



# Annual Report 2017



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## Vision

To be the preferred south coast port for short sea traffic, marine related projects and landlord of an extensive commercial estate including specialist sites, whilst being at the heart of the community and a key local economic driver.

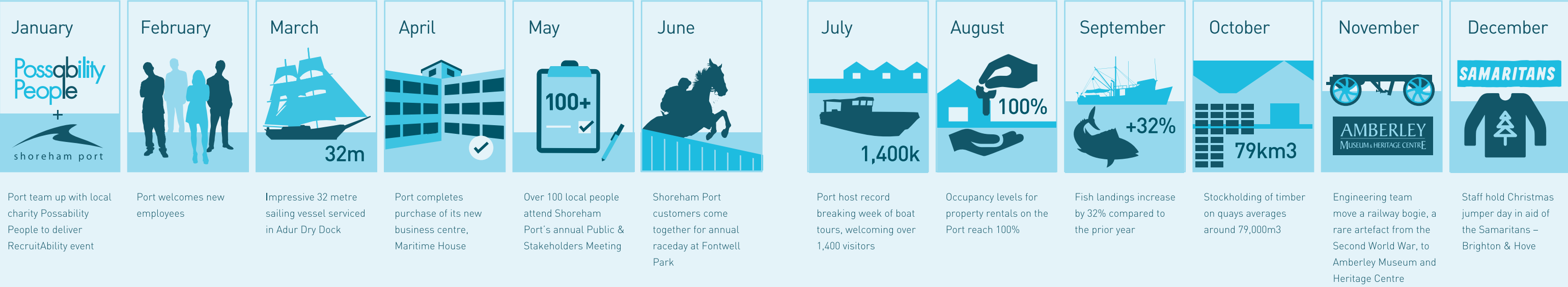
## Mission

To provide a first class service to our customers and to continue to develop the infrastructure and facilities to meet their requirements, in a safe, commercially economic and efficient way.

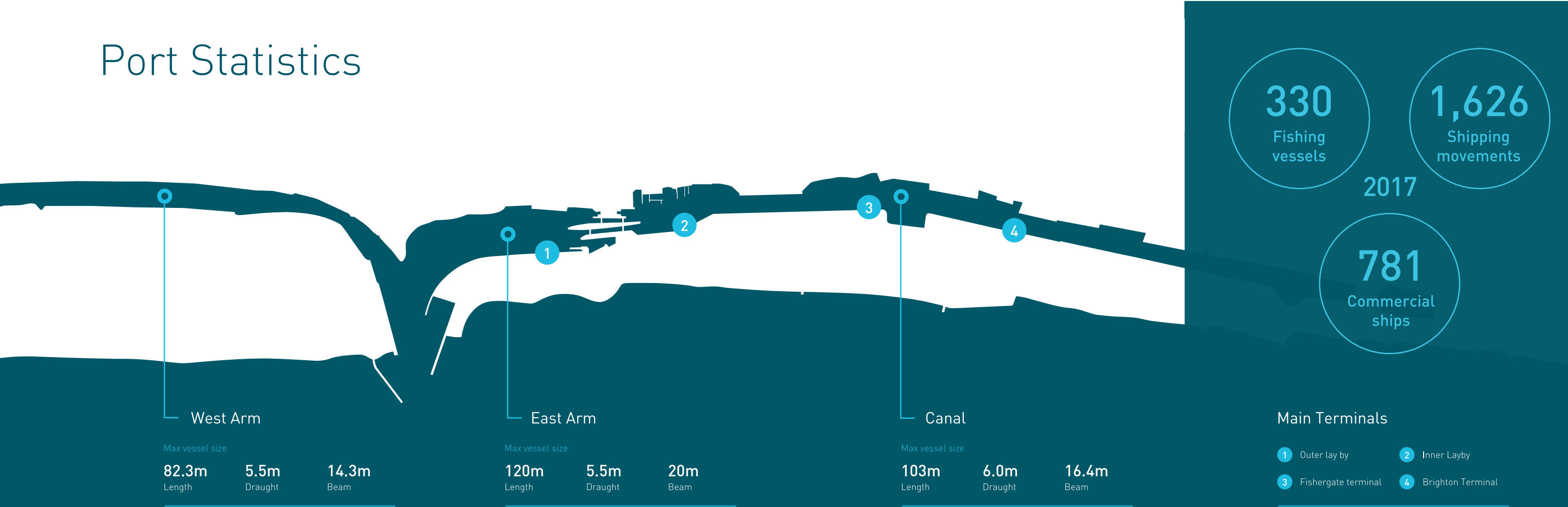




4 2017 Timeline



Port Statistics







# 1,600

Shoreham Port is a key economic driver and local employer with over 1,600 jobs on the footprint of the Port.



Stuart Condie, Chair - 2017

## Chair's Report

It is very pleasing to report that Shoreham Port had a relatively good year with trading results showing that revenue was just ahead of the prior year at £13.2 million (0.5% up), despite market conditions tightening during the year. The banking covenants were met and the cash flow was positive. The Port continued to invest in additional property and other capital items such as the new tug.

The number one priority for the Board and Port remained Health and Safety and was discussed in-depth at each

Board meeting. I am very satisfied that the Port continued to meet the requirements of the Port Marine Safety Code, and was externally audited in May and December, with the designated person briefing the Board in January. On the Operations side (dry) of the Port an independent risk management company also audited our processes and procedures, with very good feedback.

My three year term as Chair concluded on 31st December 2017 after seven years on the Board. During this time I am very pleased to say that

there has been substantial progress and development in the Port, both operationally and in Board governance and performance. The masterclass sessions held at the end of the Board meetings have been extremely beneficial with outside experts briefing the Board on various topics.

Operationally the Board again approved and supported investment in the Port's equipment, property and infrastructure for the benefit of our stakeholders with many exciting plans in the pipeline for future expansion. To increase our bed

levelling capacity and also with our existing tug Adurni reaching over 32 years in service, the Port have ordered a new tug. This is being built in the UK and expected to be in service in mid-2018.

Shoreham Port remains at the heart of the community and our Trust Port status allows us to make longer term decisions on investment and ensure that we continue as a key economic driver and local employer with over 1,600 jobs on the footprint of the Port. During the year, we invested further into property in

the East Arm with the help of the Local Enterprise Partnership and this alone secured over 200 jobs in a serviced office block that would have been converted to flats.

Once again we had an excellent turnout at our Annual Public & Stakeholders meeting in Southwick's Barn Theatre. Engaging with our local stakeholders has ensured that we maintain an excellent relationship with our neighbours and we have much appreciated the feedback on our activities. Twice a year in our Board

room we also hold meetings with the Port Users Group and Local Authority Liaison Committee with the local Councillors. These meetings have been very positive and welcome to ensure everyone is kept up to date on our activities.

Each year the Board review the strategic direction of the Port updating the five year rolling business plan and ensuring it remains aligned to the Masterplan. One of the key challenges for the Port is to ensure that it can raise sufficient capital to meet its expansion and



development plans. The banks remained very supportive of the Port throughout the year.

Coastal ports like Shoreham remain vital to the UK economy and to assist reducing congestion on our road network and to improve air quality, more freight should be shipped on the coastal ships. We very much support the Connectivity Study conducted by Sir John Randall and look forward to the Government following up on the study.

As mentioned at the end of 2017, I bid farewell to the Port and was delighted to hand over to Amber Foster who has been on the Board for three years, latterly as my deputy. Amber brings considerable legal and governance

expertise to the role and I wish her well.

I would just like to finish by thanking my fellow Board members for their terrific support, the Senior Leadership Team for implementing and driving the Port forward, but above all I would like to thank all the other employees in the Port who work long hours to keep the Port open, competitive and a friendly place for the customers to visit.

Stuart Condie  
Chair 2011 - 2017



# Outlook 2018

I am very honoured to be taking over as Chair from Stuart Condie and would like to thank him for his handover and great contribution to the Board and Port.

The Port has developed and improved immensely over the last seven years, and it is my goal to continue this growth, expansion and delivery of a first class service as we diversify our revenue base.

Considerable investment will continue in our workforce, infrastructure, equipment and warehouses, as these are essential for running a modern, competitive and efficient port.

I am delighted to welcome Mark Lemmon to the Board, who brings a wealth of expertise in infrastructure investment and obtaining capital for key projects.

There are many challenges ahead but 2018 has started off well and we look forward to continuing to work and develop together with our stakeholders and customers.

Amber Foster  
Chair 2018



Amber Foster,  
Chair - 2018



# The Board



**Amber Foster**  
Chair 2018 - Present

Amber Foster was appointed to the Board in 2015 and elected as Chair in 2018. She served as Deputy Chair of the Port in 2017 and chaired the Port of Shoreham Trustee Company Ltd between 2015 and 2017. Amber's professional background is as a qualified Solicitor. She started her career in private practice qualifying into the company/commercial team of a London law firm. She subsequently moved in-house to practise her legal skills in a business setting. As a former General Counsel of QVC UK, and Senior Counsel at Coca-Cola Enterprises, she has broad experience and knowledge of operations, manufacturing and retailing. She has led complex negotiations on a wide variety of commercial and contractual relationships and provided leadership on compliance and governance matters. She now provides legal advice to businesses on a consultancy basis. Amber has served on the boards of the Commercial Broadcasters Association and the European Electronic Retailing Association. She was until recently the Vice Chair of NCT, the UK's largest charity for parents and chaired the charity's nominations and governance committee for several years. She lives in Brighton with her husband and daughter.



**Carolyn Dwyer**  
Non-Executive Director

Carolyn Dwyer was appointed to the Board in January 2015. Carolyn is Director of the Built Environment for the City of London Corporation and is also a Non-Executive Director for the Scottish Futures Trust and sits on the Boards of Resource London and the Planning Advisory Service. Her career has spanned more than 30 years working in the development sector, including the planning, financing and delivery of major projects as well as the development of place-making through design of public realm, open spaces and development of cultural strategies and programmes. Carolyn has held ministerial appointments including providing independent advice to the Government with the Commission for Integrated Transport. She is a Fellow of the Chartered Institution of Highways and Transportation, a member of the Chartered Institute of Logistics and Transport and a Liveryman with the Worshipful Company of Pavors. In her spare time she enjoys sailing, travelling and walking with family and friends. She has lived in Hove since 2003.



**Trevor Giddings**  
Non-Executive Director

Trevor Giddings was appointed to the Board in January 2015. Trevor has a professional background as a Civil Engineer, and currently runs his own management consultancy, focusing on the effective and efficient delivery of infrastructure programmes and projects. He has led and supported the management of change in both large and small organisations, in the public and private sectors, mainly in the transport, energy and water industries. In earlier years, as a partner in a major consulting engineering practice, he was closely involved in marine and port engineering projects in the UK and overseas. Trevor has a great interest in the local community and the importance of Shoreham Port in helping to maintain and develop the regional economy. He has lived in Hove since 1999.



**John Headley**  
Non-Executive Director

John Headley lives in the Preston Park area of Brighton and commutes to London where he is Chief Financial Officer at the University of Law. John is a qualified management accountant. He has worked for many years in senior financial positions, in the higher education sector, the NHS, and previously in the Bupa Group where he held divisional Finance Director positions in the UK and in Spain. John serves on the Audit Committee of the Economic and Social Research Council.



**Mark Lemmon**  
Non-Executive Director

Mark Lemmon is a financial investment professional with over 35 years' experience in banking and equity investment. He has a wealth of experience in infrastructure investment and advisory in the UK and internationally having been Deputy Chief Executive of HSBC's global project and export finance business. Most recently, Mark was Chief Executive and then Executive Vice Chairman of Mena Infrastructure, the most successful infrastructure equity investment fund manager for the Middle East and North Africa of recent years. He is a Chartered Accountant and a Chartered Tax Advisor and holds BA (Hons) and MSc Accounting and Finance degrees from London University. He is a Director, Trustee and Audit Committee Chair of Quo Vadis Trust, a social housing company for clients with mental health challenges. He is married with three daughters and lives in Wimbledon, South West London.



**Joanne Newell**  
Non-Executive Director

Joanne Newell has spent the majority of her 30 year career in media sales and marketing, joining The Guardian in 1982, becoming Managing Director of Surrey and Berkshire Media in 2001 and Berkshire Media Group in 2007. Since 2010 she has held a number of senior interim and consultancy posts spanning a diverse range of businesses and sectors including publishing, manufacturing and the NHS. Jo was chair of Brighton and Hove Citizen Advice Bureau for three years and is also a member of Brighton and Hove Macmillan Cancer Support group. Jo is married and lives in Brighton.

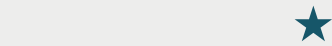


# The Board [Cont.]



**Stuart Nicholls**  
Non-Executive Director

Stuart Nicholls was appointed to the board in 2013 and comes with a strong background in shipping and marine operations. He went to sea with the British Merchant Navy aged 16, promoted through the ranks to take deep-sea command aged 27. He moved closer to home via management posts in the offshore sector, before taking the entrepreneurial step ashore. Once ashore he formed a consultancy practice that he later merged with a technology company. Initially employed as a Sales Director then Managing Director, he prepared the company for IPO. After a successful listing on the AIM-London Stock Exchange, he was appointed Chief Executive. Now, he is the founder & CEO of StratumFive Ltd, a hi-tech software company, providing international ship owners with innovative vessel monitoring software. Stuart is an industry author, a Fellow of the Nautical Institute and Younger Brethren of Trinity House. Married with two sons, he enjoys sailing and skiing and is very passionate about rugby.



**Stuart Condie**  
Chair 2011 - 2017

At the end of 2017 Stuart Condie concluded his successful tenure as Chair of the Board. Stuart was appointed to the Board in January 2011, elected to Deputy Chair in January 2014 and most latterly elected to Chair in January 2015. Stuart has ensured that the Port has gone from strength to strength over the past seven years, overseeing the direction of considerable strategic developments and consistent growth in revenue.

# The Senior Leadership Team



**Rodney Lunn**  
Chief Executive

Rodney joined Shoreham Port in 2009. He has spent 40 years in the Maritime Industry, in a variety of senior management roles, gaining experience both in the UK and Overseas. Previously with Inchcape Shipping Services, a global provider of Maritime Services, where he held both Group and Regional positions, including Group Commercial Director based in London, Regional Managing Director - Middle East based in Dubai; North America based in New York, and Europe based in London. His early career was with Oceanroutes, a weather services company, where he was the Group Marketing Manager based in Aberdeen and London. Prior to this his Maritime career started at sea with P&O as a Deck Officer, where he spent most of his time on general cargo ships. Rodney is on the Board of Shoreham Port plus Managing Director of Sussex Port Forwarding, a subsidiary company. In addition to the roles in Shoreham Port, Rodney is also Chairman of the British Ports Association and sits on the Board of Maritime UK, London International Shipping Week and Port Skills & Safety.



**Sara Bassett**  
Finance Director & Deputy  
Chief Executive

Sara joined the Port in 2007. Prior to joining the Port she gained experience working within financial services and commercial accountancy for companies such as LloydsTSB, American Express, Cytec UK Limited and Independent Growth Finance. As Finance Director, Sara is responsible for setting the financial strategy of the Port, managing the Port's finance team and working with the senior leadership team to ensure the Port's assets are fully utilized and maximizing revenue streams. Sara was promoted to Finance Director & Deputy Chief Executive in 2014, is a member of the Port's Board and is also Company Secretary to Sussex Port Forwarding Limited, The Port of Shoreham Trustee Company Limited and Shoreham Port Developments and Investments Limited. Sara is an Associate Member of the Chartered Institute of Management Accountants (CIMA) and an Ambassador for the Brighton & Hove Chamber of Commerce.



**Beth Evans-Gay**  
Commercial & Operations Director

Beth joined Shoreham Port in 2017 as Commercial & Operations Director. Beth leads the Operations Division which is committed to providing a first class operational service to the Port's customers. As part of the Port's senior leadership team Beth is also responsible for exploring new business opportunities and contributes to the Port's overall strategic plans. Beth comes from a port and logistics background, having spent the previous thirteen years within the Associated British Ports (ABP) group, latterly at the Port of Southampton, as Head of Port Operations. Beth brings strong commercial, financial and operational acumen to the Port, with a breadth of experience in operations, sales and marketing. Beth is a business management graduate and NEBOSH qualified.



# The Senior Leadership Team [Cont.]



**Nicky Goldsbrough**  
Director of Corporate Services

Since joining the Port in 2010, Nicky has held a number of positions and more latterly Director of Corporate Services. Nicky heads up the Human Resources function, handling all aspects of employment. In 2016 Nicky was elected to Chair the British Ports Association HR & Employment Network, which aims to facilitate greater collaboration between Ports. She is passionate about helping others to improve their employability skills and has shared her expertise as a business mentor, volunteering for Young Enterprise and as a member of the Greater Brighton Metropolitan College Strategic Employers Board. In 2017 Nicky became the Treasurer of Sussex CIPD. She is also responsible for leading the marketing team, overseeing the strategic direction and production of all of the Port's communications, events and stakeholder engagement activities. Nicky is a Psychology Graduate, a Chartered member of the Institute of Personnel and Development and a qualified learning and development trainer.



**Tim Hague**  
Director of Property & Development

Tim has been responsible for the Port's commercial property since joining Shoreham Port in 2010. Tim leads the Property Department in the effective management of an estate that accommodates over 150 tenant companies and directs the future of the Port's estate through strategic projects. These include a running program of property sales, acquisitions and development schemes. Tim is a Chartered Surveyor and holds a degree in Property Management and Investment. Tim's background is in property development having worked for five years as an Acquisitions Surveyor for a London property development firm working on property acquisitions, disposals, development and portfolio management in central London and the south east. Tim then worked as a commercial property manager in Brighton for two years, prior to joining the Port.



**Paul Johnson**  
Director of Compliance

Paul has been employed at the Port since 2009 and is the Director of Compliance. Prior to this he had a 23 year career in the Royal Navy which saw him serve in the Falklands, Bosnia, Kosovo and the Gulf, as well as several years in the manufacturing industry as a Health, Safety and Contracts Manager. In his current role, Paul is a Chartered member of the Institute of Occupational Safety and Health (IOSH), a Fellow member of the International Institute of Risk and Safety Management (IIRSM) and a Fellow Chartered member of the Chartered Institute of Personnel and Development (CIPD). He is a Practitioner member of the Institute of Environmental Management and Assessment (IEMA) and is a member of the Institute of Fire Engineers (IFE). Paul is an active member of the Ports Skills and Safety Group which represents the UK Port industry on all Health and Safety matters.



**Tony Parker**  
Director of Engineering

Tony joined the Port at the beginning of 2006 with 30 years' experience in the design, implementation and management of port and harbour facilities, coast protection and waterside development. Following a three year spell in contracting, Tony studied Structural Engineering at Sussex University and then moved into maritime design and project management with a major international consultant. Schemes ranged from coast protection through waterside and harbour developments, to port and marina developments throughout Europe and the world. Tony is a Chartered Engineer, a Member of the Institution of Civil Engineers (ICE) and an active member of the British Ports Association Infrastructure Group.



**Julian Seaman**  
Harbour Master & Director of Marine Operations

The Harbour Master & Director of Marine Operations is Julian Seaman. He is a local man who sailed in and out of Shoreham Harbour numerous times during his 17 years working within the commercial fishing industry. In 1999 he came ashore to begin a new career within the port industry as the Tug Master at his home port of Shoreham Harbour. In 2002 he was promoted to Tug Master/Hydrographer and in 2008 he was promoted to Assistant Harbour Master, before becoming Harbour Master in 2009. Julian is the Port Security Officer under the International Ship and Port Facility Security Code for Shoreham Port and also the President of the UK Harbour Masters' Association, the chair of the Shoreham Port Security Authority and of the Solent and Southern Harbour Masters Association. He is a member of the Harbour Masters' Association, International Harbour Masters' Association, The Institute of Marine Engineering, Science & Technology, Central Dredging Association and The Hydrographic Society UK.



★

**Alan Motterham**  
1997 - 2017

Alan Motterham retired in December 2017 after twenty years' service at the Port. Under Alan's leadership operational revenue has significantly increased and the Port has considerably diversified, handling a broad range of commodities from timber, steel, crushed glass to Rockwool, woodchip and project cargoes. Alan passed the leadership of the Commercial & Operations Division onto Beth Evans-Gay.



# Chief Executive's Report

## Summary

2017 was a good steady year for the Port with revenue and tonnage similar to the prior year, with all our key cargoes of timber, aggregates, steel, cereals and petroleum products moving reasonably well. Our property division continued to diversify and expand with the purchase of Maritime House, a serviced office block in the heart of the Port.

Whilst one of our key markets, the construction industry had its largest contraction since 2012, the London and South East sector continued to keep their pipeline of projects relatively full, with over 33% of UK construction firms based in this area.

Investment in staff training and maintenance of the Port's facilities continued throughout the year to ensure an efficient and effective turnaround for all vessels using the Port's facilities, as well as maintaining our property portfolio in good condition.

## Results

The consolidated revenue for the Port in the management accounts was £13.2m, slightly above the prior year (0.5%) when compared on a like for like basis and before any year end adjustments.

The Port handled 781 commercial ships, down 13% on the prior year owing to larger vessels carrying more cargo, hence cargo tonnage was very similar to last year at just over 2 million tonnes.

Our key cargo tenants on the Port which includes aggregates, cereals and petroleum had a reasonable year with tonnage up 1.4% on the prior year.

Aggregates continues to be a key base commodity for the Port and 1,373,000 tonnes was imported through the Port, up 3.2% compared to 2016.

Petroleum products handled through the Port was 68,000 tonnes, down just 8,000 tonnes compared to the prior year as the

terminal continues to build its customer base and market share.

Cereals had another steady year moving 144,000 tonnes similar to the previous year to key markets in the UK and Europe.

Our Operations Division handled 479,000 tonnes of cargo, which was 8.4% below the prior year. Imported timber from the Baltics was still very encouraging at 411,000m3, but 6% down on prior year with a slower fourth quarter.

Steel for the construction industry and environmental defence was very similar to the prior year at 89,000 tonnes, down just 3,000 tonnes, with work continuing in the West Arm for flood defence.

Whilst the bulk terminal on Power Station Quay was busy with stone, sand and shingle some of the rock salt did not materialise as budgeted. Overall bulks handled by our team were down 11% at 38,000 tonnes compared to 2016.

Aggregates continues to be a key base commodity for the Port and 1,373,000 tonnes was imported through the Port, up 3.2% compared to 2016.

Recycled glass and woodchip exported to the near continent and Northern Ireland was also down 20% at 45,000 tonnes owing to challenges at the receiving end.

Working with the fishing community was an important activity for the Port with fish landing up c30% compared to the prior year. The Port's c500 leisure berths were again mostly occupied.

In addition to the standard Port services provided, we were also able to provide dry dock facilities for visiting vessels of up to c50m in length, plus crew change and spares delivery to passing ships whilst assisting neighbouring ports with bed levelling using the tug Adurni. Once again the Port proved to be a very popular destination for vessels supporting the Rampion Offshore Wind Farm, owing to the calm non tidal water in the canal and equipment available.

The Port's thriving property portfolio consists of c100 tenants, providing both short term and long term leases, with excellent parking facilities and location. Occupancy levels remained at 96% throughout the year, providing a very steady income stream.



Rodney Lunn, Chief Executive



## Masterplan

The Port remains on track with the Masterplan and refreshed the plan in 2016. When land and property becomes available in the East Arm, the Port will endeavour to purchase, so that this area can continue to be open for shipping and our tenants.

Plans are well underway for the Lady Bee Enterprise Centre, which will provide 14 light industrial units with mezzanine levels, ranging from 800 to 1,200 square feet. The units will be versatile and appropriate for a range of commercial uses. Planning permission will be sort in early 2018.

Discussions continued on the only derelict site in the Port at Britannia Wharf. We are hopeful that an agreement can be reached in 2018 to utilise this land again.

## Stakeholders

The Port is in full view of the public and our neighbours along the A259 and thus

we remain committed to being a good neighbour with any complaints immediately handled by a member of the Senior Leadership Team. Only 19 complaints were made in 2017 and all were dealt with in a friendly and amicable manner with excellent feedback.

The new Visitor Centre in Nautilus House was completed in early 2017 which made a huge difference to our stakeholder engagement, particularly when we ran boat trips for the community with over 1,400 attending and enjoying a unique view of port operations.

Our interaction with our stakeholders via the social media platforms of Twitter, Facebook, LinkedIn and Instagram, as well as our website continued unabated. Additionally, our Annual Report and PORTlife magazine continued to be very popular.

Shoreham Port is passionate about keeping its working areas neat, tidy and pleasing to the eye, thus giving comfort to our customers that we are taking the best care of their cargoes.

Once again we visited our key customers in the UK, Sweden and Latvia to discuss operations and any areas for improvement. We thank them for their continued support and have enjoyed working with them as one team to reach a common goal.

## Environment

We very much value our Eco-Port status and were delighted to be presented a new certification in 2017, which continues to underpin our environmental management plan.

The two onshore wind turbines powering the pump house have worked well and have been a welcome addition to the Port's environmental credentials. The flood defences being installed in the West Arm by the Environment Agency are well underway to providing the cover needed.

The beach defences along the whole of the Port frontage remain a key concern and thus our Spring and Autumn beach refilling campaigns were again carried out successfully.

Longer term plans are afoot as a significant amount of additional shingle, rock and groynes are required to protect the frontage from our east breakwater to Brighton Marina.

## Outlook

Providing a safe, efficient and smooth service to our customers remains a key priority for the Port, thus any surplus is reinvested back into its infrastructure and equipment for their benefit.

Our workforce have again worked extremely hard in all weather conditions throughout the year and I would like to thank them for their efforts and very positive attitude to keep the Port open and turn ships around quickly as well as keeping all of our properties maintained to a very high standard.

Alan Motterham, our long standing Commercial & Operations Director retired at the end of 2017 after an excellent twenty years at the Port. We are delighted to welcome Beth Evans-Gay as the new Commercial & Operations Director who brings considerable port management expertise, to build on the strong foundations left by Alan.

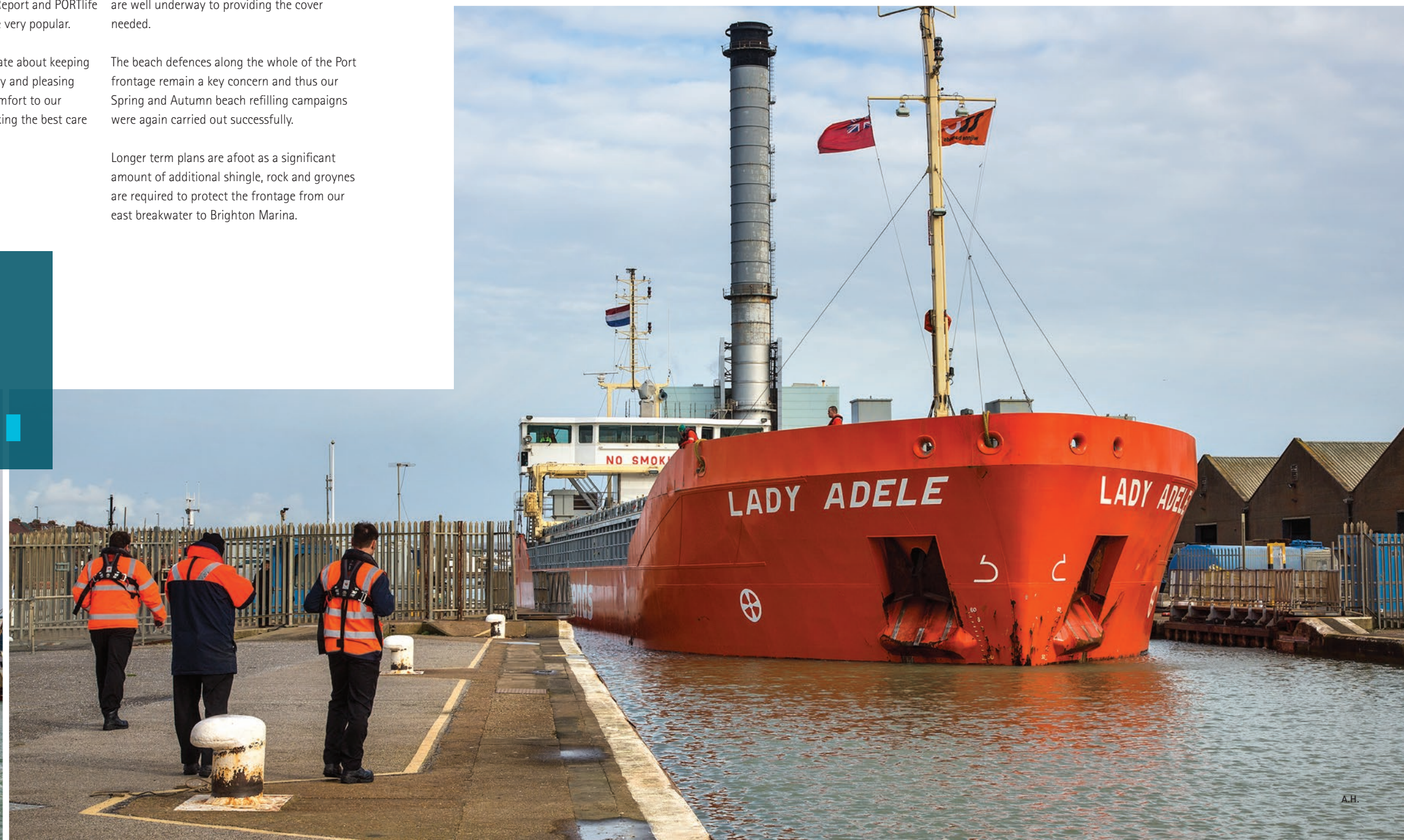
Stuart Condie after seven years on the Board, the last three as Chair, completed his term and we thank him for his great support and guidance over this time. We welcome Amber Foster, formerly the Deputy, as the new Chair and also Mark

Lemmon who joined as a Non-Executive Director.

Many questions remain on the impact Brexit will have on the tariffs, custom controls and trade, however, we remain in close contact with the Department for Transport and various ministers in order to keep pushing for clarity and a workable solution for all concerned.

Across all of the Port's markets, whether that be import or export cargo, or within our tenanted properties, the outlook for 2018 remains positive and optimistic.

Providing a safe, efficient and smooth service to our customers remains a key priority for the Port.







# Safety/Compliance

## Health and Safety Culture

Health and safety is paramount at Shoreham Port. We strive to make our working environment as safe as possible for our staff and visitors.

We constantly review our safe systems of work to reduce the risk of accidents but are mindful of the high risk environment we work in. When accidents do occur we carry out a thorough investigation and focus on the lessons learnt.

We had no specified reportable accidents to the Health & Safety Executive (HSE) Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

(RIDDOR) and were encouraged by the 183 safety observations reported from staff across the organisation. These safety observations are making a real difference with each report being listened to, documented and actioned. Our staff understand the value that good management of health and safety can bring to them.

## First Aiders

We are proud to have 86 staff trained in first aid (77% of our workforce) and with an additional three defibrillators deployed on our tug, operational pilot boat and reception at Maritime House, we now have seven defibrillators in total.

To further our first aid knowledge all first aid staff have had additional stress trauma training with tourniquet first aid kits now in situ throughout the Port.

## Compliance Committee

2017 saw a new Compliance Committee formed that challenges our health and safety management. The committee reviews the recommendations from the external audit and takes action when appropriate.

To enhance our health and safety management system we are looking at digitalising the system, this will expedite the reporting of all accidents and incidents

# 77%

We are proud to have 86 staff trained in first aid (77% of our workforce).



Paul Johnson, Director of Compliance



and give us more detail as we look at trend analysis and root causes.

## Maritime House

With the purchase of Maritime House, a full fire risk assessment has been completed which highlighted additional control measures that will be completed in 2018. Maritime House tenants took ownership of fire marshal duties for each floor and support training will be provided

by Shoreham Port staff throughout 2018.

## Looking Forward

Maintaining our current trend of improving health and safety performance will be one of our key challenges in the coming year.

Wellbeing and stress management is an area that needs to be addressed in 2018 with the HSE giving clear guidelines on

this and encouraging all workplaces to implement sound measures to monitor and when identified, support colleagues.

We have a versatile new training room within Nautilus House which we intend to utilise by providing health and safety training externally, to our tenants and local stakeholders. We look forward to working with our partners and stakeholders to continually raise health and safety standards at the Port.



# Marine

## Port Marine Safety Code

Shoreham Port is committed to full compliance with the Port Marine Safety Code and to meet these requirements in all its operations, while seeking to meet the changing needs of all harbour users.

Marine risks are formally assessed and are eliminated or reduced as low as reasonably practicable in accordance with good practice. The Port employs

competent people who are trained, qualified and experienced in positions of responsibility for managing marine and navigational safety, and as such the Harbour Board being the Duty Holders have declared in writing to the Maritime Coastguard Agency that the Port complies with the standards set out in the Port Marine Safety Code.

The Port was audited by the Designated Person in May and December, who having considered all the requirements of the Port Marine Safety Code, including reviewing the risk assessments and the marine safety management system, reported that Shoreham Port meets the standard required by the code. The Port was issued with a certificate of compliance in July 2017.

## Safety Management System

The annual review of the Marine Safety Management System was conducted by the Harbour Master and presented to the Board for signing in January 2018.

## Commercial/Traffic 2017

During 2017, a total of 1,626 commercial movements requiring a Pilot entered and departed the Port, this being down on 2016 commercial movements. Part of the reduction was due to fewer vessels over 50 metres, mainly associated with the Rampion Windfarm project visiting the Port for weather, stores or crew changes.

Of that total, the commercial vessels importing or exporting goods was down by 13.1%, however 2017 saw the average size of vessels visiting the Port increase from 2,268 gross tonnes in 2016 to 2,458 gross tonnes in 2017 resulting in the overall cargo throughput only being down by 1.1%.

With the increase in maximum size vessels visiting the Port, this in turn did occasionally cause a logistic challenge for the pilotage in programming in the arrivals/departures for a tide when there were several maximum sized vessels requiring transit through the Prince Philip lock.

The start of 2017 saw visiting fishing vessels stay on the South Coast and in conjunction with an exceptional autumn scalloping season, in which 330 visiting fishing vessels landed at the Port in 2017, Shoreham Port moved back to being the number one port for scallop landings in England. A total of 5,617 tonnes of fish and shell fish were landed at the Port in 2017 with a value of £11,735,000.

## Hydrographic Surveys

Shoreham Port conducted 75 berth and navigational channel surveys which were made available to the Pilots and vessel Masters. The Harbour Entrance surveys can be viewed on the Port's website at [www.shoreham-port.co.uk/Hydrographic-Surveys](http://www.shoreham-port.co.uk/Hydrographic-Surveys). Survey data also provides the information for calculating the minimum entrance allowance for commercial vessels and for the dredging requirements.

## Dredging and Bed Levelling

The maximum entrance draught allowance was maintained for the majority of 2017 until the prolonged storms in December when it had to be reduced down to 1.0 metre.

## Port Users and Leisure Safety Groups

The Port held the Annual Public Meeting in May, the Port Users Group meetings

in April and November and the Leisure Safety Group meeting in December. These forums are well established, with a strong attendance and are an excellent platform to discuss wider port operations and safety issues directly with harbour stakeholders.

## Incident

All incidents were fully investigated and closed off throughout 2017. Incident trends have been looked at and discussed at the various stakeholder meetings with lessons learnt being in place for 2018.

## Aids to Navigation

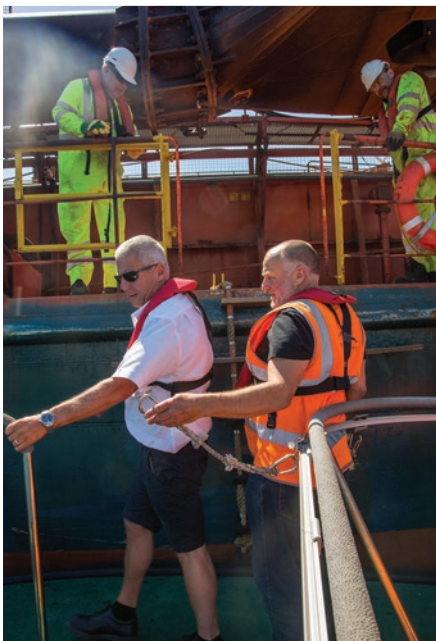
Shoreham Port being the Local Lighthouse Authority complied with the directions from the General Lighthouse Authorities and supplied information and returns as required. The audit of our 47 Aids to Navigation was conducted in July 2017, all of which passed inspection.



Julian Seaman, Harbour Master & Director of Marine Operations

11,819

As recorded by the National Coastwatch Institution, 11,819 leisure vessels went out to sea and returned inwards past their watch house in 2017.





Gary Knight,  
Manager Operations & Training

Kevin Taylor,  
Senior Manager Agency & Logistics



A.H.

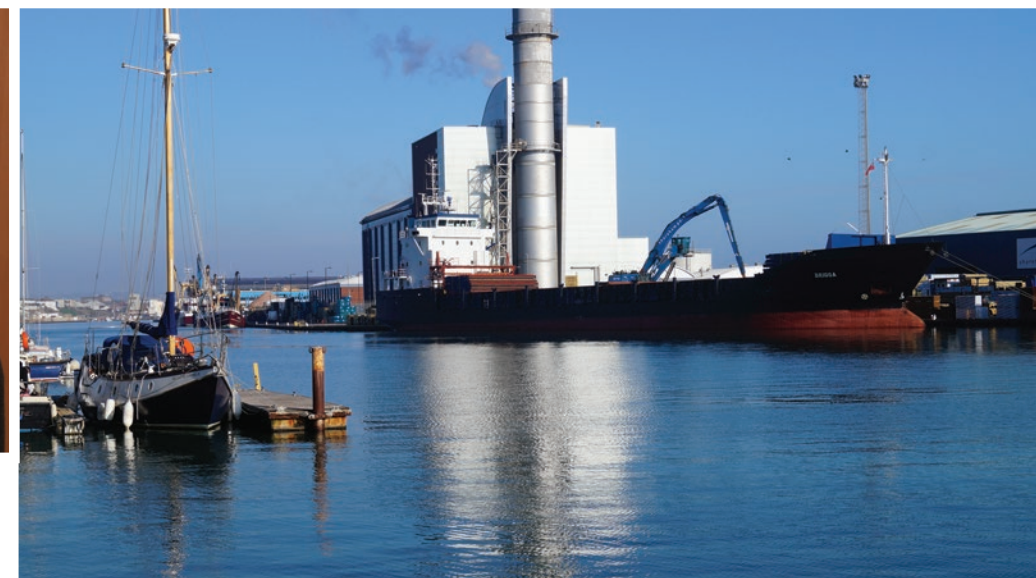
Dave Bunker,  
General Manager Operations



The future looks very bright, as the Port has excellent facilities, a great team of professionals and the ability to handle a broad range of cargoes through our common user terminals.



Beth Evans-Gay, Commercial & Operations Director



# Operations

## Health and Safety

In a busy operational Port like Shoreham the single most important factor every day, every hour is the health and safety of our staff and everyone (contractors, drivers, visitors) who visit the Port.

Extensive safety training is given to all staff on the quay and prior to the handling of any ship, safety is discussed and all risks assessed, so the whole team are aware and work together. Whilst the Director of Compliance works very closely with the Operations team, it is stressed that everyone is a safety officer and needs to take responsibility for their own safety and those around them.

The Port are members of the Port Skills and Safety group, the industry leading body on safety, which shares best practice and regularly meets with the Health and Safety Executive (HSE) to agree on key processes and procedures in port areas.

## Staff

We have a highly dedicated and loyal Operations team who take pride in handling the ships, cargo and administration efficiently, whilst working closely with our customers.

During the year we had the management baton change hands from two long standing members

of the Operations team. Firstly Tony Oliver, General Manager retired mid-year and handed over to Dave Bunker, and Alan Motterham, Commercial & Operations Director also retired at year end and handed over to Beth Evans-Gay. Alan and Tony were a great team and transformed the Operations Department over their 20 years' service and have left a fantastic foundation for Beth and Dave to build on for the future.

Equally we had a number of other retirements both in the office and on the quays and everyone has made a significant contribution to the Port.

## Customers and Cargo

We thank our customers for their continued support and very much enjoyed the regular visits to their office or to the Port when doing stock takes or showing their customers around.

The Operations Department handled 200 ships during the year, 17% down on the prior year, whilst tonnage was only down 8%, indicating that the ships that did arrive carried more cargo.

All groups of cargo were behind the prior year for example; bulks were down 11%, steel down 3 %, timber

down 8% and exports (woodchip/ glass/other) down 9%. This generally reflected the slight slow- down in the construction industry in London and the South East.

## Terminals & Equipment

Throughout the year we continued to keep the terminals neat and tidy with regular maintenance, to ensure all cargo remained in good condition.

Our stockholding of timber on the quays averaged around 79,000m3, with 405,000m3 coming in during the year

and 419,000m3 going out. Each pack was carefully bar coded to assist our customers in picking and choosing deliveries to their customers or depots.

Key to our operational efficiency are our five Sennebogen material handling machines, which again were extremely reliable. Specifications for the next new crane are being drawn up ready for ordering.





# 420<sub>MW</sub>

Our fossil fuel power station here at Shoreham produces a maximum of about 420 MW of electricity. That's about the same as the Rampion Windfarm offshore.

## Engineering

### The Turbine Effect

Some may still disagree on the causes of global warming but no-one argues with the way it occurs anymore. So-called greenhouse gases in the upper atmosphere trap the sun's energy beneath them and warm the planet up – just like in a greenhouse. The most important greenhouse gases are water vapour, carbon dioxide and methane, all of which are produced naturally, so the 'greenhouse effect' is a natural phenomenon and has always been a feature of our world.

In recent centuries, though, the burning of organic fuels – wood, coal, oil and gas has poured huge amounts of extra carbon into the atmosphere

and caused a huge acceleration in the rate of warming with all its bad effects. We desperately need to cut back on our carbon dioxide production.

Shoreham Port is doing its bit to help with the installation of solar panels and wind turbines that produce electricity with little or no carbon to go with it, and the dramatic difference in our carbon emissions can easily be appreciated by looking at the example of our Pump House and wind turbines working together.

The Pump House is the Port's biggest user of energy because that's where four giant 185kW pumps work to keep the impounded basin behind the locks topped up with seawater. Our two

100kW wind turbines on the seaward side of the Pump House have been generating nearly the same amount of electricity as the Pump House uses, so the wind turbines are reducing the amount of carbon dioxide produced by the pumps by over 85% - about 260 tonnes of it every year. That's the carbon-saving equivalent of supplying green rather than fossil fuel energy to about 140 average homes.

The cost of producing carbon-free electricity from solar panels and on-shore wind turbines has now fallen to the same general levels as energy produced from fossil fuels and the cost of electricity from off-shore wind turbines is due to follow suit within a couple of years. So we have every



Tony Parker, Director of Engineering

incentive to build more and more of them but it'll still be some time before we can switch off our fossil-fuel power stations and here's why:

The gas-fired power station at Shoreham Port produces up to 420 megawatts (MW) of electricity whenever the demand is there and it does it at the flick of a switch. Wind turbines, on the other hand, only work when it's windy and solar panels

only when it is sunny and that's not necessarily just when we need it.

### The Team

Here's our team of around twenty heroes keeping the Port in great working order. Headed by Gary O'Neill, the team has a complete range of the specialist skills needed around the estate – electrics & electronics,

mechanics, hydraulics, carpentry, welding, bricklaying, lock-smithing – you name it. Many team members are also qualified commercial divers and coxswains keeping an eye on what's happening below water level and everybody joins in when it comes to dry docking a superyacht!





## Corporate Services

# Human Resources

Shoreham Port is an ever-changing, constantly expanding and remorselessly bustling work environment and we must recruit, train and equip our staff to enable them to develop to their full potential at just the same dynamic pace. Our people are at the heart of all that we achieve and we believe that their proud and enthusiastic engagement in our business makes a vital contribution to the top quality service our customers and stakeholders expect.

### Recruitment & Selection

Recruitment activity continued apace with growth in trade through our terminals and the expansion of our property portfolio being major drivers. Long term succession plans were updated for key positions, bearing in mind our plans for the future direction of the Port and with particular

attention paid to national skills shortages in engineering.

### Reward

In 2017 the Port revised their approach to remuneration and implemented a new strategy that focussed on performance and total reward. The system is centred on a robust job evaluation process and formal benchmarking. Subsequent performance and development reviews have supported the new approach, outlining key objectives and areas for improvement for everyone at the Port.

### Training

Aspiring leaders and managers embarked on intensive leadership and management courses to equip them with skills and techniques for building

successful teams that communicate well, work collaboratively and achieve their goals. The Port continued to provide our extremely successful bespoke mentoring scheme to key staff, with hour-long one-to-one sessions centred around a focus on self-reflection and improvement. Our new training room within Nautilus House provides much needed break out space for staff to sharpen their skills and work together on developmental aims.

### Kaizen

Our campaign for continuous improvement, known as Kaizen, was very productive with ideas for efficiencies and workplace improvements being put forward from all areas of the business. Much feedback from staff was received throughout the year and healthy discussions took place in our twice yearly Employee Engagement Group meetings.

### Women in Maritime Taskforce

Shoreham Port is proud to be part of a high-level taskforce, established by Maritime UK, to work collaboratively with other businesses in the industry to promote women in the maritime sector. The taskforce is committed to addressing fairness, equality and inclusion within the sector. There is a strong business case for diversity and we believe that raising awareness around the multitude of opportunities within the sector is crucial for addressing current skills imbalances, by attracting more women into the maritime world.

### The Year of Engineering

The Government's dedicated year of engineering campaign will run

throughout 2018, tackling the engineering skills gap with a view to widening the talent pool of young people who join the profession. In line with this campaign, Shoreham Port has plans to increase awareness and understanding of what engineers do and will be showcasing some of the exciting opportunities within engineering at the Port throughout our week of community boat trips in the summer of 2018.

### Gender Pay Gap

In the spirit of total transparency, Shoreham Port will be completing and publishing a Gender Pay Gap analysis voluntarily. The results and targets for the coming year will be published on the Port's website and positive action will be taken as required.

### General Data Protection Regulation

In line with the new Regulations, work is underway towards streamlining data processing and compliance by May 2018.

Nicky Goldsbrough, Director of Corporate Services



# 28%

Headcount increased by 28% over the year, with new recruits taken on in all areas of the Port.



# Corporate Services

# Communications

## Customers

We had a very enjoyable day out with our customers at Fontwell Park Racecourse in June last year. The event gives us a fantastic opportunity to catch up with our valued customers and build relationships. The raceday continues to be a hugely popular event and we would like to thank our customers for travelling long distances to join us on the day.

## Social Media

We saw considerable growth across all social media platforms in 2017. Facebook in particular has enabled us to strengthen our engagement with our local community and we maintain a consistent flow of communication

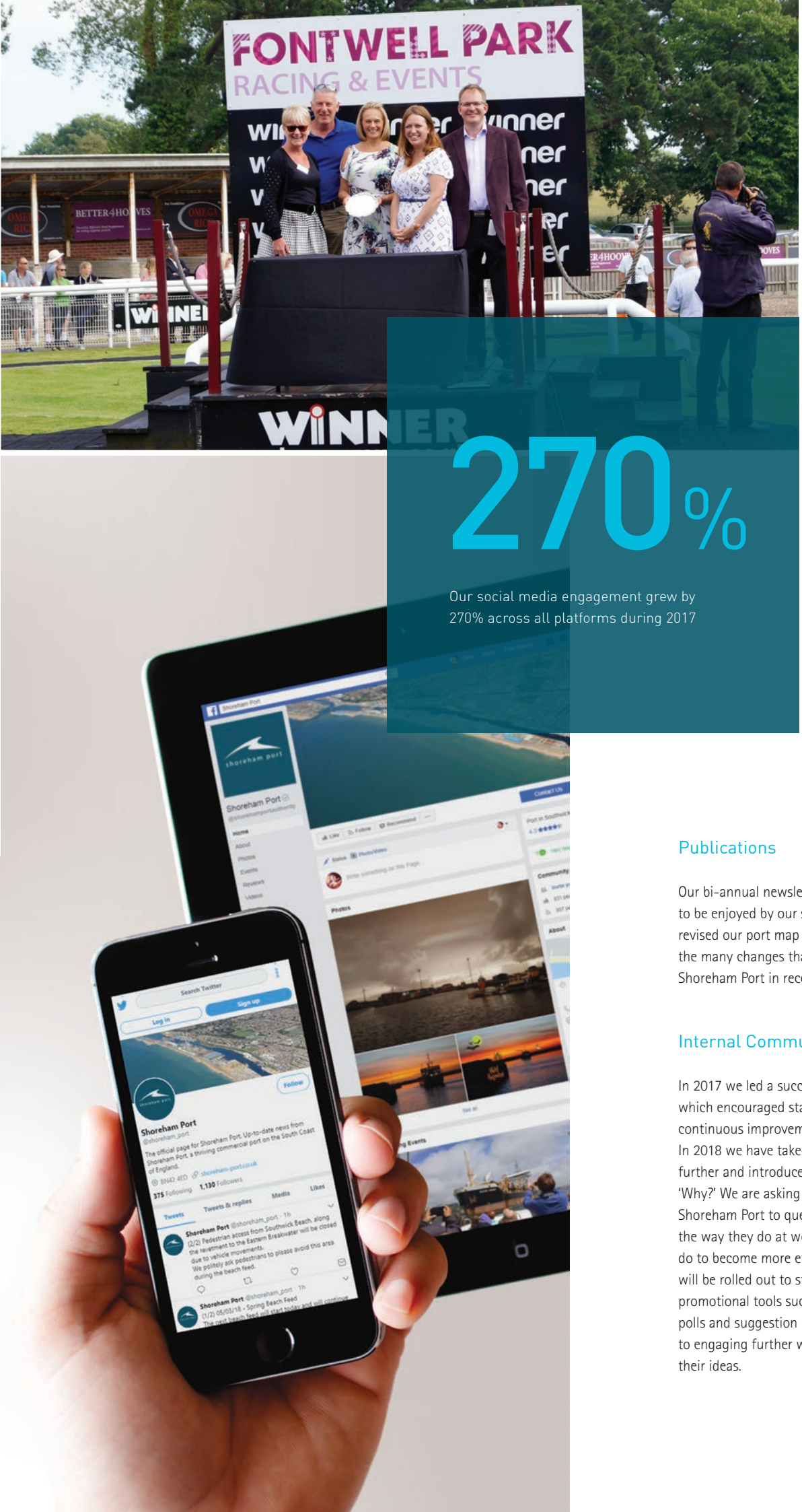
with those interested in the Port. Local residents often post on Facebook to alert us of anything unusual and by working with our stakeholders in this way we are able to respond quickly to any concerns. Twitter has helped us to expand our digital presence amongst other businesses in the local area. We are also better connected with the Local Authorities and emergency services, helping us to keep up to date on the latest events.

We launched our Instagram account in the autumn of 2017 and have enjoyed promoting user generated content, such as our popular 'Picture of the Week' competition. The competition invites anyone to share their favourite photo of the Port on Facebook or Instagram with the #portpics to be in with a chance of appearing on our website homepage for one week.

## Website

Following a request from a local resident and regular Port visitor, we were delighted to be able to install a live shipping web cam on our website, now known as 'Harbour Cam'. The web cam sits on our vessel movements page, which remains the most popular page on our website. The introduction of the web cam boosted visitors to the page by an astonishing 300% during the first week of it being live.

In a continuous drive to improve the functionality of our website for the benefit of our stakeholders, we have adapted all of our listed publications so that they open in a flip book format, creating a more seamless reading experience.



Above / Katie MacAllister, Marketing & Communications Manager Below / Georgia Ellis, Marketing & Communications Executive

## Publications

Our bi-annual newsletter Portlife continues to be enjoyed by our stakeholders. In 2017 we revised our port map which now encompasses the many changes that have taken place at Shoreham Port in recent years.

## Internal Communications

In 2017 we led a successful Kaizen campaign which encouraged staff to think about continuous improvement in the workplace. In 2018 we have taken the idea one step further and introduced a new campaign called 'Why?' We are asking everyone working at Shoreham Port to question why they do things the way they do at work and what we can do to become more efficient. The campaign will be rolled out to staff using a variety of promotional tools such as posters, intranet polls and suggestion boxes. We look forward to engaging further with our staff and hearing their ideas.



## Corporate Services

# Stakeholder Benefit

### Events

We were delighted to host over 1,500 people for a unique behind-the-scenes boat tour during 2017. Our tours were available to members of the public with a certain number of boats allocated for local school groups, community associations and business groups. Our boat tours continue to grow in popularity and we look forward to welcoming new members of our community this year.

We continued to provide a number of coach tours; these were particularly popular with colleges and universities with students aspiring to work within the ports industry. Depending on their area of interest, one of our members of staff would provide an insight into

how we operate at the Port, the skills that are required to carry out certain roles and the areas of growth within the business.

We had a fantastic turnout at our annual Public & Stakeholder's Meeting in May. Over 90 people attended the event, keen to hear more about the current performance of the Port and our plans for the future. The evening is a great opportunity for local residents and port users to meet our Senior Leadership Team, ask questions and discuss any concerns they may have.

### Donations

We have an established Corporate Social Responsibility Group who meet

once a month to discuss donation requests received and any other stakeholder benefit activities taking place. We were pleased to reach our target of 0.5% of revenue donated to charitable causes and have set the same target for 2018. We have set criteria for donations to ensure that we can select which charities, schools and community groups to support, that fall within the footprint of the Port.

We were pleased to assist with two playground refurbishments, the first at Shoreham Beach Primary School and the second at St Nicolas & St Mary's CofE Primary School also in Shoreham. We had a fantastic time meeting the pupils and teaching staff at both schools and seeing the huge improvements made to their facilities.

We endeavour to help as many charitable causes as possible and where appropriate, offer additional support in terms of advice and recommendations. We are extremely fortunate to have a highly skilled in-house engineering team who have assisted with a number of construction projects at local schools.

### Station Partnership

We have been in a partnership with Southern Rail at Southwick Station since 2012. Every year we join forces with the station and often a local charity to work on a station enhancement project that benefits station users and the neighbouring

community. In 2017 we worked with Concordia Volunteers to deliver an art project which celebrated community spirit and unity amongst charities and organisations in the Southwick/Shoreham area. The artwork is located on the west side of the Brighton bound platform adding a great splash of colour to the station. Concordia Volunteers offer much needed work experience opportunities to young people to help them develop their skills and career prospects.

### Volunteering

We encourage our staff to take one day away from work each year, fully paid, to volunteer for a charity of

their choice. Charities benefitting from our Stakeholder Leave scheme in 2017 included homeless charity Emmaus and The Friday Club, who help to combat loneliness amongst the elderly community on Shoreham Beach. The Stakeholder Leave scheme enables employees to give something back to their community and in some circumstances, thank the charities who have previously supported a friend or relative. We are always on the lookout for volunteering opportunities and invite local charities to contact us when they have events coming up.



# 0.5%

We were pleased to reach our target of 0.5% of revenue donated to charitable causes and have set the same target for 2018.





800

So far the Port supports enough solar panel and wind turbine renewable energy production to supply over 800 homes and we hope to at least treble that over the next few years.

## Environment

### Greening the Port

Over the last twenty years, an initially small group of concerned ports around Europe have developed a programme of environmental assessment in the sector with the central aims of raising awareness of common environmental issues in ports and setting standard methods of assessment to enable ports to compare their environmental performance with others.

The EcoPorts initiative, as it is known, now has 94 members in 22 countries around the coasts of Europe. The EcoPorts initiative provides two well-established tools to help member ports attain their sustainable development and operational targets. The first of these is the Port Environmental Review System (PERS), which sets clear environmental objectives based on recognised environmental management standards whilst also taking port-specific qualities and characteristics into account. A PERS

Certificate is issued to each member port reaching the required benchmark standards after independent review by Lloyds Register. Twenty seven European ports have so far achieved accreditation and Shoreham Port is the only UK port so far to hold the PERS Certificate.

The second tool, known as the Self-Diagnosis Method (SDM), is a checklist designed to allow the identification of risks in a port and to set priorities for environmental action. In effect,

it is the passport to EcoPort status. Again, the SDM must be completed every two years and comprises a list of 264 questions covering all aspects of environmental policy, compliance and implementation.

The standardised format of the SDM approach has the advantage for Shoreham Port of enabling us to compare our progress with other ports throughout Europe rather than merely setting checks against European and UK environment legislation. It

enables us to set standards well above legal requirements in all areas but especially in areas of particular, specific concern to Shoreham Port.

For instance, Shoreham Port is, of course, located in the middle of the bustling conurbation of Brighton and has many thousands of residential neighbours within a few hundred metres of our highly active terminals and waterways. As a trust port, we are proud to count our local communities as major stakeholders and, although

the Port and our tenants and operators already easily exceed all legislative requirements on noise, dust, light pollution and odour control, we are constantly seeking to raise the bar ever higher.

Our SDM requires us to continually strive to reduce our carbon footprint and we do this both by installing renewable energy production and by reducing demand with high energy-efficient plant and equipment. With such a large estate and with over 150 separate tenants and port facility operators, there is huge scope for continuous improvement.

All of our many navigation aid lights are now powered by highly efficient LED lamps and we are making significant progress on our terminals and tenanted properties. With something in the region of 10,000 separate light fittings around the estate, we have our work cut out in that respect!





# Property

## Occupancy Levels

Throughout 2017 demand for our commercial property remained high. We maintained occupancy rates of over 95% across an estate of 150 lettable units. Developing positive relationships is very important to us. Again in 2017 it led to tenants renewing their leases or moving within our estate as they grow. We do this by providing high service levels, effective property management, communication and linking our tenant community through social media.

In November 2017 we purchased 48 Wellington Road, the former premises of CP Mechanical. This acquisition supports a key aim of the Masterplan by increasing

control of property along the Eastern Arm of the Port and adding to our commercial portfolio. Ownership ensures that it will be used appropriately and well maintained at this prominent entrance point into the Port.

## Maritime House

Another acquisition dominated the resources of our Property Department in 2017. Maritime House, a privately owned 20,000 square foot serviced office centre at Aldrington Basin was put on the market as a residential development opportunity. To prevent residential units adjacent to operational terminals and the eviction of 36 tenant companies, we bought the building in March. The building provides 55 lettable office suites and adds

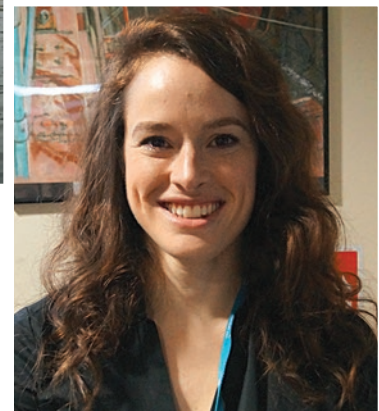
a new flexible offering for growing local businesses.

## New Developments

After growing the estate by buying property, we will continue to add further units to accommodate new tenants. Lady Bee Enterprise Centre will be a new commercial estate of 14 units at Southwick, north of the lock gates. The units will have a versatile layout to attract local industrial and office occupiers. In keeping with our sustainability and environmental ambitions the roofs are designed to maximise the number of solar panels and the centre will feature a separate building for recycling and bike storage.



Nicholson's Wharf



Helen English, Property Manager

3to10

The established team at Maritime House transferred to Shoreham Port with the building purchase. We have also recruited three additional new members of staff. As a result, the headcount of our Property Department rose from three to ten in 2017.

The new units form phase 1 of a comprehensive improvement plan for the Lady Bee Marina area. Next we plan to invest in the currently empty units fronting the A259. They will be reroofed and clad and will add another four occupiers to our tenant portfolio. The surrounding buildings will then be improved, public areas and lighting upgraded and new pontoons are planned for the marina. Lady Bee Marina will be revitalised as an attractive waterfront destination for Southwick.

Another target of our Masterplan was recently achieved in the purchase of property at Nicholson's Wharf. This acquisition will enable us to improve the

environment at this fishing marina and provide facilities to marina users. It will also help us to manage the access road and prevent inappropriate development for the benefit of our tenants and neighbours.

## Looking Forward

Now that the commercial space at Maritime House has been protected for the future we will implement a program of improvements to ensure its continued success. We started by upgrading the broadband for all occupiers to a competitive level, replacing kitchens and refurbishing communal areas. Forthcoming

works include bike shelters and entrance upgrades. We are delighted by the positive response from long standing tenants and continued high occupancy levels.

We now plan to link Maritime House to the adjacent Hove Enterprise Centre, creating a significant business hub. On the land between the two we intend to build new commercial units for local small businesses. We can provide an extensive range of unit types and sizes. Maritime House is an incubator for fledgling businesses that grow and move into larger premises within our estate. We hope to add to our reputation for such success stories.

Tim Hague, Director of Property & Development



Artist impression of Lady Bee Enterprise Centre







# Masterplan

## Moving and Stacking

Our estate covers over 70 hectares of land along the coast between Hove and Shoreham. In addition to the facilities of a thriving port we manage operational terminals, industrial estates and business centres. The Port and its land play a key role in the local and regional economy, in accommodating jobs and providing development opportunities. For this reason it is essential that a plan is maintained and adhered to, to ensure that no opportunity is missed.

## Revised Masterplan

Our Masterplan was originally adopted in October 2010 after considerable public consultation. It sets out the strategy and proposals for future development of the Port's estate. In 2017 we decided it was time to reflect on its early progress and overall effectiveness and to consider

areas where it may need refreshing. After an internal review we sent our findings out to stakeholders and published them online and requested feedback.

We found the general opinion to be that the Masterplan remains fit for purpose and is proving to be robust and effective. In August we published a revised Masterplan (available at [www.shoreham-port.co.uk/Masterplan](http://www.shoreham-port.co.uk/Masterplan)) in which we recognised issues that have become more significant since 2010. We will continue to review the plan at sensible intervals and to promote it to ensure that it remains relevant and influential.

## Joint Area Action Plan

Shoreham Port worked with Adur District Council, West Sussex County Council and Brighton & Hove City Council to agree a Joint Area Action Plan (JAAP) for regeneration around the harbour area. The JAAP reflects our Masterplan, meaning that decisions by

those authorities will support our aims.

Nowhere is this teamwork more apparent than the Western Harbour Arm. This area was earmarked for significant change with the relocation of existing industrial uses and the redevelopment of the land for substantial new residential and employment uses. Our involvement in this project to provide much needed housing and business space consists of the sale of Kingston Wharf and our interest in Free Wharf. Free Wharf is leading the way so far, with a successful application for 540 homes and commercial space by Southern Housing Group.

This Masterplan accomplishment provides a domino effect for other targets. Funds received from the sale of our land will be used to acquire property, develop new commercial units and make other improvements within the core Eastern Arm of the Port. Western Arm disposals will cause some migration of port operations



# 100<sub>to</sub>150

A highlight of 2017 was the expansion of our tenant community. Through property acquisitions we have increased our tally of tenant companies from 100 to 150. We intend to continue this trend and provide premises for at least another twenty companies through progress on our development sites.

into the Eastern Arm, providing opportunities to reclaim land, create new port facilities and where non port-related uses have departed, utilise those sites for port activities.

## Looking Forward

The next seven years will be as busy as the last. At this stage we have an excellent track record of success and progress has been made faster than anticipated. We are on track to create new commercial space, invest in port facilities and infrastructure and generate jobs within a relatively short time frame. As well as contributing to wide scale regeneration, our work will develop the increased capacity required to achieve 25% growth in trade over the Masterplan period.



# Finance

2017 was another steady year with solid finances meeting our budget expectations.

## Financial Highlights 2017

- Turnover – £13.3m an increase of 0.7% from 2016.
- Cargo tonnage exceeded 2m tonnes.
- Operating profit – c£424k.
- Capital expenditure – c£579k.
- Investment Properties – c£28m an increase of 19%.
- EBITDA – c£2.3m an increase of 9.7%.
- Reserves – £58m an increase of 2%.

## Trends

Tonnage through the Port exceeded 2m tonnes for the second year in a row and the trend over the last five years is growth of 29%.

The Port had another record turnover in the year of c£13.3m, growth of 0.7%. In the last five years the revenue has grown 28% and in the last 10 years 68%.

Operating profit for 2017 totals £424k, a slight decrease over 2016 due to the continued investment in the Port's infrastructure.

Profit before tax was some £109k however excluding the fair value gain on investment properties the Port would have made break-even position, meeting its budget and strategy.

The Port's EBITDA at £2.3m is ahead some 9.7% over prior year and the trend from 2008 has been growth of 50%.

## Investments

Over £579k was spent on capital projects during the year, primarily on the build cost of the new tug which the Port takes delivery of in 2018.

The Port spent c£4.3m on property during the year, purchasing Maritime House and 48 Wellington Road as it continues to expand its property portfolio in the East Arm, as per the Masterplan. The Port received a grant from Coast to Capital to assist with the purchase of Maritime House to ensure local jobs were protected.

Some c£1.9m was spent on repairs and maintenance during the year on the Port's extensive infrastructure which included shed repairs, fencing, roads, lighting, lock gates, terminals, shingle transfer and dredging works. Due to the size and age of the Port there remains a huge appetite for expenditure on infrastructure.

Over the last three years some £6m has been spent on the Port's up keep, demonstrating our commitment to keeping the Port in the best condition for its stakeholders.



Sara Bassett, Finance Director & Deputy Chief Executive



# 28%

The Port has seen revenue growth of 28% over the last five years.

## Outlook 2018

2018 has seen a reasonable start with ship calls 0.8% ahead of prior year and most cargoes performing close to budget levels. The Port continues to benefit from the number of fishing vessels on the south coast and confirmed dry dock bookings into Q3.

Investment opportunities also continue for example at the Lady Bee Enterprise Centre and next to Maritime House at Aldington East.





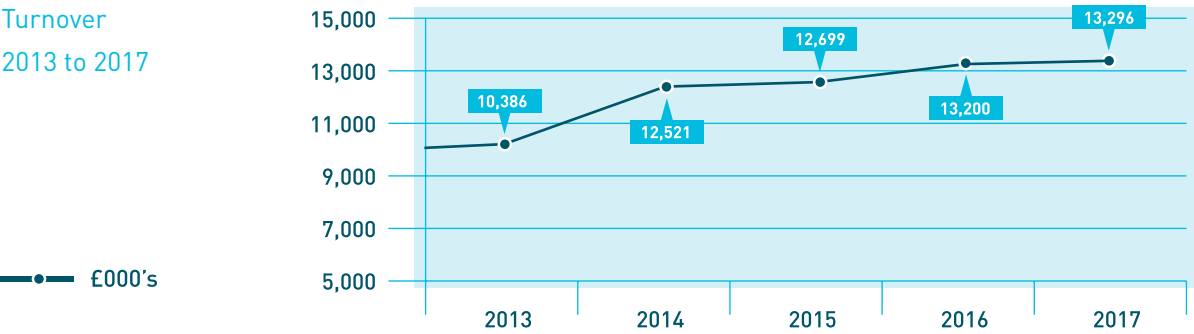
# Annual Accounts

## Consolidated Statement of Comprehensive Income

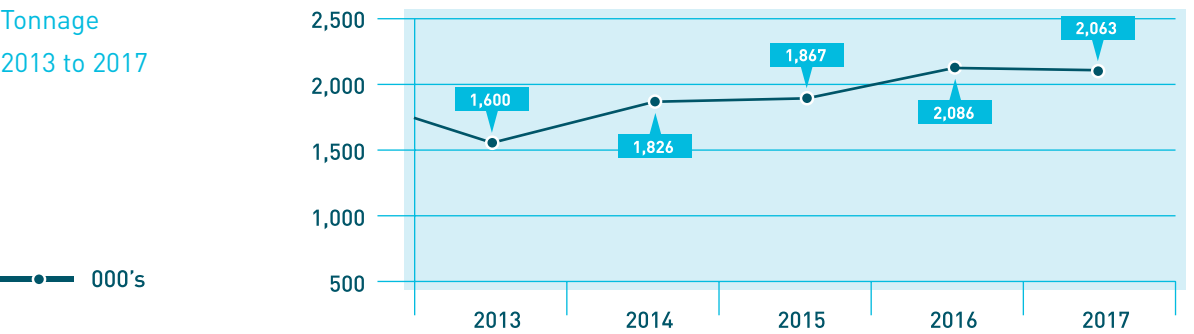
for the year ended 31 December 2017

	2017	2016
	£000's	£000's
Turnover	13,296	13,200
Cost of sales	(6,562)	(7,003)
<b>Gross Profit</b>	<b>6,734</b>	<b>6,197</b>
Administrative expenses	(6,310)	(5,692)
<b>Operating Profit</b>	<b>424</b>	<b>505</b>
Interest payable & similar charges	(424)	(398)
Fair value gain on investment properties	109	5,335
<b>Profit before taxation</b>	<b>109</b>	<b>5,442</b>
Taxation	(199)	(609)
<b>(Loss)/Profit for the financial year</b>	<b>(90)</b>	<b>4,833</b>

Turnover  
2013 to 2017



Tonnage  
2013 to 2017



## Statement of Financial Position

for the year ended 31 December 2017

	2017	2016
	£000's	£000's
Fixed assets	50,257	51,606
Investment properties	28,020	23,558
Current assets	5,476	4,445
Creditors: due within 1 year	(6,689)	(4,448)
<b>Total assets less current liabilities</b>	<b>77,064</b>	<b>75,161</b>
Creditors: due after more than 1 year	(13,820)	(11,580)
Provisions for liabilities	(3,982)	(3,981)
Defined benefit pension liability	(1,034)	(2,536)
<b>Net assets</b>	<b>58,228</b>	<b>57,064</b>
<b>Reserves</b>	<b>58,228</b>	<b>57,064</b>

## Consolidated Statement of Cash Flow

for the year ended 31 December 2017

	2017	2016
	£000's	£000's
Cash generated from operations	2,428	1,597
Interest paid	(359)	(324)
Income taxes paid	(295)	(406)
<b>Net cash inflow from operating activities</b>	<b>1,774</b>	<b>867</b>
Investing activities	(3,831)	(2,361)
Financing activities	3,057	1,245
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,000</b>	<b>(249)</b>
Cash and cash equivalents at the beginning of the year	613	862
<b>Cash and cash equivalents at the end of the year</b>	<b>1,613</b>	<b>613</b>

A full financial report is available on the Port's website: [www.shoreham-port.co.uk](http://www.shoreham-port.co.uk)