

**Fishery Harbour Centres**

**Financial Statements**

**For the year ended 31 December 2021**

**Fishery Harbour Centres  
Financial Statements for the year ended 31 December 2021**

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**Fishery Harbour Centres  
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**Fishery Harbour Centres**

**Statement on Internal Financial Control**

**Responsibility for System of Internal Financial Control**

The Fishery Harbour Centres Act, 1968 made provision for the establishment, maintenance, and management of the Fishery Harbour Centres Fund. Responsibility for the Fishery Harbour Centres Fund transferred to the Department of Agriculture, Food and the Marine under the terms of S.I. No. 707/2007 - Sea Fisheries, Foreshore, and Dumping at Sea (Transfer of Departmental Administration and Ministerial Functions) Order 2007.

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department in relation to the operation of the Fishery Harbour Centres Fund.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial control is a continuous process and the system and its effectiveness is kept under ongoing review.

**Shared services**

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of:

1. Internal audit work performed by the National Shared Services Office's Internal Audit Unit, and
2. Audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2021.

The Accounting Officer for Shared Services has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2021.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

**Financial Control Environment**

I confirm that a control environment operating in the Department contains the following elements:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

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**Administrative Controls and Management Reporting**

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

**Harbour dues income - Landings data**

The Sea Fisheries Protection Authority (SFPA) was established under the Sea - Fisheries and Maritime Jurisdiction Act 2006 and is responsible (in conjunction with the Irish Naval Service) for the control and enforcement of sea-fisheries legislation. In this regard, the SFPA is the single legal competent authority responsible for the collection and reporting of fish landings into Ireland.

As referenced in Note 1 to these accounts, charges for landings of fish for vessels greater than or equal to 10 metres in length overall are based on the landings data provided by the SFPA.

The Department must therefore place reliance for fish landings on the SFPA's systems of control.

The Department is aware of an issue following an audit by the DG-Mare of the Commission, of Ireland's system of sea fisheries controls. A contingent liability disclosure is made in the Department's 2021 Appropriation Account in relation to this matter.

**Internal Audit and Audit Committee**

The activities of the Fund may be subject to audit by the Department's internal audit function which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed. Its annual internal audit plans are based on this analysis and aim to cover key controls on a rolling basis over a reasonable period. There is also an Audit Committee to advise me in discharging my responsibilities for the internal financial control system within the Department generally. The Internal audit function is reviewed periodically by me and by the Audit Committee.

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**Risk and Control Framework**

Development and enhancement of the Department's risk management system has continued throughout 2021.

- The Risk Office, which is based in the Finance Division, works full-time at developing and strengthening risk management activity across the organisation.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for Governance and has representation at Head of Division level across the Department, meets on a quarterly basis and provides oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- A new Risk Management System - eRisk, which is part of DPER's Built-to-Share suite of applications available to public sector bodies, was rolled out to DAFM staff by the Risk Office throughout 2020. The provision of staff training and support in relation to DAFM's Risk Management Policy and use of the eRisk system continued throughout 2021.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The process of reviewing and updating the Department's Fraud Policy, incorporating an Anti-Fraud Strategy, commenced in 2021 and will be completed in 2022.

**Financial Management and Reporting for Fishery Harbour Centres**

In July 2021, the Fishery Harbour Centres Financial Reporting and Financial Management Review Group presented its report on the Financial Management of the Fishery Harbour Centres to the Department's Management Board, at which time the recommendation to subsume the Fishery Harbour Centres Fund into the Vote and obligations on the FHC Management Committee in relation to procedures for managing projected debt levels was agreed.

The Department is progressing a Review of the Fishery Harbour Centres Acts 1968 to 2015 in order to proceed with the recommendation, which will ultimately be a matter for the Oireachtas to decide. Provision has been made in the Government's Legislative Programme for this purpose.

The FHC Management Committee has put in place procedures for managing projected debt levels, and in line with those procedures presented a report to the Management Board in July 2022, setting out that €1.8 million is an appropriate level of mature debt which should not be exceeded in 2022.

**Covid-19 Pandemic**

Notwithstanding the onset of the Covid-19 pandemic in early 2020, the Fishery Harbour Centres continued to function as before. The pandemic did however result in some changes to the working and control environment. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced because of the Covid-19 pandemic continue to be effective.

Signed:   
Brendan Gleeson, Secretary-General  
Dept of Agriculture, Food and the Marine

Date:

20/12/22



## **Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Fishery Harbour Centres**

##### **Opinion on the financial statements**

I have audited the financial statements of the Fishery Harbour Centres prepared by the Department of Agriculture, Food and the Marine for the year ended 31 December 2021 under section 8 of the Fishery Harbour Centres Act 1968. The financial statements comprise the statement of accounting policies and principles, the Fishery Harbour Centres Fund statement of receipts and payments, the Fishery Harbour Centres Fund statement of income and expenditure and retained revenue reserves, the statement of financial position, and the related notes.

In my opinion, the financial statements properly present

- the balance of the Fishery Harbour Centres at 31 December 2021, and
- the transactions of the Fishery Harbour Centres for 2021.

##### ***Basis of opinion***

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Agriculture, Food and the Marine and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Report on statement on internal financial control, and on other matters**

The Accounting Officer has presented a statement on internal financial control together with the financial statements. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Paul Southern  
For and on behalf of the  
Comptroller and Auditor General**

**21 December 2022**

## Appendix to the report

### Responsibilities of the Department of Agriculture, Food and the Marine

The Department is responsible for

- the preparation of the annual financial statements in the format specified by the Minister for Agriculture, Food and the Marine, after consultation with the Minister for Public Expenditure and Reform, in accordance with section 8 of the Fishery Harbour Centres Act 1968
- ensuring the financial statements properly present the transactions and balances of the Fishery Harbour Centres
- ensuring the regularity of transactions, and
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 8 of the Fishery Harbour Centres Act 1968 to audit the financial statements of the Fishery Harbour Centres and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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 the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I 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 my 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.
- I 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 internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with the Department regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Statement on internal financial control

My opinion on the financial statements does not cover the statement on internal financial control presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the statement on internal financial control presented and, in doing so, consider whether the information therein is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.



**Fishery Harbour Centres  
Financial Statements for the year ended 31 December 2021**

**Fishery Harbour Centres**

**Statement of Accounting Policies and Principles**

**Basis**

The Minister shall establish, maintain and manage in accordance with Section 9 (1) of the Fishery Harbour Centres Act, 1968 a fund to be known as the Fishery Harbour Centres Fund.

These financial statements are prepared, on a cash accounting basis, in accordance with Section 8 (1) of the Fishery Harbour Centres Act, 1968.

An Income and Expenditure Account and a Statement of Financial Position are also prepared and presented for completeness.

**Capital Assets**

***Valuation of Capital Assets***

The Department commissioned a valuation programme in 2019 in respect of land, buildings and infrastructure. It is policy that such assets should be valued every 5-7 years, as recommended by the Department of Public Expenditure and Reform. It is intended to commission the State Valuation Office to commence the next revaluation in 2024.

Harbour infrastructure is valued on a depreciated replacement cost (DRC) basis.

Land and buildings are valued on a Market Value/Fair Value basis.

***Depreciation***

Depreciation is charged on a monthly basis for the life of the asset.

The depreciation policy is that a full month's depreciation is charged in the month of acquisition or commissioning and no depreciation is charged in the month of disposal.

*Infrastructure: 'Functional obsolescence is only a nominal factor for these structures but an allowance for physical obsolescence should be considered. In relation to physical obsolescence a maximum depreciation of 20% has been applied using the "Monsanto Scales" to determine the level of depreciation for these longer life structures.'* Source: Valuation Office Report 2019.

The depreciation on infrastructure is amortised against the accumulated Oireachtas Grant. All other depreciation is expensed in the Profit and Loss Account.

From 2021, assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of ten years. This change reflects the industrial nature of these assets.

Motor Vehicles - 10% straight line

Plant & Machinery - 10% straight line

Office equipment - 20% straight line

Land is not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

***Capital assets under development***



**Fishery Harbour Centres**  
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Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion. Depreciation is charged once the asset is commissioned.

**Oireachtas Capital Grants**

Oireachtas capital grants comprise the accumulated grants made available by the Exchequer, by way of the Vote of the Department of Agriculture, Food and the Marine, for capital development and maintenance in the Fishery Harbour Centres.

**Bad Debts**

Provision has been made in the accounts for bad and doubtful debts. It is made based on the age of the debt at the following rates: 2021 - 5%, 2020 - 10%, 2019 - 80% and pre 2019 - 100%.

**Capital Account**

The Capital Account represents the cumulative amount of income received from the Department's Vote (Vote 30) to develop and maintain the infrastructure of the harbours. The balance on the Account is the amount received net of infrastructure depreciation and maintenance expenses (note 4).

**Fishery Harbour Centres  
Financial Statements for the year ended 31 December 2021**

**Statement of Receipts and Payments  
for the year ended 31 December 2021**

	2021 €000	2020 €000
<b>Revenue Receipts and Payments</b>		
<b>Receipts</b>		
Harbour Dues	4,508	4,433
Rental Income	1,247	938
Sundry Receipts	349	126
Asset Disposals	14	1
	<u>6,118</u>	<u>5,498</u>
<b>Payments</b>		
Salaries & Wages	3,065	2,808
Light, Heat & Power	874	735
Maintenance	957	814
Telephone	21	20
Water Rates	162	162
Sundry Expenses	188	102
Fixed Asset Purchases	226	70
	<u>5,493</u>	<u>4,711</u>
<b>Surplus/(Deficit) on Revenue Account</b>	<u>625</u>	<u>787</u>

**Capital Receipts and Payments**

Receipts : Exchequer Grants	22,571	13,348
Capital Expenditure – Grant	(22,571)	(13,348)
Capital Expenditure – FHCF	(605)	(1,727)
<b>Surplus/(Deficit) of Capital Expenditure</b>	<u>(605)</u>	<u>(1,727)</u>
Opening Cash Reserves Balance as at 01/01/21	11,280	12,221
<b>Total Surplus/(Deficit)</b>	20	(940)
EU VAT	1	(1)
Closing Cash Reserves Balance as at 31/12/21	<u>11,301</u>	<u>11,280</u>

Signed:   
Brendan Gleeson, Secretary-General  
Dept. of Agriculture, Food and the Marine

Date: 20/12/22

**Statement of Income and Expenditure and Retained Revenue Reserves  
for the year ended 31 December 2021**

**Fishery Harbour Centres**  
**Financial Statements for the year ended 31 December 2021**

	Note	2021 €000	2020 €000
<b>Income</b>			
Harbour Dues	1	4,559	4,521
Rents		1,106	1,107
Sundry Receipts		553	128
Sale of Assets		14	-
Bad Debt Provision		88	(19)
<b>Total Income</b>		<u>6,320</u>	<u>5,737</u>
<b>Expenditure</b>			
Salaries & Wages	3	3,065	2,808
Light, Heat & Power		869	749
Telephone		21	21
Water Rates		154	164
Sundry Expenses		273	103
Maintenance of plant and equipment		969	801
Maintenance of infrastructure		3,364	1,672
Bad Debt Expense		49	41
Depreciation of plant and equipment	2	242	317
Depreciation of infrastructure	2	<u>5,997</u>	<u>5,978</u>
<b>Total Expenditure</b>		<u>15,003</u>	<u>12,654</u>
<b>Surplus/(Deficit) Before Appropriations</b>		(8,683)	(6,917)
Transfer (to)/from the Capital Account	4	<u>5,997</u>	<u>5,978</u>
<b>Surplus/(Deficit) for the year after appropriations</b>		(2,686)	(939)
Balance brought forward at 1 January 2021		16,685	17,624
<b>Balance carried forward at 31 December 2021</b>		<u>13,999</u>	<u>16,685</u>

Signed: 

Brendan Gleeson

Secretary-General  
 Dept. of Agriculture, Food and the Marine

Date: 20/02/22

**Fishery Harbour Centres**  
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**Statement of Financial Position**  
**As at 31 December 2021**

		2021 €000	2020 €000
	Note		
<b>Fixed Assets</b>			
Plant, property and equipment	2	453,586	453,323
Capital Assets under Development		63,691	50,240
		<u>517,277</u>	<u>503,563</u>
<b>Current Assets</b>			
Debtors	5	1,479	1,296
PMG		11,301	11,280
		<u>12,780</u>	<u>12,576</u>
<b>Current Liabilities</b>			
Creditors	6	(514)	(484)
<b>Net Current Assets</b>		12,266	12,092
<b>Total Net Assets</b>		<u><u>529,543</u></u>	<u><u>515,655</u></u>
<b>Representing</b>			
Capital Account	4	313,607	297,033
Retained Revenue Reserves		13,999	16,685
Revaluation Reserve		201,937	201,937
		<u><u>529,543</u></u>	<u><u>515,655</u></u>

Signed:



Date:

20/12/22

**Brendan Gleeson, Secretary-General**  
**Dept. of Agriculture, Food and the Marine**

# Fishery Harbour Centres Financial Statements for the year ended 31 December 2021

## Notes forming part of the financial statements

### Establishment:

The Fishery Harbour Centres Act, 1968 made provision for the establishment, maintenance, and management of the Fishery Harbour Centres Fund. Orders made under the Act have provided for the transfer to the Minister for Agriculture, Food and the Marine of all property, rights and liabilities of

- Killybegs Harbour Commissioners (as and from 10 November 1969)
- Cork County Council in Castletownbere Fishery Harbour Centre (as and from 1 April 1970)
- Galway County Council in Rossaveel (Ros an Mhíl) Fishery Harbour Centre (as and from 3 June 1981)
- The Office of Public Works in Howth and Dunmore East Fishery Harbour Centres (as and from 1 January 1990)
- Dingle Harbour Commissioners (as and from 14 May 2007)

### 1. Harbour Dues

The fish landings element of the harbour dues is based on the declared fish landings and is calculated according to the various rates contained in the Fishery Harbour Centres (Rates and Charges) Order 2012 (S.I. No. 214 of 2012).

For vessels greater than or equal to ten metres in length overall, the vessel owners or skippers provide the vessel landings figures to the Sea Fisheries Protection Authority (SFPA) in the form of vessel log sheets, the presentation of which is a requirement of EU law for fishery management purposes. With effect from February 2012, there is an automated monthly file transfer of landing data between the Integrated Fisheries Information System (IFIS) of the SFPA and the Department's accounting system. In the process described, the fish landings element of the harbour dues, which is based on the declared fish landings, is dependent inter alia, on the accuracy and timeliness of primary data contained in the vessel log sheets, which are completed by the vessel owners or skippers.

For vessels under ten metres in length overall, information is maintained by the SFPA on the Sales Notes system which is an electronic method of recording details of the first time sales of fish. Sales notes data is entered onto IFIS by the registered first buyers of the fish, rather than the Sea Fisheries Protection Authority.

### 2. Capital Assets

	Land	Buildings	Infrastructure	Plant & Machinery	Motor Vehicles	Office Equipment	Total
	€000	€000	€000	€000	€000	€000	€000
<b>Gross Assets</b>							
Cost/Valuation at 01.01.2021	25,844	14,072	547,434	1,249	1,308	14	589,921
Transfers from Assets Under Construction	—	1,704	4,503	—	—	—	6,207
Additions	—	18	—	44	211	23	296
Disposals	—	—	—	(6)	—	—	(6)
Cost/Valuation at 31.12.2021	25,844	15,794	551,937	1,287	1,519	37	596,418
<b>Accumulated Depreciation</b>							
Opening Balance at 01.01.2021	—	—	134,665	1,007	923	3	136,598
Depreciation for the year	—	—	5,997	87	150	6	6,240
Depreciation on Disposals	—	—	—	(6)	—	—	(6)
Cumulative Dep at 31.12.2021	—	—	140,662	1,088	1,073	9	142,832
<b>Net Assets at 31.12.2021</b>	<b>25,844</b>	<b>15,794</b>	<b>411,275</b>	<b>199</b>	<b>446</b>	<b>28</b>	<b>453,586</b>
<b>Net Assets at 31.12.2020</b>	<b>25,844</b>	<b>14,072</b>	<b>412,769</b>	<b>242</b>	<b>385</b>	<b>11</b>	<b>453,323</b>

**Fishery Harbour Centres**  
**Financial Statements for the year ended 31 December 2021**

**Notes forming part of the financial statements cont.**

**Capital Assets under Development at 31 December 2021**

	€000
Opening balance at 1 January	50,240
Cash payments for the year	20,765
Transfers to asset register	(6,207)
Transfers to Capital Maintenance Register	<u>(1,107)</u>
Balance at 31 December	<u>63,691</u>

**3. Employee Numbers and Pay**

The following employee numbers and pay information relates to staff directly employed in the Fishery Harbour Centres

	2021	2020
Number of staff at year end	57	54
	2021	2020
	€000	€000
Pay	2,203	2,004
Allowances	249	229
Overtime	234	229
Employer's PRSI	<u>279</u>	<u>260</u>
Direct salaries and wages	2,965	2,722
CSSO Solicitors*	<u>100</u>	<u>86</u>
Total salaries and wages	<u>3,065</u>	<u>2,808</u>

\* In 2021, contract solicitors continued to be employed by the Chief State Solicitor's Office (CSSO) at the Department's request to deal exclusively with the Fishery Harbour Centre property portfolio. This cost was borne by the Fishery Harbour Centres Fund.

Three Officers of the Department are employed in the Fishery Harbour Centres. The cost of their total salary of €96,637 is borne by the Department's Vote.

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**Notes forming part of the financial statements cont.**

**4. Capital Account**

	2021	2020
	€000	€000
Opening balance	297,033	289,662
Exchequer Grant*	22,571	13,348
Assets transferred from Vote	0	1
Amortisation in line with infrastructure depreciation	(5,997)	(5,978)
Closing balance	<u>313,607</u>	<u>297,033</u>

\* Vote 30 Subhead Programme D3

**5. Debtors**

	2021	2020
	€000	€000
Sundry Trade Debtors	2,028	2,062
Income accruals	376	247
Provision for Bad Debts	(927)	(1,015)
Petty Cash balances	<u>2</u>	<u>2</u>
	<u>1,479</u>	<u>1,296</u>

Trade debtor levels decreased from €2 062 million in 2020 to €2.028 million in 2021. There has been a decrease in the average number of debtor days from 139 in 2020 to 127 in 2021. The increase in overall debt, included amounts written off as old and irrecoverable of €49,386 of which €23,797 was approved by the Department of Public Expenditure and Reform through specific sanction, with the remainder, comprising of €25,589 individual debtor balances less than €10,000, being approved through delegated sanction.

**Bad debts written-off in 2021**

Total number of cases	13
Total value of write-off	€49,386

Category of write-offs	Amount	Comment
2004 – 2021	€42,152	10 cases where the balances were fully/partially statute barred and deemed uncollectible
2016 – 2021	€7,234	3 cases where the balances were not statute barred but deemed uncollectible



**Fishery Harbour Centres**  
**Financial Statements for the year ended 31 December 2021**

**Notes forming part of the financial statements cont.**

<b>6. Creditors</b>	<b>2021</b>	<b>2020</b>
	€000	€000
Sundry Trade Creditors	17	78
Expense accruals	295	234
Deferred Income	202	172
	<u>514</u>	<u>484</u>

**7. Contingent Liability**

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Currently VAT is not applied to charges made in respect of harbour charges or property rentals. The Office of the Revenue Commissioners has provided guidance in relation to the application of VAT generally and this guidance is being examined

It is not possible to estimate any potential liability at this time. Further detailed guidance will be sought in relation to any potential VAT liability arising in respect of services provided at the Fishery Harbour Centres.

**8. Ex-gratia payments**

Ex-gratia payments to the value of €821,265 were paid in the year principally relating to the closure of sites due to Covid-19 restrictions. The payments were made following the guidance note issued by the Office of Government Procurement (2020: €634,104)