

2018

Annual Report



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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.



Trust port in existence since 1760



Timeline

Amber foster is elected as Chair of Shoreham Port Board



JAN

FEB

Shipping Minister and local MP visit Shoreham Port



MAR

APR

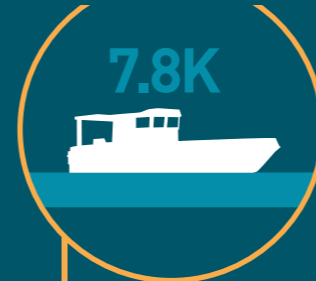
Refurbishment of 130-136 Albion Street starts after nearly 20 years of the buildings being derelict space.



MAY

JUN

RT hosts busiest week of boat tours yet, welcoming over 7,800 visitors.



JUL

AUG

Construction of Lady Bee enterprise centre gets underway. Due for completion in spring 2019 it will increase renewable energy & jobs.



SEP

OCT

Port invested £100,000 replacing two hydraulic RAMS on a CR1 crane for the benefit of customers.



NOV

DEC



Port signs the Women in Maritime pledge to promote gender equality in the Maritime industry.



Port modernise 3 energy efficient Pump House controls at a cost of £113k.



Port has best year yet for timber volumes breaking 2016 figure. In June, timber on the ground exceeded 110,000m3 at various times.



Proud 2B Safe give an inspiring wellbeing and safety talk on resilience to Port staff.



Port invests £1,325,000 in a new tug boat, acamar with assistance from santander who helped facilitate the purchase through asset finance.



Staff hold christmas jumper day in aid of the Sussex Cancer Fund and raise £1,000

Facts and Figures

1,588

Commercial shipping movements



1,014

Fishing vessel movements



2.1

Million tonnes cargo



Pump House controls

2,700

Litres of Water per Second



Annual Timber

326,193

Tonnes



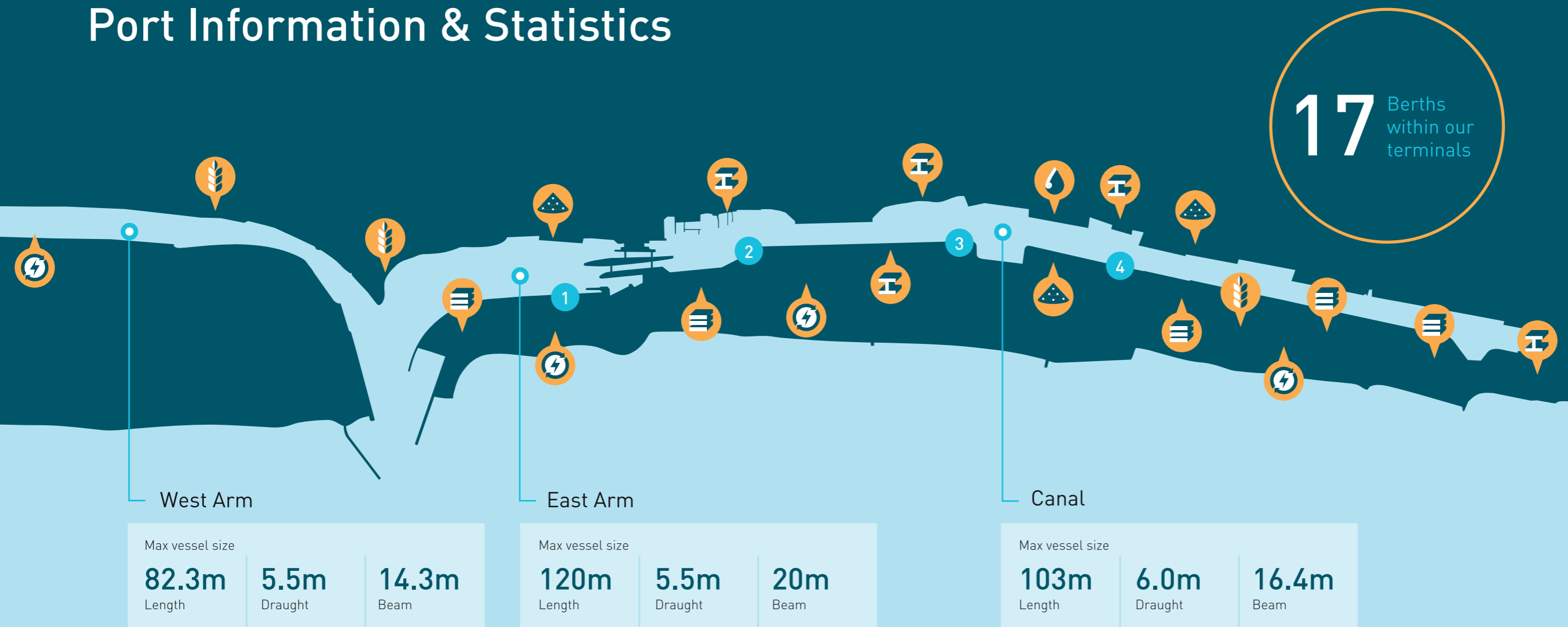
Solar Panel Capacity

2.4

Megawatt



Port Information & Statistics



Key

- Oil
- Steel
- Aggregates
- Timber
- Public amenity
- Grain
- Renewable energy
- Fisheries
- Development opportunities
- Waterside leisure

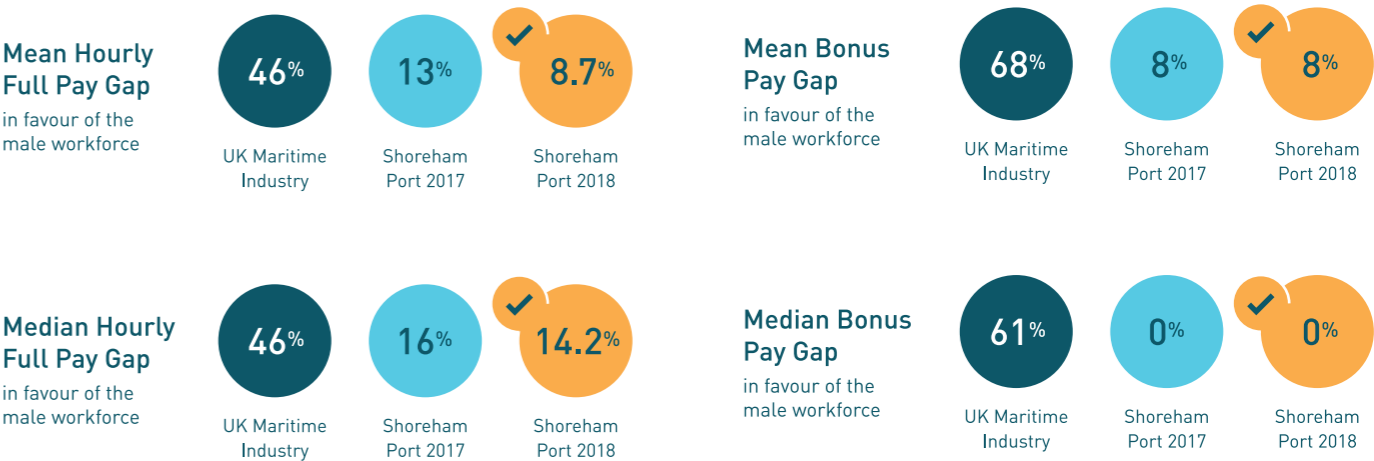
Main Terminals

- 1 Outer lay by
- 2 Inner Layby
- 3 Fishergate terminal
- 4 Brighton Terminal

Employment Statistics



Gender Pay Gap Statistics



Chair's Report

I am delighted to present my first Annual Report as Chair of Shoreham Port. 2018 was a good year for Shoreham Port with trading results showing consolidated revenue of £14m was 7.2% up on the prior year. The cash flow remained positive and all banking covenants were met, as the Port continued to invest in property developments in the East arm of the Port. As before, our strategy to position the Port for a breakeven position was followed.

Looking after the environment and keeping our people and Port users safe remained at the centre of all Port activities. Our safety culture is a key focus for the Board and continues to be the first item discussed in-depth at each Board meeting.

The Board are satisfied that the Port continues to meet the requirements of the Port Marine Safety Code, with the designated person carrying out audits in May and December followed by presentation to the Board in January. Only a few small recommendations were made and these were immediately closed out.

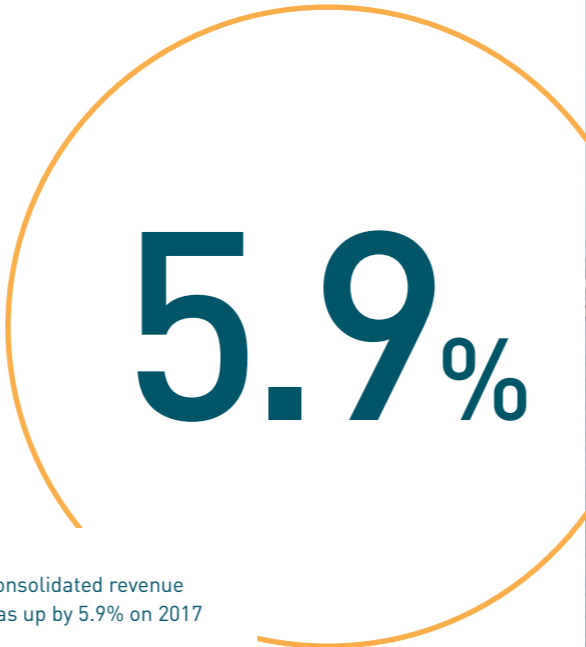
An independent safety consultant has been hired by the Port since October to review the landside of our operations and his findings to date have confirmed that the Port has a robust safety system in place. Again improvement observations were made and these have been acted upon.

2018 was again a very busy year for the Port as we kept the Masterplan on track with the Board approving and supporting the continued expansion of the property portfolio, whilst ensuring sufficient investment was made in the Port's equipment, infrastructure and beach defences.

As a Trust Port, we make longer term decisions on investment, whilst ensuring they are commercially viable and suitable for our location and local residents. The Port is a key economic driver and we are pleased that over 1,600 jobs continue to be sustained on the footprint of the Port.

Hearing the views of our local community and stakeholders is very important to the Board and the Senior Leadership Team. The Annual Public meeting in Southwick's Barn Theatre continues to be very popular. It is an excellent forum for our local stakeholders to engage with the Board and senior members of staff, be updated on our future plans and give feedback as well.

The twice yearly Local Area Liaison Committee and Port Users Group meetings work very effectively and we are pleased with the turnout and constructive discussions that take place in a formal meeting environment.



Chair's Report

In September the Board conducted their yearly review of the strategic direction of the Port, reviewing and adjusting the five year rolling business plan to ensure it remains achievable, suitably funded and aligned to the Masterplan. For a port of this size, raising capital for the ambitious and exciting plans remains a key challenge; hence we continue to seek out grants where applicable and are pleased the banks remain very supportive and keen to work with the Port.

The Department for Transport has invested in a coastal shipping study to review the benefits of using the vast number of coastal ports like Shoreham, which can assist reducing congestion on our road network and improving air quality through moving more freight by sea. We have participated in this study and look forward to the conclusion and recommendations in 2019.

Our Chief Executive, Rodney Lunn completed a successful term as Chairman of the British Ports Association and he remains on the association's Council. We ensure that all our Senior Leadership Team remain fully engaged with this influential trade body, which represents the port sector and promotes, at all levels of government, a forward thinking agenda whether on policy, environment or gender diversity through the Women in Maritime Taskforce.



The Board remain committed to good governance and fully embrace all the principles set out in the Ports Good Governance Guidance document. With this in mind I would like to thank our Non-Executive Director Stuart Nicholls who successfully completed his six year tenure at the end of 2018, and I am delighted to welcome Sir Alan Massey as his replacement.

The Board have considered the likely implications of Brexit, and are satisfied that suitable contingency preparations have been made and that the Port is well positioned to meet any changes to the customs arrangement and possible stock piling of cargo in the short term. Given the diverse nature of the revenue streams, we do not believe the Port will be affected in the long term.

Finally I would like to thank all members of the Board and staff throughout the Port for their support and for continually pushing the Port forward into new areas, whilst providing a great service to our stakeholders.

Amber Foster
Chair

The Board

1. Amber Foster

Chair

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 specialising in commercial law. 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 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 also a trustee for NCT (the UK's largest charity for parents) for several years during which she held the positions of Honorary Secretary and Vice Chair. She lives in Brighton with her husband and daughter.

2. Trevor Giddings

Deputy Chair

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.

3. 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. 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 Paviers. In her spare time she enjoys sailing, travelling and walking with family and friends. She has lived in Hove since 2003.

4. 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 has previously been a School Governor.

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The Board



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5. 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 and Chair of Enviromena Ltd a solar renewables developer and EPC contractor based in the UAE. He is married with three daughters and lives in Wimbledon, South West London.



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6. Sir Alan Massey

Non-Executive Director

Sir Alan Massey was appointed to the Board of Shoreham Port in January 2019. He has long experience of the maritime environment, having served for 33 years in the Royal Navy before taking over as Chief Executive of the UK Maritime & Coastguard Agency in 2010. As a naval officer he commanded a number of major warships, including the aircraft carriers HMS Illustrious and HMS Ark Royal, later sitting for five consecutive years on the Admiralty and Navy Boards. His naval career culminated as Second Sea Lord and Commander-in-Chief, Naval Home Command. In his 8 years with the MCA, Sir Alan led a fundamental transformation of HM Coastguard Service, introduced an all-new fleet of UK Search and Rescue helicopters under MCA control, and modernised the MCA's vessel survey, inspection, regulatory and ship registration functions.

7. 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.

8. Stuart Nicholls

Non-Executive Director 2013 - 2018

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 Stratum Five 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 he is very passionate about rugby.



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The Senior Leadership Team



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1. 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 also sits on the Council for the British Ports Association having stepped down as Chairman last year.

2. Sara Bassett

Finance Director & Deputy Chief Executive

Sara joined Shoreham Port in 2007. Prior to joining the Port she gained over 12 years' experience working within financial services and commercial accountancy for companies such as Lloyds TSB, American Express, Cytac 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 utilised and maximising revenue streams. Sara was promoted to Finance Director & Deputy Chief Executive in 2014 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 a Board Member for the Brighton & Hove Chamber of Commerce.

3. 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 13 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. Beth is currently studying for an MBA at Warwick University and in 2018 she was elected to chair the Port Skills and Safety Group.

4. 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. Nicky is a member of the Women In Maritime Taskforce, tackling gender equality within the maritime sector. She is passionate about building employment cultures that are inclusive and celebrate diversity. In 2017 Nicky became the Treasurer of Sussex CIPD and is a member of the Greater Brighton Metropolitan College Strategic Employers Board. She is also responsible for leading the communications 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.

The Senior Leadership Team

5. 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.

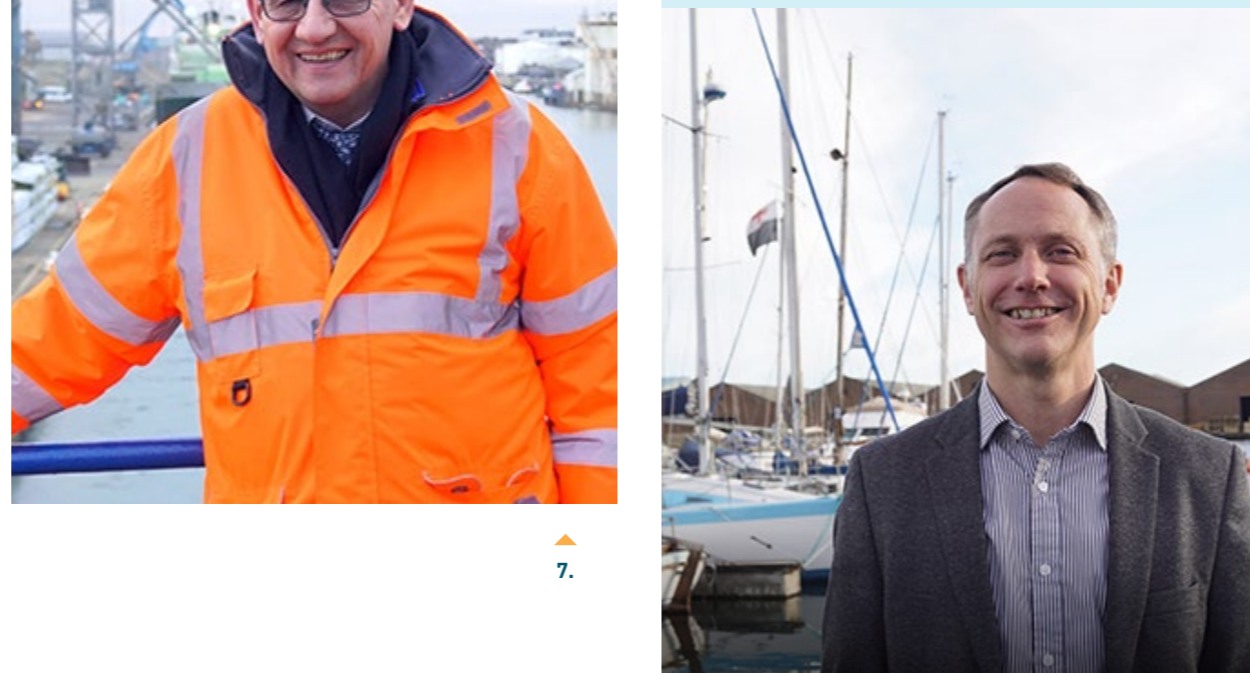


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6. Paul Johnson

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.



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7. Tony Parker

Director of Infrastructure & Climate Change

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 and a member of the ICE's Maritime Panel.



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8. Brian Rousell

Director of Engineering

Brian has cumulatively worked at the Port for over seven years, having worked as a Port Engineer for six years from 2009 and returning to become the Deputy Director of Engineering in February 2018. Prior to joining the Port, Brian studied Civil Engineering at the University of Portsmouth before working in a variety of engineering roles, predominantly working within clean and waste water schemes. Brian is a Chartered Civil Engineer a Member of the Institution of Civil Engineers and a STEM (Science Technology Engineering and Maths) Ambassador.

9. 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 was promoted to Tug Master/Hydrographer and in 2008 was promoted to Assistant Harbour Master before becoming Harbour Master in July 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 and the chair of the Shoreham Port Security Authority and of the Solent and Southern Harbour Masters Association. He is a member of the UK Harbour Masters' Association, International Harbour Masters' Association, The Institute of Marine Engineering, Science & Technology, Central Dredging Association and The Hydrographic Society UK.

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Chief Executive's Report

Summary

Overall 2018 was a good year, with ship call numbers remaining steady, but tonnage throughput increasing with larger ships each carrying more cargo. Our property portfolio also benefitted from improved occupancy levels again.

The Ports' key cargoes of timber, aggregates, bulks and glass, all showed growth, whilst the other core cargoes of steel, petroleum, woodchip and cereals were either steady or below the prior year.

Construction in the key hinterlands of London and the South East benefited from an expanding housing market and many large scale projects, thus fuelling demand for products through the Port.

As a Trust Port, all surplus funds are reinvested back into the Port for the benefit of its wide range of stakeholders. This includes ensuring that our terminals are well maintained for our customer's cargoes and key purchases such as a new tug to keep the Port open with improved levelling operations. We also invest heavily in local community based projects, for example new bus shelters overlooking the Port or investing in local schools to improve their facilities.

Results

In the management accounts, when compared on a like for like basis and before any year-end adjustments, the consolidated revenue for the Port was c£14 million, an increase of 5.9% over the prior year. Following year-end adjustments revenue as per the statutory accounts for 2018 is c£14.2m an increase of 7.2% over 2017.

Occupancy levels throughout the Port's thriving property portfolio increased to 99%, up 3% from the prior year. The Port now has over 100 tenants and property income equates to roughly 30% of total revenue.

The Port handled 783 commercial ships, which was very similar to the prior year, but with vessels increasing in size and carrying more cargo, the cargo tonnage was up 2.9% at 2.1 million tonnes.

All of our key tenant's cargoes on the Port, including petroleum, aggregates and cereals had a reasonable year with overall tonnage up 2.6% on the prior year.

With four aggregate companies bringing ships to the Port, this continues to be our key base commodity with 1,429k tonnes imported during the year, up 4.1% on the prior year.



↑ 4.2%

The Port's Operations Division had a good year and handled 499,000 tonnes of cargo, which was 4.2% above the prior year



65,000 tonnes of petroleum products were handled through the Port in 2018, down just 3,000 tonnes, -4.8% compared to the prior year. Investment in the terminal continues.

128,000 tonnes of cereal was shipped through the Port to markets in the UK and Europe, and this was down 11% on the prior year.

The Port's Operations Division had a good year and handled 499,000 tonnes of cargo, which was 4.2% above the prior year. This growth was primarily driven by imported timber from the Baltics which had a record year bringing in 456,00m³, up 12.3% from 2017.

Overall, steel throughput during 2018 was 3.4% down at 86,000 tonnes for the Port. However, steel for embankments and flood defence work was up 9.4%, whilst steel for buildings and other construction work was down 13.2% compared to the prior year.

The Port's bulk terminal on Power Station Quay was again very busy with sand, quarried stone and rock salt from earlier in the year. During 2018 41,000 tonnes of bulk was handled, up 7.9% from the previous year.

Recycled glass to Europe had a good year and was up 19.4% at 16,000 tonnes, whilst woodchip exports to the UK and Europe were down 45% at 18,000 tonnes owing to changes in contracts and demand from the south east.

The Port remains a very popular destination for fishing boats, with excellent facilities for fish handling. Visiting boats were mainly berthed on the Power Station Quay for a quick and easy discharge. Fish landings in 2018 were 31.6% up over the prior year.

Throughout the year, the Marine Department worked very closely with our broad range of leisure users and the circa 500 leisure berths were again all occupied.

During the year, the dry dock facilities were cleaned up and improved for visiting vessels of up to 50 metres in length. The new tug Acamar was a welcome addition to the fleet and Shoreham Port can now provide bed levelling services to a greater range of ports.

Chief Executive's Report

Masterplan

The Masterplan and refresh of the plan in 2016 remain very much on track. During 2018 the Port exited from land ownership in the West arm and will be using the proceeds to purchase land in the East arm, thus maintaining and increasing its land ownership.

The Lady Bee Enterprise Centre, which will provide 14 new light industrial units with mezzanine floor levels, ranging from 800 to 1,200 square feet received planning approval and construction commenced during the year, with completion expected in mid-2019.

In addition, renovation of the units on Albion Street also started and will be completed in early 2019, vastly improving the area and facilities offered.

After protracted discussions Britannia Wharf, the only derelict site in the Port was finally leased out at the end of the year and existing structures are now being demolished and new paving and building installed to bring the terminal back into operation. Completion is expected in the first half of 2019.

Stakeholders

We thank our customers in the UK, Sweden and Latvia for their ongoing support and loyalty as we continue to strive together for improved efficiency and turnaround.

Working and engaging with our neighbours locally was high on our priority list again. We much appreciated the feedback we received and are pleased to say we only had 33 complaints throughout the whole year, mainly related to noise outside normal working hours. A noise monitoring system has now been installed.

The annual boat trips week proved hugely popular again and we enjoyed having the schools, business groups and local residents see the Port from the water.

The Port provides a great work experience environment, and not only were we able to welcome many local students, but we also worked with University graduates completing their studies.

We worked with a number of charities during the year providing time and support, and encouraged staff to have a day off working for a local charity, an initiative which continues to gain momentum.

Environment

The Port continues to work on many environmental fronts, from installing LED lights throughout its estate, to ensuring solar panels are fitted to the new Lady Bee Enterprise Centre, utilising power from the two onshore wind turbines, encouraging a cycle to work



scheme and introducing power sockets for vehicle charging, all of which assist in growing and enhancing our Eco Port credentials.

The Spring and Autumn transfer of shingle to protect our beach frontage were again very successful, but, to keep on top of this escalating challenge, we are discussing with the local authorities a combined effort to protect the area from our East Harbour Arm to Brighton Marina.

Outlook

The success of Shoreham Port is undoubtedly down to the hard working and dedicated staff throughout all departments, which keep the Port open 24 hours a day. I would like to thank them all for their excellent contribution and for keeping our customers informed, safe and wanting to come back each time.

By the time this Annual Report reaches you, March 29th (Brexit day) will have passed, and irrespective of what outcome is finally agreed, Shoreham Port is ready to meet the challenge and ensure cargo continues to move smoothly through the Port.

The Port continues to have a diverse mix of stakeholders and customers from shipping lines, receivers, tenants, spot cargo



owners, fishing trawlers, leisure users and many others. This wide variation ensures we have a very positive outlook for the Port as we continue to invest for the future.

The Port may not be biggest port but we certainly want to be best in everything we do and our dedicated workforce are key to that success, so their growth, training and development will remain a top priority.

Rodney Lunn
Chief Executive



Safety/Compliance



Importance of Health and Safety

Health and Safety remains at the centre of all that we do at Shoreham Port and is the number one consideration when carrying out all of our operations. We are pleased to report that we had no major accidents or incidents throughout 2018 and that all minor accidents, incidents, near misses and safety observations reported were thoroughly investigated, and no trends identified. Risk assessments are continuously reviewed with additional safety control measures implemented as required. We had one over seven day RIDDOR (reportable report to the HSE) for a minor hand injury towards the end of 2018.

My Compliance software

As part of our drive to improve safety in all areas we implemented a new safety software system to enable us to digitalise our accident and incident reporting mechanism. 'My Compliance' software was initially rolled out to the Operations department at the beginning of 2018 and the Marine department by the end of 2018. My Compliance has ensured that all accidents/incidents reported from the ground are expedited with a full investigation and closure in a timely manner. The number of Safety Observations has increased since we have implemented this system, leading to increased learning and safety awareness. All key managers can now review the accident and incident reports as they happen which has enabled them to challenge and consider corrective actions a lot quicker as opposed to the previous paper system.



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“My Compliance saw an increase of 50 reported safety observations by our Operations department compared to 20 in 2017. Following its success, the Admin and the Engineering department will also be integrated into My Compliance during 2019”.

Looking Forward

The Port industry continue to benefit from the work of Port Skills and Safety (PSS) which is the industry body collating and distributing health and safety notices and promoting best practice. Shoreham Port are fully engaged with PSS and attend their working groups and training courses. Continually improving the safety culture of the industry and Shoreham Port is an ongoing goal. Whilst we can demonstrate a good safety culture we need to refine how we measure this and are introducing some new tools so we can benchmark our safety culture versus other ports and industries. Understanding our safety culture will ensure that we can continually improve our overall health and safety throughout the Port. With over 300 risk assessments and safe systems of work throughout all departments at the Port, it is a great challenge that they are all up to date and complicit with current regulations. Digitalising our legal register onto My Compliance will also enable us to hold a live legal register.



Compliance Committee

This sub-committee of the Board has ensured that all areas of health and safety are challenged whilst reviewing in detail the risk register, business continuity plans and ensuring the correct level of insurance is afforded to all areas of the Port. The external reports of the safety audit for on water and the dry side were considered, with appropriate action plans drawn up based on the recommendations.

Fire Safety

Once again fire safety across the Port was examined and based on this a fire safety upgrade and new installation of a fully automated and integrated fire alarm system within Maritime House and its warehouse was installed. Additional, formal fire marshal training was given to the tenants (volunteers) of Maritime House.

First aid Training

At any time an emergency may occur across the Port, therefore to ensure we are best equipped to deal with this all new staff are given first aid training within the first six months of employment. Equally our existing staff continue be trained and we now have over 80% of our workforce trained in first aid. In addition to our own first aid training for our staff we offered this training to a local charity organisation 'Emmaus' as part of our stakeholder engagement activities, which proved to be a huge success. With first aid training being high on the safety agenda we were delighted to hear that our tenants at Waterside House have also had significant staff trained in first aid.





Marine

Port Marine Safety Code

The code requires an effective Marine Safety Management System to be adopted, based on formal risk assessments that outlines the duties of the Board members, officers and key personnel in relation to safety and navigation, and summarises the main statutory duties and powers of the Harbour Authority. 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 (ALARP) 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 an independent Designated Person in May and December, who having considered all the requirements of the Port Marine Safety Code, including reviewing the marine risk assessments and the Marine Safety Management System, reported that Shoreham Port meets the standard required by the code. The Designated Person attended the January 2018 Board meeting to give an assurance directly to the Duty Holders

that the Marine Safety Management System, for which the Duty Holder is responsible, is working effectively. The Designated Person issued the Port with a certificate of compliance.

Marine 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 2019.

Commercial/Traffic 2018

During 2018, a total of 1,588 commercial movements requiring a Pilot entered and departed the Port, this being 2.4% down on 2017 commercial movements. Even though the number of commercial vessels movements were down on 2017, the import and export of cargo was up by 4.5% to 2,124,000 million tonnes. The impounded canal is a safe haven for all vessels working in the eastern part of the English Channel. The Port continued to be used by workboats and survey vessels with an additional 548 vessel movements.

The summer of 2018 was not a washout which gave our leisure stakeholders the opportunity to take to the water. The National Coastwatch Institution reported that there were 13,159 leisure



vessels that passed their lookout of which 9,435 vessels transited through the Prince George Lock. 2018 saw the visiting fishing vessels continue to call at the Port. It was another exceptional year with 1,014 visiting fishing vessels movements which once again kept Shoreham Port as the number one port for scallop landing in the United Kingdom. A total of 5,817 tonnes of fish and shellfish were landed at Shoreham Port in 2018 with a value of £13,468,000.

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. Survey data also provides the information for calculating the minimum entrance allowance for commercial vessels and for the dredging requirements.

Dredging and Bed levelling

Following the spring dredge campaign the maximum entrance draught allowance was re-established for 2018.

Port Security

Port security is a necessary function, not only to ensure the security of Shoreham Port and the Ports estate but also to provide cover as part of the nation's international commitment to security. As such the Port follows the requirements of the International Ship and Port Facility Code (ISPS). This code outlines a standardised, consistent framework for evaluation of risk, enabling government to offset changes in security threat with changes in vulnerability for ships and port facilities. To ensure compliance, the Port Security Framework includes a Port Facility Security Plan and Port Facility Security Officers. These plans are constantly reviewed, updated and approved by the Department for Transport. The security of our boarders is the responsibility of the UK Border Force.

Port User and Leisure Safety Groups

The Port held the Annual Public Meeting in May, the Port User Group met in April and November and the Leisure Safety Group met in January 2019. These forums are well established, with a strong attendance and 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 2018. Incident trends have been looked at and discussed at the various stakeholder meetings with the lessons being learnt.

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 2018, all of which passed inspection.

Port Vessel

2018 saw the delivery of Acamar, a new 16 meter general-purpose harbour tug. The bespoke vessel was designed by Macduff Ship Design and built by Macduff Ship Yard in their ship yard in Scotland. The design was customised to suit Shoreham Port's busy operations schedule and to transit through the Prince George Lock.

Operations

Health & Safety

In a busy operational Port like Shoreham the single most important factor every day, every hour is the health & safety of our staff and everyone (contractors, drivers, visitors) who visit the Port. Health and Safety is firmly put at the centre of everything we do. We continue to drive for excellence in our safety standards and all staff are encouraged to be a safety officer, responsible for ensuring their own and others safety. We encourage an open dialogue between all the staff, continually investing and implementing improvements every day.

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. 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 to agree on key processes and procedures in Port areas.

In 2018 the Port invested in creating a video to remind lorry drivers about the safety and best practice required when operating in the Port. This video is displayed in the reception of the haulage office for all drivers to see. The video was scripted, directed and starred Shoreham's operations employees and regular hauliers. We believe that for safety to be put at the centre of everything we do, projects like this need to be led from the bottom up and supported by management. The haulage video is great example of the engagement and enthusiasm of the Port's staff to educate and improve health and safety.

Customers & Cargo

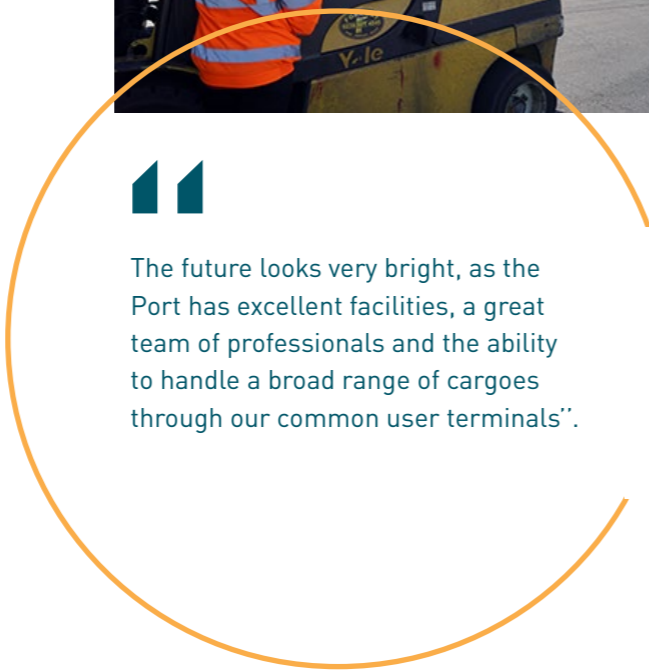
Thank you to all our customers who have used the Port in 2018. We have had great pleasure in working with them and visiting their sites in the UK and abroad.

Shoreham provides to all its customers a first class and efficient service. Its smaller size enables it to flexibly adapt to meet individual customer needs. We pride ourselves on working closely with our customers, listening to what they really value and require from a port, working together to add value to their supply chain. Our unique timber stock management system has been developed alongside our customers enabling them to optimise the management of stock through the Port, and providing them with the flexibility to build lorry loads to suit individual requirements.

In 2018 Shoreham remained a premium port for forest products and a new record was set with over 450,000 m3 of timber handled by our committed and dedicated staff. A variety of different types of timber were imported through the Port mainly for the construction industry, with regular vessel calls from Sweden, Latvia and Finland.



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”.



Although renowned for our timber handling expertise our multi skilled port staff handled a variety of other commodities, including steel, grain, recycled glass, type 1, wood chip, and rock wool. Over 85,000 tonnes of steel was imported into the Port in 2018 which was just below our budgeted volumes for this cargo. Recycled glass performed well, coming ahead of last year with over 15,000 million tonnes exported from the Port. In addition to our traditional cargoes, in 2018 we worked with Abnormal Load Engineering (ALE) to import and deliver out a number of large transformers. This 'project cargo' provided a great opportunity to illustrate Shoreham's ability to handle all kinds of cargo. Throughout the year the Port's in house dedicated ships agency division provided a range of ancillary services to a large number of vessels servicing the off shore wind industry.

Terminals & Equipment

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

Beth Evans-Gay Commercial & Operations Director



Dave Bunker General Manager - Operations



in good condition. Key to our operational efficiency is our five Sennebogen material handling machines. Specifications for the next new crane are being drawn up ready for ordering.

Staff

We have a highly dedicated, skilled and loyal operations team who take pride in handling the ships, cargo and administration efficiently. Thank you to all of the operations team that have enabled the department to achieve a record year on revenue, efficiencies and continuous improvement. We recognise the importance of staff welfare and facilities and spent 2018 investing and improving them, particularly at Brighton Terminal. The enhancements to our staff facilities will continue into 2019.

Outlook

The future looks very bright, as the Port has excellent facilities, a great versatile team of professionals and the ability to handle a broad range of cargoes through our common user terminals. The Port is a vital cog in the logistics chain and further investments will continue to increase this role.

Engineering

Changing Spaces

The world is already changing faster than any of us could possibly have imagined just a few years ago and yet the rate of change is still growing like a snowball rolling down a steep hill. The rapid evolution in human and natural environments is nowhere more evident than in the fields of transport and engineering, and Shoreham Port is determined to stay with industry leaders when it comes to reacting to the range of challenges as they arrive on the doorstep.

Indications of change permeate the whole of our environment and dealing with the consequences of it often calls for a combined and cooperative effort with our neighbours and close allies in various ways. In the natural environment, for example, scientists have warned us for some time that global warming is the cause of our repeatedly record hot summers but perhaps less obvious is the connection between global warming and increased storminess. The storms of almost tropical intensity that we have endured in recent years have needed a greatly increased effort to repel them. The bigger storms move huge quantities of shingle from our beaches eastwards only for it to collect again six miles to the east against Brighton Marina's

harbour arm. In 2018, the Port worked in cooperation with Brighton & Hove City and Southern Water to undertake a record transfer of the excess shingle back from the Marina to the Port, where it is now performing sterling work in preventing storm waves from battering our seawalls.

Another effect of global warming is sea level rise and work to counter higher sea levels is taking place all along the coastline. Better defences with higher seawalls have recently been installed all along both sides of the Western Arm of the Port by the Environment Agency. Plans are well underway for the same standard of defences to be constructed along the next length of coastline eastwards – that six mile length from the harbour entrance to Brighton Marina. This time the joint effort is between Shoreham Port, Brighton & Hove City and Adur District Council, with the lead taken by the City under the overall aegis of the Environment Agency. The multi-million pound scheme will reduce the chances of a breach to relatively insignificant levels for the next 100 years or so. It is hoped that work on the ground can begin in 2022.

Once those defences are complete, there will be just one more gap to fill in our sea defences – the front door of the Port at the



Brian Rousell Director of Engineering



The gas-fired power station on the Port produces 420MW of electricity and is amongst the most efficient fossil fuel power stations in the UK.

420_{MW}



Prince Philip and Prince George Locks. The gates on the Prince Philip Lock were never designed to act as a flood defence and, in fact, cannot do so. If the water level outside the locks is higher than on the inside, then the gates cannot be kept closed. Actually, although we are underway with preliminary planning for the new lock gates, we can afford a rather more relaxed programme than elsewhere. The locks are in a very sheltered location and are not required to resist overtopping by the large storm waves that trouble sea defences on the open coast. So major concern at the locks is with sea level rise alone and that is occurring much more slowly than increased storminess with its huge waves.

When we do replace the lock gates with a type that can resist flood water, we hope also to be able to increase the size of the whole lock to cope with another aspect of change – the larger ships we expect to be handling in the future.

Highlight - Making Movies

Shoreham Port featured heavily in Sky TVs 'Mega Shippers' series in 2018, with our dive team, pilots and stevedores all featuring in various episodes. In 2019 Port personnel are acting the part of various historic figures in a series of school educational videos on the history of the Port and shipping locally.

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 enthusiastic engagement in our business makes a vital contribution to the top-quality service our customers and stakeholders expect.

Wellbeing

The single most critical issue for our people is their wellbeing, both physical and mental and this is therefore an area of significant focus for the Port. Resilience training was offered and embraced by many staff last year, along with other mental health awareness workshops, helping to build greater understanding, empathy and peer support within a varied and fast-paced working environment.

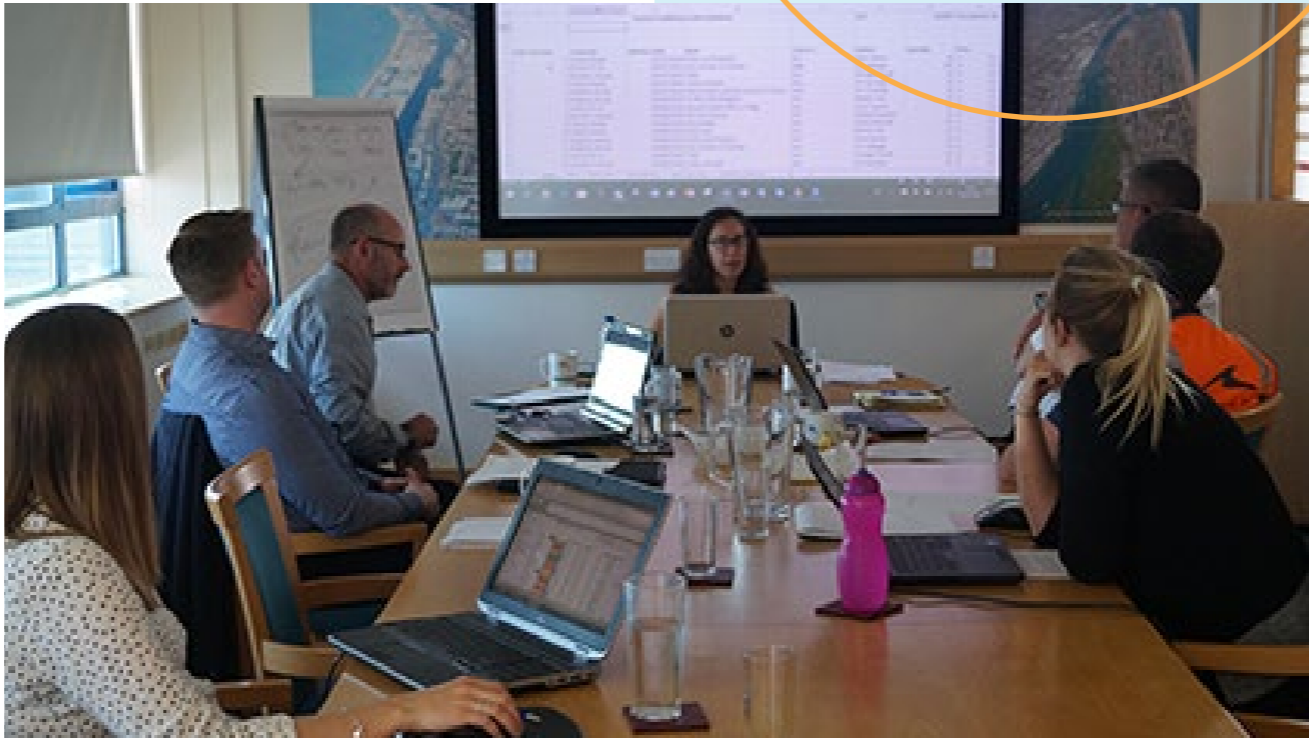
With the help of our staff, an action-packed wellbeing programme has been created. The campaign ‘My wellness – five ways to wellbeing’ will be rolled out throughout the year. This focusses on five key strands that all need to be nurtured in order to achieve high levels of wellness. The programme includes the introduction of an employee assistance programme, the ride to work scheme, after work yoga classes (which have been very popular!), charity days and mindfulness.

Women in Maritime Taskforce

Shoreham Port has significantly contributed to the progress of the Women in Maritime Taskforce, which was established to address fairness, equality and inclusion within the maritime sector. In the first year, over 100 businesses in the sector made a pledge to change – a commitment to building an employment culture that not only supports gender diversity, but also celebrates it.

Shoreham Port is proud to be one of the first businesses to pilot the Women in Maritime Charter. The Charter creates a framework to challenge companies to make progress on diversity, and is supported by a suite of ‘toolkits’ or resources to help companies realise those targets. At Shoreham Port, an action plan has been created outlining diversity goals for the future. Over the coming year, a vast range of initiatives and changes will be introduced, such as companywide unconscious bias training, a rigorous review of the language used in all areas and aspects of Port life, gender balanced interview panels – and much more.

Through raising awareness around the multitude of opportunities at a local level within Shoreham Port and on a national scale within a thriving maritime sector, Shoreham Port intends to play their part in addressing the skills imbalance and attracting more women into the maritime world.



Gender Pay Gap Reporting

As part of a continuous drive for openness and transparency, Shoreham Port conducted a gender pay gap audit, despite falling well below the threshold for mandatory reporting. The Port was pleased to announce that their gender pay gap is significantly below the maritime industry average, further highlighting our progressive approach to people development. The people of the Port are highly valued and at the very core of everything we achieve. As ever, there is still more that can be done and the Port will not become complacent. The key findings and actions from the gender pay gap analysis have been included in the Port’s Women in Maritime action plan.



We asked our staff why they love working in the maritime sector, and here’s what they said. A career in maritime is....

“Full of opportunity”
“Dynamic”
“Full of Surprises”
“Making a difference”

Nicky Goldsbrough Director of Corporate Services



People Development

The Port continued to provide an extremely successful bespoke mentoring scheme to key staff, with hour long one-to-one sessions centred around self-reflection and continuous improvement. Throughout 2019 this will continue, with even more staff being offered this opportunity.

Significant amounts of training took place to ensure statutory training requirements were fulfilled, along with soft skill development and technical training. A holistic approach is taken to developing our people that understands the need for a full spectrum of growth, from academia through to building emotional resilience.

Shoreham Port has unveiled their new Visitor Centre, which is available for hire. This centre has provided break out space for staff to sharpen their skills and work together on their development aims. It is used for everything from coaching sessions through to meditation.

Recruitment and Selection

Recruitment activity continued apace with growth in trade through our terminals and a number of long serving staff retiring. The demographic of the Ports workforce is steadily shifting from an ageing population to a multi-generational mix of workers. Long term recruitment plans are being developed that account for the future direction of the Port, skills shortages and the current marketplace – with record levels of employment. A key priority for the Port is to remain an employer of choice, to retain key talent and to be able to attract new entrants into the Port.

Reward

Reward is a key part of our retention strategy. To ensure we are offering competitive packages on a fair and reasonable basis an objective and thorough job evaluation and benchmarking process takes place for every role at the Port on an annual basis. A full benefits review has taken place and many unique perks that depict the spirit and culture of the Port have been included.

Get in touch to start your maritime career, a gateway to a skillset you can’t get anywhere else.



Corporate Services

Communications

Fontwell Customer Day

In June 2018 we spent a day at the racecourse with our customers for the eighth consecutive year. The event remains a firm favourite with both our customers and staff. Fontwell were excellent hosts as expected and it was fantastic to catch up with so many of our valued customers. We would like to extend our thanks to all those who joined us on the day and made it such an enjoyable event.

Social Media

We have seen significant growth across our social media in 2018. Our online community engagement has strengthened across all platforms, particularly via various Facebook groups, with stakeholders regularly posting scenic images of the Port, tagging us in topical conversations, and even helping us reunite lost property with their rightful owners!

Twitter has allowed us to expand the reach of our news stories and see them shared worldwide, with Shoreham Port press releases being posted across the globe, such as in Italy and the

USA. We have also made great progress with LinkedIn which allows us to connect with businesses locally and further afield and will continue to engage with this platform and contribute to meaningful conversations in 2019.

Website

2018 saw a refresh of our website landing page that has enabled us to display some fantastic drone footage filmed in April 2018, for which we have resulted in positive feedback. Our Harbour Cam continued to be a success throughout 2018 and remains to be one of the most visited webpages on our website.

The communications team have been working with the Marine department in the last year to refine the marine pages for a more streamline experience, making sure that popular resources such as Local Notice to Mariners and Port Marine Safety Code reports are easy to access.

In our continued effort to improve our online accessibility, we are making efforts in 2019 to ensure our website is fully accessible for our visually impaired stakeholders and others who may use

Emily Kenneally Marketing & Communications Manager



Kate Tyrer Marketing & Communications Executive



image description-reading software. To do this, we will continue to implement the use of alternative text across our website including images and action buttons.

Digital Newsletter

In 2018 the Port's newsletter was modernised in keeping with our Eco-port status and drive to go paperless wherever possible. A key advantage of our new quarterly digital newsletter is the opportunity to measure the success of specific features to create more engaging content for our readers. A digital format also allows us to share updates more regularly, such as exciting behind-the-scenes videos, photos, articles and our new 'Shoreham Port INFocus' podcast. If you would like to sign up to our new digital newsletter, please email: visitorcentre@shoreham-port.co.uk.

Internal Communications

2018 saw the communications team lead a successful 'Why?' campaign which encouraged staff to question why they do things the way they do at work, and what we can do to become more efficient. We received staff feedback that covered a variety of departments and lead to a strengthening of communication between all Shoreham Port staff and the Senior Leadership Team. In 2019 we have continued encouraging staff to reflect on their processes by asking 'How?'. The 'How?' campaign will ask Port staff to question how to achieve personal and collective goals, how to interact with each other, and how to increase the overall efficiency at Shoreham Port. This campaign will be distributed across the Port via posters, suggestion boxes, and a new virtual inbox. We look forward to receiving more insightful staff feedback in the months to come.



??%

Our social media engagement grew by tbc% across all platforms during 2018



Stakeholder Benefits



7.8k

In the first week of July, 7,800 people visited Shoreham Port for a week of unique behind-the-scenes boat tours

Events

In the first week of July, 7,800 people visited Shoreham Port for a week of unique behind-the-scenes boat tours, the highest number of visitors since the tours began in 2015. The Port also hosted boat tours over two days in May for Brighton Fringe Festival. We plan on hosting tours in May and July again in 2019, with an additional day added in May due to increasing popularity year on year.

Throughout the year, we continued to host coach tours for local groups, schools and universities. These tours were led by expert staff whose enthusiasm and knowledge was highly praised by visitors. In February, we provided a tour for the Royal Institute of Chartered Surveyors (RICS) Matrics Sussex group, showing them areas usually inaccessible to the public including Brighton Terminal, the Power Station Quay and the Outer Lay By, followed by a networking event in our Visitor Centre.

In August, the Port welcomed Theodore Cohn, a final-year student at SOAS University of London for a tour and overview of how different departments operate. 10 MSc Logistics and Supply Chain Management students from Brighton Business School visited key areas of the Port, including our new Lady Bee development in November. To end the year, the Port hosted a tour for England's National Nature Reserves group, showcasing our Eco-port features.

Our Annual Public & Stakeholders Meeting was held in May at Southwick Community Centre. The event has proved popular in

recent years and this year was no exception, with over 70 people attending. Those in attendance were a mix of local residents, boat owners and Port users. We have found this event is a great opportunity for local residents and port users to meet our Senior Leadership Team, with the chance to ask questions and discuss any concerns. We look forward to holding this event again in May 2019.

Community & Stakeholder Requests Group

Shoreham Port has a well-established Community & Stakeholder Requests Group which meets once a month to discuss donation requests, projects in the community and other ways we can benefit our stakeholders. It has been a busy year for CSR activities at the Port and we have donated to a range of diverse causes locally. A substantial donation was made to the Gateway Centre in Shoreham to enable them to continue to provide support for children struggling in mainstream school. In July, we hired portable facilities for the Angling Trust fishing sessions for young people on the North Bank. We also continued to offer staff the option of taking one paid day away from work per year, to volunteer for a charity or local community project of their choice.

Education

Towards the end of the year, we started developing materials on maritime for the key stage three school curriculum, highlighting



the significance of Shoreham Port within Sussex and the importance of the maritime sector. Seven scripts were written for the production of short video clips, which were acted out by Port staff and stakeholders. The videos will feature characters of historical significance, such as a smuggler, soldier, captain and fisherman's wife! The Maritime Minster is fully supportive of increasing maritime within the curriculum and she will be providing a letter of support to go alongside the resources.

Station Partnership

Community rail partnerships provide links between the railway industry and local communities. As a proactive station partner, the Port was delighted to host the Sussex Community Rail Partnership (SCRIP) Stakeholder Launch Meeting in our Visitor Centre in the summer. It was fantastic to be involved in the meeting by supporting the launch of the new West Coastway line and promoting the benefits of forging relationships with your local station. We enjoyed sharing our experience of carrying out various projects at Southwick Station, such as an art and poetry project in conjunction with local charity, Concordia.

Partnership with As You Are

We were delighted to partner with As You Are, a mental health charity in Southwick at the end of the year. We have been assisting them with the marketing of their services and helping them to launch their Systemic Family Therapy service, which started taking place in the Port's Visitor Centre in 2019. The Visitor Centre is now available to hire and further details can be found on the Shoreham Port website or by emailing: visitorcentre@shoreham-port.co.uk.



Environment

Airs and Graces

It's sometimes easy to think of poor air quality and global warming as being caused in much the same way but, actually, they are quite distinct in many ways. True, they are both associated with the emission of pollutants into the atmosphere but the greenhouse gases that cause global warming are largely a separate set of pollutants from those that cause most problems for human health by reducing the quality of air.

Greenhouse gases are generally lighter and collect in the upper atmosphere where they form a layer that traps the sun's warmth beneath it. The biggest human contribution to greenhouse gas is carbon dioxide, produced by burning fossil fuels for energy. Another serious contributor to the greenhouse effect is methane, which is produced by any organism that digests food. Farm animals are a big source. Emissions causing the most damage to air quality in the UK include the gases and particulates – fine soot if you like – produced from internal combustion engines.

Sometimes, efforts to combat the two issues act against each other. For example, Diesel engines produce more air-quality damaging particulates than petrol engines but 50% less greenhouse gases because they are more efficient.

That doesn't stop Shoreham Port from doing our bit on both fronts and we are aiming to become both carbon-neutral and completely free of air quality-damaging emissions well ahead of government timetables. Already, the 2.4 megawatts of solar panel generating capacity on the Port create enough green energy to power about 500 homes and avoids the production of over 4,600 tonnes of carbon annually. Our two 100 kilowatt capacity wind turbines provide 75% of the energy used in our Pump House or enough energy for another 80 homes.

Our Clean Air Plan

In 2018, Shoreham Port began to consider the hugely complex task of how to make a positive contribution towards improving our local air quality and how to do so in a manner that aligns with the rest of the port industry and government targets. We intend by the end of 2019 to have made substantial progress in evolving systems to enable the Port, its tenants and other stakeholders to meet those targets as laid out in the government's Clean Air Strategy.

The Strategy sets out plans for dealing with all sources of air pollution with the intention of making our air healthier to breathe, protecting the natural environment and, ultimately, boosting economic performance in a safe and sustainable manner. The specific plans for ports to have a positive influence

on air quality are largely voluntary rather than mandatory but Shoreham Port intends to stay at the forefront of good practice and to strive to make the most positive contribution possible towards cleaning up our air over and above statutory requirements.

To this end, the Port will create and evolve its own bespoke Clean Air Plan. Our first task is to set up systems for the measurement and recording of emissions from the port estate and our operations. The measurements and recordings of emissions collected by those systems then comprise a baseline that can be used to monitor our future performance against our own targets for the reduction of those emissions. The Clean Air Plan will describe actions to be taken to reach the reduction targets along with short, medium and long-term timetables for implementation.

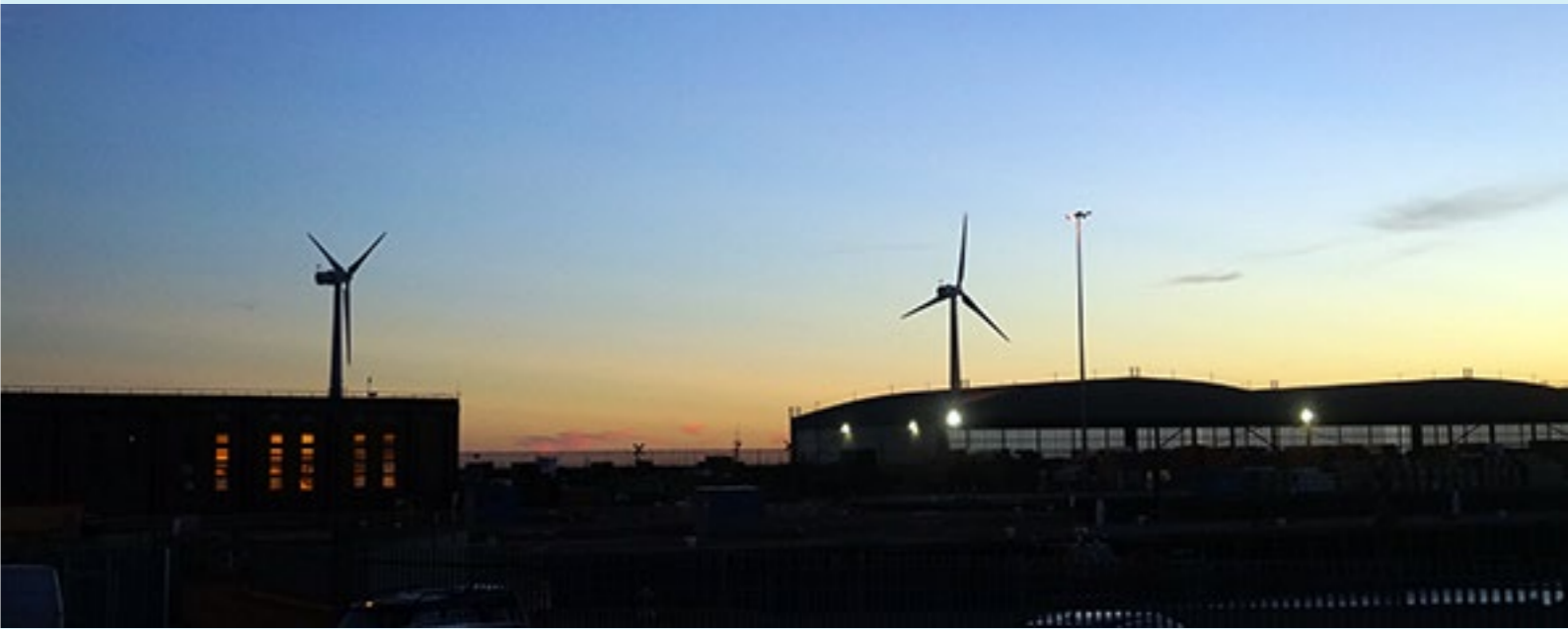


4KM

There are 4km of coast protection

Energy saving

All of the Port's navigation lights have now been replaced with super-efficient and reliable LED systems along with 90% of our more than 100 street lamps. Unlike traditional floodlights, the modern LED lamps we are fitting to our terminal flood lights can now be dimmed to match the precise light levels required, leading to another great saving in energy used.





↑15%

Day Group, a respected sea dredged and recycled aggregates supplier to the construction industry, confirmed their move to Britannia Wharf, Portslade. Planning permission was obtained for an aggregates bagging plant on this 1.7 acre site. This considerable investment will revitalise this location, create jobs and increase aggregate cargoes through Shoreham Port by 15%.

Property



Port Marine Safety Code

Shoreham Port is an established business location. The estate provides a serviced business centre, office buildings, industrial units and more. In 2018 scarcity of office and industrial space in Brighton and Hove pushed enquiries our way. Proximity to commercial centres, excellent transport links and our landlord reputation resulted in record enquiries for our existing and forthcoming business units. Following the trend of previous years, occupancy remained at 99 - 100% with the majority of tenants renewing their leases upon expiry.

Tenant Community

In 2018 we welcomed exciting new additions to our tenant community through turnover and property acquisitions. Hove Enterprise Centre is now home to The Herb Kitchen, a catering company specialising in modern seasonal food for private and corporate events. In April, following the purchase of 48 Wellington Road we secured an excellent tenant in Dyteqta, a commercial drainage company. Dyteqta have invested in significant

improvements creating an office and laboratory that stands out on the Portslade coast road in vibrant blue. Finally, the purchase of a workshop at Nicholson's Wharf brought various benefits. Through change of use from car repairs we have improved traffic flow and provided a much needed storage facility to the resident fishing industry.

Lady Bee Enterprise Centre

Our most prominent current project is the construction of Lady Bee Enterprise Centre, a new commercial estate in Southwick. On an area of reclaimed land north of the lock gates we are building three blocks of 14 purpose built, contemporary modern commercial units catering for local businesses. The units will have a versatile layout, appropriate for office or industrial occupiers. With a modern design that suits the port setting, the buildings will feature environmental technology including solar panels, electric vehicle charging points and air source heat pumps.



The new buildings are one element of a wider refurbishment project for the Lady Bee Marina area. This location's frontage onto the coast road has been enhanced by the refurbishment of 130-136 Albion Street. New cladding and roofs have elevated this streetscape and four empty units have been brought into use. The new tenants include a mosaic and stained glass workshop, artist studio space and a hairdresser. Once the land based improvements are complete we will work with other land owners to replace the marina pontoons, creating additional moorings and improved facilities. These investments and the arrival of the New Port Arms (formerly Pebbles on the Port) are presenting Lady Bee Marina as a waterfront destination for Southwick.

Looking forward

In 2019 we will improve and add to the business hub at Aldrington Basin on Basin Road North. This year we commenced an extensive program of improvements at Maritime House, our 20,000 square foot serviced office centre purchased in 2017. We have now completed infrastructure upgrades including new fire alarms and rewiring. In 2019 we will enhance the centre aesthetically with redecoration and a modernised reception area. We have been delighted with tenant responses to the upgrade in their services and facilities. We will continue to improve this centre which provides a flexible offering for growing local businesses within our estate.

On the site next door, we have obtained planning permission to build a terrace of two storey office units. This extension to the popular Hove Enterprise Centre will provide over 6,000 square feet of high quality office space. Meeting our environmental criteria, the development will feature recycling and bike storage. Construction commences in February with completion in November.

Masterplan

Development and Growth

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 plays 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.

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. A review of the Masterplan in the previous year assessed progress, overall effectiveness and the need for a refresh. Internal and external stakeholder consultation established it to be fit for purpose, robust and effective. With the revised Masterplan in place we hit significant targets in 2018.

Shoreham Port is a member of the Shoreham Harbour Regeneration Partnership, alongside Adur District Council, West Sussex County Council and Brighton & Hove City Council. The purpose of the partnership is to agree a Joint Area Action Plan (JAAP) for regeneration around the harbour area, an area which spans the estates of all 4 parties. The plan was approved by a Planning Inspector in September and should be approved

next year following public consultation. The JAAP reflects our Masterplan, meaning that decisions by those authorities will support our aims.

Joint Area Action Plan

A key aim of the Joint Area Action Plan and example of our Masterplan progress is the change underway in the Western Harbour Arm. Relocation of existing industrial uses is unlocking land for substantial and much needed residential and commercial development. This year we completed the sale of Kingston Wharf to Hyde Housing who will apply for planning permission for a scheme of residential units and employment units next year.

Looking Forward

The Masterplan states that as we dispose of land interests in the Western Arm (completed this year) we will make the Eastern Arm the focus of commercial shipping activity by relocating non port uses. This process also completed in 2018 with the departure of Asphaltic Roofing Supplies from Fishersgate Terminal East. This was the last example of Port land in unrelated use. The land now accommodates Axtra, a haulage firm moving port cargoes and Day Group Aggregates.

The harbour stretches from Hove Lagoon westwards for 6.5km/4 miles to the Shoreham Old Toll Bridge

6.5KM



This year we have initiated projects that will satisfy more Masterplan criteria in 2019. Port trade continues to grow, and the reorganisation of our estate will accommodate further growth and efficiencies. We are preparing plans for the creation of new and improved mooring facilities in areas such as Lady Bee Marina for the leisure stakeholder sector, and we will add to our identity as a home for small businesses with the completion of 18 new business units in 2019.

Highlight

The construction of a new aggregates bagging plant at the long disused Britannia Wharf by Day Group Aggregates marks a significant achievement. We can now say that every square inch of our estate is either in Port operational use, or being developed into new business units. Under-used and vacant land is a thing of the past.

Finance

2018 was a good year for the Port with performance exceeding budget expectations.

Financial Highlights 2018

Turnover - £14.3m an increase of 7% from 2017.
Cargo tonnage exceeded 2.1m tonnes.
Operating profit – c£230k.
EBITDA – steady at c£2.1m.
Reserves - c£60m an increase of 2%.

Results

Revenue growth for 2018 was 7% to £14.2m. This was achieved across all departments at the Port from dry dockings, fishing vessels, fuel sales, cargo mix, grant income, bed levelling and beach feed.

The Port focuses of driving revenue growth as expenditure costs can be managed. Due to the age of the Ports infrastructure the appetite for expenditure continues. During 2018 some £2.2m was spent on repairs to equipment, maintaining quays, lock gates, pumps and buildings.

Operating profit was £230k and following revaluation of the Ports Investment Properties of c£1.1m the Port made a profit before tax of c£867k and a profit after tax of c£648k.

EBITDA was steady during the year at c£2.1m and supports the banking covenants.

Reserves increase by 2% to c£60m.

Commercial ship calls for 2018 at 783 were broadly in line with 2017 ship calls.

Tonnage for 2018 was 2.1m tonnes an increase of 2.9% over the prior year. Aggregate, timber and waste glass exports all performed above budget and 2017. There has been a noticeable change in ships arriving at Shoreham with larger cargoes on board.

Investments

During 2018 the Board approved additional borrowings of £5m to continue investment in the Ports property portfolio.

Refurbishment took place on 130 – 136 Albion Street with some c£350k being spent, units previously empty and boarded up are now back in use with tenants. Lady Bee Enterprise Centre development commenced with some £3m being spent on industrial units. Hove Enterprise Centre extension is having some £1.2m spent on 4 new industrial until and c£750k is being

spent on additional moorings too increase the number of berths and leisure users at the Port. The Port will benefit from additional revenue in 2019 from these projects.

The Port continues to invest in its IT infrastructure with a bespoke ships agency database being developed as the Port looks to automate and streamline processes. During the year an IT Project Manager was appointed to oversee key projects to ensure we are operating as efficiently as possible. The Port will also look to be at the forefront of any IT challenges within the shipping industry such as autonomous shipping.



Revenue at the Port has increased some 14% since 2014.



Outlook 2019

2019 has had a reasonable start, ship calls are on budget and in line with the prior year. Oil and aggregate cargoes are performing well.

All revenue opportunities continue to be perused and development continues, new projects will be getting underway in the year.



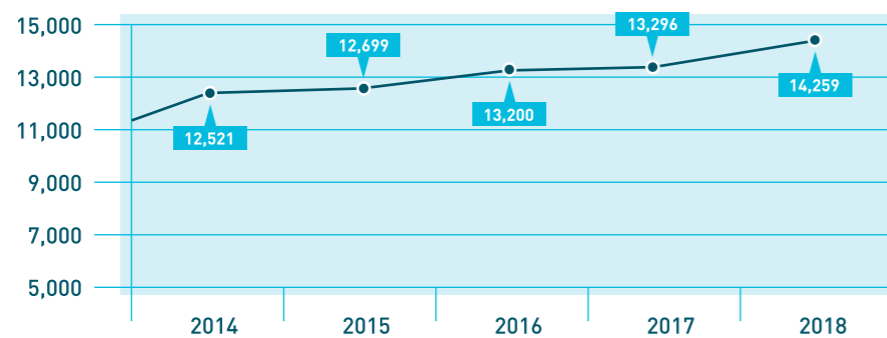
Annual Accounts

Consolidated Statement of Comprehensive Income for the year ended 31 December 2018

	2018 £000's	2017 £000's
Turnover	14,259	13,296
Cost of sales	(7,470)	(6,562)
Gross Profit	6,789	6,734
Administrative expenses	(6,558)	(6,310)
Operating Profit	231	424
Interest receivable and similar income	14	0
Interest payable & similar charges	(429)	(424)
Fair value gain on investment properties	1,052	109
Profit before taxation	868	109
Taxation	(220)	(199)
(Loss)/Profit for the financial year	648	(90)

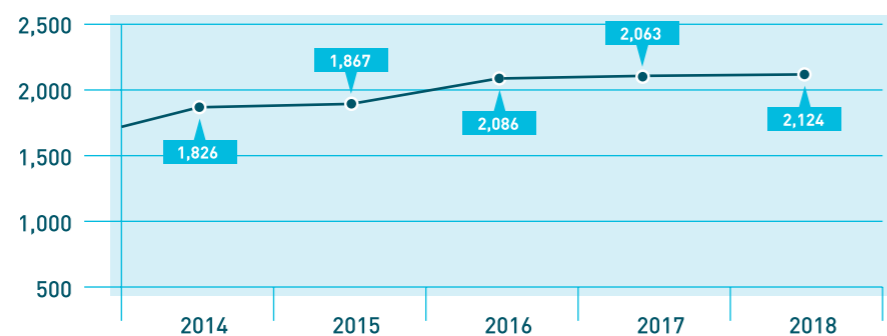
Turnover 2014 to 2018

—●— £000's



Tonnage 2014 to 2018

—●— 000's



Statement of Financial Position for the year ended 31 December 2018

	2018 £000's	2017 £000's
Fixed assets	49,694	50,257
Investment properties	25,115	28,020
Current assets	10,151	5,476
Creditors: due within 1 year	(7,439)	(6,689)
Total assets less current liabilities	77,521	77,064
Creditors: due after more than 1 year	(13,788)	(13,820)
Provisions for liabilities	(3,904)	(3,982)
Defined benefit pension liability	(173)	(1,034)
Net assets	59,656	58,228
Reserves	59,656	58,228

Consolidated Statement of Cash Flow for the year ended 31 December 2018

	2018 £000's	2017 £000's
Cash generated from operations	1,955	2,428
Interest paid	(409)	(359)
Income taxes paid	(199)	(295)
Net cash inflow from operating activities	1,347	1,774
Net cash generated from/(used in) investing activities	2,647	(3,831)
Financing activities	767	3,057
Net increase/(decrease) in cash and cash equivalents	4,761	1,000
Cash and cash equivalents at the beginning of the year	1,613	613
Cash and cash equivalents at the end of the year	6,374	1,613

A full financial report is available on the Port's website: www.shoreham-port.co.uk