



Report and Accounts
y.e. 31 March 2021

**The Northern Ireland Fishery Harbour Authority
Annual Report and Accounts
For the year ended 31 March 2021**

Compiled in the manner prescribed in
The Northern Ireland Fishery Harbour Authority (Accounts) Regulations
(Northern Ireland) 1998

on

6 December 2021



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NIFHA

Annual Report and Accounts year ended 31 March 2021

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STATUTORY EQUALITY DUTY

In accordance with its Equality Scheme the Authority is committed to providing information in accessible formats.

Copies of this report can be made available in alternative formats by contacting the Authority at the address and telephone number given on page 1.

GENERAL INFORMATION

Board Members

A. McKeown	(Appointed -	01 January 2021)
D. Hill		
D. Knott	(Appointed -	01 January 2021)
G. McIlroy	(Retired -	31 December 2020)
H. Henderson	(Retired -	31 December 2020)
H. Wick	(Appointed -	01 January 2021)
K. Burns		
L. Gilmore	(Appointed -	01 January 2021)
M. McDonald M.B.E.	(Retired -	31 December 2020)
R. McConnell (Chairman)	(Appointed -	01 January 2021)
T. Jarvis (Chairman)	(Retired -	31 December 2020)

Chief Executive / Secretary

K Quigley

Independent Auditors

M.B. McGrady
Rathmore House
52 St Patricks Avenue
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BT30 6DS

Solicitors

Carson McDowell LLP
Murray House
Murray Street
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Consulting Engineers

Doran Consulting
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REPORT OF THE AUTHORITY

Chairman's Statement

For the first time as Chairman, I am pleased to support the Annual Report and Accounts for the Northern Ireland Fishery Harbour Authority (NIFHA) for the period 2020-21 as presented.

The Authority continues to deliver a wide range of services in its three harbours whilst at the same time meeting high standards of environmental protection and health and safety compliance. Our operatives, office staff, harbour masters and management have all contributed to the smooth and effective running of the organisation.

Without doubt it has been an exceptional year. The Covid-19 pandemic has driven many changes and the staff have showed the highest level of professionalism in adjusting to new ways of working I offer my sincere thanks and appreciation to all those involved in our service delivery.

Operational income was 29% ahead of the emergency budget put in place at the start of the pandemic. However, income was still some 12% below that seen in the prior financial year. Expenditure was 6% below budget due primarily to tight fiscal controls. Unfortunately, the loss in income meant that for the first time in many years the Authority recorded a significant trading deficit.

The Authority, despite a range of significant ongoing challenges remains confident in the long-term future of the industry. However, the impact of the pandemic on the whole industry and hence the Authority has been severe. Recovery will likely be slow and subject to a range of factors. In view of this and other pressures the Authority has taken and will continue to take an especially vigilant and proactive approach to controlling costs.

End of life vessels and their disposal remains a significant issue for the Authority. To facilitate a more practical dismantling of vessels the Authority has submitted a planning application to allow dismantling on a slipway on Portavogie. It is hoped approval will be granted for this important venture. The Authority continues to work with DAERA to develop a long-term solution to this critical issue.

Since the European Maritime and Fisheries Fund (EMFF) opened the Authority has received approval for a wide range of projects totalling fifteen in all. Initially progress from award of grant to award of tender had been slower than hoped however during this financial year good progress was made in both awarding tenders and completing projects. The remaining projects are at various stages of progression and it is expected they will complete within approved time frames. During the year the Authority delivered a reduced minor capital works and repair programme. Works included repairs and improvements in all three harbours.

I would like to thank our sponsoring department, the Department of Agriculture, Environment and Rural Affairs (DAERA) for their continuing support especially during the Covid-19 emergency. Whilst correctly taking a challenging approach to help ensure the Authority delivers the high standards it sets itself; the Board and Staff appreciate the overarching partnership approach that is taken in dealing with issues as they arise.

Finally, during the year Terry Jarvis (retiring Chair) and three board members George McIlroy Helen Henderson and Martin McDonald completed extensions to their terms and resigned. Four new Board members Lynn Gilmore, Harry Wick, David Knott, Alan McKeown and I the new chair joined the board on the 1st of January 2021. I would first like to thank the retiring Board members for their long years of service, hard work and dedication. I also want to thank both the remaining members and new Board members for their own hard work and dedication. I am

confident that the reconstituted Board will continue to positively address the many challenges that lie ahead and will guide the Authority in the best interests of all its varied stakeholders.

A handwritten signature in black ink that reads "R. McConnell". The signature is written in a cursive, slightly slanted style.

Robert McConnell
Chairman

Chief Executive's Review

It truly was an exceptional year. All organisations have faced significant challenges arising primarily from the Covid-19 epidemic but also strains arising from leaving the European Union. Despite these challenges the Authority continued to deliver its high level of service delivery while maintaining sound governance practice.

The outlook going forward remains difficult to predict. It appears that the market will be slow to recover from the impact of Covid-19. Certainly many fishermen view the opportunities that leaving the European Union will present as significant and remain optimistic about a longer term recovery in demand and price for their product.

But the level of uncertainty about the immediate short term and medium remains high. The Authority is predicting its revenue in the forthcoming year will remain significantly below long trend. During the financial year just ended the Authority was able to fund its deficit from its own reserves. However, this is not sustainable, and the Authority is forecasting that in the coming financial year that it will require grant in aid support. Anticipating this need it has sought and received assurances from its sponsorship body DAERA that when deficit funding is required it will be made available to the Authority.

Overall income from landings fell by 28% or £177k to £460k from £637k. When taking all income streams (excluding revenue grant) into account overall operational income fell by £184k to £1,149k a fall of 14%. The Authority has little control over its primary income streams as they are directly related to activity within the fishing industry which are difficult to predict even in normal times. For the year the Authority reported a deficit after tax of £1.23m as opposed to a deficit after tax of £1.01 m for 2019-20.

I would wish to join the Chairman in expressing appreciation to DAERA and to the EMFF Selection Panel for their continued financial support for projects promoted by the Authority which are aimed at enabling the local sea fishing industry to operate as competitively and sustainably as possible.

The Authority is made up of an excellent team of people serving all its stakeholders including port users and our many visitors. The safety and welfare of its staff, users and visitors are the key concern of the Authority and hence we continue to prioritise the key areas of health and safety, environmental performance, equality and good relations.

Health, Safety and Environmental Issues

The Authority operates two separate but integrated safety management systems – one for onshore safety and one for marine safety. These systems are based on a risk assessment approach.

On-shore accidents are recorded on a property damage basis or an 'over' and 'under 3 day' basis i.e. over or under '3 days off work'. The level of reported accidents remained low this year. There were no serious incidents (over 3 days). Whilst the total number remains below historical trends, any accident is unacceptable, and the Authority continues to work to enhance the safety of its harbours.

A total of 3 accidents involving some level of injury were reported in 2020-21 and the following table provides a breakdown of these;

	<3 Days	>3 Days
Staff	2	0
Port User	1	0
Visitor	0	0
Total	3	0

On the marine side there were three incidents recorded. There were no injuries in any of these incidents. Two of these related to the Authority's dredger. A capital project is in place which will be delivered in the coming financial year which is planned to address the underlying causes of these incidents.

The Authority also records near misses and while this figure is low the Authority remains concerned that not all marine incidents are reported to it and would appeal to users to report all incidents.

Environmental Care

The Authority continues to work to maintain high levels of environmental care. With the support of Seafish and ANIFPO the Authority applied for and received grant funding for the appointment of an Environmental Officer. This post was filled towards the year end, and it is expected the Officer will make a significant contribution to improving the overall performance of the Authority in this Area.

Capital Works Projects

Capital works projects are undertaken with the combined assistance of the EMFF and National funding. The Authority submitted fifteen applications to the scheme and work has substantially completed on six of these. The Authority expects to complete the remaining projects on schedule. One project, for complex reasons, has run ahead of expected cost.

The Authority's minor capital works was reduced in scope due to resource issues which arose due to Covid-19.

Operational Review

Key operational issues relating to 2020-21 were as follows:-

Vessel Numbers

The number of over 10m vessels based in the 3 harbours fell again by a further four vessels to a total of 86. During any year vessel numbers vary as owners buy and sell and at times move to other non-Authority ports. It is also the case that some vessels are being replaced by vessels with much larger fishing capacity. The Authority is however concerned that the overall number of larger vessels has fallen again – for the sixth year in a row. The fleet is primarily made up of previously used vessels. Over time we are also seeing a move to vessels with significantly deeper drafts.

Detailed figures on a port by port basis as at 31 March for the last 5 years are as follows:-

	2021	2020	2019	2018	2017
Ardglass	19	22	23	26	28
Kilkeel	45	47	48	55	63
Portavogie	22	21	24	30	35
Total	86	90	95	111	126

The number of 10m and under vessels in the three harbours at 31 March 2021 was 63 which compares with 66 the previous year. The number of these smaller vessels varies seasonally. The pontoon facilities in both Kilkeel and Portavogie were fully occupied throughout the year.

Maintenance Dredging

The Authority conducts dredging every year in Kilkeel. In total 17,589 tonnes of sediment, an amount close to long term trend, was dredged from Kilkeel Harbour compared to 11,880 tonnes in the prior year. Dredging campaigns are undertaken on an as needed basis in the other two harbours generally every three to four years. A campaign was also conducted in Ardglass during which 2,736 tonnes were dredged.

Fishmarket

NIFHA is the owner and operator of the fish markets at the three harbours and as such has the legal responsibility for ensuring compliance with food safety regulations. The fish markets are licenced food premises, and the Authority operates and maintains these to approved standards.

Slipway Facilities

During the year 140 vessels were slipped; 93 in Kilkeel and 47 in Portavogie. This compares with a total of 144 vessels in the previous year of which 94 were slipped in Kilkeel and 50 in Portavogie.

Ice Supplies

The total tonnage of ice supplied in the three ports in 2020-21 was 2,626 tonnes which was 11% lower than the previous year's figure of 2,962 tonnes. On a port by port basis sales were steady in Ardglass where fishing continued throughout the year and significantly lower in Kilkeel and Portavogie where the fleets substantially availed of both tie-up schemes.

Estate Management

The Authority has, with the exception of one location in Portavogie, no available space to rent in any of the three harbours which generally reflects the high level of demand for good property. A number of rent reviews were completed during the year.

Port User Consultation

Three Port Users meetings were held during the year, one for each of the three harbours. Unfortunately these meetings could not be held in person and accordingly virtual meetings were held. These meetings continue to provide an invaluable forum for consulting with Port Users on operational issues (including safety and environmental issues), on capital works priorities and on equality, good relations and disability issues. However we take the view that good communication is largely dependent on a robust informal network. To that end

considerable effort continues to be made to meet regularly where possible even when this means at external locations on an informal basis with a wide range of stakeholders.

Equality, Good Relations and Disability Duties

Throughout the year the Authority continued to implement its revised Equality Scheme, its Good Relations policy and the Disability Action Plan. As a matter of course disability issues are considered in all new capital works projects. The annual Equality Report, which details the progress made by the Authority in achieving its annual equality, good relations and disability targets, was submitted to the Equality Commission by the due date of 31 August 2021.

Personnel

I of course want to extend my thanks to all the staff for the hard work and dedication they steadfastly delivered during the year. Their commitment to the values of the organisation has enabled the Authority to maintain and improve the quality of the work it delivers on behalf of its many customers.

This was particularly evident as they worked to deal with the many issues that bombarded the organisation as the full impact of the Covid-19 unfolded.

It remains the opinion of the Authority that one of the chief ways it can improve the quality of its service is through enhancing the skills of its workforce. The Authority has in place an enhanced training programme based on the development plans that have been put in place for all members of staff. Of course the pandemic impacted and continues to impact this training plan, but the Authority still managed to deliver a significant level of training.

Financial Review

The Authority recorded a deficit before tax of £1.48m which compares with a previous year deficit of £1.32m. Depreciation decreased to £1,605k from £1,823k a decrease of £218k.

Expenditure excluding depreciation rose to £1,353k from £1,335k an increase of just over 1%

Total income before capital and revenue grants was £1,149k which is a 14% fall on last year (£1,333k). Landing revenues fell by 28% to £460k. Ice sales fell by 11% to £173k. Slipway revenue fell by 18% to £146k. On a port by port basis the revenue fell in all three harbours, Ardglass (4%), Kilkeel (19%) and Portavogie (17%)

The Authority had a positive cash balance at year end of £442k which compares with an opening balance of £519k.

Sickness /Absence data

The average number of working days lost due to sickness per employee was 1.5 days for 2020-21. The equivalent figure for the previous year was 8.5 days. In addition due to Covid-19 the Authority lost 5 days to isolating. One employee contracted the virus and was absent for four weeks. There was no cross infection on site.

Data Handling

NIFHA has not had any personal data related incidents during the current or previous years.

End of Life Vessels

There are a number of end of life fishing vessels within the Authority's harbours some of these have been abandoned and others are awaiting disposal by their owners. The risks arising from these vessels are a key concern for the Authority. The Authority has submitted a planning application to Ards and North Down Council to open a dismantling facility in Portavogie harbour. As of yet no decision has been made with regard to this application. The Authority continues to work with DAERA to develop a comprehensive solution to this problem. As current funding available for the disposal of these vessels will not cover the disposal costs of all abandoned vessels these accounts recognise a contingent liability for the disposal of end of life vessels in the Authority's harbours.

Key Objectives and Performance Targets

The Authority agreed six key objectives for 2020-21. These are linked to the core values of the organisation as outlined in the Corporate Plan and are designed to assist in the ongoing delivery of the said plan. Under each of these objectives a number of key activities with associated outputs where set. These objectives are outlined below, and information is provided on how the Authority performed. In summary not all targets were fully met. Indeed, the impact of Covid-19 meant that a several activities associated with the outputs where not fully delivered. However, the plan was substantively delivered in that core planned activities were delivered.

- **Key Objective 1: To use an integrated approach in providing safe sustainable and modern harbour facilities at Ardglass, Kilkeel and Portavogie which are complimentary, efficiently managed, well maintained and cost effective.**

There were seven activities with nine associated outputs – three of these were not met. The first of these related to delivering Capital works projects on budget. For a range of reasons one particular project is experiencing difficulties and cost is ahead of budget. Due to the impact of Covid-19 on both human and financial resources the Authority was unable to fully deliver its minor capital works programme. Also as reported elsewhere in the body of this report there were a number of accidents impacting both staff and customers. The authority sets a target with a very low rate of accidents and so this target was not met. The overall conclusion is that this objective was only partially met.

- **Key Objective 2: To continue the development of NIFHA as a learning, reactive and innovative organisation that values staff, enhances equality and builds capacity.**

This objective was fully met. There were six activities with six associated outputs. The objectives under this target primarily focused on support and development of staff along with enabling and delivering innovation both operationally and through the use of information technology.

- **Key Objective 3: To be a customer and stakeholder centred organisation engaging, partnering and communicating with NIFHA's Customers and Stakeholders.**

This objective was substantially met. There were six activities with six associated outputs. The activities focused on ensuring the Authority communicated well with its wide range of stakeholders. One output relating to governance was not met which was to hold two accountability meetings with DAERA. Due to resource issues associated with the pandemic one meeting was not held until after the financial year-end.

- **Key Objective 4: To provide value for money for Government, Customers and Stakeholders while delivering our statutory and other duties.**

This objective was fully met. There were seven activities with eight associated outputs. This objective covers the key day to day operational and financial activities.

- **Key Objective 5: To ensure the business of NIFHA is conducted in an open and fully accountable manner by delivering best practice in corporate governance, accountability and effectively addressing all legal responsibilities.**

This objective was substantially met. This objective, which includes governance activities and maintaining expenditure within approved budget limits, had seven activities and ten associated outputs; all but one of which were fully met. The objective that was not met is associated with data matching. The Authority is currently unable to fully complete its Data Matching programme.

- **Key Objective 6: To work in partnership to help build wider socio-economic prosperity through delivering innovative projects while ensuring that concern for the environment remains at the heart of what we do.**

This objective was substantially met. There were three activities with four associated outputs. All Activities cover equality, the environment and wider social contact. Due to Covid-19 the activity associated with community based projects could not be delivered.

Foreword to the Accounts

Background Information

NIFHA is an executive Non-Departmental Public Body (NDPB) sponsored by DAERA. Established in 1973 under the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973, its statutory functions are to manage, maintain and improve the fishing harbours and harbour estates of Ardglass, Kilkeel and Portavogie and to operate such facilities as may be provided at these harbours.

The following report and accounts have been prepared in accordance with the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998 and in accordance with the Accounts Direction given by DAERA with the approval of the Department of Finance (DoF).

Business Review

A full review of the Authority is given on pages 3 to 10 of the Report and Accounts.

Results for the Year

The results of the Authority are set out in detail in the accounts on pages 31 to 53. The deficit for the year before tax was £1,479,515 which compares with a previous year deficit before tax of £1,317,666. This deficit has been taken to reserves. Other transfers to and from reserves are detailed in the Statement of changes in taxpayers' equity.

Fixed Assets

Details of the movement of fixed assets are set out in note 11 to the accounts.

Future Developments

Key Development goals for 2021-22 are as follows:-

- To operate, maintain and monitor the performance of the Navigational Safety Information System at Kilkeel Harbour.
- To implement the capital works plans as detailed in the Authority's 2021-22 amended Business Plan (subject to the availability of grant funding).
- To monitor the final year of the implementation of the 2018-2022 Corporate Plan.
- To submit a draft budget to DAERA by 31 January 2022.
- To continue to deal with the impacts of the Covid-19 pandemic putting the safety of our staff and stakeholders first in all the decisions we make.

Important events occurring after year end

The Covid-19 Pandemic commenced before the year end but its impact after the year end was and will likely remain severe for some time yet. The Authority is predicting significant operational losses in the forthcoming year and has in place the capacity to seek deficit funding should it be required.

Board Members

Membership of the Board is as noted on page 1.

Disabled Employees

The Authority gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitude and abilities and Health and Safety factors.

Employee Involvement

It is the policy of the Authority to promote the understanding and involvement of all its employees in its aims and performance and it is committed to the continuing development of effective employee communication and consultation.

Independent Auditors

M.B. McGrady & Co are the external auditors of NIFHA. Refer to Note 6 for the audit fee.

Payment to Suppliers

The Authority is committed to the prompt payment of bills for goods and services received in accordance with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During 2020-21 the Authority paid 98% (2019-20: 98%) of bills within this standard with 81% (2019-20 72%) being paid within 14 days.

STATEMENT OF MEMBERS' AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998, the Members are required to prepare a statement of accounts for each financial year in the form and on the basis determined by DAERA with approval of DoF. The accounts are prepared on an accruals basis and must give a true and fair view of the Authority's state of affairs at the year end and of its income and expenditure, Statement of Financial Position and cash flow for the financial year.

In preparing the accounts the Members are required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by DAERA, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on the going concern basis; and
- confirm that the Annual Report & Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

As the senior full time official of the Authority the Chief Executive carries the responsibilities of an Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping of proper records and for safeguarding the Authority's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

By Order of the Members



K QUIGLEY
CHIEF EXECUTIVE / SECRETARY

GOVERNANCE STATEMENT

Introduction

NIFHA is an executive Non-Departmental Public Body sponsored by DAERA and constituted under the Harbours Act (Northern Ireland) 1970 and the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973. The Authority's relationship with DAERA is set out in the Management Statement and Financial Memorandum documents which are reviewed and agreed between the two parties on a regular basis.

The Authority remains committed to high standards of corporate governance. The Board directs the Authority's risk assessment, resource management, strategic planning, financial, project and operational management to ensure that the aims and objectives as set out in the Corporate Plan are met. The Board members scrutinise the performance of management in order to be satisfied as to the integrity and strength of financial information, controls, and risk management.

Governance Framework

The Authority is managed by a Board consisting of a Chairman and between four and eight other Members. The Chairman and Members are appointed by the DAERA minister and are non-executive.

The Board has four sub-committees – Risk and Assurance, Corporate Planning, Finance and General Purposes and Remuneration. The Risk and Assurance sub-committee provides objective advice to the Chief Executive and the Board on corporate governance, risk management and internal control issues.

The Authority is headed by a Chief Executive who is also the Accounting Officer. As of 31 March 2021, the Authority employed 15 operational and maintenance staff and 8 administrative staff. The Authority's Head Office is located in Downpatrick and there are offices at each of the three harbours namely Ardglass, Kilkeel and Portavogie.

The Chairman and Board members have overall responsibility for the corporate strategy and governance of the Authority and for setting aims and objectives. A Corporate Plan is in place and there are processes to ensure that there is continuous monitoring and review of performance to confirm that the objectives are achieved. Annual business plans are derived from, and are consistent with, the Corporate Plan. Attendance records of meetings are maintained.

On 31 December 2020 the Chair, Terry Jarvis and three board members George McIlroy, Helen Henderson and Martin McDonald completed extensions to their terms and resigned. On 01 January 2021 four new Board members Lynn Gilmore, Harry Wick, David Knott, Alan McKeown and a new chair Robert McConnell joined the board.

The main Board met five times during the year, 4 normal scheduled meetings and a special meeting to address Covid-19 issues. Attendances were as follows.

Board	No of Possible Meetings	No. of Meetings Attended
Terry Jarvis - Chair	4	4
Helen Henderson	4	4
Martin McDonald	4	3
George McIlroy	4	4
Davey Hill	5	5
Kate Burns	5	5
Robert McConnell - New Chair	1	1
Alan McKeown	1	1
David Knott	1	1
Harry Wick	1	1
Lynn Gilmore	1	1

The Risk and Assurance Committee met three times during the year. Attendances for the committee were as follows:

Risk and Assurance (Audit)	No of Possible Meetings	No. of Meetings Attended
Martin McDonald - Chair	2	2
George McIlroy	2	2
Helen Henderson	2	2
Kate Burns	3	3
David Knott - New Chair	1	1
Lynn Gilmore	1	1
Harry Wick	1	1

The Finance and General Purposes committee met four times during the year and attendances were as follows.

Finance Committee	No of Possible Meetings	No. of Meetings Attended
Terry Jarvis - Chair	3	3
Helen Henderson	1	1
Martin McDonald	3	2
George McIlroy	3	3
Davey Hill	4	3
Kate Burns	1	1
Robert McConnell - New Chair	1	1
Alan McKeown	1	1
David Knott	1	1

The remuneration committee did not meet during the year and the corporate planning committee met once. Attendance at this meeting was as follows.

Corporate Planning	No of Possible Meetings	No. of Meetings Attended
Robert McConnell - Chair	1	1
Alan McKeown	1	1
David Knott	1	1
Davey Hill	1	1
Harry Wick	1	1
Kate Burns	1	1
Lynn Gilmore	1	1

There was no joint Board meeting held with DEARA during the year.

The Chief Executive Mr Quigley attended all meetings of the Board and its committees.

Board Performance

The previous chair and members believed that on the whole the Board operated effectively during their period of overseeing governance. As part of good governance in June 2020 the Board undertook its annual review of its own effectiveness. The Board was content at that stage that overall, it delivers its duties well. All meetings of the Board and its committees were well attended.

The new Board members have undertaken an extensive induction programme and were well prepared for their first round of meetings. The new Board is content that good governance is in place and looks forward to delivering an approach where meetings held are informative, challenging and constructive.

The Board has continued to maintain a good relationship with its sponsoring body through the timely sharing of information and a partnership approach. Members of the Authority's senior management team regularly attend the Board meetings and their contribution is valued by the Board.

The Authority operates under, and complies with, a Management Statement and Financial Memorandum. The Board is confident that it is compliant with the Corporate Governance Code.

Members of the Board meet regularly with its stakeholders. Normally Stakeholder meeting are held in each port spaced out during the year. Due to Covid-19 no in person meetings were held but virtual meetings were held separately for each harbour.

During the year matters considered by the Board and its committees included

- Dealing with the impacts of Covid-19
- The Authority's strategy, business plan, budgets, and financing requirements
- Potential Harbour improvements
- Health and Safety both onshore and marine
- Risk Register
- Equality Report, Pay and Grading review
- Staff Management, Recruitment, Section 75
- Environmental issues
- Vessel Decommissioning
- Board Operating Framework
- Capital works and management Projects
- Annual and interim financial statements
- Estate Management and Development

The 2020-21 Business Plan had six key business objectives. These objectives, the 36 associated activities and 443 outputs were designed to ensure both the ongoing safe and prudent management of the harbours and furthering the implementation of the current Corporate Plan. The objectives, the activities, and outputs and consequently the objectives were not all fully delivered. Because of the demanding nature and large number of the outputs set the Authority does not normally manage to deliver all the outputs associated with the objectives. Normally substantively the goals of the plan are met with only a minimal number of outputs not fully delivered. Again, this year substantively the goals of the plan especially key items related to health & safety and operational effectiveness were met. However due to the impact of Covid-19 a number of outputs could not be delivered or were partially delivered. Overall, five activities were not fully delivered.

Fishing Harbours are, by their nature, work environments where the risk of an accident is significant. The Authority continues to work hard to provide, as far as reasonably possible, a safe working environment within its harbour facilities. Yet every year the Authority has to deal with the consequences of accidents that occur within the harbours and so the Board will continue to press the executive team to maintain its focus on improving health and safety and to take what learning they can from any incidents that do occur. Despite these setbacks the Board

would wish to express its thanks to both the fishermen and contractors; through their efforts over time, they have helped to generate a significant improvement in the health and safety culture around the Authority's harbours.

The EMFF has been open for applications since 2016-17. The Authority has submitted applications and gained approval for fourteen projects. Work on four projects has completed, one is nearly complete, one is underway, and it is expected the other projects will commence during 2021-2022 or early 2022/23. The Authority has also completed one project under the SEA FLAG and is currently delivering a second. During the year the Authority again delivered a minor capital works programme. However, this was considerably reduced due to the pandemic.

The Board has continued its work with the management of the Authority to ensure financial and budgetary controls remain robust. The impact on the Authority's finances arising from the fallout from the pandemic was severe with the Authority for the first time in many years showing an operational deficit. However operational revenue was ahead of initial forecasts and the authority was pleased that it could fund its deficit from reserves.

The Board believes that good communication with its sponsoring body DAERA is not only a requirement of good governance but essential to its goal of delivering a quality service to its customers. To this end copies of the papers and minutes of all meetings are forwarded to DAERA. The Board regularly welcomes representatives of DAERA to attend its board meetings and Internal Audit to attend Risk and Assurance committee meetings. The authority attended one Accountability meeting with DAERA. The Board was disappointed that due to pressures on resource arising from the pandemic and leaving the EU that the normally scheduled joint Board meeting with DAERA was unable to be held.

The Risk and Assurance committee's role is to provide independent assurance to the Board and Chief Executive as Accounting Officer on the effectiveness of the Authority's risk management and internal control systems. The three meetings held were well attended by Board members. In addition, the CEO and a representative from Internal Audit attended all meetings.

The Risk and Assurance Committee undertook regular reviews of the risk register and updated it accordingly. The committee oversaw the considerable initial and then ongoing procedures put in place to minimise risk to both its staff and stakeholders arising because of the pandemic. During the year the Committee considered a range of topics including the performance of both the Marine and Health & Safety Management Systems. The Committee also oversees the implementation of procedures to ensure compliance with the GDPR.

The Committee completed a formal self-assessment in June 2020 reviewing its performance for the 2019-20 financial year. The Committee reviewed the outcome of the self-assessment and is content that it continues to deliver well.

The Finance Committee met four times during the year. The committee considered both management accounts and the statutory accounts. It devoted considerable effort to understanding the considerable financial impacts of the pandemic on the organisation and recommended the approval of plans put in place to address emerging issues. It also considered the proposed budget for the 2021-22 Business Plan, Estate Management and Trade Debtors.

There were no ministerial directions given during the year.

The Board relies on financial and other reports prepared by the Authority's management team. These reports while well-established are regularly reviewed and updated as required. The Board is content, through its experience, that the quality of these reports is high. The Board further relies on the work of DAERA's internal Auditor and the external Auditor to provide further assurance as to the quality of these reports.

Internal Audit Opinion

An internal audit is performed annually by the internal audit branch of our sponsor DAERA.; the overall opinion was stated as "Satisfactory". No major areas of concern were identified within the review.

Risk Management

With due consideration to its scale the Authority has a well embedded and robust risk management framework in place with the direct involvement of the Senior Management Team and oversight from the Board and its committees. At the end of the financial year the Authority was showing three risks which, even after mitigation, it rates as very high. All three of these risks are associated with the possible impact to the Authority arising from abandoned vessels. The Authority will continue to support outside agencies to deliver a solution which will reduce these risks.

The Authority's Risk Register is reviewed at all Board and Risk and Assurance Committee Meetings.

Information Risk

The Authority's approach to the management of information security risk is proportionate to the nature of the risks and the limited amount of personal or sensitive information handled by the Authority. The Authority is compliant with the General Data Protection Regulation. As the Authority's Information Risk Owner, I have received assurances from the Accounts Administrator that the information governance policy framework is both adequate and effective. There were no data breaches during the year.

Conflicts of Interest

On appointment Board members are required to provide a list of any interests which may give rise to a conflict of interest. At all Board meetings a standing item on declarations of interest is included and brought to the attention of the members by the Chair. This standing item is also included for all committee meetings. There were three conflicts of interest declared during the year. These were declared by a Board member with regard to separate issues the Board was considering and were appropriately dealt with by the Chair.

Covid-19

At the beginning of the financial year the Authority was learning to manage and deliver in new ways to cope with the initial severe lockdown. NIFHA moved through this process in a calm and professional way. The Authority received excellent support and advice from its Sponsorship body DAERA.

Hopes were high that the impacts of Covid-19 would not be prolonged but of course that has proved not to be the case. Processes and procedures were put in place to minimise risk to staff while keeping the harbours and

administrative support operating. These have been reviewed and adapted in an ongoing manner. There was significant initial disruption however the staff rose to meet the challenge in a positive manner and are to be commended for their excellent delivery.

It remains unclear when normality will return and what this will look like, but the Authority will continue to adapt to enable it to continue to deliver its range of services to its customers.

Conclusion

As Accounting Officer, based on the work of our Accounts Administrator, DAERA Internal Audit and our External Auditors I consider the overall system of risk management, internal control and governance provides satisfactory assurance to me in relation to the ability of the Authority to effectively discharge its governance responsibilities. I also confirm that this Governance Statement is compliant with the code of good practice.

A handwritten signature in black ink, appearing to read "Kevin Quigley", with a long horizontal flourish extending to the right.

Kevin Quigley
CHIEF EXECUTIVE

REMUNERATION AND STAFF REPORT

The pay award for staff in NIFHA is guided by the NICS Pay Remit Process and is based on performance. Although the Authority is a public body, salaries and wages are not based on any public sector scale comparator e.g. the NICS or Local Government pay scales (LGPS).

Salary

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Bonuses

No bonuses were paid in the year.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Authority and treated by HMRC as a taxable emolument. The benefit in kind for the Chief Executive is a premium on a health insurance policy.

Service Contracts

The Authority does not have any service contracts with members of its staff and staff appointments are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Authority's policy on its discretionary powers under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

Staff Costs (Audited)

	Permanently employed staff £	Temporary staff £	Total 2021 £	Total 2020 £
Wages and salaries	510,854	8,254	519,108	497,195
Social security costs	42,524	588	43,112	39,434
Pension costs	90,325	-	90,325	99,916
	643,703	8,842	652,545	636,545
IAS 19 – Actuarial Valuation				
Current service cost	173,000	-	173,000	182,000
Past service cost/(gain)	-	-	-	22,000
Contributions by the employer	(90,000)	-	(90,000)	(100,000)
	726,703	8,842	735,545	740,545

Note (a) – A related revenue grant of £49,494 (2020: £39,007) has been agreed and accrued in note 4.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Pension Scheme is a funded defined benefit plan with benefits earned up to 31st March 2015 being linked to final salary. Benefits after

31st March 2015 are based on a career average revalued earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in “The Local Government Pension Scheme Regulations (Northern Ireland) 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014.

The funded nature of NILGOSC requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31st March 2019 and the contributions to be paid until 31st March 2023 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. For 2020-21, employers’ contributions of £90,325 were payable to the NILGOSC pension schemes (2019-20 £99,916) at 19.5% (2019-20 20.0%) of pensionable pay. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

	2021	2020
	Number	Number
The average number of persons employed by the Authority during the year was:		
Operation and Maintenance	13	14
Administration	8	8
	21	22

All staff employed by the Authority in 2020-21 and 2019-20 had permanent contracts of employment. The staff consists of 16 male and 6 female employees. The average number of working days lost due to sickness per employee was 1.5 days for 2020-21. The equivalent figure for the previous year was 8.5 days.

	2021	2020
	£	£
Analysis of Remuneration was as follows:		
Chief Executive’s total remuneration	58,974	56,435
Members’ salaries	25,334	26,817
Operating and Maintenance	283,648	296,603
Administration	151,152	117,340
	519,108	497,195

	Number	Number
Chief Executive to whom retirement benefit is accruing under defined benefit scheme	1	1

Compensation schemes-exit packages

The following section provides details of the exit packages paid by the Authority.

	Number of voluntary redundancies	Total number of exit packages by cost band 2021	Total number of exit packages by cost band 2020
< £10,000	Nil	Nil	Nil
£10,000 - £25,000	Nil	Nil	Nil
Total number of exit packages	Nil	Nil	Nil
Total resource cost	Nil	Nil	Nil

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Board Members and the Chief Executive of the Authority.

Remuneration (Audited)

	2020-21			2019-20		
	Number of people	Salary	Benefits in Kind £ (to nearest £1,000)	Number of people	Salary	Benefits in Kind £ (to nearest £1,000)
Chairman	1	£5,000 - £9,999	-	1	£5,000 - £9,999	-
Board Member	6	Nil - £4,999	-	5	Nil - £4,999	-
Chief Executive	1	£55,000-£60,000	£2,000	1	£55,000-£60,000	£1,000
Median Staff Salary		£19,595			£19,211	
Ratio of Highest-Paid Director Salary to Median Salary		2.9			2.9	

The Board members and Chief Executive consisted of 6 male and 2 female members.

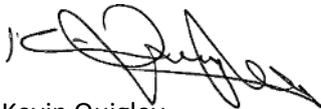
Pension Benefits (Audited)

Board Members have no pension entitlement from the Authority. The Chief Executive is a contributory member of the NILGOSC pension scheme. The NILGOSC scheme is a statutory scheme which provides benefits up to 31st March 2015 being linked to final salary. Benefits after 31st March 2015 are based on a career average revalued earnings scheme.

Name and Title	Total Accrued Pension as at 31/03/21 and related Lump Sum £'000	Real increase in Pension & related Lump Sum £'000	CETV at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000
K J Quigley (CEO)	10 - 15	1 - 2	231	205	20

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and the end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.



Kevin Quigley
CHIEF EXECUTIVE

Assembly Accountability and Audit Report

Regularity of expenditure

There were no special payments or losses made by the Authority in the year. (2019-20 - £nil)

Fees and Charges

The Authority collects harbour and landing dues and various other fees from boat owners as detailed in note 4 and in return provides a range of services to the industry. The 2020-21 annual business plan updated in June 2020 which aimed to restrict the deficit to £359,289 after revenue grant but before capital charges, interest, IAS 19, tax and notional adjustments.

The Authority actually recorded a deficit of £165,614 on this basis.

Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Authority had no significant remote contingent liabilities to report in 2020-21. (2019-20 £nil). Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.

A handwritten signature in black ink, appearing to read "Kevin Quigley", written over a horizontal line.

Kevin Quigley
CHIEF EXECUTIVE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA

Opinion

We have audited the financial statements of NIFHA for the year ended 31 March 2021 under the Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998. These comprise the statement of comprehensive net expenditure account, the statement of financial position, the statement of cash flows, the statement of changes in taxpayers' equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration and staff report and the Assembly accountability and audit report that is described in those reports as having been audited.

In our opinion:

- the financial statements give a true and fair view, of the state of NIFHA as at 31 March 2021 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with Northern Ireland Fishery Harbour Authority (Accounts) Regulations (Northern Ireland) 1998 and the Accounts Direction made by the DAERA with the approval of DoF.

Basis of 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

As described in the notes to the accounts, the Authority is predicting its revenue in the forthcoming year will remain significantly below long-term trend. The Authority is forecasting that in the coming financial year it will require grant in aid support. Anticipating this need it has sought and received assurances from its sponsorship body DAERA that when deficit funding is required it will be made available to the Authority.

From the assurances received from DAERA, its sponsorship body, we have concluded that the Authority's use of the going concern basis of accounting in the preparation of the financial statements remains appropriate.

Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA (continued)

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 directors are responsible for the other information. 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 this regard.

Opinions on other matters

- In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.
- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit Report to be audited has been properly prepared in accordance with DoF directions made under the Government Resources and Accounts Act (Northern Ireland) 2001 and
- the information given in the Report of the Authority and the Foreword to the Accounts for the financial year which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified material misstatements in the members report.

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report and Assembly Accountability and Audit Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- We have not received all of the information and explanations we require for our audit; or
- the Governance Statement does not reflect compliance with DoF guidance.

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF NIFHA (continued)

Respective responsibilities of the Members and Chief Executive

As explained more fully in the Statement of Members’ and Chief Executive’s Responsibilities, the Members and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the members determine is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the members and Chief Executive are responsible for assessing the Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We 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 below. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Authority through discussions with the CEO and other management, and from our knowledge and experience of the sector the Authority operates within;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Authority;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA (continued)

Auditors responsibilities for the audit of the Financial Statements (continued)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Authority's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes were indicative of potential bias;
- and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

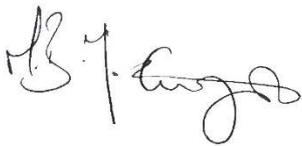
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIFHA (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report. In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read "M.B. McGrady".

13/10/21.

M.B. McGrady & Co
Chartered Accountants and Registered Auditors
52 St. Patrick's Avenue
Downpatrick
Co. Down
BT30 6DS

Statement of comprehensive net expenditure account for the year ended 31 March 2021

	Notes	2021 £	2020 £
Income - continuing operations			
Income from activities	4	1,601,834	1,959,823
Expenditure			
Staff and related costs	5	735,545	740,545
Depreciation	11	1,605,279	1,822,572
Other operating charges	6	717,533	698,745
		3,058,357	3,261,862
Net Operating expenditure		(1,456,523)	(1,302,039)
Finance income	7	8	373
Other finance costs	8	(23,000)	(16,000)
Net Finance expenditure		(22,992)	(15,627)
Net expenditure before income tax		(1,479,515)	(1,317,666)
Income tax credit	10	249,731	308,859
Net expenditure for the year		(1,229,784)	(1,008,807)
Other comprehensive net income/(expenditure)			
Items that will not be reclassified to net operating expenditure:			
Actuarial gain/(loss) on retirement benefit obligations		59,000	(198,000)
Deferred tax credit/(debit) on actuarial gain/(loss) on retirement benefit obligations		(11,210)	37,620
Indexation uplift on property, plant and equipment		-	1,653,187
Deferred tax on indexation uplift on revaluation of property, plant and equipment		-	(314,106)
Revaluation movement on property, plant and equipment		(3,826,145)	-
Deferred tax on revaluation movement on property plant and equipment		726,967	-
Backlog depreciation		-	(510,127)
		(3,051,388)	668,574
Total Comprehensive net expenditure for the year		(4,281,172)	(340,233)

All amounts above relate to continuing operations of NIFHA. The notes on pages 35 to 53 are an integral part of these financial statements.

Statement of financial position as at 31 March 2021

	Notes	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	11	24,702,910	29,547,974
Deferred income tax assets	16	374,923	361,559
		25,077,833	29,909,533
Current assets			
Trade and other receivables	12	545,752	476,065
Cash and cash equivalents	13	441,967	519,383
		987,719	995,448
Total assets		26,065,552	30,904,981
Current liabilities			
Trade and other payables	14	413,442	234,345
		413,442	234,345
Non-current assets plus net current assets		25,652,110	30,670,636
Non-current liabilities			
Deferred income tax liabilities	16	4,682,335	5,607,427
Pension liabilities	15	1,085,000	1,038,000
		5,767,335	6,645,427
Assets less liabilities		19,884,775	24,025,209
Reserves			
Income and expenditure account		10,409,751	11,041,042
Revaluation reserve		9,034,033	12,543,176
Capital reserve		440,991	440,991
Total taxpayers' equity		19,884,775	24,025,209

The notes on pages 35 to 53 are an integral part of these financial statements.

The financial statements on pages 31 to 34 were authorised for issue by the Board Members of the Authority on **22 September 2021** and were signed on its behalf by:



R McCONNELL
Chairman



K QUIGLEY
Chief Executive/Secretary

Statement of cash flows for the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Operating deficit before income tax and finance costs		(1,456,523)	(1,302,039)
Adjustments for:			
Depreciation of property, plant and equipment		1,605,279	1,822,572
Movement in trade and other receivables		(69,687)	(119,694)
Movement in trade and other payables		179,097	(27,434)
Corporation tax payable		27,032	7,222
Notional charges		6,210	6,010
Difference between pension charge and cash contributions		83,000	104,000
Net cash (used in)/generated from operating activities		374,408	490,637
Cash flows from investing activities			
Interest received		8	373
Purchases of property plant and equipment		(586,360)	(857,412)
Net cash used in investing activities		(586,352)	(857,039)
Cash flows from financing activities			
Capital Grants received from DAERA		134,528	196,215
Net cash generated from financing activities		134,528	196,215
Movement in cash and cash equivalents			
		(77,416)	(170,187)
Cash and cash equivalents at the beginning of the year			
		519,383	689,570
Cash and cash equivalents at the end of the year			
	13	441,967	519,383

The notes on pages 35 to 53 are an integral part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2021

	Capital Reserves	Revenue Reserves	Revaluation Reserve	Total taxpayers' equity
	£	£	£	£
At 31 March 2019	440,991	11,394,360	12,327,866	24,163,217
Net income/(expenditure) for the year	-	(1,008,807)	-	(1,008,807)
Other comprehensive net income/(expenditure)	-	(160,380)	828,954	668,574
Capital funding	-	196,215	-	196,215
Other notional charges	-	6,010	-	6,010
Transfer from net expenditure account to unrealised revaluation reserve	-	757,585	(757,585)	-
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(143,941)	143,941	-
At 31 March 2020	440,991	11,041,042	12,543,176	24,025,209
Net income/(expenditure) for the year	-	(1,229,784)	-	(1,229,784)
Other comprehensive net income/(expenditure)	-	47,790	(3,099,178)	(3,051,388)
Capital funding	-	134,528	-	134,528
Other notional charges	-	6,210	-	6,210
Transfer from net expenditure account to unrealised revaluation reserve	-	506,130	(506,130)	-
Deferred taxation on transfer from unrealised revaluation reserves to net expenditure account	-	(96,165)	96,165	-
At 31 March 2021	440,991	10,409,751	9,034,033	19,884,775

The notes on pages 35 to 53 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements

General information

The Authority’s principal activity during the year was the improvement, management and maintenance of the three fishery harbours and harbour estates of Ardglass, Kilkeel and Portavogie. The Authority is registered and domiciled in Northern Ireland.

The financial statements are presented in Sterling. All of the Authority’s assets and liabilities are denominated in Sterling.

Statement of accounting policies

These financial statements have been prepared in accordance with the 2020-21 FReM issued by DoF Northern Ireland. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Authority for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for its principal activity is described below. They have been applied consistently in dealing with items that are considered material to the accounts. These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Going concern

The Authority is predicting its revenue in the forthcoming year will remain significantly below long trend. During the financial year just ended the Authority was able to fund its deficit from its own reserves. However, this is not sustainable, and the Authority is forecasting that in the coming financial year that it will require grant in aid support. Anticipating this need it has sought and received assurances from its sponsorship body DAERA that when deficit funding is required it will be made available to the Authority. On this basis the Authority considers it appropriate to adopt the going concern basis of accounting. However should the deficit funding mentioned above not be forthcoming, the going concern basis used in preparing the Authority’s financial statements may not be appropriate and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

Income

Revenue from contracts with customers comprises the fair value of the consideration received or receivable in respect of berthing, landing and buyer dues, revenue from services and rental income. Income is shown net of value-added tax. Income is recognised over the period for which services are provided, using a straight line basis over the term of the service provided. Income in relation to the sale of ice & utilities is recognised when the Authority sells the goods or utilities to the customer on a cost per tonne or cost per unit basis. Revenue from berthing dues is recognised over the period for which the berths are utilised by the customer in accordance with the type and length of boat. Revenue from landing and market dues are recognised when the landings are brought ashore or sold through the fish market on a percentage of sales price. The Authority recognises income when the amount of income can be reliably measured, and it is probable that future economic benefits will flow to the Authority.

Other operating income relates to Capital Grants received.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

Property, plant and equipment

Freehold property is shown at fair value, based on regular valuations by Land and Property Services, and specialist consulting engineers, less subsequent depreciation for buildings. In intervening years these valuations are subject to annual indexation using relative price indices. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, with the exception of freehold property, is stated at cost less depreciation and accumulated impairment losses. The initial cost of an asset comprises cost plus any costs directly attributable to bringing the asset into operation and an estimate of any decommissioning costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The charge for depreciation is calculated so as to write off the depreciable amount of assets over their estimated useful economic lives on a straight line basis. The rates of each major class of depreciable asset are as follows:

Freehold property	-	Nil%
Harbour property and equipment	-	2 - 25%
General equipment	-	4 - 33 ¹ / ₃ %

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset is derecognised upon disposal or when no future economic benefit is expected to arise from the asset.

Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

Loans and receivables (financial instruments)

(a) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade and other receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating costs'. When a trade and other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating costs' in the income and expenditure account.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Other financial liabilities at amortised costs (financial instruments)

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Income tax and deferred income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the net expenditure account. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor a taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

Income tax and deferred income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the net expenditure account.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Authority will comply with all attached conditions.

Grants for revenue purposes that are received to finance the purchase of specific goods or services are shown as income in the statement of comprehensive net expenditure. In these cases income is set to match with the related expenditure incurred during the year.

Government grants relating to property, plant, and equipment from DAERA are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the Authority and are credited to the Revenue Reserve.

Capital grants received from the EU are shown as income in the statement of comprehensive net expenditure.

Operating lease commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the net expenditure account on a straight-line basis over the period of the lease.

Pension liabilities

The Authority provides a defined benefit pension scheme for employees through NILGOSC. The assets of the scheme are held separately from those of the Authority. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves in the statement of changes in taxpayers' equity in the period in which they arise.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

Pension liabilities (continued)

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

A revised version of IAS 19 came into effect for accounting periods commencing on or after 1 January 2013. Disclosures within note 15 have been calculated under the revised IAS 19.

Financial risk factors

(a) Market risk

The Authority has no interest rate risk as it has no borrowings and it has a minimal exchange rate risk as almost all of its transactions are denominated in Sterling.

(b) Credit risk

The Authority's main exposure to credit risk is the non-payment of landing dues and other service charges by port users. Where the Authority's trade and other receivables are deemed to be impaired or past due, management has made provision for based on its expected credit loss model.

(c) Liquidity risk

The Authority is financed primarily by levy and commercial income. The extent to which levies may be raised and retained for use in operations is set out in statute. The Authority is not exposed to significant liquidity risks.

Capital risk management

The Authority has no obligation to increase reserves as it is a public sector organisation.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

Estimate of useful economic life of assets

The entity assesses the useful economic life of fixed assets on an annual basis. If the useful economic life had been increased by one year, depreciation would have decreased by £33k and if the useful economic life had been decreased by one year depreciation would have increased by £41k.

2. Method of financing capital works

Capital works have been financed by grants mainly from the EMFF and DAERA at varying rates with the balance funded internally.

3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive with the Members of the Board making strategic decisions. The Authority's sole activity is the improvement, management and maintenance of fishery and harbours and harbour estates. As such, in the opinion of the Members, the Authority has only one operating segment, and all income, expenditure, assets and liabilities relate to the Authority's sole activity.

4. Income

	2021 £	2020 £
Revenue from contracts with customers		
Berthing dues	152,349	124,702
Landing and market dues	460,067	636,636
Revenue from services:		
- Ice Sales	173,337	195,507
- Slipways	145,557	176,892
- Sundry, telephone, and power	76,119	58,431
- Water	12,440	15,646
Rental income	124,717	124,356
	1,144,586	1,332,170
Other operating income		
EMFF capital grant	403,587	588,646
Seafish (Environmental Project)	4,167	-
Building Sustainable Prosperity/EMFF – note 5(a)	49,494	39,007
	457,248	627,653
Total income	1,601,834	1,959,823

Notes to the financial statements for the year ended 31 March 2021

5. Staff Costs

	2021 £	2020 £
Wages and Salaries	519,108	497,195
Social Security Costs	43,112	39,434
Pension Costs	90,325	99,916
	652,545	636,545
IAS 19 – Actuarial Valuation		
Current Service Cost	173,000	182,000
Past service cost (inc curtailments)	-	22,000
Contributions by the employers	(90,000)	(100,000)
	735,545	740,545

Note (a) – A related revenue grant of £49,494 (2020: £39,007) has been agreed and accrued in note 4.

Further analysis of staff costs is located in the Staff Report on page 21.

6. Other operating charges

	2021 £	2020 £
Repairs and general upkeep	249,675	236,704
Training	7,633	12,927
Insurance	80,137	89,938
Rent and rates	33,876	38,748
Electricity and water	204,996	180,837
Lease payments for equipment	11,992	11,992
Audit and accountancy	7,000	7,000
Telephone, printing stationery and postage	10,976	11,353
Travelling and subsistence	5,223	12,105
Sundries	15,106	25,452
Legal and professional fees	42,846	42,077
Health and safety	9,224	7,823
Advertising	730	1,603
Bad debt	31,909	14,176
Internal Audit fee (Notional cost)	6,210	6,010
	717,533	698,745

Notes to the financial statements for the year ended 31 March 2021

7. Finance income

	2021	2020
	£	£
Interest income:		
Short-term bank deposits	8	373
Interest expense:		
Bank borrowings	-	-
Finance costs - net	8	373

8. Other finance cost

	2021	2020
	£	£
Interest on pension scheme liabilities	23,000	16,000

9. Performance against key financial targets

The following key financial target was agreed with the DAERA for 2020-21:

- Due to the impacts of Covid 19 pandemic to restrict the operating deficit to £359,289 after revenue grant but before capital charges, interest, IAS 19, tax, and notional adjustments.

The Authority actually recorded a deficit of £165,614 on this basis (2019-20 surplus was £42,270).

Notes to the financial statements for the year ended 31 March 2021

10. Income tax

	2021	2020
	£	£
Current income tax:		
Current income tax charge at 19%	(27,032)	(7,222)
Total current income tax	(27,032)	(7,222)
Deferred income tax:		
Origination and reversal of temporary differences	(222,699)	(301,637)
Change in corporation tax rate	-	-
Total deferred income tax	(222,699)	(301,637)
Income tax credit	(249,731)	(308,859)

Factors affecting the corporation tax charge for the year:

	2021	2020
	£	£
Deficit before income tax	(1,479,515)	(1,317,666)
Tax calculated at the UK standard rate of corporation tax for small companies of 19%	(281,108)	(250,357)
Effects of:		
Expenses not deductible for tax purposes/(income not taxable)	(55,364)	(87,901)
Timing differences	305,006	331,036
Tax losses carried forward	4,434	
Total current income tax	(27,032)	(7,222)

Notes to the financial statements for the year ended 31 March 2021

11. Property, plant and equipment

	Harbour Property and Equipment			General	Total
	Kilkeel	Ardglass	Portavogie	Equipment	
	£	£	£	£	£
Cost or valuation					
At 31 March 2020	26,693,476	5,779,690	10,388,330	90,320	42,951,816
Revaluation	(10,191,079)	(2,789,254)	(4,191,636)	-	(17,171,969)
Additions	192,540	41,312	348,719	3,789	586,360
At 31 March 2021	16,694,937	3,031,748	6,545,413	94,109	26,366,207
Depreciation					
At 31 March 2020	7,304,597	2,117,211	3,924,016	58,018	13,403,842
Revaluation	(7,304,597)	(2,117,211)	(3,924,016)	-	(13,345,824)
Provided during the year	918,861	273,866	406,304	6,248	1,605,279
At 31 March 2021	918,861	273,866	406,304	64,266	1,663,297
Net book amount					
At 31 March 2021	15,776,076	2,757,882	6,139,109	29,843	24,702,910
At 31 March 2020	19,388,879	3,662,479	6,464,314	32,302	29,547,974

Depreciation expense of £1,605,279 (2020: £1,822,572) has been fully charged to expenditure.

The Authority's freehold was revalued on 1st April 2020 by Land and Property Services. The harbour assets were valued by Doran Consulting as of the same date. Valuations were made on the basis of depreciated replacement cost for operational assets, on an existing use basis for other operational assets and on open market value basis for non-operational assets. Indexation has been charged at a rate of nil% according to the BCIS index. The Accounting Officer is not aware of any material change in the value of fixed assets other than that which has been fully reflected above and therefore the valuation has not been updated.

Notes to the financial statements for the year ended 31 March 2021

11. Property, plant and equipment (continued)

If land and buildings were stated on the historical cost basis, the amounts would be as follows

	2021	2020
	£	£
Cost	41,135,254	40,548,894
Accumulated depreciation	(32,817,222)	(31,718,073)
Net book amount	8,318,032	8,830,821

12. Trade and other receivables

	2021	2020
	£	£
Trade receivables	125,549	162,908
Grant receivables	249,626	218,924
Other receivables – VAT & Tax	108,711	68,814
Prepayments and accrued income	61,866	25,419
	545,752	476,065

None of the Authority's trade and other receivables are impaired or past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The fair value of the Authority's trade and other receivables is not materially different to their carrying values.

13. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and on hand	441,967	519,383

Notes to the financial statements for the year ended 31 March 2020

14. Trade and other payables

	2021	2020
	£	£
Trade payables	228,276	65,778
Other tax and social security	12,383	11,522
Other payables	52,355	48,990
Accruals and Deferred Income	120,428	108,055
	413,442	234,345

15. Pension liabilities

The Authority operates a funded scheme of the defined benefit type with assets held in separate trustee administered funds.

An actuarial valuation of the scheme using the projected unit basis was carried out at 31 March 2019. The valuation was carried out by Scott Campbell FIA of Aon Hewitt Limited.

The financial assumptions used by the actuary were:

	2021	2020
Rate of increase in salaries	4.2%	3.6%
Rate of increase in pensions in payment	2.7%	2.1%
Pension accounts revaluation rate	2.7%	2.1%
Discount rate	2.1%	2.3%
Inflation assumption (CPI)	2.7%	2.1%

The mortality assumptions used were as follows:	2021	2020
Longevity at age 65 for current pensioners (in years):		
Male currently aged 65	21.9	21.8
Female currently aged 65	25.1	25.0
Longevity at age 65 for future pensioners (in years)		
Male currently aged 45	23.3	23.2
Female currently aged 45	26.5	26.4

Notes to the financial statements for the year ended 31 March 2021

15 Pension liabilities (continued)

The market value of assets in the scheme and the expected rate of return were:

	Value at 2021 £	Value at 2020 £
Equities	2,197,398	1,682,700
Government bonds	1,120,056	1,030,950
Corporate bonds	574,266	497,700
Property	422,394	395,000
Cash	251,538	185,650
Other	180,348	158,000
Total market value of assets	4,746,000	3,950,000
Present value of scheme obligations	(5,826,000)	(4,983,000)
Present value of unfunded obligations	(5,000)	(5,000)
Deficit in scheme	(1,085,000)	(1,038,000)

Reconciliation of present value of scheme liabilities	2021 £	2020 £
At 1 April 2020	4,988,000	5,400,000
Current service cost	173,000	182,000
Past service (gain)/cost	-	22,000
Interest cost	113,000	128,000
Contributions by members	29,000	29,000
Benefits paid	(184,000)	(182,000)
Actuarial losses/(gains)	712,000	(591,000)
At 31 March 2021	5,831,000	4,988,000

Reconciliation of fair value of scheme assets	2021 £	2020 £
At 1 April 2020	3,950,000	4,680,000
Interest income on assets	90,000	112,000
Re-measurement gains/(losses) on assets	771,000	(789,000)
Benefits paid	(184,000)	(182,000)
Contributions paid by members	29,000	29,000
Contributions paid by the employer	90,000	100,000
At 31 March 2021	4,746,000	3,950,000

Notes to the financial statements for the year ended 31 March 2021

15. Pension liabilities (continued)

Analysis of the amount charged to net expenditure account are as follows:

	2021 £	2020 £
Current service cost (excluding administration expense)	171,000	180,000
Administration expense	2,000	2,000
Past service cost/(gain)	-	22,000
Interest on pension scheme liabilities	23,000	16,000
Total operating charge	196,000	220,000

The total current service cost of £173,000 (2020: £204,000) is included within staff costs. The total expense estimated to be charged to the income and expenditure account in the year to 31st March 2022 are current service costs of £229,000 and interest charges of £22,000.

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of changes in taxpayers' equity is £312,000.

Sensitivity analysis

IAS19R requires the disclosure of the sensitivity of the results to the methods and assumptions used.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

On materiality grounds the sensitivity of unfunded benefits has not been included.

Changes in assumptions at year ended 31 March 2021	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	1.5%	87
1 year decrease in member life expectancy	3.6%	210
0.1% increase in the Salary Increase Rate	0.3%	17
0.1% increase in the Pension Increase Rate	1.2%	70

Notes to the financial statements for the year ended 31 March 2021

15. Pension liabilities (continued)

Amounts for current and previous four years:

	2021	2020	2019	2018	2017
	£	£	£	£	£
Fair value of scheme assets	4,746,000	3,950,000	4,680,000	4,361,000	4,147,000
Present value of defined benefit obligation	(5,831,000)	(4,988,000)	(5,400,000)	(5,128,000)	(4,910,000)
Deficit	(1,085,000)	(1,038,000)	(720,000)	(767,000)	(763,000)
Experience gains/(losses) on assets	771,000	(789,000)	202,000	109,000	553,000
Experience gains/ (losses) on liabilities	(712,000)	591,000	(53,000)	(13,000)	(773,000)

16. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2021	2020
	£	£
Deferred income tax assets to be recovered after more than 12 months	(206,150)	(197,220)
Deferred income tax assets to be recovered within 12 months	(168,773)	(164,339)
	(374,923)	(361,559)
Deferred income tax liabilities to be recovered after more than 12 months	4,513,562	5,443,088
Deferred income tax liabilities to be recovered within 12 months	168,773	164,339
	4,682,335	5,607,427
Deferred income tax liabilities - net	4,307,412	5,245,868

Notes to the financial statements for the year ended 31 March 2021

16. Deferred income tax (continued)

The gross movement on the deferred income tax account is as follows:

	£
At 1 April 2019	5,271,019
Credited to the net expenditure account	(301,637)
Charged directly to the statement of other comprehensive income	276,486
At 31 March 2020	5,245,868
Credited to the net expenditure account	(222,699)
Charged directly to the statement of other comprehensive income	(715,757)
At 31 March 2021	4,307,412

The movement in deferred tax assets and liabilities during the year is as follows:

	Valuation of property, plant & equipment £	Tax losses £	Pension provision £	Total £
At 1 April 2019	5,572,158	(164,339)	(136,800)	5,271,019
(Credited)/charged to the net expenditure account	(278,837)	-	(22,800)	(301,637)
(Credited)/charged directly to the statement of other comprehensive income	314,106	-	(37,620)	276,486
At 31 March 2020	5,607,427	(164,339)	(197,220)	5,245,868
(Credited)/charged to the net expenditure account	(198,125)	(4,434)	(20,140)	(222,699)
(Credited)/charged directly to the statement of other comprehensive income	(726,967)	-	11,210	(715,757)
At 31 March 2021	4,682,335	(168,773)	(206,150)	4,307,412

Notes to the financial statements for the year ended 31 March 2021

17. Government grants

	2021	2020
	£	£
DAERA capital grant	134,528	196,215
EMFF capital grant	403,587	588,646
Building Sustainable Prosperity/EMFF revenue grant	49,494	39,007
Total government grants	587,609	823,868

18. Borrowing powers

DAERA has confirmed that under Article 26(2) of the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973, the Authority's conditional borrowing limit to 31 December 2021 is £1,000,000.

19. Operating lease commitments

The Authority leases various tangible assets under non-cancellable operating lease arrangements.

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

	Land and buildings		Plant and equipment	
	2021	2020	2021	2020
	£	£	£	£
No later than one year	11,500	11,500	8,612	8,612
Later than one year and no later than five years	46,000	46,000	11,617	20,229
Later than five years	53,667	65,167	-	-
	111,167	122,667	20,229	28,841

Notes to the financial statements for the year ended 31 March 2021

20. Contingent liabilities

The NIFHA has a contingent liability to repay grants received, if certain conditions are not fulfilled.

There are a number of end of life fishing vessels within the Authority's harbours, some of these have been abandoned and others are awaiting disposal by their owners. As there is currently no external funding available for the disposal of these vessels the Authority recognises that there could be a possible obligation in the future for the Statutory Bodies, the Authority and Boat Owners to safely decommission these abandoned vessels. The costs for the decommissioning of these vessels cannot be reliably measured at this time and as such the Authority recognises a contingent liability for the disposal of end of life vessels in the Authority's harbours.

21. Related party transactions

NIFHA is a Non-Departmental Public Body sponsored by DAERA.

DAERA is regarded as a related party. During the year, the Authority had various material transactions with DAERA.

Apart from this no other members, the Chief Executive, key management staff or other related parties have undertaken any material transactions with the Authority during the year.

As at 31 March the entity had the following balances with DAERA:-

The Authority's related party transactions during the year with DAERA were as follows:

	2021	2020
	£	£
Grants received and receivable	587,608	823,868
Rents received and receivable	13,047	13,047
	600,655	836,915

At 31 March the entity had the following trade and other receivables balances with government entities, all falling due within one year.

	2021	2020
	£	£
Grants receivable from related parties	249,626	186,992

Notes to the financial statements for the year ended 31 March 2021

22. Financial instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for the Authority's financial position and the nature and extent of risks arising from financial instruments to which the organization is exposed during the period and at the reporting date, and how the organization manages those risks.

The entity's financial instruments are classified as follows:

Assets and liabilities	Category of financial instrument
Trade and other receivables	Loans and other receivables
Cash and cash equivalents	Loans and other receivables
Borrowings	Other financial liabilities at amortised cost
Trade and other payables	Other financial liabilities at amortised cost

As the cash requirements of the Authority are met through commercial income received and capital grants provided by DAERA and EMFF, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Authority's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

The Authority has not identified any financial instruments which are complex or play a significant medium to long term role in its financial risk profile.

23. Ultimate controlling party

NIFHA has no ultimate controlling party.