320</b>

### Plan Assets

The weighted-average asset allocations at the year-end were as follows:

	At year end 31/12/21 £,000	At year end 31/12/20 £,000
<b>Asset category</b>		
Equities	10%	16%
Debt instruments	90%	76%
Property	0%	8%
Other	0%	3%
	<b>100%</b>	<b>100%</b>

## 22. Related Party Transactions

Belfast Harbour Commissioners pay, on behalf of the Belfast Harbour Commissioners' Pension Scheme, pensions payable to pensioner members and benefits payable to members both of which are reimbursed by the scheme. In addition, administration expenses of £585k (2020: £768k), which includes £14k (2020: £13k) relating to Pension Scheme audit fees, were borne by Belfast Harbour Commissioners on behalf of the scheme. Amounts owed by the Belfast Harbour Commissioners Pension Scheme are disclosed in note 14.

All board members, directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities are considered to be key management personnel. The total remuneration in respect of these individuals is £4,022k (2020: £3,947K).

During the year Belfast Harbour Commissioners made payments totalling £3,985k to OH (Office) Developments Limited. This amount is held as an Investment in Associate at 31 December 2021 (2020: £4,015k). See note 13.

