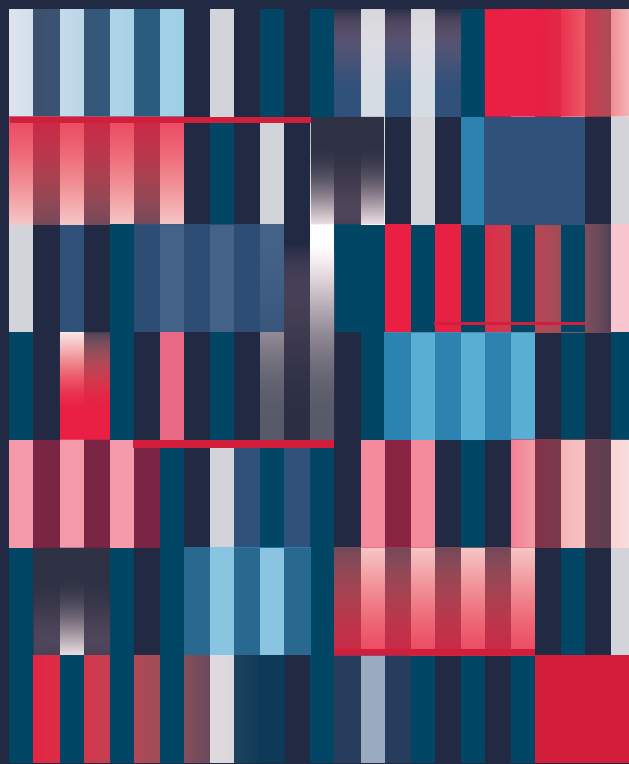


 **Belfast
Harbour**



Annual Report & Accounts

2023



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Chair's Statement

I am very pleased to present the Annual Report for Belfast Harbour 2023.

This marked my second full year as Chair and it was a privilege to support the continued evolution of Belfast Harbour. We are delivering an essential service to everyone in Northern Ireland, alongside truly transformational change to the Port and wider Estate, as well as to our neighbouring communities, City and Region. Our long-term ambitions are to become a world-leading regional port, to further develop and enhance the Estate as a key economic hub for the Region and to create an iconic waterfront for the City. This Annual Report demonstrates that we are well on track to deliver against these objectives. I am confident that we can reflect on 2023 as a year in which this organisation strongly evidenced its dedication and contribution to the economy, society and environment.

Like every business and home in the Region during 2023 Belfast Harbour faced into a challenging economic environment with high inflation, reduced consumer spending and global market disruption. I would like to pay particular tribute to the Port community for demonstrating its customary adaptability and determination in ensuring the delivery of the goods and services that our economy and our people rely upon. In 2023, this tradition of resilience, augmented by our courageous diversification strategy delivered another strong financial performance.

Record £65m Investment in 2023

2023's solid financial platform allowed us to reach a significant milestone; during the year we invested a record £65 million into vital assets across the Belfast Harbour Estate. These projects included a state-of-the-art temperature-controlled warehousing facility, the expansion of our film studio offering and progressing much needed social and affordable housing.

A Key Economic Enabler

The varied and critical investments made in 2023 were driven by our unique status as a Trust Port, which encourages us to develop the business in a way that directly benefits people today and future generations.

As a Trust Port, we are funded predominantly from the profits we make and not from public funds. We have no shareholders and pay no dividends.

During the past 10 years, we have made capital investments totalling £374 million, positioning Belfast Harbour as an exemplar of a Trust Port in action and a key enabler for economic growth in the Region. But we know we could be making an even greater positive impact.

Accelerating our Contribution to the Region

Buoyed by our record £65 million investment in 2023, both the Board and the Team within Belfast Harbour want to accelerate our contribution to the regional economy, but we are constrained by Ports Policy Legislation which limits how much we can borrow to support our investments.



During 2023, Belfast Harbour, alongside colleagues in NI's other Trust Ports, engaged collaboratively with the Department for Infrastructure, with a view to finding a solution to unlock our collective potential.

Unfortunately, in 2024, this borrowing constraint remains a limiting factor and we will continue our positive engagement with the Infrastructure Minister and his officials.

Progress on our 'Port for Everyone' Strategy

During 2023, we continued to provide a solid foundation for development and made considerable progress against our 'Port for Everyone Strategy' and 2035 Outlook. Port highlights over the past twelve months included a record year for Roll-on Roll-off freight traffic delivered by our partner Stena Line, the handling of just under 24 million tonnes of goods, and welcoming a record 158 cruise ship calls.

I was also particularly pleased to see the continued rejuvenation of the Harland and Wolff shipyard through the year and its success in winning a number of significant contracts.

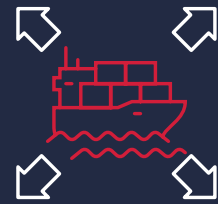
Our future-focused diversification continues to bring the Estate to life. Work continued at pace on the significant extension of Belfast Harbour Studios, revolutionising content and creating jobs and opportunities in an already thriving sector.

The new offices at City Quays 3 were completed in 2023 and are now home to several prominent tenants including global software, fin-tech and cyber security businesses, and planning permission was secured for City Quays 4, which includes 69 units dedicated to social and affordable housing in the revitalised Sailortown area.

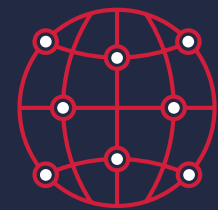
We continued to explore the application of new smart technology to support our environmental leadership and, crucially, to make the Port even safer, aligning with our commitment to maintain the highest standards of safety.

Due to our Trust Port status, I have often said that Belfast Harbour works for the people, and so nurturing relationships with our neighbours was a key area of focus in 2023. We invested more than £310,000 in local charitable and community organisations, including £80,000 of funding through our Belfast Harbour Community Awards. I was pleased that our efforts were recognised by both the British Ports Association Awards and Business Eye Awards.

A WORLD-LEADING REGIONAL PORT



A KEY ECONOMIC HUB



AN ICONIC WATERFRONT FOR THE CITY



A SMART PORT



A GREEN PORT



Championing Diversity, Equality and Inclusion

At Belfast Harbour, we believe that traditional sectors like the port industry need to improve diversity. In 2023, I was delighted that we retained our Bronze Diversity Charter mark which recognises our diversity and inclusion efforts. Highlights this year included the publication of our Menopause Policy and Menopause health and well-being sessions as well as a new Fertility Policy and Policy for Parental Bereavement Leave. Once again, we were proud to celebrate International Women's Day, with an event for Belfast Harbour's female staff and the wider Port community. We built on the success of this event with another in October, demonstrating our commitment to diversity throughout the year.

Through our recruitment marketing we are now actively encouraging gender diversity and inclusivity and I am very proud that the first female member of our expert Pilot Boat Crew took up her post in 2023.

Championing diversity and inclusion is a matter of personal importance to me, and I plan to keep driving Belfast Harbour forward on its Diversity, Equity & Inclusion journey in 2024 and beyond.

Looking Ahead

There are many exciting things happening at Belfast Harbour and many opportunities to grasp to drive economic growth. To maximise our impact to the City and Region we are in the process of developing a new 5-year strategy and 2050 masterplan. We will share these with you in late 2024.

In addition to the optimism I hold in relation to the Belfast Harbour business, I am heartened by the return of the NI Executive and Assembly. I look forward to ongoing engagement with Minister John O'Dowd MLA and his Executive colleagues and to supporting with the implementation of the forthcoming Programme for Government and other key policies.

In 2024, it is my hope that all our stakeholders will continue to work with us as we implement bold and ambitious plans for the Port and the Estate and the communities we serve.

Changes to our Board

As ever, I would like to place on record my thanks to our Board and, in particular, to Councillors Mal O'Hara, Ciaran Beattie, Donal Lyons and Emmet McDonough-Brown who have all now completed their terms as Board Members, and to the dedicated and hard-working team at Belfast Harbour, expertly led by Chief Executive Joe O'Neill. I also want to thank our partners, port users, port service providers, tenants and the wider port community for their determination, resilience and willingness to collaborate.

I look forward to working with each of you in the year ahead, as Belfast Harbour seeks to build on the successes of 2023 to further benefit the economy and to support the creation of opportunities for all.

**Theresa Donaldson (Dr)
Chair**



Dr Theresa Donaldson with keynote speakers at the Belfast Harbour International Women's Day celebrations.



Dr Theresa Donaldson with Lord Mayor of Belfast Tina Black and Terry McKeown (Sailortown Regeneration Group).

Chief Executive's Review

Before I set out my summary on what has been a strong year for Belfast Harbour, it is important to acknowledge that none of this success would be possible without our staff, customers, port service providers, tenants, and the local community.

We have a duty of care to all of you and our top priority is ensuring your safety while visiting, living and working within the Estate.

In 2023, Belfast Harbour was issued with Health and Safety proceedings relating to the tragic death of Mr. Neil Rooney, a valued member of the Port community. The loss of Mr. Rooney in 2017 has had a profound and lasting impact on the entire harbour ecosystem. Our thoughts continue to be with his family, friends and colleagues. We have fully co-operated with the PSNI and Health and Safety Executive NI during their investigations into the accident.

Belfast Harbour continues to focus on a positive safety culture across our land and marine activities. This is reinforced by meaningful actions that drive continuous improvement in Health and Safety performance, underpinned by our comprehensive Safety Action Plan. Our Health and Safety practice is rigorously examined twice-a-year by independent external auditors.

Any accident is one too many and we are working hard to become one of the safest ports in the world.

Delivering for Northern Ireland

As a Trust Port, Belfast Harbour works to deliver for the people of Northern Ireland. Ultimately, we need to secure a strong financial performance so we can invest to maximise the positive impact we have on the economy, environment and society, both regionally and city-wide.

Given this responsibility, I am pleased to report, that despite challenging economic headwinds, 2023 was another solid financial year for the organisation, recording Group Revenue of £82.9 million, up 7% against the prior year, with EBITDA, at £46.3 million, up 4% on 2022. Underlying Profit was also up 7% on the previous year.

This performance reflected the diversity of the business, the quality of our customers' activities and the hard work of the Belfast Harbour team and our partners. Our efforts were supported by a resilient and collaborative community across the Port and Estate, which provides us with a real advantage when times are tougher than we would like.

Working in Partnership with Port Customers and Tenants

Trade through the Port was, as we expected in our projections, at 23.9 million tonnes, a 2.4% drop from the previous year. 2023 was, however, a record year for Roll-on Roll-off (RoRo) freight traffic delivered by our key port partner Stena Line as we collectively continued to invest in our terminals, facilities and ships. The number of RoRo freight units passing through the Port was up 4% to 610,000, while passenger numbers travelling through the Port remained steady at 1.7 million.

During the year, Stena Line also announced plans to introduce two new bespoke freight ferries which will boost freight capacity on its Belfast-Heysham route by 80%.



The multi-million pound investment in these 147-metre 'NewMax' vessels will support the growth of RoRo traffic through Belfast Harbour. The vessels, which are expected to enter service in Autumn 2025, will also operate on methanol fuel, making them more environmentally friendly.

We were also pleased to announce that CMA-CGM had added a new call in Belfast to its Irish Sea Express CS container feeder service, operating between Victoria Terminal 3 (VT3) and a number of European ports, boosting capacity and service options for both importers and exporters.

Driving Economic Growth

Capital Expenditure reached a record £65 million in 2023. This is a landmark number that reaffirms Belfast Harbour's commitment to investing in transformational projects in the Port and on the Harbour Estate, for the good of the City and the Region.

Over the past 10 years, we have invested £374 million in capital projects, funded entirely from the organisation's post-tax profits.

During 2023, we continued to apply a relentless focus on improving the port offering for customers and tenants. Following the completion of the Victoria Terminal 2 passenger facility, we finalised the design and awarded contracts for the expansion of freight space at Victoria Terminal 1 in 2023.

Construction also commenced on a new temperature-controlled logistics warehousing facility located on West Bank Road. The 50,000 square feet facility has been constructed to the highest standards of sustainability and it is the first BREEAM Excellent warehouse in Northern Ireland. Its location makes it ideal for the import and export requirements of the fresh food market and we are pleased that it is occupied by leading logistics provider Manfreight Ltd.

On the Harbour Estate, ground was broken on phase one of City Quays Gardens, a £3.5 million project to create a new green space for the city, which will be completed in late 2024.

Our plans to make the Harbour Estate a great place to live and work were further advanced with the start of construction on the Loft Lines development. This project is being delivered by Watkin Jones and Lacuna Developments in partnership with Belfast Harbour and Titanic Quarter Ltd, and we were pleased to see it secure forward funding from L&G, the first investment of this scale agreed in Northern Ireland.

During the year planning approval was granted for City Quays 4. The project will create 256 high quality build-to-rent apartments on the waterfront and 69 new affordable homes in Sailortown.

We believe that establishing residential accommodation in the Harbour Estate and growing the population of people who work and live here will enhance the existing vibrancy of the area.

The year also saw a range of global and local companies move into office space at our newest, highly sustainable, 'Grade A' office building City Quays 3, and the submission of a formal planning application for City Quays 5, a nine-storey mixed use development across from the Harbour Office.





Major progress was also achieved on the expansion of Belfast Harbour Studios, inclusive of the Studio Ulster City Deal virtual production project, in partnership with Ulster University and Northern Ireland Screen. The collective investment will create the first BREEAM Excellent certified film studios in the UK, with 107,000 square feet of sound stage studios, together with virtual production capacity, 52,000 square feet of workshops and 68,000 square feet of ancillary production offices located on a 19-acre campus.

New industries and advanced technologies continue to be at the forefront of our vision to create a truly Smart Port. In 2023, we announced that the first fully driverless transport system in the UK, known as 'The Harlander', will be launched in Belfast. The £11 million project, delivered with Innovate UK, BT and a number of other partners, will establish an automated passenger shuttle service from Titanic Quarter railway station to Catalyst on Queen's Road.

Our ambitions to continue to drive sustainable economic growth and create opportunities for all are unfortunately being curtailed by our inability to sufficiently borrow.

This is due to our classification as a Public Corporation, for accounting purposes only, by the Office of National Statistics. This means anything we borrow is scored against the Department for Infrastructure's budget, even though no public money is involved. Our borrowing is essentially a private transaction between ourselves and the bank or lender.

This constraint does not support the scale and scope of the regeneration projects we envisage for the Port and Estate. We are going to need to borrow if we are to continue our transformational offering to the City and Region.

I would like to place on record my thanks to those officials from the Department for Infrastructure, who have engaged so positively with us on this issue throughout the year. I look forward to continued discussion with them and, of course, with the Infrastructure Minister.

As this matter is restricting the positive socio-economic impact of all Trust Ports in NI, we have been, and will continue to work together to seek routes to resolution.

Creating Social Value

While it is our investment projects and commercial performance that often make headlines, Belfast Harbour places equal importance on the work we do with local communities, tenants and partners.

Belfast Harbour is committed to continuing to develop as a sustainable and socially responsible business, making a positive contribution to our society, creating social value and inclusive growth for everyone in our city and wider region. As a Trust Port this is embedded in our culture and values.

We do this through the wide-ranging social impacts of our economic investments, but our positive impact is also felt at a local community level, with significant funding of £310k invested in community initiatives and charitable programmes during 2023.

This included an expansion of our Belfast Harbour Community Awards programme, with £80,000 of funding provided in support of 28 grassroots community organisations and charities. Such has been the demand for this support that we have increased the fund to £100,000 for 2024.

In 2023, we renewed our partnership with the Belfast Giants as their community outreach partner and continued to support important community projects including the Belfast Maritime Festival. We worked closely with the Maritime Belfast Trust on its launch of the Belfast Waterfront Promenade initiative, a new framework to support the regeneration of the City's waterfront.

Looking after the Planet

Through our Green Port Strategy, Belfast Harbour is committed to building a truly sustainable, clean port. Work to achieve our net zero emissions goal continued in 2023 and I am proud that we are on track to achieve Scope 1 and 2 Net Zero, ahead of our 2030 target. Throughout the year we compiled and analysed the statistics and evidence which will shape our 2024 Sustainability Report, the first aligned to Global Reporting Initiative (GRI) standards.

Future Focus

We ended this financial year with an optimistic outlook. We delivered on our promises by maintaining an essential service to everyone in the Region, through the safe, efficient and effective operation of the Port. We completed the 2023 aspects of our extensive range of investment projects on time and we made a real difference to our neighbours through community partnerships and funding.

Crucially, we built real momentum in terms of our diversification into marine renewable technologies, property portfolio expansion and meaningful relationships with our stakeholders, and these remain a key area of focus for the coming year. In addition, 2024 will see the publication of our new 5-year strategy and masterplan for the Harbour and Estate. It will be a busy year for our excellent team, but we are energised and committed to playing our part in continuing to develop Belfast Harbour as a brilliant place for people to work, live, study, invest and visit.

Joe O'Neill Chief Executive Officer



Port Trading Performance

In 2023, the global environment continued to adapt to the impacts on supply chains because of the war in Ukraine, and by the latter part of the year further tensions close to the important Red Sea shipping route had begun to emerge. The initial impact of the Ukraine war was seen through higher prices for businesses and households, particularly in energy and construction products, where sanctions had the greatest effect.

Despite the significant challenges and external influences, port trade remained resilient in 2023 and in line with projections, with 23.9m tonnes of goods handled, a 2.4% drop from the previous year.

Trade through Belfast Harbour is in many ways a reflection of both global economic forces and the health of the domestic economy. In 2022, the energy price shock, inflationary pressures, and associated challenges all contributed to a decline in trade tonnages and these patterns continued into early 2023. However, trade improved as the year progressed with the second half of the year's performance almost entirely offsetting a very weak start. Whilst managing the impacts of this challenging and complex environment, the Port community responded

with agility and continued to connect people, provide its vital supply chain services, and deliver the goods and services that are essential to our regional economy.

Bulk Trade

Continued high fuel and energy costs have an ongoing impact on liquid bulk trade through the Port. As the regional economy transitions away from fossil fuels liquid bulk volumes will continue to decline as alternatives are adopted more widely.

Kerosene (home heating oil) volumes decreased by 4% on the back of a 27% reduction in 2022, whilst other refined oils were impacted to a lesser extent, and volumes reduced by 1% overall during 2023.

In the dry bulk sector, costs and product demand impacted some of our major commodities, with scrap metal reduced by 19%. However, grain and animal feeds more than reversed a 2022 decline to exceed the previous year's tonnage by 13%.

In the energy sector, Kilroot Power station ceased using coal for power generation, drawing a decade long trans shipment relationship to a close.

Also, during the year, the Port handled the import of the replacement gas turbines

for Kilroot and hosted a large offshore wind capital maintenance project at the D1 offshore wind facility, the only berth of its type in Ireland.

Roll-on Roll-off and Passenger Services

Roll-on Roll-off (RoRo) freight continued previous years' strong performances with 610,000 freight units passing through the Port, a new record volume, with the 'middle corridor' routes to Heysham and Birkenhead experiencing very strong demand throughout the year.

Continued partnership working and commitment by Stena Line and Belfast Harbour in terminal facilities saw contracts awarded for a significant expansion of freight facilities at Victoria Terminal 1, to align with investment from Stena Line in two 'NewMax' vessels to serve the Belfast-Heysham route and enable decarbonisation through the adoption of new fuels.

As the tourism economy fully recovers from the impacts of Covid, the number of 'staycations' declined and passenger volumes on our domestic services fell slightly, but Belfast was rewarded with record cruise ship calls and passenger numbers in 2023.



In a testament to the popularity of Belfast as a destination and the experiences on offer, Belfast was awarded the UK's Best Port of Call at the Cruise Critic awards in December.

Container (Lift-on Lift-off) Trade

Container traffic is often cited as a barometer of economic trends and consumer confidence, since a high proportion of consumer goods are imported and exported via this mode. Container volumes through Belfast in 2023 reflected the earlier commentary around a year of two halves, with a steep decline in the first half of the year (-12%) and a strong recovery in the second, finishing overall 5% down on the previous full year.

Dealing with economic cycles is an accepted part of port businesses, and Belfast Harbour's is no different. Investment in the modernisation and capacity expansion of the Victoria Terminal 3 facility

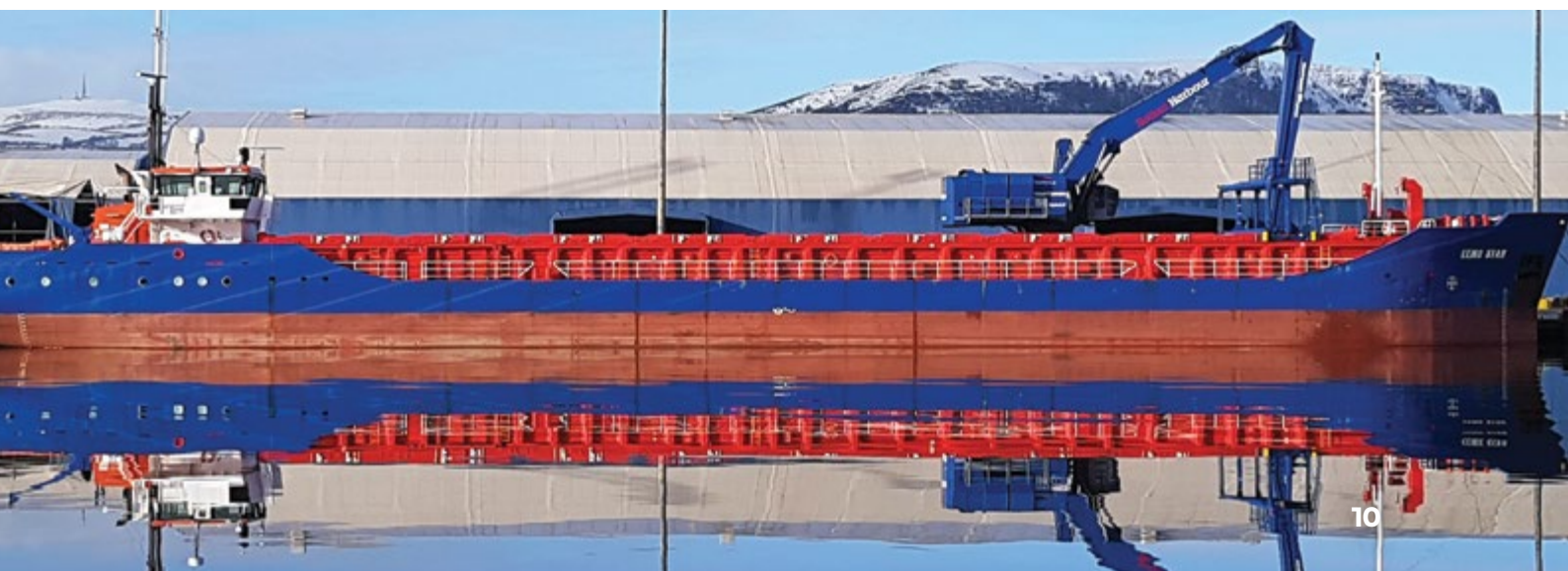
continues in preparation for future economic and volume growth. Commissioning of the final autonomous, remote-controlled gantry cranes commenced in 2023, and the final phase of civil works is well underway and due to be completed in late 2024, which will bring the full suite of new cranes into operation.

Port Development

Belfast Harbour's ongoing investment in port infrastructure is core to delivering our strategic ambition to develop as a world leading regional port.

In 2023, construction of a new temperature-controlled logistics warehousing facility located on West Bank Road commenced. The facility has been constructed to the highest standards of sustainability and it is the first BREAAAM Excellent warehouse in Ireland. It is occupied by leading logistics provider Manfreight Ltd. and its location makes it ideal for the import and export requirements of the fresh food market.

Following the completion of the Victoria Terminal 2 Passenger facility, Belfast Harbour has finalised design and awarded contracts for the expansion of freight space at Victoria Terminal 1. By providing more than 200 new HGV bays and enhanced workshop and staff facilities, Stena Line will be able to further realise operating efficiencies, enabling all 'middle corridor' freight services to be handled through the single combined Victoria Terminal 1 and 2 site, and ensuring capacity for future market growth, underpinned by the scheduled arrival of the two 'NewMax' ferries in 2025.



Property and Place

Situated along Belfast's iconic waterfront, **City Quays** is a £275 million, office-led regeneration project located on former docklands within Belfast City Centre, offering unparalleled views across the River Lagan, while remaining close to the City's core.

City Quays – Completed to Date

City Quays, which is comprised of commercial offices in 'City Quays 1', 'City Quays 2' and the newly completed 'City Quays 3', is Belfast Harbour's response to ongoing demand by inward investors and indigenous firms for new Grade 'A' office space in Belfast.

The quality of the buildings and associated building management services provided at City Quays offices, matches the occupier experience and has resulted in the office developments maintaining 'Premier Property' status. This is a global standard employed by managing agent CBRE which identifies commercial office assets which offer unique, quality properties with a high value service to occupiers and their clients.

Despite the impacts of the post COVID-19 pandemic work environment, and the consequential widespread introduction of hybrid working policies, occupier interest in the landmark City Quays 3 office building translated into five tenant occupier lettings across eight floors (representing occupation of 53% of the building's lettable space), with the latest tenant being Santander UK Plc.

Whilst interest in the building is reflective of current market conditions, Belfast Harbour's customer focus, agility, and responsiveness in meeting tenant prospect requirements, including implementing their final fit-out, will no doubt result in further near-term lettings.

The AC by Marriott hotel performed well as the hospitality industry continued to bounce back from the impacts of the pandemic. The hotel is an excellent service provision, particularly to the Harbour Estate businesses and to the wider city leisure community.

City Quays – Looking forward

As a leader in local sustainable property development, Belfast Harbour will ensure that appropriate sustainability considerations are embedded at the earliest stages of design, through delivery and in use. Belfast Harbour designs and builds new, low carbon, resilient and sustainable assets that are easier to maintain, reuse and recycle, using only certified sustainable timber products and assigning increased focus to embodied carbon, and reclaimed materials from demolition works for reuse in new projects.

City Quays 4

During 2023, we continued to work in collaboration with Belfast City Council Planning Department to progress both our residential applications for City Quays 4 and Pilot Street, which were submitted in 2022 and 2023 respectively. City Quays 4 is a 23-storey 'Build-to-Rent' residential development comprising 256 high quality, energy efficient apartments located on a vacant site between the AC by Marriott Hotel and the M3 bridge. This will complete the development of the waterfront at City Quays in line with Belfast Harbour's key strategic theme to deliver an iconic waterfront for Belfast.

In parallel, we kept our strategic stakeholders informed of progress on our Pilot Street site, which is an associated development of affordable housing, including provision for 69 new social homes. Both residential schemes were granted approval at the start of 2024.

City Quays 5

Following the submission of our Proposal of Application Notice in August and subsequent community consultation held in November, we submitted a formal planning application to

Belfast City Council in December 2023 for a nine-storey mixed use development known as City Quays 5.

The proposed building, part of the City Quays Masterplan, will comprise 160,000 square feet of lettable floor space over nine levels and will be located directly opposite the Harbour Office. The development will include 'Grade A' office space, ground floor retail and exhibition space and a roof-top hospitality destination that will be available to both the public and office users, with external terracing benefiting from views across City Quays Gardens and Clarendon Dock.

City Quays 5 will be designed and built to the highest sustainability credentials, and we are targeting BREEAM Outstanding certification which would be the highest standard achieved to-date for a new office development in Northern Ireland.

Belfast Harbour Film Studios, North Foreshore

The impact of the writers' and actors' strikes throughout a large part of 2023 had a worldwide impact on the media industry, effectively bringing productions to a standstill. This resulted in the media giant Amazon Studios being unable to produce a proposed television production entitled 'Blade Runner 2099' in the Belfast Harbour Studios.

The quality of the studios and the production capability within Northern Ireland, however, was instrumental in securing another production which took up occupation immediately post the ending of both strikes.

This new production will be in occupation until mid-2024.

This strong and continued attraction of Belfast Harbour Studios and Northern Ireland as a world-class film location, coupled with the development of the local crew base, provided a compelling narrative for extending the existing Studio facilities.

Our Strategy to create a leading European creative and media hub saw construction continue through the year on developing further sound-proofed film stages with supporting production offices and workshops. The development also includes the first Belfast Regional City Deal funded project aimed at creating an on-campus leading-edge Virtual Production facility which will be operated by Studio Ulster Ltd.

On completion, scheduled for Quarter 3 2024, the enhanced facility, which is designed to achieve a BREEAM 'Excellent' sustainability accreditation, will provide 107,000 square feet of sound stage studios, 52,000 square feet of workshops and 68,000 square feet of ancillary production offices located on a 19-acre campus.



Titanic Quarter and Queen's Island

Progress was achieved in Titanic Quarter during 2023 with development of a proposed new hotel adjacent to the Hamilton Dock. A revised Planning Approval was secured on the basis of 135 bedrooms and 93 aparthotel rooms, together with restaurant/café, bar and gym, and construction commenced in early 2024.

Progress towards implementing the area's first 'Build-to-Rent' residential scheme (and the first such offer in Northern Ireland) was made with the 'Loft Lines' project commencing on site. The project, promoted by Watkin Jones, in partnership with Lacuna Developments, and being constructed by local contractor GRAHAM, comprises 627 build-to-rent and 151 affordable units. The scheme, which aims to deliver a new riverside community of managed private, and social (including affordable) homes surrounded by walkways, boulevards, and a play area, commenced on-site during the summer of 2023 and is scheduled for completion during 2025. On completion, the social homes will be managed by Clanmil Housing Association. The project secured forward funding by L&G, the first such major investment by the company in Northern Ireland.

Titanic Distillers, Belfast's newest tourist attraction based at Thompson Dry Dock and pumphouse, opened in May. It heralds the first working whiskey distillery in the City since Dunville & Co stopped production in 1935.

Sales & Marketing Activities

Office Sector

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

Media Sector

In collaboration with Northern Ireland Screen, Belfast Harbour continued to market the Studios to secure productions which might use the existing complex, as well as using their expertise working towards promoting a best-in-class next phase of development which will assist in reinforcing the Region as an internationally-recognised location for media creation.

Placemaking

2023 saw progress by way of the appointment of main contractor Northstone to develop the first phase of a new £3.5 million urban gardens space. This will be located between the Harbour Office and the City Quays waterfront buildings and will be known as City Quays Gardens.

The objective is to create green leisure space which will incorporate a maritime art trail together with external performance spaces for use by Harbour Estate occupants,

citizens of Belfast and visitors alike. The scheme is designed to achieve 'One Planet Living' sustainable accreditation and will be the first project in the Region to attain such a rating. It is anticipated that construction works will complete in Quarter 3 2024.

Progress of Belfast Harbour's 'Placemaking Strategy' is represented via a number of catalysing projects which are aimed at bringing the strategy to life. These projects are under development, and one such project aimed at enlivening the existing Barrow Square (adjoining Sailortown) was submitted for Planning Approval during the course of 2023.

The Placemaking Strategy aims to create a people-centric sense of place which is anchored in the local communities and takes reference from their individual characteristics and maritime history. Creation of active travel linkages to the city and adjoining neighbourhoods is one of the key Placemaking Strategy ambitions and works to progress this in collaboration with key stakeholders including Belfast City Council and Sailortown were progressed during the year.

Belfast Harbour continued to work collaboratively with Maritime Belfast Trust (MBT), under the terms of the jointly developed Memorandum of Understanding, with a view to further using the long-standing partnership towards animating and curating the City's developing



iconic waterfront and further developing an animated inner leisure harbour. The outputs from this joint initiative manifested themselves via the 'Maritime Mile' project, delivering curated public realm along the area's waterfront.

One such initiative is that being progressed via MBT which is aimed at enhancing connectivity along the Maritime Mile using 'pop up' events/points of interest and waymarking.

Another significant initiative launched in December 2023, aimed at making Belfast one of the world's top waterfront cities. The Belfast Waterfront

Promenade provides a framework to ensure that future regeneration of the city's waterfront, one of the longest in Europe, follows an agreed set of integrated design principles.

The approach was developed by the Belfast Waterfront Task Group, comprising stakeholders from MBT, Belfast City Council, Belfast Harbour, Titanic Quarter Limited, Tourism NI and the Departments for Communities, Infrastructure, the Economy and of Agriculture, Environment and Rural Affairs.

Stretching from Sailortown to Ormeau Park, over half of the 10km waterfront remains

available for development. The Taskforce Group believe this is a generational opportunity to re-energise Belfast's relationship with its waterfront and maximise the area's potential to provide economic and social benefits for the Region.

Belfast Harbour aims to use MBT's skills and experience to create a programme of events animating and curating the City Quays Gardens in operation and integrating with the City-wide events programme.





Stakeholder and Community Engagement

As a socially responsible Trust Port, we engage closely with our diverse stakeholder base to ensure that the social and economic impact of Belfast Harbour's investments are communicated effectively and also support local communities through funding, volunteering and partnership.

This includes hosting a wide range of engagement events with our communities, customers, tenants, and partners, along with corporate and political stakeholders, that allows us to showcase the economic and social contribution of Belfast Harbour to the Region and our future ambitions and plans.

Building long-term partnerships and relationships with local communities is driven through a wide range of activities including, c.30 grassroots organisations and charities supported through our successful Community Awards scheme, community engagement partnerships, and events bringing groups and people together to embed these relationships.

Throughout the year we utilised sponsorship opportunities at a variety of events to engage with audiences and increase our profile, including Business in the Community, Eastside Awards, Women in Business and Belfast Chamber.

A Socially Responsible Port

Committed to enabling a 'Gateway to Opportunity', Belfast Harbour's Responsible Business activity, which encompasses all elements of our operations, is co-ordinated across four primary areas:



A INCLUSIVE PORT

A gateway to opportunity for all



A COMMUNITY PORT

Delivering grassroots engagement



A CLEAN, GREEN PORT

Delivering environmental sustainability



A DESTINATION PORT

A place that adds social value to all

In 2021, Belfast Harbour maintained its Platinum accreditation for CORE – Business in the Community’s Responsible Business accreditation which is valid for three years. Belfast Harbour is one of only four companies to achieve this accolade. This strong external benchmarking strengthens the delivery of our ESG responsible business strategic objectives. Our commitment to communities was further underpinned by winning the Community Engagement Award at the British Ports Association Awards and the CSR Category at the Business Eye Awards.

Community Partnerships

Our annual budget towards community engagement support is based on c.1% of our annual operating profit. In 2023, this enabled c.£310,000 of funding support to be allocated to community and charitable organisations. This support focused on positively impacting three core areas:

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

This significant investment enabled Belfast Harbour to make meaningful and positive social impact across communities, the environment and to young people’s development opportunities.

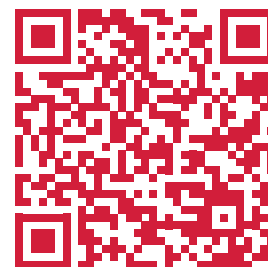
This included working with a wide range of organisations such as Active Communities, The Prince’s Trust, Ulster University Student Bursaries, Business in the Community, Keep Northern Ireland Beautiful, Belfast Giants Community Outreach, and Lagan Search and Rescue.

In 2023, Belfast Harbour ran two rounds of the Community Awards with a budget of £83K supporting a wide range of grassroots community organisations with delivering environmental, well-being, training, and engagement activities. Applications continue to increase year-on-year, with 122 received in 2023. This mechanism to work with community organisations is having a significant social and community impact in Belfast and the Region.

In recognition of the challenging time some of our communities were experiencing towards the end of the year, Belfast Harbour also made a series of additional exceptional donations totalling £2,000 to foodbanks and family support hubs in the Greater Belfast area. We also designated the Harbour Office a Cash for Kids drop-off point and received donations from staff and the wider port community.

Our three-year partnership with Keep Northern Ireland Beautiful continues to have an impact both environmentally and on the communities involved in the activities. During the Healthy Oceans, Healthy Minds programme of activities, 75 events took place involving almost 1,100 people. A total of 122 bags of litter were collected and prevented from reaching waterways, and the increased knowledge and education passed on at each event highlighted the importance of protecting blue spaces, linking to our ‘Green Port’ strategy.

The ‘Good Food Fund’, administered by Business in the Community, with Belfast Harbour as principal sponsor, was established during the year to help tackle the issue of hunger in Northern Ireland. It is specifically designed to support primary school children, impacting 12,000 children by the end of 2023. The initiative is Chaired by our CEO and is brought to life through this short video, [youtube.com/watch?v=Rqcz5wq_2iE](https://www.youtube.com/watch?v=Rqcz5wq_2iE)



In line with our strategic goal to develop a leading European Media hub, Belfast Harbour supported Cinemagic to deliver their Talent Lab masterclasses as part of the 33rd Cinemagic International Film and Television Festival for Young People in Belfast. This offered 200 young people film industry learning opportunities. The masterclasses were designed to help develop and nurture new talent for the screen industry sector. One hundred of the masterclass workshop spaces were provided free of charge to young people from hard-to-reach backgrounds.

Our continued work with the Belfast International Arts Festival allowed access to high quality performance and culture for free for 16 different groups, ten of which were new to the scheme, as well as a number who were from ethnic minority groups and new communities to Belfast. In addition, this year we were able to support two groups with free transport, which has been a prohibiting factor to accessing events.

Our patronage and partnership with Lagan Search and Rescue (LSAR) aligns closely with our 'keeping people safe' strategy and is actively delivered in close collaboration with Belfast Harbour Police. We were proud to facilitate the Queen's Award for Voluntary Service reception for LSAR in March at the Harbour Office, which recognised the commitment of the volunteers over the lifetime of the organisation.

As a key stakeholder, Sailortown Regeneration Group (SRG) represents a longstanding partner with strategic significance and importance to Belfast Harbour. During 2023, we were delighted assist SRG with its award winning submission to the Pride of Place Awards in Dublin, and then to host a community reception to recognise the accolade at the Harbour Office, attended by the Lord Mayor.

As the Belfast Giants Official Community Outreach Partner, delivering the Healthy Lifestyle Programme, we extended our impact as a responsible business by supporting schools engagement and equipping young people with tools to support their physical and mental health.





Belfast Harbour Community Awards supported North Belfast Arts Festival.



Environment and Sustainability

Guided by our Green Port strategic vision, Planet stands as a cornerstone of our ambitious sustainability goals.

It encompasses commitments to Climate Action, Biodiversity & Conservation, Clean Air & Water Stewardship, and Resource Efficiency & The Circular Economy, all aligned with our shared business objective to Inform, Inspire, and Transform.

With over 700 diverse businesses operating within the Belfast Harbour Estate, we're taking a leadership role in environmental sustainability.

By collaborating with tenants and port customers, we're driving systemic changes necessary to address the global climate impact.

Leveraging our influence and local expertise, we are developing scalable solutions to 'green' our entire value chain.

We have pledged to achieve net-zero operational carbon emissions by 2030 for our own operations, well ahead of mandatory requirements

Additionally, we are committed to achieving zero waste to landfill, improving air and water quality, and enhancing both land-based and marine biodiversity throughout the Harbour Estate.

Environmental sustainability is fundamental to our Trust Port responsibility to operate, maintain and improve the Belfast Harbour Estate.

By putting People, Planet, Place and Partnerships at the heart of our sustainable business model, we are developing a clean, green port and creating shared value for everyone.

Recognising our ongoing commitment to measuring our environmental performance and development, Business in the Community (BITC) in 2023 awarded Belfast Harbour Platinum status in its Environmental Benchmarking Survey for the fifteenth consecutive year in a row.

Belfast Harbour also maintains a Platinum status in BITC's Business & Biodiversity Charter, in addition to a Platinum status in its CORE – Responsible Business standard.

Going forward, we continue to deliver upon a holistic sustainability agenda that builds on our long-term commitment to supporting and protecting our environment, across all our business activities.

This includes commitments to fully decarbonise our own operations by 2030, to reduce pollution, to protect and enhance our natural environment and to develop our leadership role as a sustainable property developer.

Climate Action

Energy use and decarbonisation are core components of our sustainability agenda and throughout the year we continued to work towards our commitment to decarbonise our operations.

Our Climate Action Strategy is built on robust data acquisition, digitisation and analytics. It focuses our efforts on enhancing energy efficiency and optimising systems; a drive towards the electrification of heat, plant and mobility; and the integration of onsite and offsite renewable energy generation.

Our ambitious goal: to achieve Net-Zero greenhouse gas emissions by 2030.

Having conducted extensive trials of Hydrotreated Vegetable Oil (HVO), as a low carbon alternative fuel for use in our plant and vehicles, in 2023 we began a phased

implementation across all our marine vessels and landside assets. Over the next two years this will reduce our Scope 1 carbon emissions by almost 90%.

We're also proud to report that we procure 100% renewable electricity for both our own operations and a consortium of port tenants, resulting in a significant reduction in combined Scope 2 and 3 emissions - over 3,500 tCO₂e annually. This marks a significant step towards achieving energy self-sufficiency, and we are committed to leading the way in renewable technology adoption across the Harbour Estate.

In 2023, we enhanced our energy monitoring and targeting systems and prioritised data-driven decision-making to guide our decarbonisation efforts. Furthermore, we invested over £250k in the electrification of our light vehicle fleet and other fossil fuel-dependent plant and infrastructure, ensuring continued progress towards our sustainability goals.

Further details of our energy use and carbon emissions are provided in the Streamlined Energy and Carbon Reporting Statement 2023 section of the Annual Accounts.



Biodiversity & Conservation

With a diverse Estate footprint covering over 2,000 acres, land use, biodiversity and conservation are material issues and of great importance to Belfast Harbour.

We are actively collaborating with local academic, conservation and subject matter experts to develop methods to enhance and protect areas of environmental importance.

We maintain an extensive biodiversity and conservation action plan and partake in regular external biodiversity audits, the most recent of which was conducted in 2021 with partners at the Ulster Wildlife Trust and continues to inform the direction of travel for enhancing biodiversity on the Harbour Estate.

Belfast Harbour also maintains a Platinum status in Business in The Community's (BITC's) Business & Biodiversity Charter.

Clean Air & Water

Building on earlier works to model carbon emissions throughout the Harbour Estate, and in collaboration with Belfast City Council, we have deployed and now maintain multiple real-time air quality sensors that monitor a range of air pollutants (including Particulate Matter, NOX and SOX).

In addition to air quality, we remain committed to monitoring the water quality within Belfast Harbour. We actively collaborate with local NGOs and regulators to shape strategies for improving water quality. As part of our Smart Port initiative, we are deploying water quality monitoring equipment at key locations throughout the Port and leveraging IoT solutions to provide real-time water quality data transparently.

To address water pollution and marine litter, we have implemented various measures, including the ongoing use of sea-bins within the Marina. Our electric litter boat, the Sea Sweeper, continued its service in 2023, and we are now striving for Blue Flag status for the Abercorn Marina.



Resource Efficiency & The Circular Economy

The application of resource efficiency and circular principles plays a vital role in our efforts to minimise natural resource consumption and waste generation. We actively work to reduce our operational waste, prioritise reuse and recycling, and are dedicated to achieving our goal of zero waste to landfill.

Addressing plastic waste and its detrimental impact on marine ecosystems remains a key priority for us. To tackle this issue, we have maintained our partnership with Responsible Plastics Management (RPM) to phase out single-use plastics from our operations.

Collaborating closely with our waste management providers, we are proud to report that we have already achieved over 90% diversion of port waste from landfill.



Belfast Harbour employee Mark Doherty participating in staff volunteering litter pick.

Corporate Matters

People

Elevating Our Workforce: A Year of Growth, Inclusion, and Engagement

At the heart of our success is our commitment to fostering an environment where every employee feels valued, empowered, and connected. Over the past year, we have embarked on several initiatives to enhance the personal and professional development of our teams, promote diversity and inclusion, and strengthen our community through meaningful engagement activities. This has been delivered through a number of focus areas including empowerment, engagement, well-being and championing diversity and inclusion.

Empowering through Development

Nurturing Future Leaders: Our ILM Level 5 Mentoring Programme kicked off, pairing eight mentors with 16 mentees. The programme's positive reception underscores our commitment to nurturing the next generation of leaders within our organisation.


Cultivating Management Excellence: Our First-Line Manager Programme, initiated in February, welcomed 10 delegates to a comprehensive training regime designed to enhance their leadership and management skills. Facilitated by Linkubator, the programme

culminated in participants earning their ILM Level 3 in Leadership & Management, marking a significant milestone in their managerial journey.

Accelerating Success: In collaboration with Ulster University Business School, we launched the Accelerate Programme, a bespoke 12-month curriculum tailored to our unique requirements. This initiative targets our most promising talent, equipping them with the skills necessary for Leading the Future, Creating the Future, Leading for Transformational Change, and navigating Digital Transformation. The programme exemplifies our investment in the long-term growth and success of our employees.

Fostering Engagement and Well-being

Belfast Harbour's commitment to employee well-being and engagement saw the introduction of various activities aimed at enriching the workplace experience. From stress management workshops and healthy eating seminars to meditation sessions, we've provided a platform for our team to learn, grow, and thrive. The launch of the Menopause Support Group and the Belfast Harbour Voice employee forum further exemplifies our dedication to addressing the diverse needs of our workforce while promoting an inclusive and supportive community.



Belfast Harbour employee Simon Gibson at the installation of the oyster nurseries at Donegall Quay.

Championing Diversity and Inclusion

Our commitment to gender diversity and empowerment is illustrated by our active participation in initiatives like the 'Empowering Women in Leadership' course through Women in Business. This year, three of our female employees engaged in this transformative experience, designed to enhance their leadership capabilities and professional development.

In parallel, recognising the unique challenges faced by new mothers, we facilitated the participation of two returning employees in the Women in Business Maternity Returners Program. This vital program focuses on boosting confidence, improving communication, building resilience, and enhancing work-life balance for those recently returning from maternity leave.

In November, we hosted a female employees networking breakfast, led by distinguished guests, which provided a vibrant platform for discussing gender diversity and shaping future initiatives. This event, alongside the celebration of International Men's Day on 19th November through a spotlight campaign, highlights our dedication to recognising and valuing the diverse contributions of our workforce.

The implementation of our second Diversity, Equity, and Inclusion (DEI) survey via CultureAmp reflects our ongoing commitment to creating a workplace that celebrates diversity and fosters inclusion.

This initiative is crucial for identifying areas for improvement and shaping our strategies for recruitment, retention, and workplace culture. By actively engaging with our employees' feedback, we are laying the groundwork for a more inclusive and equitable environment.

Innovative Recruitment Strategies

In response to the challenges of recruiting Engineering Technicians, we devised a comprehensive action plan that included refreshing our advertising approach, creating informative recruitment videos, and engaging with local educational institutions. Our recruitment open evening in July 2023 not only showcased the opportunities within our organisation but also significantly increased applicant numbers, demonstrating our proactive stance in attracting top talent.

Summary

This past year has been a testament to our unwavering dedication to our people. Through targeted development programmes, meaningful engagement activities, and a steadfast commitment to diversity and inclusion, we have strengthened our organisational fabric, ensuring that our team is well-equipped to meet the challenges and opportunities of the future. As we move forward, we remain dedicated to fostering a culture of growth, inclusion, and excellence, building a brighter future for our employees and the communities we serve.

Business Continuity

To safeguard business process continuity during disruptive events Belfast Harbour successfully completed its triennial recertification audit to the ISO 22301 standard for Business Continuity Management. The emergency planning arrangements were exercised both internally and with multi-agency partners across cyber, oil spill and other business continuity scenarios.

Belfast Harbour maintained and developed external working relationships with response organisations through participation in exercises, active membership of the Belfast Emergency Preparedness Group, including chairing the Harbour Working Group and participating in the Belfast Flooding and Severe Weather Working Group and Belfast First Responders Group. The key events which took place in 2023 included briefings on cruise emergency arrangements, and port familiarisation visits for Emergency Responders.

Health and Safety

In 2023, Belfast Harbour continued to enhance its approach to health and safety through cultural improvements as well as enhancements of procedures, training, and equipment.

We continue to build on the 2022 safety culture programme implementation via increased engagement and involvement in health and safety matters both within the organisation and with other stakeholders. This was underpinned by an increased focus on Safety Observation submission and close-out.

The Belfast Harbour ISO 45001:2018 management system remained a key vehicle to drive continuous improvement of health and safety, with both internal and external audits identifying performance enhancements. The management system continued to be assessed by an external certification body, with no major non-conformances being raised.

The five-year H&S Action Plan concluded at the end of 2023, and covered items such as Marine Safety, CCTV coverage and analytics, training, and culture. Collaborative development of the 2024/2025 Action Plan started at the end of 2023. The Assure Health and Safety Management Software, first implemented in 2022, continued to be developed and expanded to assist with management of health and safety matters throughout the organisation.

Belfast Harbour maintained active memberships of the Northern Ireland Safety Group and Port Skills and Safety to maximise technical and industry-specific engagement and awareness. The safety and wellbeing of everyone who works within our Port and Estate continues to be Belfast Harbour's top priority and we are working hard to become one of the safest ports in the world.

Digital and IT Transformation

This year marked significant strides in Belfast Harbour's digital and IT transformation

journey, underscoring our commitment to innovation, security, and operational excellence. From deploying advanced 5G networks to fortifying our cybersecurity framework, our initiatives are designed to enhance the efficiency, resilience, and sustainability of our operations.

Advancing Innovation: Project Harlander and Digital Frontiers

Our commitment to innovation and technological advancement is exemplified by our consortium-leading role in Project Harlander, a pioneering initiative officially supported by Innovate UK. Project Harlander has been set in motion to introduce autonomous vehicle operations within the Belfast Harbour Estate by early 2025. This ambitious project kicked off formally on 1st March 2023, with a foundational meeting attended by all consortium partners, CCAV and Innovate, marking a significant milestone in collaborative innovation.

The integration of Project Harlander with other digital infrastructure advancements positions Belfast Harbour at the forefront of technological innovation in the maritime industry.

Pioneering Digital Infrastructure

5G Private Network: We have successfully installed IoT sensors on cranes and anemometers across Stormont and Gotto Wharves, enabling real-time data capture for windspeed, direction, and crane operations. The Smart Traffic solution,

complemented by CCTV camera installation, aims to streamline traffic management within the harbour.

Digital Projects: Our collaboration with Innovate UK on Project Harlander and the launch of the 5G Public Network epitomise our dedication to fostering a digital ecosystem that supports innovative solutions and smart operations.

Wayfinding Application: The Maritime Mile's wayfinding app, after successful beta testing, is set to enhance navigational experiences for our visitors, reflecting our commitment to leveraging technology for community engagement.

Advancing IT Infrastructure

Finance and Procurement System: The successful transition to Oracle Fusion exemplifies our pursuit of operational efficiency and modernisation of financial processes.

Compliance and HR Systems: The rollout of Assure and iTrent systems has streamlined compliance and HR operations, enhancing our organisational capabilities and employee experience.

Vessel Traffic and Harbour

Police Systems: The procurement and planning for the next-generation VTS and the transition towards a SaaS-based system for the Belfast Harbour Police are pivotal in our journey towards digital transformation, ensuring safety, compliance, and efficiency.

Cyber Security: A Cornerstone of Digital Trust

Our organisation maintains a steadfast commitment to cybersecurity, demonstrated by our continuous efforts to enhance our security measures. We adhere to industry standards, including the National Cyber Security Centre (NCSC) Cyber Essentials and ISO 27001, which form the foundation of our cybersecurity program. Additionally, our proactive collaboration with the NCSC plays a critical role in our cybersecurity strategy. This partnership enables us to stay abreast of the latest threats and best practices in cyber defence, ensuring that our security measures are both current and effective.

Moreover, we regularly conduct a range of cyber exercises to test and improve our defences. These simulated cyber-attack scenarios assess our response capabilities and readiness to handle real-world cyber incidents. Such exercises not only help in identifying vulnerabilities in our defences but also provide practical training to our team, ensuring they are prepared to respond.

Through these concerted efforts, we aim to maintain the integrity and reliability of our operations, ensuring that our digital landscape remains secure against evolving cyber threats. Our commitment to cybersecurity is integral to our operational ethos, reflecting our dedication to safeguarding the data and trust of our stakeholders.

Looking Ahead: A Future-Ready Harbour

As Belfast Harbour navigates the digital frontier, ongoing projects and strategic initiatives are set to further position Belfast Harbour as a leader in digital innovation and smart operations. From extending our 5G network capabilities to exploring new applications for our digital fabric, our vision is to create a connected, secure, and sustainable harbour environment that supports our community and the wider economy.

Our journey this year reflects a harmonious blend of innovation, collaboration, and commitment to excellence. As we look forward to the opportunities and challenges ahead, our digital and IT strategies will continue to be integral in shaping a future-ready Belfast Harbour.



Strategic Report

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

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

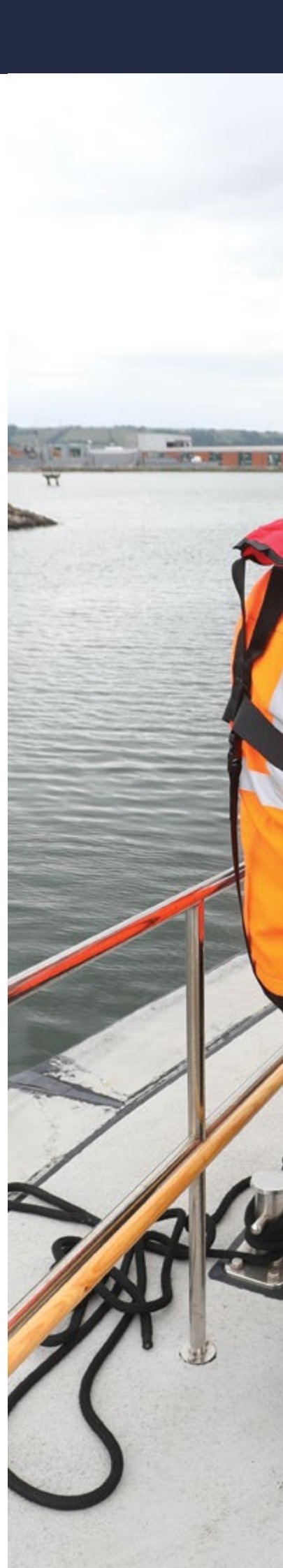
Strategy Update and Business Model

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

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

The primary focus of Belfast Harbour is, and remains, major investment in port facilities to enable and develop port trade.

During 2023 there was continuing substantial capital investment in port facilities, notably the purchase of a new dockside crane, ongoing investment in and enhancement of container and logistics warehouse facilities, together with regeneration activities, notably City Quays 3 and the Film Studio Extension.





Belfast Harbour employees Jamie Faulkner, John McCrea and Clare Forsythe.

Trading

Notwithstanding the general inflationary environment, Belfast Harbour successfully delivered a strong profit performance for 2023, with consolidated turnover at £82.9m increasing by 7.3% on 2022, and consolidated operating profit at £34.5m increasing by 2.7% on 2022.

The Financial Statements show consolidated Profit before Taxation for 2023 at £24.3m, a decrease of £8.6m on 2022. This is stated after the movement on valuation of investment properties, which in 2023 was a significant reduction, reflecting market valuation conditions at the year end.

The movement on valuation of investment properties is not a trading item and, after adjusting for this, the "Underlying" Profit before Taxation increased by 7.2% to £36.7m from £34.3m, as set out in the table:

	2023	2022
Profit before Taxation as reported	£24.3m	£32.9m
Add Deficit/Less Surplus on revaluation of investment properties	£12.4m	£1.4m
"Underlying" Profit before Taxation	£36.7m	£34.3m

Capital Expenditure

Belfast Harbour is primarily an infrastructure business, wholly funded by retained profits. No public money is received or spent by Belfast Harbour.

All profit, net of taxation, is reinvested in the development of the Harbour's port and property activities. The beneficiaries are the businesses throughout Northern Ireland, which trade through and rely on the Harbour, and consequently there is a significant positive impact on the local economy in general. As is common in the Ports' industry, the scale of economic benefit from this investment is considerably in excess of the direct economic benefit to Belfast Harbour itself.

Total capital expenditure during 2023 was £65m, and in addition, a further £39.2m has been committed at the 2023 year-end to strategically significant projects. This will be funded from liquid funds, which were £44m at December 2023, from bank borrowing and from future trading profits.

In the past 10 years in excess of £370m has been invested in the Harbour, mostly in port facilities, and all funded from trading profit.

Taxation Strategy

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

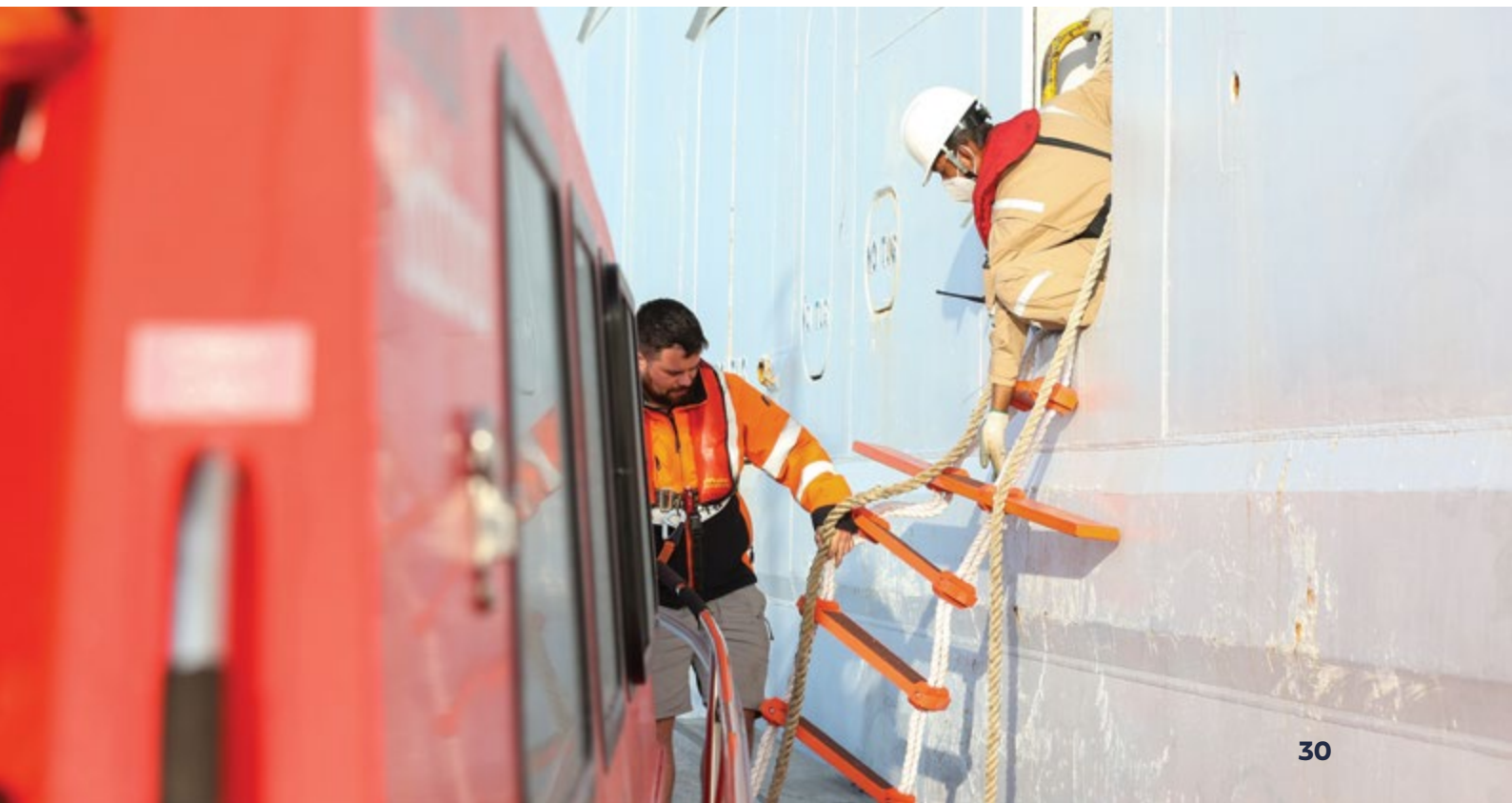
Therefore the risk appetite of Belfast Harbour towards any tax mitigation scheme is low, and it is anticipated that all corporation tax will be paid at a level similar to the policy rate, save for the point noted below on investment allowances.

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

The total taxes paid by Belfast Harbour in 2023 are in excess of £12m.

Business Environment

Belfast Harbour has considerable financial resources, together with a diverse business model holding long-term contracts with key customers, and has continued to successfully manage the business risks associated with the continuing uncertain economic outlook. The notable 2023 revenue increase on 2022, and strong financial performance was underpinned by the diversity of core income streams. In addition, Belfast Harbour continues with a forward-looking investment strategy, in capital intensive harbour facilities and real estate, which are accretive to the NI economy notwithstanding adverse market conditions, notably the effects of fuel and general price inflation.



Risks and Uncertainties

Funding Risk

Belfast Harbour as a Trust Port is solely responsible for funding the operating business and investing in activities via retained profit. Many major UK Trust Ports are classified for public expenditure accounting purposes as “public corporations”. This classification has the potential to impact on public budgets, as any exercise of borrowing powers by Belfast Harbour will “count” as public borrowing even though there is no public money involved and no recourse to government for lenders to the Harbour. At present Belfast Harbour is able to maintain its current investment commitments at a level supported by trading profits generated by the business, including utilisation of £30m of commercial borrowing. Continued investment in economically significant projects will, however, require utilisation of Belfast Harbour’s borrowing powers in the near future.

Economic Risk

Belfast Harbour trade is reflective of the health of the overall Northern Ireland economy, and the economy will always be a managed risk. Although trade levels marginally reduced in 2023, revenues remained strong. In mitigation of the economic risk, Belfast Harbour has a well-diversified trading base across a number of trading sectors, strong trading counterparties and continues to seek new business investment with sustainable financial returns.

Trading Risk

Belfast Harbour is exposed to competition on the main trades through the Port, and over time there have been market share gains and losses through the effect of competition from other ports. In mitigation of this risk, Belfast Harbour has a well-diversified trading base, strong trading counterparties and an active strategy for investment in facilities to preserve and enhance the offer to customers.

In future the progress towards decarbonising the economy will materially impact port trading and income, and Belfast Harbour’s forward plans have taken account of the trade reduction in specific sectors, together with investment in new sectors.



Regulatory Risk

Belfast Harbour, like all UK ports, operates in a highly regulated industry and is fully cognisant of the regulatory obligations, principally in respect of People, Safety, the Environment and Security. Future focus on decarbonisation of the economy will become an increasing feature of regulation and will require significant investments.

In addition, the successful execution of Belfast Harbour developments and their accretive effect on the NI economy depends on planning and consenting processes. Belfast Harbour is also aware of the need to operate a strong governance model, including governance specifically pertaining to Trust Ports. In mitigation of regulatory risks, Belfast Harbour has strong oversight mechanisms in place at Board and Executive level for monitoring and meeting the ongoing challenges in all of these areas.

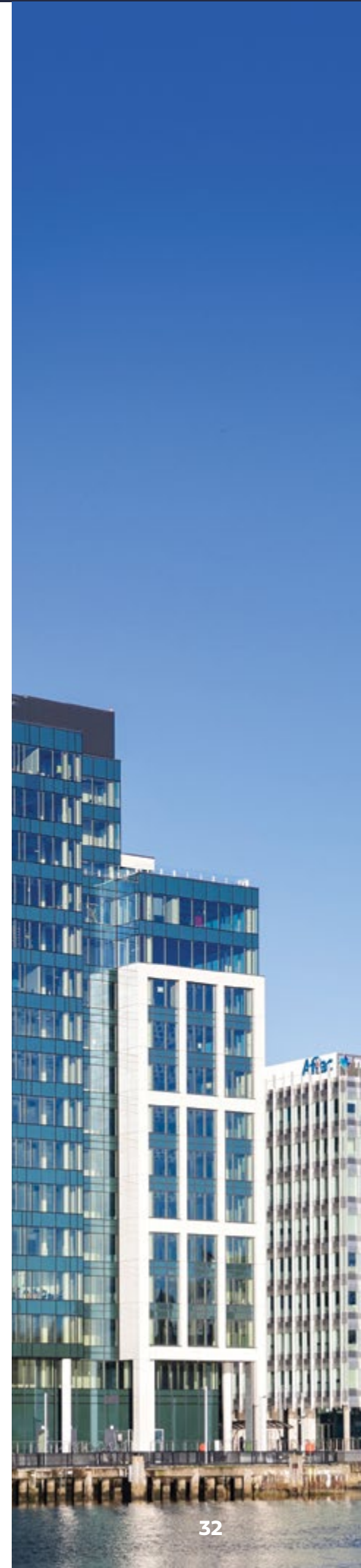
Inflation Risk

Following the Ukraine war, a significant escalation in supply chain inflation has been experienced during 2022 and 2023 in both operating costs, and more particularly capital expenditure costs. The latter effect is especially significant as Belfast Harbour is an asset intensive business, and increased costs of constructing assets will ultimately be borne through port charges and rents to stakeholders. The inflation situation remains a key concern into 2024.

Asset Resilience Risk

As primarily an infrastructure business Belfast Harbour's operating model depends on the availability and fitness for purpose of marine and landside assets to facilitate shipping movements, cargo handling and passenger traffic.

In mitigation of this risk Belfast Harbour has an active investment strategy to replace and enhance key assets as required and operates a systematic approach to asset surveys and upkeep.



Commissioners



DR THERESA DONALDSON
CHAIR OF THE BOARD



JOE O'NEILL
CHIEF EXECUTIVE



COUNCILLOR CIARAN BEATTIE
BOARD MEMBER



JANE CHAMBERS
BOARD MEMBER



DIANA FITZSIMONS
BOARD MEMBER



KEVIN KINGSTON OBE
BOARD MEMBER



DEBORAH LANGE
BOARD MEMBER



NOEL LAVERY CB
BOARD MEMBER



COUNCILLOR DONAL LYONS
BOARD MEMBER



**COUNCILLOR EMMET
McDONOUGH-BROWN**
BOARD MEMBER



GERRY MCGINN CBE
BOARD MEMBER



SIR MALCOLM MCKIBBIN
BOARD MEMBER



STEPHEN MARTIN OBE QPM
BOARD MEMBER



COUNCILLOR MAL O'HARA
BOARD MEMBER



ROSE MARY STALKER
BOARD MEMBER



**SCAN HERE
FOR COMMISSIONERS**

Commissioners Attendance

Names	Board Meetings		Committee Meetings		Total Meetings Attended		Total Meetings Attended
	Possible	Actual	Possible	Actual	Possible	Actual	%
Beattie, Ciaran	7	4	14	9	21	13	62%
Chambers, Jane	7	7	20	20	27	27	100%
Donaldson, Theresa	7	7	25	24	32	31	97%
Fitzsimons, Diana	7	6	13	12	20	18	90%
Kingston, Kevin	7	7	24	24	31	31	100%
Lange, Deborah	7	7	14	13	21	20	95%
Lavery, Noel	7	6	19	14	26	20	77%
Lyons, Donal	7	3	10	4	17	7	41%
McDonough-Brown, Emmet	7	4	10	5	17	9	53%
McGinn, Gerry	7	6	30	30	37	36	97%
McKibbin, Malcolm	7	7	14	14	21	21	100%
Martin, Stephen	7	6	11	10	18	16	89%
O'Hara, Mal*	2	1	1	1	3	2	67%
O'Neill, Joe	7	7	32	30	39	37	95%
Stalker, Mary Rose	7	6	24	21	31	27	87%

*Mal O'Hara's tenure as a Belfast Harbour Commissioner ended in May 2023 (post election)



Belfast Harbour employee Michelle Cusick.

Executive Team



MAURICE BULLICK OBE
FINANCE AND
COMPLIANCE DIRECTOR



MIKE DAWSON
PEOPLE AND DIGITAL
TRANSFORMATION DIRECTOR



ALLISON DOWLING
CORPORATE AFFAIRS AND
ENGAGEMENT DIRECTOR



GRAEME JOHNSTON
PROPERTY AND
PLACE DIRECTOR



IAN LANG
SUSTAINABILITY AND
INFRASTRUCTURE DIRECTOR



MICHAEL ROBINSON
PORT DIRECTOR



KEVIN RYAN
DEVELOPMENT DIRECTOR



SCAN HERE
FOR EXECUTIVE TEAM

Corporate Governance Statement

The Organisation

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

The Board

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

BHC is independent of Government and any other legal person, and management is the responsibility of the Board and the Executive Team. The duties of the Board Members are akin to those of a company director, to be accountable for the proper

exercise of the statutory and administrative requirements placed upon them. In addition, Board Members are required to:

1. Ensure high standards of corporate governance;
2. Establish the overall strategic direction of the Port, having regard to the best interests of the Port and the local economy following consultation with key stakeholders, where relevant;
3. Ensure that, in reaching decisions, Government policy is taken into account;
4. Ensure that, in carrying out their functions, due regard is paid to the need to promote equality of opportunity.

The Department for Infrastructure appoints Board Members on the basis of open public advertisement. The number of Board Members, including the Chair and Chief Executive Officer, may be no less than 10 and no more than 15, with up to four Board Members being elected representatives from Belfast City Council.

Board Committees

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

Audit and Risk Committee

The Audit and Risk Committee has responsibility for:

1. Monitoring the integrity of the organisation's financial statements;
2. Reviewing the organisation's internal financial control and risk management systems;
3. Monitoring and reviewing the effectiveness of the organisation's internal audit function;
4. Monitoring and reviewing the external auditors' independence, objectivity and effectiveness.

The Audit and Risk Committee reports formally each year to the Board on the discharge of these obligations.

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

2023 Membership

Mr N Lavery CB

(Appointed Chair on 1 April 2023)

Mr K Kingston OBE

Ms D Fitzsimons

Ms D Lange

CIlr D Lyons

Mr G McGinn CBE

Mr S Martin OBE, QPM

Port and Infrastructure Committee

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

2023 Membership

Mr K Kingston OBE
(Appointed Chair 31 March 2023)

Dr T Donaldson

Mr G McGinn CBE

Mr J O'Neill

Ms J Chambers

Cllr C Beattie

Mr N Lavery CB

Sir M McKibbin

Ms R M Stalker

Remuneration Committee

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

2023 Membership

Mr G McGinn CBE (Chair)

Dr T Donaldson

Ms J Chambers

Mr K Kingston OBE

Safety, Environmental and Security Committee

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

2023 Membership

Ms J Chambers (Chair)

Mr J O'Neill

Cllr M O'Hara
(Completed term in May 2023)

Mr N Lavery CB

Cllr E McDonough-Brown

Ms R M Stalker

Mr S Martin OBE, QPM

Property and Place Committee

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

2023 Membership

Ms D Fitzsimons (Chair)

Dr T Donaldson

Mr J O'Neill

Ms D Lange

Cllr E McDonough-Brown

Cllr D Lyons

Mr K Kingston OBE

Mr G McGinn CBE

Environmental Social Governance Committee

The Environmental Social Governance Committee formulates and oversees the implementation of the organisation's responsible business and community engagement strategies as well as approving corporate giving. It also oversees the organisation's Diversity and Inclusion agenda.

2023 Membership

Sir M McKibbin (Chair)

Dr T Donaldson

Mr J O'Neill

Cllr C Beattie

Ms D Fitzsimons

Cllr M O'Hara
(Completed term in May 2023)

Mr K Kingston OBE

Mr S Martin OBE, QPM

Belfast Harbour Pension Fund Ltd

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

2023 Membership

Ms D Lange (Chair)

Mr J O'Neill

Mr G McGinn CBE

Ms R M Stalker

*plus two member-nominated Directors



Streamlined Energy & Carbon Reporting (SECR)

Belfast Harbour is not directly covered by the Energy and Carbon Reporting Requirements, as it is a Statutory Corporation and neither a limited company nor limited liability partnership. However, it has decided to provide an equivalent report as a matter of good practice.

During 2023 Belfast Harbour total energy consumption remained unchanged against the previous year, whilst net carbon emissions decreased by 18%. This was augmented by consistent financial results and a subsequent reduction in carbon intensity by 23% (net basis) against the previous year.

Energy data has been collated for the financial year ending 31 December, 2023.

An operational control approach has been applied to reporting, following the GHG Reporting Protocol – Corporate Standard. The energy consumption figures include all electricity, gas, and liquid fuels used for Belfast Harbour owned and operated premises, plant, equipment, vehicles and vessels.

All energy consumption data has been converted to kilowatt hours (kWh) and the carbon emissions calculated using the appropriate Greenhouse Gas (GHG) conversion factors published by the Department of Business Energy & Industrial Strategy (BEIS).

Intensity ratios have been calculated based on turnover and port tonnage during 2023.

Energy Efficiency Action Undertaken During 2023:

- Belfast Harbour purchased 100% of electricity from low carbon sources certified under the Renewable Energy Guarantees of Origin (REGO) scheme.
- Belfast Harbour introduced Hydrotreated Vegetable Oil (HVO), as a low carbon alternative fuel, in its marine vessels and landside assets.
- Belfast Harbour continued to evolve a network of electrical smart metering systems that will target and inform future project direction.
- Belfast Harbour has maintained Environmental Management System certification to the ISO 14001:2015 standard, and Energy Management System certification to the ISO 50001:2018 standard, demonstrating continuous performance improvements.
- Belfast Harbour was also awarded the BITC Environmental Benchmarking Survey Platinum award for the 15th consecutive year in a row.

BHC Greenhouse Gas (GHG) Emissions	2023	2023	2022	2022
	tCO ₂ e	kWh	tCO ₂ e	kWh
Scope 1 direct emissions				
Natural gas	217	1,187,172	247	1,351,067
Gas oil	0	0	194	755,632
Marine gas oil	600	2,324,318	886	3,429,063
Diesel	923	3,861,112	808	3,349,988
Petrol	5	22,594	4	17,791
Heating Oil	7	27,782	4	15,193
Biodiesel (HVO)	5	1,447,371	0	0
Total scope 1 direct emissions	1,756	8,870,348	2,142	8,918,734
Scope 2 energy indirect emissions				
Grid electricity purchased	778	3,758,757	722	3,732,528
Total scope 2 indirect emissions	778	3,758,757	722	3,732,528
GROSS OPERATIONAL GHG EMISSIONS	2,535	12,629,105	2,864	12,651,262
Avoided emissions from renewable electricity purchased	(788)	(3,758,757)	(722)	(3,732,528)
Total avoided emissions	(788)	(3,758,757)	(722)	(3,732,528)
NET OPERATIONAL GHG EMISSIONS	1,756	8,870,348	2,142	8,918,734
			2023	2022
GHG emissions intensity (gross basis)				
Tonnes of CO ₂ e per million tonnes of cargo (tCO ₂ per million tonnes of cargo)			105.9	116.9
Tonnes of CO ₂ e per £ million of turnover (tCO ₂ per £ million of turnover)			33.0	39.7
GHG emissions intensity (net basis)				
Tonnes of CO ₂ e per million tonnes of cargo (tCO ₂ per million tonnes of cargo)			73.37	87.44
Tonnes of CO ₂ e per £ million of turnover (tCO ₂ per £ million of turnover)			22.87	29.69

Trade and Shipping Statistics

	2023 (000s)	2022 (000s)
Passengers		
Passengers	1,705	1,796
Passengers Cars	423	462
Unit Load		
Freight Vehicles	610	594
Containers	120	126
Bulk Cargo		
Liquid Bulk	1,809	1,841
Dry Bulk	5,902	6,425
Break Bulk	291	298
Import Bulk Commodities		
Petroleum Products	1,551	1,563
Grain & Feeds	2,415	2,145
Coal	1,213	1,936
Fertilisers	252	233
Timber	29	26
Export Bulk Commodities		
Stones	1,550	1,561
Scrap	282	346
Shipping		
Gross Tonnage (000s Tonnes)	126,133	128,532
Number of Arrivals	5,600	5,635





Consolidated Financial Statements



Year ended 31 December 2023



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Statement of Commissioners' Responsibilities



The Commissioners are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Under that law the Commissioners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'*. The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Belfast Harbour Commissioners and of the profit or loss of Belfast Harbour Commissioners and its subsidiaries for that period. In preparing these financial statements, the Commissioners are required to:

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

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

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



Independent Auditor's Report to the Belfast Harbour Commissioners

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and the parent entity's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

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

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated statement of financial position;
- the BHC statement of financial position;
- the consolidated statement of changes in equity;
- the BHC statement of changes in equity;
- the consolidated statement of cash flows;
- and the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting

Practice) including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Commissioners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of Commissioners

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

In preparing the financial statements, the Commissioners are responsible for assessing the group's and the parent entity's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the group or the parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. The auditor includes an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Independent Auditor's Report to the Belfast Harbour Commissioners (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- Conclude on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, the auditor reports these conclusions in the auditor's report. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities with the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the direction, supervision and performance of the Group audit. The Group auditor remains solely responsible for the audit opinion.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

Revenue recognition

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

Property and land related transactions

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

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness

of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Independent Auditor's Report to the Belfast Harbour Commissioners (continued)

Report on other legal and regulatory requirements

Opinion on other matters

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent entity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Kevin Sheehan
(Senior Statutory Auditor)
For and on behalf of Deloitte (NI) Limited
Statutory Auditor
Belfast, Northern Ireland
21 May 2024

Belfast Harbour Commissioners

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Turnover	5	82,853	77,188
Net operating expenses		<u>(48,384)</u>	<u>(43,638)</u>
Operating profit		34,469	33,550
Deficit on revaluation of investment properties	12	<u>(11,812)</u>	<u>(1,378)</u>
Profit before taxation and similar income		22,657	32,172
Investment income	6	<u>2,241</u>	<u>705</u>
Profit before taxation	7	24,898	32,877
Tax on profit	10	<u>(8,247)</u>	<u>(7,719)</u>
Profit for the financial year		<u>16,651</u>	<u>25,158</u>

All activities derive from continuing operations.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Profit for the financial year	Overleaf	<u>16,651</u>	<u>25,158</u>
Actuarial (loss) /gain on defined benefit pensions	21	<u>(224)</u>	<u>246</u>
Deferred tax credit/(debit) associated with defined benefit pensions	18	<u>56</u>	<u>(61)</u>
Total comprehensive income		<u>16,483</u>	<u>25,343</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	12	591,683	551,824
Investment in Associate	13	<u>7,475</u>	<u>8,000</u>
		599,158	559,824
Current assets			
Stocks		707	545
Debtors: due within one year	14	23,549	17,368
Debtors: due greater than one year	14	8,451	7,081
Investments	15	41,450	68,600
Cash at bank and in hand		<u>32,178</u>	<u>26,725</u>
		106,335	120,319
Creditors: Amounts falling due within one year	16	<u>(53,852)</u>	<u>(42,966)</u>
Net current assets		<u>52,483</u>	<u>77,353</u>
Total assets less current liabilities		651,641	637,177
Creditors: Amounts falling due after more than one year	17	(20,827)	(22,332)
Provisions for liabilities	18	<u>(40,092)</u>	<u>(40,606)</u>
Net assets		<u>590,722</u>	<u>574,239</u>
Reserves			
Profit & Loss Account		517,502	489,207
Revaluation Reserve		<u>73,220</u>	<u>85,032</u>
		<u>590,722</u>	<u>574,239</u>

The consolidated financial statements of Belfast Harbour Commissioners were approved on 29 April 2024 by the Commissioners and signed on their behalf by:


 Dr T Donaldson
 Chair

 N Lavery CB
 Commissioner


 J O'Neill
 Chief Executive


 J M Bullick
 Finance and Compliance Director

BHC STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023


	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	12	595,413	555,413
Investments	13	<u>7,475</u>	<u>8,000</u>
		602,888	563,413
Current assets			
Stocks		690	534
Debtors: due within one year	14	24,515	18,684
Debtors: due greater than one year	14	8,975	7,629
Investments	15	41,450	68,600
Cash at bank and in hand		<u>31,325</u>	<u>25,806</u>
		106,955	121,253
Creditors: Amounts falling due within one year	16	<u>(52,866)</u>	<u>(42,042)</u>
Net current assets		<u>54,089</u>	<u>79,211</u>
Total assets less current liabilities		656,977	642,624
Creditors: Amounts falling due after more than one year	17	(20,827)	(22,332)
Provisions for liabilities	18	<u>(40,426)</u>	<u>(41,001)</u>
Net assets		<u>595,724</u>	<u>579,291</u>
Reserves			
Profit & Loss Account		522,627	493,906
Revaluation Reserve		<u>73,097</u>	<u>85,385</u>
		<u>595,724</u>	<u>579,291</u>

The profit of BHC for the financial year was £16,124k (2022: £25,900k).

The financial statements of Belfast Harbour Commissioners were approved on 29 April 2024 by the Commissioners and signed on their behalf by:



 Dr T Donaldson
 Chair



 N Lavery CB
 Commissioner



 J O'Neill
 Chief Executive



 J M Bullick
 Finance and Compliance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2023

	Revaluation Reserve £'000	Profit & Loss Account £'000	Total £'000
Balance at 31 December 2021	86,410	462,486	548,896
Profit for the financial year	-	25,158	25,158
Transfer to the revaluation reserve	(1,378)	1,378	-
Other comprehensive income for the year	-	185	185
Balance at 31 December 2022	85,032	489,207	574,239
Profit for the financial year	-	16,651	16,651
Transfer to the revaluation reserve	(11,812)	11,812	-
Other comprehensive income for the year	-	(168)	(168)
Balance at 31 December 2023	<u>73,220</u>	<u>517,502</u>	<u>590,722</u>

BHC STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2023

	Revaluation Reserve £'000	Profit & Loss Account £'000	Total £'000
Balance at 31 December 2021	86,261	466,945	553,206
Profit for the financial year	-	25,900	25,900
Transfer to the revaluation reserve	(876)	876	-
Other comprehensive income for the year	-	185	185
Balance at 31 December 2022	85,385	493,906	579,291
Profit for the financial year	-	16,601	16,601
Transfer to the revaluation reserve	(12,288)	12,288	-
Other comprehensive income for the year	-	(168)	(168)
Balance at 31 December 2023	<u>73,097</u>	<u>522,627</u>	<u>595,724</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Operating Profit	34,469	33,550
Adjustments for:		
Depreciation	13,805	13,624
Impairment	1,955	-
Release of EU Grants	(1,163)	(1,161)
Surplus on Land	(3,288)	(1,387)
(Loss)/Profit on disposal of fixed assets	(8)	19
(Increase) in stocks	(162)	(28)
(Increase)/Decrease in debtors due within 1 year	(5,361)	968
(Increase)/Decrease in debtors due greater than 1 year	(1,274)	316
(Decrease)/Increase in creditors due within 1 year	(871)	5,534
Cash flows from operations	38,102	51,435
Corporation tax paid	(8,148)	(7,042)
Net cash generated from operating activities	<u>29,954</u>	<u>44,393</u>
Cash flows from investing activities		
Purchase of tangible assets	(66,401)	(22,114)
Proceeds from land transactions	3,288	1,387
Net realisation from sale of tangible assets	14	89
Interest received	1,448	260
Net cash from investing activities	<u>(61,651)</u>	<u>(20,378)</u>
Cash flows from financing activities		
Short term loan	10,000	10,000
Net cash from financing activities	<u>10,000</u>	<u>10,000</u>
Net (Decrease)/Increase in cash	<u>(21,697)</u>	<u>34,015</u>
Cash and cash equivalents at beginning of year	95,325	61,310
Cash and cash equivalents at end of year	<u>73,628</u>	<u>95,325</u>
Components of cash and cash equivalents		
Cash at bank and in hand	32,178	26,725
Investments	41,450	68,600
Cash and cash equivalents	<u>73,628</u>	<u>95,325</u>





Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Statutory Information

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

As a Statutory Corporation, Belfast Harbour Commissioners is not bound by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. However, consistent with corporate entities of a similar size to the Harbour, the Commissioners have adopted the main provisions of the Act and therefore present a strategic report. The principal activities of the Harbour and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report.

2. Compliance with Accounting Standards

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

3. Accounting policies

Basis of preparation

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

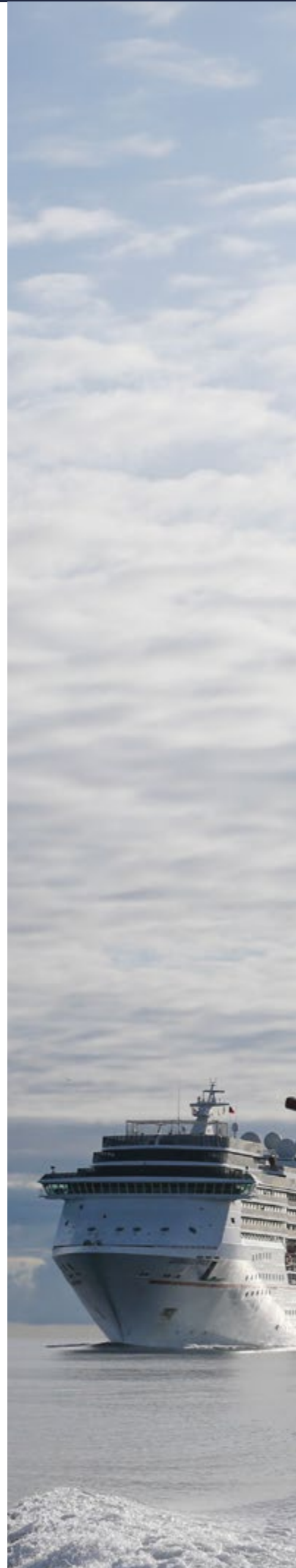
The functional currency of Belfast Harbour Commissioners is pounds sterling because that is the currency of the primary economic environment in which BHC and its subsidiaries (the Group) operate. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included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

Basis of consolidation

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

Going Concern

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



3. Accounting Policies (continued)

Going concern

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

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

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

Tangible fixed assets – operational assets

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

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

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

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

Tangible fixed assets – estate property

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

Reserves

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

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. Accounting Policies (continued)

Financial instruments (continued)

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

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

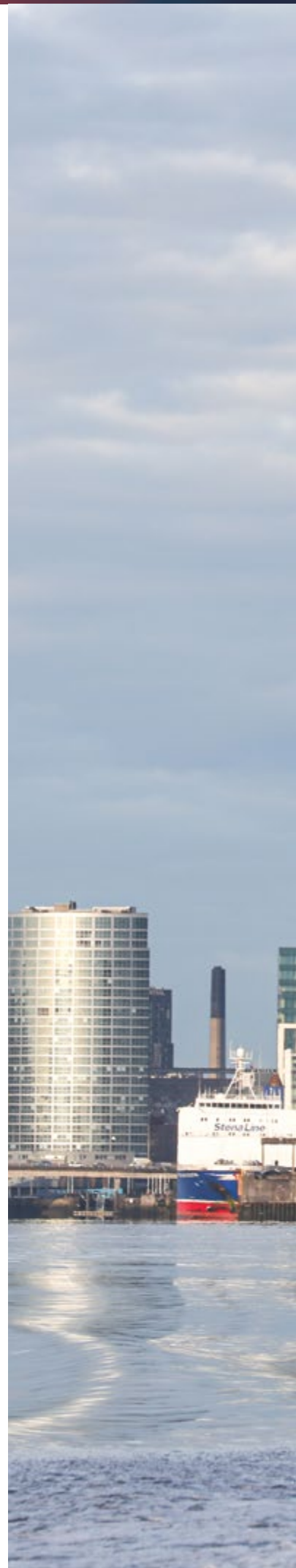
Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Inventories

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

Impairment of assets

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



3. Accounting Policies (continued)

Impairment of assets (continued)

Non-financial assets

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

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU (Cash Generating Unit), the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

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

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

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

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

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

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

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

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. Accounting Policies (continued)

Taxation (continued)

Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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



Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover comprises revenue from charges to port users, from rents of both operational and estate property and from the hotel. Turnover is recognised in the period in which it is earned. Shipping income is earned in the period in which it falls due i.e. in accordance with the date on which a particular ship docks in the Port of Belfast. Rental, storage and hotel income is recognised for the period January 2023 to December 2023. To the extent that rental and storage income is received in 2023 but relates to 2024 it is treated as deferred income. Rental and storage income relating to 2023 but not received until 2024 is accrued for in the financial statements. Hotel Turnover comprises revenue from rooms, sales of food and beverage and rental of meeting room space. To the extent that room income is received in 2023 but relates to 2024 or later periods it is treated as deferred income and held in the Deposit Account. Room income relating to 2023 but not received until 2024 is accrued for in the financial statements.

Employee benefits

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

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

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

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

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

Leases

The Group as lessee

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

The Group as lessor

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

EU grants

EU grants relating to tangible fixed assets are included within deferred income and are recognised over the economic life of the related asset.

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Provisions

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

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

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

Investments

Fixed asset investments, comprising shares in subsidiary undertakings, are stated at cost less provision for impairment.

Current asset investments are stated at lower of cost and net realisable value. Investments comprise monies on short term deposits.

Investment in Associate

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



4. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Critical judgements in applying the Group's accounting policies

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

Revaluation of investment properties

Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2023 at fair value, having regard to valuations performed by Colliers International, an independent valuer with (RICS) qualified surveyors with experience of the location and classification of property being valued. There are elements of uncertainty in the underlying assumptions of the methodology used to determine the fair value of investment property, specifically in relation to environmental conditions, estimated rental values and estimated rental yields.

The deficit arising on the revaluation of investment properties is recognised in the income statement and then transferred to the revaluation reserve.

Dredging provision

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

Pensions

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

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Tangible fixed assets

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

5. Turnover

Turnover is all from Northern Ireland and is analysed as follows:

	2023	2022
	£'000	£'000
Port revenue	58,380	54,345
Estate revenue	16,697	16,323
Hotel revenue	<u>7,776</u>	<u>6,520</u>
	82,853	77,188

6. Investment Income

	2023	2022
	£'000	£'000
Interest receivable	1,920	595
Other finance income	<u>321</u>	<u>110</u>
	2,241	705

7. Profit before taxation

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

	2023	2022
	£'000	£'000
Depreciation of tangible fixed assets (see note 12)	13,805	13,624
Impairment of tangible fixed assets (see note 12)	381	-
Amortisation of EU grants (see note 16)	(1,163)	(1,061)
(Profit)/loss on disposal of fixed assets	(8)	19
Impairment of investment in associate	1,575	-
Foreign exchange loss/(gain)	30	(83)
Surplus on land transaction	(3,288)	(1,387)

7. Profit before taxation (continued)

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

	2023	2022
	£'000	£'000
Fees payable to the auditor and its associates for the audit of the annual accounts	49	46
Fees payable to the auditor and its associates for other services to the Group		
The audit of the subsidiaries	10	9
Total audit fees	59	55
Taxation and compliance services	4	27
Other taxation advisory services	19	72
Total non-audit fees	23	99

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

8. Pilotage

	2023	2022
	£'000	£'000
Income from pilotage (included in turnover)		
Pilotage services	3,095	2,797
Ships navigating under pilotage exemption certificates	190	186
	3,285	2,983
Expenditure on provision of pilotage (included in net operating expenses)		
Providing the services of pilots	2,663	2,565
Providing, maintain and operating pilot boats	624	566
	3,287	3,131
(Loss) against port operational costs	(2)	(148)
(net operating expenses)	3,285	2,983

9. Employee Numbers

The average number of employees during the year was 298 (2022:267).

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10. Tax and profit

The tax charge comprises:

	2023	2022
	£'000	£'000
Current tax and profit		
UK corporation tax	8,629	6,478
Adjustments in respect of previous periods	(830)	(496)
Total current tax	7,799	5,982
Deferred tax		
Origination and reversal of timing differences	(139)	1,127
Origination and reversal of timing differences	596	254
Effect of (decrease)/increase in tax rate	(9)	356
Total deferred tax (see note 18)	448	1,737
Total tax on profit	8,247	7,719

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

	2023	2022
	£'000	£'000
Group profit before tax	24,898	32,877
Tax on Group profit at standard UK corporation tax rate of 23.5% (2022: 19%)	5,851	6,247
Effects of		
- Expenses not deductible for tax purposes	1,358	294
- Non-qualifying depreciation	1,281	1,065
- Effect of (decrease)/increase in tax rate	(19)	355
- Adjustments to tax charge in respect of previous years	(234)	(242)
Group total tax charge for year	8,247	7,719

11. Profit attributed to BHC

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



Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. Consolidated Tangible Fixed Assets

	Capital Dredging £'000	Dock Structures £'000	Land & Buildings £'000	Roads £'000	Plant & Machinery £'000
Cost or Valuation					
At 1 January	15,099	257,268	127,255	34,621	123,230
Reclassified	-	5,756	635	112	5,444
Revaluation adjustment	-	-	-	-	-
Additions	-	1,900	1,782	(27)	1,611
Impairment	-	-	(187)	-	-
Disposals	-	-	-	-	(3,853)
At 31 December	15,099	264,924	129,485	34,706	126,432
Depreciation					
At 1 January	(7,689)	(101,777)	(38,639)	(21,751)	(79,823)
Reclassified	-	-	98	-	-
Depreciation charge	(241)	(4,528)	(2,718)	(1,014)	(5,304)
Impairment	-	-	-	-	(17)
Disposals	-	-	-	-	3,847
At 31 December	(7,930)	(106,305)	(41,259)	(22,765)	(81,297)
Balance sheet value					
At 31 December 2022	7,410	155,492	88,616	12,870	43,407
31 December 2023	7,169	158,619	88,226	11,941	45,136

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassification as estate property in 2001, was valued by the Commissioners as at 31 December 2023 at fair value. The deficit of £11,812k arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £13,837,145 (2022: £14,023,789) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2023 are capital contributions amounting to £183,083 (2022: £192,630).

Assets in the Course of Construction	Operational Assets	Estate Property	Assets in the Course of Construction	Estate Assets	Total 2023	Total 2022
£'000	£'000	£'000	£'000	£'000	£'000	£'000
10,346	567,819	227,393	6,509	233,902	801,721	780,040
(12,098)	(151)	223	(72)	151	-	-
-	-	(11,812)	-	(11,812)	(11,812)	(1,378)
9,983	15,249	3,469	47,145	50,614	65,863	23,403
-	(187)	(177)	-	(177)	(364)	-
-	(3,853)	-	-	-	(3,853)	(344)
8,231	578,877	219,096	53,582	272,678	851,555	801,721
-	(249,678)	(219)	-	(219)	(249,897)	(236,508)
-	98	(98)	-	(98)	-	-
-	(13,805)	-	-	-	(13,805)	(13,624)
-	(17)	-	-	-	(17)	-
-	3,847	-	-	-	3,847	235
-	(259,555)	(317)	-	(317)	(259,872)	(249,897)
10,346	318,141	227,174	6,509	233,683	-	551,824
8,231	319,322	218,779	53,582	272,361	591,683	-

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. BHC Tangible Fixed Assets

	Capital Dredging £'000	Dock Structures £'000	Land & Buildings £'000	Roads £'000	Plant & Machinery £'000
Cost or Valuation					
At 1 January	15,099	257,268	110,961	34,621	115,834
Reclassified	-	5,756	635	112	5,444
Revaluation adjustment	-	-	-	-	-
Additions	-	1,900	1,782	(27)	1,488
Impairment	-	-	(187)	-	-
Disposals	-	-	-	-	(3,853)
At 31 December	15,099	264,924	113,191	34,706	118,913
Depreciation					
At 1 January	(7,689)	(101,777)	(37,017)	(21,751)	(77,957)
Reclassified	-	-	98	-	-
Depreciation charge	(241)	(4,528)	(2,377)	(1,014)	(4,905)
Impairment	-	-	-	-	(17)
Disposals	-	-	-	-	3,847
At 31 December	(7,930)	(106,305)	(39,296)	(22,765)	(79,032)
Balance sheet value					
At 31 December 2022	7,410	155,491	73,944	12,870	37,877
31 December 2023	7,169	158,619	73,895	11,941	39,881

The Harbour Estate has been classified as estate property on the basis that it is currently substantially let to tenants who are not associated with port operations. Estate property, including certain land reclassified as estate property in 2001, was valued by the Commissioners as at 31 December 2023 at fair value. The deficit of £12,288k arising on revaluation has been taken to the property revaluation reserve. Land and Buildings includes £13,837,145 (2022 £14,023,789) for land which is not depreciated. The amounts above are stated net of capital contributions (excluding EU grants). Included in the balance sheet value at 31 December 2023 are capital contributions amounting to £183,083 (2022: £192,630).

Assets in the Course of Construction	Operational Assets	Estate Property	Assets in the Course of Construction	Estate Assets	Total 2023	Total 2022
£'000	£'000	£'000	£'000	£'000	£'000	£'000
10,345	544,128	251,186	6,509	257,695	801,823	779,683
(12,098)	(151)	223	(72)	151	-	-
-	-	(12,288)	-	(12,288)	(12,288)	(876)
9,983	15,126	3,469	47,145	50,614	65,740	23,358
-	(187)	(177)	-	(177)	(364)	-
-	(3,853)	-	-	-	(3,853)	(344)
8,230	555,063	242,413	53,582	295,995	851,058	801,823
-	(246,191)	(219)	-	(219)	(246,410)	(233,756)
-	98	(98)	-	(98)	-	-
-	(13,065)	-	-	-	(13,064)	(12,889)
-	(17)	-	-	-	(17)	-
-	3,847	-	-	-	3,847	235
-	(255,328)	(317)	-	(317)	(255,645)	(246,410)
10,345	297,937	250,967	6,509	257,476	-	555,413
8,230	299,735	242,096	53,582	295,678	595,413	-

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. Fixed asset investments

	BHC	
	2023	2022
	£'000	£'000
Investment in Associate		
At January	8,000	8,000
Additions	1,050	-
Impairment	(1,575)	-
At December	<u>7,474</u>	<u>8,000</u>
The Investment in Associate is held at cost less any provision for impairment as at 31 December 2023 (note 22).		

BHC has investments in the following associates:

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

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

Subsidiary undertakings	-	-
Total	-	-

BHC has investments in the following subsidiary undertakings:

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

14. Debtors

	Group		BHC	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	13,175	9,922	12,994	9,794
Amounts owed by Group undertakings	-	-	1,180	1,556
Corporation Tax	2,300	1,951	2,300	1,951
Other debtors	6,683	3,932	6,648	3,818
Prepayments and accrued income	<u>1,391</u>	<u>1,563</u>	<u>1,393</u>	<u>1,565</u>
	<u>23,549</u>	<u>17,368</u>	<u>24,515</u>	<u>18,684</u>
Amounts falling due after more than one year:				
Other debtors	1,926	653	2,450	1,201
Pension asset (note 21)	<u>6,525</u>	<u>6,428</u>	<u>6,525</u>	<u>6,428</u>
	<u>8,451</u>	<u>7,081</u>	<u>8,975</u>	<u>7,629</u>
Other debtors due within one year include an amount owed by the Belfast Harbour Commissioners Pension Scheme of £236k at 31 December 2023 (2022: £575k).				

15. Investments

	Group		BHC	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Short term deposits	<u>41,450</u>	<u>68,600</u>	<u>41,450</u>	<u>68,600</u>

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16. Creditors – amounts falling due within one year

	Group		BHC	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	3,150	4,201	2,986	3,996
Other taxation and social security	631	394	399	369
Other creditors	16,351	14,827	16,071	14,466
Bank Overdraft	30,000	20,000	30,000	20,000
EU grants (see note 7)	1,163	1,061	1,163	1,061
Accruals and deferred income	<u>2,557</u>	<u>2,483</u>	<u>2,247</u>	<u>2,150</u>
	<u>53,852</u>	<u>42,966</u>	<u>52,866</u>	<u>42,042</u>

The Bank Overdraft of £30m is secured by a corresponding £30m Blocked Deposit Account which is included in Cash at bank and in hand. During 2023, a Revolving Credit Facility of £25m was established which is secured on certain properties in the group. At year end this Facility was undrawn.

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

	Group		BHC	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Other creditors	1,636	1,876	1,636	1,876
EU grants (see note 7)	<u>19,191</u>	<u>20,456</u>	<u>19,191</u>	<u>20,456</u>
	<u>20,827</u>	<u>22,332</u>	<u>20,827</u>	<u>22,332</u>

Pilots National Pension Fund

Belfast Harbour Commissioners' share of the PNPf liabilities has been determined by the PNPf Trust Company and was notified to the Commissioners on 29 October 2012. The appropriate obligation of £1.9m, (2022 £2.1m) based on the currently available information, has been reflected in the accounts and included within other creditors. This has been split between creditors: due within one year of £243k (£2022: £235k) and creditors: due after one year of £1,636k (2022: £1,876k). The majority of this obligation refers to "Orphan Liabilities" which do not relate to retirement benefit obligations of employment with Belfast Harbour Commissioners.

18. Provisions for liabilities

	Deferred Taxation £'000	Maintenance Dredging £'000	Total £'000
Group			
At 1 January	36,904	3,702	40,606
Adjustment in respect of prior periods	596	-	596
Charged to income statement	(149)	876	727
Charged to other comprehensive income	(56)	-	(56)
Amounts applied	-	(1,781)	(1,781)
At 31 December 2023	<u>37,295</u>	<u>2,797</u>	<u>40,092</u>

	Deferred Taxation £'000	Maintenance Dredging £'000	Total £'000
BHC			
At 1 January	37,299	3,702	41,001
Adjustment in respect of prior periods	589	-	589
Charged to income statement	(203)	876	673
Charged to other comprehensive income	(56)	-	(56)
Amounts applied	-	(1,781)	(1,781)
At 31 December 2023	<u>37,629</u>	<u>2,797</u>	<u>40,426</u>

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

18. Provisions for liabilities (continued)

Deferred tax is provided as follows:

	2023	2022
	£'000	£'000
Fixed asset timing differences	18,224	15,996
Short Term timing differences	(819)	(756)
Investment properties held at fair value and rollover relief	18,259	20,057
Pension	<u>1,631</u>	<u>1,607</u>
Provision for deferred tax	<u>37,295</u>	<u>36,904</u>
Classification of Deferred Tax Liabilities		
Within 12 months	-	-
After 12 months	<u>37,295</u>	<u>36,904</u>

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

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

Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 23.5% (2022: 19%). The Corporation Tax main rate increased from 19% to 25% with effect from 1 April 2023.

Super Deductions capital allowances were included in the Finance Act 2021 for eligible costs incurred between 1st April 2021 and 31st March 2023, where contracts were entered on or after 3rd March 2021. The tax relief is available in the form of a 130% first year allowance in relation to qualifying plant and machinery assets and a 50% first year allowance for most qualifying special rate assets.

A first year allowance for companies with investments in plant and machinery assets (referred to as full expensing) was made permanent in the Autumn Statement 2023 for eligible costs incurred after 1st April 2023. The tax relief is available in the form of a 100% first year allowance in relation to plant and machinery assets and a 50% first year allowance for most qualifying special rate assets.

Maintenance Dredging

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

19. Financial Instruments

a) Overview

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

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

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

b) Categories and carrying value of financial instruments

The carrying values of the Group and BHC's financial assets and liabilities are summarised by category below.

	Group		BHC	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets				
Investments	41,450	68,600	41,450	68,600
Cash	32,178	26,725	31,275	25,806
Loans and receivables	<u>21,784</u>	<u>14,507</u>	<u>23,272</u>	<u>18,375</u>
	<u>95,412</u>	<u>109,832</u>	<u>95,997</u>	<u>112,781</u>
Financial liabilities				
Amortised cost	<u>51,137</u>	<u>40,904</u>	<u>50,693</u>	<u>40,338</u>
	<u>51,137</u>	<u>40,904</u>	<u>50,693</u>	<u>40,338</u>

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

c) Credit risk management

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

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

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. Financial instruments (continued)

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

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

d) Liquidity risk management

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

20. Capital commitments

	2023	2022
	£'000	£'000
Group and BHC		
Capital expenditure which has been contracted for but has not been provided for in the accounts	<u>39,179</u>	<u>83,005</u>
Capital expenditure which has been authorised by the Commissioners but has not yet been contracted for	<u>19,188</u>	<u>35,911</u>
The above amounts do not take account of any future grants or contributions which may be receivable. Capital expenditure which has been contracted for is not all due within 12 months.		

21. Employee benefits

Defined contribution scheme

The Commissioners operate a defined contribution pension scheme. The total charged to the income statement of £1,540k (2022: £1,331k) represents contributions payable to the defined contribution section of the scheme at rates specified in the Schedule of Contributions. As at 31 December 2023, contributions of £151k (2022: £129k) due in respect of the current reporting period had not been paid over to the scheme.

Defined benefit scheme

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

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

Weighted average assumptions to determine defined benefit obligation:

	31/12/2023	31/12/2022
Discount rate	4.80%	5.00%
Rate of inflation increase	3.40%	3.40%

Assumed life expectancy on retirement at age 65

	Male Years	Female Years
Retiring today (member age 65)	22.0	24.2
Retiring in 25 years (member at 45 today)	23.7	26.6

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

Belfast Harbour Commissioners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Employee benefits (continued)

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

	2023	2022
	£'000	£'000
Group and BHC		
Net interest income	(321)	(110)
	(321)	(110)
Recognised in other comprehensive income	224	(246)
Total cost relating to defined benefit scheme	(97)	(356)

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

	2023	2022
	£'000	£'000
Present value of defined benefit obligation	(30,580)	(31,596)
Fair value of plan assets	37,105	38,024
Asset recognised in the balance sheet	6,525	6,428

21. Employee benefits (continued)

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

	At year end 31/12/23	At year end 31/12/22
	£'000	£'000
At 1 January	31,596	46,949
Interest cost	1,523	825
Actuarial losses	(259)	(13,986)
Benefits Paid	<u>(2,280)</u>	<u>(2,192)</u>
At 31 December	<u>30,580</u>	<u>31,596</u>

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

	At year end 31/12/23	At year end 31/12/22
	£'000	£'000
At 1 January	38,024	53,021
Interest cost	1,844	935
Actuarial losses	(483)	(13,740)
Benefits Paid	<u>(2,280)</u>	<u>(2,192)</u>
At 31 December	<u>37,105</u>	<u>38,024</u>

Plan Assets

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

	At year end 31/12/23	At year end 31/12/22
	£'000	£'000
Asset category		
Debt instruments	(1%)	(1%)
Annuity Policies	83%	83%
Other	<u>18%</u>	<u>18%</u>
	100%	100%

Belfast Harbour Commissioners



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

22. Related Party Transactions

Belfast Harbour Commissioners pay, on behalf of the Belfast Harbour Commissioners' Pension Scheme, pensions payable to pensioner members and benefits payable to members both of which are reimbursed by the scheme. In addition, administration expenses of £153k (2022: £87k), which includes £0k (2022: (£13k)) relating to Pension Scheme audit fees, were borne by Belfast Harbour Commissioners on behalf of the scheme. Amounts owed by the Belfast Harbour Commissioners Pension Scheme are disclosed in note 14.

All board members, directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities are considered to be key management personnel. The total remuneration in respect of these individuals is £5,010k (2022: £4,725k). Average Headcount is 49 (2022: 51).

During the year Belfast Harbour Commissioners made payments totalling £1,050k (2022: £0k) to OH (Office) Developments Limited. This amount is held as an Investment in Associate at 31 December 2023 (2022: £8,000k). See note 13.



