



STORNOWAY PORT AUTHORITY

ANNUAL REPORT 2021

www.stornowayportauthority.com

HARBOUR OFFICE

Amity House, Esplanade Quay,
Stornoway, Isle of Lewis HS1 2XS

Tel: +44 (0)1851 702688


Email: info@stornowayport.com

www.stornowayportauthority.com



CONTENTS

05	Our Mission, Our Vision and Business Objectives
06	Chairman's Statement
07	Chief Executive's Statement
10	Trust Ports
12	Board Member Summary
13	The Board
16	Principal Risks
20	Port Highlights 2021
22	Our People
24	Port Marine Safety Code
27	Sustainability
28	Port Operations
30	Updates on Projects in 2021
32	Port Masterplan
33	Newton Basin / Goat Island Developments
34	Deep Water Terminal
36	2022 Projection
38	Financial Statements



“To build a truly sustainable business that is the economic driver of the Outer Hebrides”

OUR MISSION, OUR VISION & OBJECTIVES

OUR MISSION

“To operate an efficient and well managed port to the highest standards of safety, security and environmental management, which will allow the Port to continue to grow and develop.”

OUR VISION

“To build a truly sustainable business that is the economic driver of the Outer Hebrides.”

OUR BUSINESS OBJECTIVES

Project Development

1. Develop a Deep Water Terminal
2. Procure a replacement Pilot vessel
3. Develop a covered boat repair facility
4. Position the Port Authority to positively contribute to the Island's Net Zero ambitions
5. Redevelopment of the Inner Harbour landside area

Financial/Commercial

6. Double 2017 revenue within the next 10 years through expansion
7. Increase revenue of existing operations through marketing and sales improvements
8. Exercise prudent cash management through effective financial controls

Operational

9. Develop an organisational structure consistent with a developing business
10. Continually learn and adopt best practice
11. Develop effective controls and systems to manage risk
12. Improve HSEQ culture through communication with all stakeholders
13. Maintain employee competencies with operational demands
14. Build and maintain relationships with key customers
15. Achieve and maintain outstanding customer service
16. Maintain the port infrastructure to a high standard

Community

17. Maintain the Port Authority's central role in the community and local economy
18. Ensure that the Port recognises the views and needs of the local community

CHAIRMAN'S STATEMENT



Murdo Murray
Chairman

As Chairman of the Stornoway Port Authority I am very pleased to be able to report that following the downturn of activities in 2020 due to the global pandemic, 2021 has seen a significant upturn in all areas of the Port's business with the Authority again able to record a healthy profit. This is in large measure a reflection of the dedication and commitment of the Port's management and staff and I would take this opportunity to thank the Chief Executive, Alex MacLeod, and all the staff for their stalwart efforts and continuing hard work.

Working through the Authority's Port Masterplan, in 2021 we were able to see the opening of the Newton Basin Marina Development and the commissioning of the new 100T Yacht lift as well as the opening for operation of the Goat Island Fish Processing Building. In addition, a boat storage area has been completed and the construction contract for a covered boat repair facility was awarded.

Indeed, by the end of 2021, £14.5m of investment has been expended in the Port Masterplan projects.

The strategic focus for the Authority continues to be the development of the Deep Water Terminal and 2021 saw the completion of the tender process which was affected by the Covid pandemic and further complicated by the cost increases resulting from the Ukraine crisis. As I write this statement all value engineering, due diligence and land negotiations have been completed and the £49m contract has been awarded to McLaughlin & Harvey.

The Deep Water Terminal will be a catalyst for a whole series of exciting opportunities. The first of these will be the enlarged Cruise market with potential tourism expansion throughout the islands. There will also be opportunities for the development of Green Hydrogen, the Arnish Yard and following the recent Scotwind Leasing Round, renewable energy developments west and north of Lewis, particularly given Magnora Offshore's commitment to use Stornoway Port as a base.

I have now been 10 years on the Board of the Stornoway Port Authority and am retiring as a Board Member at the end of April 2022. I would like to thank my fellow non-executive members of the Board for their support and commitment through what has been a challenging but exciting number of years in developing and implementing the Port Masterplan. I would also take this opportunity to thank The Scottish Government, Comhairle Nan Eilean Siar, HIE, The Stornoway Trust and all our other strategic partners for the co-operation and support which has been provided over the years.

Finally, I would like to say that I have really enjoyed my time on the Board and as Chairman of the Port Authority, particularly seeing the development of much needed strategic infrastructure, and would acknowledge God's Providence in all these developments.

CHIEF EXECUTIVE'S STATEMENT



Alex MacLeod
Chief Executive

Revenue returned to pre-Covid-19 levels in 2021, and the Port Authority was once again able to show a surplus for the year. Repairs and maintenance projects delayed by Covid-19 were able to be undertaken during the year. Once again 2021 saw significant investment in our port masterplan projects. Leisure traffic, both cruise and yachting, again continued to show a reduction on 2019, with our customers reluctant to travel so far whilst Covid-19 restrictions were still impacting the world.

The resiliency of our business was a key element in accommodating the issues that Covid-19 presented us over the past two years. A diverse range of operations allowed the Port Authority to continue its development as the economic driver of the Outer Hebrides. The Port Authority has maintained operations throughout the pandemic, at no time letting restrictions impact the arrival and departure of vessels.

In partnership with industry, local and central government, the Port Authority is working on a number of transformational projects which will be the catalyst for economic development in the Hebrides.

The Newton basin reclamation and marina project was completed in early 2020, however did not become fully operational until early 2021. The completed facility brings huge benefits to the leisure industry and the completed Goat island facility will be of huge economic benefit to the area. The development of the Deep Water Terminal continued throughout 2021, with the Port Authority finding itself very near to award of the construction contract late in 2021. The project design was impacted by significant cost increases as a direct result of the Covid-19 pandemic, however, a value engineering exercise during 2021 resulted in a less costly design which did not compromise operational capabilities.

The professionalism of our staff was once again very apparent in 2021, where a determination to provide a quality service for our customers ensured we continued to operate successfully. The Port Authority has worked tirelessly alongside our stakeholder community to keep our complex and important agenda on programme in what was once again a very difficult year. We are proud to serve our Port users and the wider community, ensuring the long term prosperity of these islands is sustained by allowing increased trade with the rest of the world. 2022 will provide a welcome return of the cruise industry and the commencement of construction of the Deep Water Terminal.



COVID-19 (Coronavirus) UPDATE

In addition to its impact on public health, Covid-19 has caused a major economic shock. The subsequent disruption in 2020 and 2021 has had a significant impact on Stornoway Port Authority's revenue, trading, harbour activities, major projects and repairs and maintenance objectives. At the end of 2021, the worst of the pandemic is now over, but there will be lasting effects for some years to come.

Throughout the pandemic, Stornoway Port Authority has worked to ensure its workforce is as safe as possible, implementing safety measures, restrictions and guidelines such as working from home where possible, social distancing, promoting increased hand sanitation, providing PPE and limiting tasks and activities where social distancing is not fully possible. Plans were put in place to ensure port users and the wider community were protected while we continued to operate in a safe manner.

The cruise industry has been devastated by the Covid-19 pandemic. Stornoway saw only three visits in late summer 2021, all other 2021 cruise visits were cancelled. The cruise industry will take a few years to recover, however long-term prospects and positivity for this industry remain.

It is important to recognize that the Port Authority continued to operate and accommodate all vessels throughout the pandemic.

Covid-19 features

- The Port continued to operate throughout the pandemic
- The Port Authority worked with CalMac ferries throughout the pandemic, changing operating procedures in association with the organisation
- Cleaning regimes changed to suit ferry and Covid-19 requirements
- Operation staff rotas were adjusted to permit social distancing requirements
- Additional staff welfare facilities were introduced
- All vessels were accommodated
- Declarations of health were inspected from all vessel arrivals
- Deliveries of oil, gas, coal, road salt, etc. all continued as normal
- Work on the Port Authority's major projects continued.

TRUST PORTS

Trust ports are a particular type of port model in the UK and this briefing is designed to provide a short overview of what they are and how they operate. Trust ports come in a wide variety of sizes and locations around the UK. There is often confusion as to who owns trust ports and how they should operate, so we have attempted to explain some of their characteristics.

The trust port model has stood the test of time, although the sector has gone through a process of modernisation. The result is a diverse and successful group of ports that is both popular with government, employees, stakeholders and importantly customers.

UK port ownership

There are three main types of Statutory Harbour Authorities (SHA) in the UK – private ports, municipal ports and trust ports, as well as a handful of smaller ports owned by parts of government. No port is the same, but all have various duties and responsibilities. Private or ‘privatised’ ports can have equity owners or shareholders and municipal ports are owned by local authorities. Trust ports are slightly different and

Revenues and finance

Trust port revenues are collected from customers and port users on a commercial basis, trust ports also pay taxes and receive no systematic public subsidies other than those which are, on occasion, made available, to all ports. Whilst operating in a commercially viable manner, any profits trust ports make are reinvested back into the port for the development of its own business activities and also for the benefit of the stakeholders.

Such stakeholders can include port users, employees and the local community, although as independent bodies, trust ports do need to be prudent and ensure they have sufficient funds to continue to operate and maintain and invest in their assets. For example, unlike ports that are owned by parent companies or local authorities, trust ports do not have a ‘funder of last resort’ and there is no obligation to provide a financial dividend to local communities.

often need explaining to both those outside but also inside our sector. Trusts are both strategically and financially independent of Government and operate largely in the private sector, although they are ‘publicly accountable’ to their stakeholders. In terms of their ownership, trust ports own themselves. There is a common misconception that trust ports are owned by government, but this is wrong. Trust ports actually own themselves and can’t be owned by another body without a major legal change.

“Diverse and successful”

Purpose and investment

The expression ‘Trust Port’ is not statutorily defined but may best be described as referring to a body created by or under statute for the purpose of managing a harbour that does not have a share capital. Trust ports, in the same manner as ports with a share capital, enter into a variety of vital commercial transactions with lenders and other commercial parties. Trust ports generally find that any investment proposals are assessed by lenders on the same basis as proposals from any other businesses. Lenders take into account the same factors it would normally including cash flow, balance sheet and the overall strategic direction of the port.

There are a wide variety of trust ports across the UK, in terms of both the size and type of operation. Some trust ports are primarily conservancy authorities, meaning they perform the basic but essential function of maintaining a safe harbour, whereas others undertake wider port operations. In all cases surplus revenues are recycled back for the benefit of the harbour and its stakeholders.

Legislation

Trust ports and all UK SHAs are governed by their own individual legislation (or Harbour Order), specific to their location and with differing constitutions. To amend such legislation all types of port must apply to their relevant part of government with a proposal.

Good governance

The government only has limited ‘powers’ over trust ports, and indeed all types of SHAs, and is not a ‘regulator’ of the sector as such. However, the DfT and Transport Scotland have produced their own guidelines for trust port governance, but these are not legally binding. Transport Scotland have published ‘Modern Trust Ports for Scotland’.

It is expected that all trust ports in Scotland follow these guidelines where practicable, but where they do not, they should be able to explain why they have been unable to do so. It is acceptable for stakeholders to ask why these ports might not have, for example, attempted to update their own legislation and structures. However, any questions stakeholders might have should be raised with the port itself.

Much depends on the integrity of individual board members and, like a private company where the board is accountable to its shareholders, trust boards are essentially accountable to the local community.



BOARD MEMBER SUMMARY

Non-executive board members are appointed for a period of three years following a selection process involving advertisement and an interview, which is undertaken by an appointing panel consisting of the Chairman and two independent advisors. In addition, the board has the facility to appoint two co-opted members with applicable specialist knowledge for a maximum of one year. The breadth of skills across the current board is continually under review, and a skills matrix is used to determine the professional skills to be included within any advertisement for non-executive board members. The role of a Trust Port board member is defined by "Guidance for Good Governance".

"It is the duty of the Board, at all times, to strike a balance that fully respects the interests of all stakeholders".

Modern Trust Ports for Scotland Guidance for Good Governance.

Our current board contains a balance of specialist skills, the skills being recommended by the Modern Trust Ports for Scotland "Guidance for Good Governance", including but not limited to the following, local government, finance, fishing & fish processing, marine leisure industry, shipping, management, commercial and a wide variety of other applicable skills. The "Guidance for Good Governance" makes particular reference to the requirement to have, as a priority, adequate financial and commercial expertise on the board.

THE BOARD

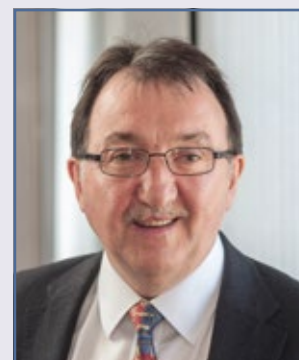


Chairman

Mr Murdo Murray

Following a time at contractors Howard Doris in Kishorn and R J McLeod in Applecross, South Rona and Barvas, Murdo Murray spent most of his career with Comhairle nan Eilean Siar as an Assistant Engineer, Senior Engineer, Deputy Director and for 11 years as Director of Technical Services. Since 2005 he has been an independent Engineering Consultant with a special interest in Renewable Energy.

Murdo is an elder of the Free Church in Stornoway and has served on national church committees including the Personnel Committee, the Finance Committee and is currently on the Board of Ministry of the Free Church of Scotland. Murdo is also Western Isles Branch Chairman of Good News for Everyone, formerly the Gideons.



Vice Chair

Mr Ian McCulloch

Ian McCulloch has enjoyed a 40 plus year career in the oil and gas industry; although now retired from full-time employment, Ian continues to undertake short term consultancy assignments. During his career, Ian held several senior management roles in operations, commercial, HSE, engineering, supply chain and decommissioning; these skills were developed across a wide range of assignments in the UK, USA, Dubai, Singapore, Indonesia and Algeria.

Ian, who joined the Board in August 2016 also serves as a Board Member for Lews Castle College/University of the Highlands and Islands and is Chair of the Outer Hebrides Energy Group. Ian lives in Shawbost, Isle of Lewis in the family home.



Chief Executive

Mr Alex MacLeod

Brought up in the village of Knock, Mr MacLeod's family has had a long connection with the Port. His great-grandfather owned and skippered the sailing vessel Muirneag, one of the most famous fishing vessels of its time.

Prior to joining the Port Authority, Alex had a long career in the civil engineering construction industry, both in Stornoway, the UK and abroad. He has been employed as Chief Executive since July 2015.

Mr Ian Burgess



Ian Burgess started his career in 1973 as a navigating cadet in the Merchant Navy, serving on tankers until 1984. He joined HM Coastguard in 1984, starting in the coordination centre in Stornoway and retired from full-time work in 2013. During his period HM Coastguard Ian, gained extensive experience of change and safety management within the marine environment. He became a non-executive Director with NHS Western Isles in 2013 and became Chairman of that organisation in early 2019.

Ian has been on the Board of Stornoway Port Authority since September 2014, becoming Vice Chairman in 2015. Ian's work experience has given him access to the coastal communities within the Western Isles, working with volunteer teams and engaging with community stakeholders.

Mr Allan Macdonald



Allan Macdonald was born and bred in Stornoway, educated in Aberdeen where he gained a BSc (Hons) in Geology and Petroleum Geology and at Heriot Watt to MSc level in Petroleum Engineering.

Allan worked in the oil and gas industry for nine years gaining experience in both drilling and production operations for multinational companies within the UK and abroad. Since 2006 he has worked as Managing Director for a local business in the retail sector.

Allan enjoys outdoor pursuits and is an active member and qualified coach with Stornoway Canoe Club. He was appointed to the Stornoway Port Authority in May 2014.

Mr John Nicolson

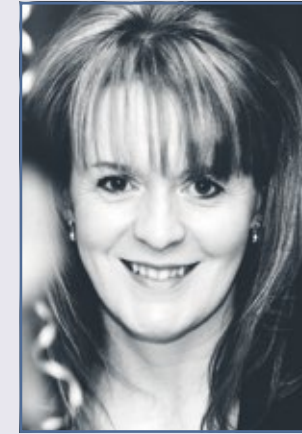


John Nicolson, a native of Point, has had a long career in the maritime industry and is particularly well known around Stornoway harbour where he worked in the fishing and fish processing industry for over 35 years.

Following a career in the Merchant Navy where he served as a Master Mariner with Blue Star & Weston Shipping, John owned and operated the prawn trawlers Ivy Rose and Alpha. He was one of the founding members of the Stornoway Fisherman's Co-operative and served as both Chairman and General Manager. In 1985 John went to work for Ross Fish Ltd (now Young's Bluecrest) where he became the Buyer Export Manager. He worked in a number of roles with Young's including periods in Fort William and Northern Ireland, and finally as General Manager of Young's Goat Island factory until his retirement in 2012.

John has also had leisure craft in Stornoway harbour for a number of years. He brings extensive maritime, fishing and business experience to the Board.

Mrs Margaret Ann Macleod



Margaret Ann Macleod joined the Stornoway Port Authority in November 2016 and has a business background in textile manufacturing, international sales and rural economic development. Currently employed as the Sales Director for Harris Tweed Hebrides, Margaret Ann has previously worked at a senior level for a number of companies, including; Highlands and Islands Enterprise, Johnstons of Elgin, RGU and Arcadia plc.

Born and brought up in Carloway on the Isle of Lewis, Margaret Ann is a native Gaelic speaker, a working mother, and an active board member for a number of community organisations on the island, including her current role as Chair of HI-Scot Credit Union.

Mr Archie MacDonald



Archie MacDonald was employed by Highlands & Islands Enterprise for 33 years, including as Area Manager for the Western Isles for five years. Archie is a member of the Institute of Financial Accountants and during his career was involved in most of the economic development projects ongoing on the islands. Archie has previously been appointed by HIE to the boards of a number of local organisations.

Archie, who joined the Board in January 2019 also serves as a Board Member for Lews Castle College/University of the Highlands and Islands and the Garrannan Trust.

Non-Executive Board Members	Joined The Board	2021 Meetings Attended
Mr Murdo Murray (Chairman)	May 2012	8/8
Mr Ian McCulloch (Vice Chairman)	August 2016	7/8
Mr Ian Burgess	August 2014	6/8
Mr Allan Macdonald	May 2014	8/8
Mr John Nicolson	November 2015	7/8
Mrs Margaret Ann Macleod	November 2016	6/8
Mr Archie MacDonald	January 2019	7/8
Executive Member	Joined The Board	2021 Meetings Attended
Mr Alex MacLeod (Chief Executive)	August 2015	8/8

PRINCIPAL RISKS

A particular function of the board is to review the principal risks to the Port Authority. The Port Authority has therefore identified significant risks which have been considered and these are included in the table below.

This list is not exhaustive but is a brief summary of what issues the board members must consider.

Risk Item	Int/Ext Risk	Description	Potential Impacts	Mitigating Factors
Island Economy	External	Large changes to the local economy	<ul style="list-style-type: none"> The Port is unable to adapt to increased demand or potential new markets Insufficient accommodation Insufficient staff 	<ul style="list-style-type: none"> Continuous consultation with all levels of government
Destination Management	External	Local destinations do not react to increased cruise traffic	<ul style="list-style-type: none"> The Island is not ready for 60,000 cruise ship passengers, let alone 100,000 Local tourist destinations "stand still" Local tourist destinations do not work together and therefore miss the opportunities Cruise traffic stops coming 	<ul style="list-style-type: none"> Stakeholder consultation Market Assessment studies Funding for destinations
Strategic Direction	Internal	Ensuring that the Port is reacting to an ever-changing political and economic situation	<ul style="list-style-type: none"> The Port is not able to adapt to a changing economic environment The Port is unable to meet the needs of our customers Potential to miss out on opportunities 	<ul style="list-style-type: none"> Communication and consultation with stakeholders Economic studies Effective board

Risk Item	Int/Ext Risk	Description	Potential Impacts	Mitigating Factors
Loss of Community Acceptance	Internal	The Port is not understanding to the needs or wants of the community	<ul style="list-style-type: none"> The local community do not work with the Port The Port staff spend too much time reacting to Press/Public enquiries The trust of the community is lost, thereby having an impact on all projects and operations 	<ul style="list-style-type: none"> Community consultation Increased communication with public Website improvements Willing to change
Financial	Internal	Ensuring that the Port understands both its current and future financial position	<ul style="list-style-type: none"> The Port is unable to manage its finances Cashflow presents a significant risk Investment opportunities are lost 	<ul style="list-style-type: none"> Management procedures Operational efficiency Internal & external auditors
Environmental	Internal	Ensure that the Port Authority minimizes and limits the effects of environmental incidents	<ul style="list-style-type: none"> Pollution incident with long term effects Danger to public and Harbour users 	<ul style="list-style-type: none"> Continuous auditing Procedures 24/7 staffing Co-ordination with other bodies
Equipment Failure	Internal	The Port continues to maintain equipment to a high standard ensuring the safety of port users, staff and the general public	<ul style="list-style-type: none"> Injury to staff and public Downtime with associated impact upon operations Financial cost 	<ul style="list-style-type: none"> Maintenance regime – including maintenance management software Plant records/inspections Staff training
Lack of development Funds	Internal	Ensure that the Port budgets appropriately and determines all available funding sources	<ul style="list-style-type: none"> Worthwhile projects do not progress The incorrect projects progress 	<ul style="list-style-type: none"> Business planning and budgetary controls Financial awareness Prioritisation of projects
Capital Projects	Internal	Ensure that the Port develops projects efficiently and to the requirements of the end users	<ul style="list-style-type: none"> That Capital projects are not managed effectively or efficiently The final product is not suitable 	<ul style="list-style-type: none"> Ensure best value is recognised Project Management expertise Improved procedures Operational involvement in decision making



Risk Item	Int/Ext Risk	Description	Potential Impacts	Mitigating Factors
Governance	Internal	To ensure that the Board operates effectively	<ul style="list-style-type: none"> The board is not fit for purpose and is unable to fulfil its functions Wrong decisions are made 	<ul style="list-style-type: none"> The Board have sufficient knowledge and information to make the correct decisions Board Member appraisal Skills matrix is maintained Adherence to the Guidance for Good Governance
Staff Effectiveness	Internal	Where the Port Staff are neither trained nor experienced for the tasks they undertake	<ul style="list-style-type: none"> Staff carry out tasks incorrectly Potential for equipment failure, injury to persons, and damage to vessels Cost and operational issues 	<ul style="list-style-type: none"> Staff training Performance appraisals and reviews Management reviews Good management
IT Security Problems	Internal	Where an IT problem could cause severe implications for the running of the Port	<ul style="list-style-type: none"> Finance system unable to invoice, or view financial reports Unable to respond to communications resulting in lost business 	<ul style="list-style-type: none"> IT expertise employed by the Port IT audits Modern equipment and controls
Customers	Internal	Where the port may lose customers due to customer dissatisfaction	<ul style="list-style-type: none"> Loss of business and income Reputational damage 	<ul style="list-style-type: none"> Customer consultation Service level review Communication with customers
Health & Safety	Internal	Where an incident could severely impact upon Port Users, Staff, Public and/or equipment	<ul style="list-style-type: none"> Fatality, Injury to Staff, Public & Users Damage to equipment Operational problems including delays, unable to accommodate vessels, etc 	<ul style="list-style-type: none"> Internal & external audits RAMS procedures Insurance risk assessment Communication Staff Training Signage

Risk Item	Int/Ext Risk	Description	Potential Impacts	Mitigating Factors
Marine Safety	Internal	Where a marine incident could severely impact upon Port Users, Staff, Public and Navigation	<ul style="list-style-type: none"> Vessel collision due to lack of operational procedures Vessel problem within harbour limits causes further incidents Pilotage problems Injury, potentially fatal, to public, Harbour users, Staff, etc 	<ul style="list-style-type: none"> Adhere to Port Marine Safety Code Safety Management System Improved Marine Policies Navigational Risk Assessment
Commercial Interfaces	Internal	Where a tenant or commercial entity's work can have a severe effect upon the Port Authority	<ul style="list-style-type: none"> Contamination by third parties and tenants Oil pipeline issues Incident involving Goat Island tenants and slipway users 	<ul style="list-style-type: none"> Facility user's health, safety and environmental guidelines Management of tenants and third-party users
Port Security	Internal	Where a Terrorist incident either here or elsewhere can impact port operations	<ul style="list-style-type: none"> Terrorist incident on ferry, cruise ship, or other vessel Incident in other port or country wide has effect on security rating 	<ul style="list-style-type: none"> Port Facility Security officer in position Approved Port Facility Security Plan Secure infrastructure
Pandemic	External	Where a nationwide/ international pandemic can impact port operations	<ul style="list-style-type: none"> Staff and customer safety at risk Potential to reduce revenue 	<ul style="list-style-type: none"> Professional management able to react quickly to new risks Cost forecasting with subsequent changes to budget

PORT HIGHLIGHTS 2021



Ferry Passengers

up **62%**
to **217,659**
on 2020

87,371

Cars on the Ullapool
to Stornoway
Ferry up **52%**
on 2020

Ferry Coaches

up **305%**
from 60 in 2020
to 243 in 2021



Investment in Port
Masterplan projects
by end of 2021

£14.5 million

Pilotage Acts

1,140
in 2021

0



Lost Time
Incidents
during 2021

Ferry Freight
up

12%
on 2020



155



Marina Berths
available

Cruise
recovery

4 calls,
798 passengers

Shell-Fish
processing
facility
opened

39,168

Hours
Worked
in 2021

Port Marine
Safety Code

– significant
development
of Policies
& Plans




Newly
constructed
**Newton
Marina**
opened

100t

Boat
hoist
in operation

Investment in
Masterplan
projects
during 2021

£2 million



OUR PEOPLE

William B Morrison

Assistant Harbourmaster



- **How long have you been with the company?**

I joined SPA on the 1st April 2021 – so just coming up to a year now.

- **What inspired you to join the Port Authority?**

A vacancy was advertised for the post of Assistant Harbour Master & Marine Pilot with the harbour – I have always had an interest in pilotage and piloting vessels; so, this coupled with the Deep Water Terminal Project and Port Masterplan Development Framework was the inspiration and principal aspiration for joining the Port Authority.

- **What's the most interesting thing about your job/what do you like best about your job?**

No two days are the same. The job offers a wide and diverse range of tasks, and you get to meet and work with lots of people and port users from different walks of life. I very much enjoy the pilotage and navigational aspect of the job; however I also enjoy working with the wider operational team on the ground on a daily basis in working to achieve common goals and targets.

- **What challenges do you face in your job?**

One of the biggest challenges which we have faced in the job since my time with SPA has probably been COVID; as it has significantly impacted and affected us all in one way or another in our day-to-day working and personal lives and routines.

- **Where do you see yourself in five years' time?**

Hopefully, still here working with SPA and bringing vessels alongside and into a completed and fully operational Deep Water Terminal.

Ida Holmstrom

Administration Assistant



- **How long have you been with the company?**

I started here at Stornoway Port Authority in April 2021.

- **What inspired you to join the Port Authority?**

Our household is quite nautical with my fiancé working away at sea and I used to work for a ferry company.

They made my job redundant early last year and was thinking I might have to look at a career in a new industry or even go back to Uni/college but then saw the job opening at SPA and applied and that's how I ended up where I am just now. Wouldn't recommend coming for dinner at our house, there is a lot of boat talk all day every day.

- **What's the most interesting thing about your job/what do you like best about your job?**

No two days are the same here. I love the hustle and bustle of the port and how sometimes you have to be prepared for the unexpected.

We genuinely have a great bunch of people here and everyone is always looking to be part of the solution and think that really just shows how much people enjoy working here.

People may think that working in admin is a boring 9-5 job and just the same thing day in day out, but they couldn't be more wrong because it's so much more than just answering phones or updating spreadsheets here. And if you are genuinely interested in the industry, I don't think there could be a more exciting place to work right now.

- **What challenges do you face in your job?**

It's a very fast paced workplace in general so you have to be able to sometimes think on your feet and prioritise your daily tasks to stay on top of everything.

During summer we are busy with visiting yachts and vessels coming in and out of the marina at all hours and winter time is busy for repairs and maintenance and planning ahead for the next big project and for the next summer season, so it's go time all the time.

- **Where do you see yourself in five years' time?**

Well hopefully still at Port Authority. There are so many exciting things happening here so I was planning to stick around to see them through and hopefully also get involved where I can to help out.

PORT MARINE SAFETY CODE

As required at article 1.8 of the Port Marine Safety Code (PMSC), the Stornoway Port Authority (SPA) should publish its Marine Safety Plan for the conduct of marine operations in Stornoway Harbour every three years; A new plan was in effect from 1 January 2021.

Standing Objectives

Service Provision / Activity		Attainment
1	Ensure all reasonably practicable steps are taken to identify the hazards and risks arising from operational activities within the Port and its approaches; and reduce risks to a level that is as low as is reasonably practicable.	The Port Authority has conducted port-wide navigational risk assessments and has reviewed on an annual basis.
2	Reduce the likelihood and frequency of Navigational Incidents.	No serious incidents have occurred over the past year.
3	Maintain an effective Marine SMS.	The Port Authority's Designated Person, who is independent of the Authority has assessed that the safety management system is effective and reviews same annually.
4	Communicate Stornoway Port Authority's ongoing efforts and achievements in managing the safety of navigation within the port.	The Port Authority summaries its Port Marine Safety performance within this Annual Report. The Port Authority has developed a new website which will make it easier to communicate matters of navigational safety.
5	Provide a pilotage service of well-trained, competent and authorised pilots, including the authorisation of pilotage exemptions to similar standards.	Following public consultation revised Pilotage Directions came into force on 1st February 2019. The Pilotage Rules, which regulate the authorising, examination and operation of pilots were also changed at the same time. The Port Authority employs sufficient qualified Pilots for current requirements.
6	Conservancy and Hydrographic Survey.	The Port Authority has extensive hydrographic surveys of the Harbour. Information was submitted to hydrographic office enabling a very substantial chart update in late 2019.
7	Support, approve and facilitate on-water events within the Statutory Harbour Limits (SHL).	The Port Authority is taking an active role in water events, planning to avoid restrictions for Port users.
8	Encourage port user involvement in the maintenance of the Marine SMS and the overall improvement in the provision of marine safety.	The Port Authority consulted with Port users on a number of issues over the past few years, including the Port Masterplan, Pilotage Directions and General Directions. During 2021 the Port Authority operations team met with Port users groups. These groups will be developed further in 2021.

Objectives from the 2021 – 2023 Marine Safety Plan

Service Provision / Activity		Attainment
1	Marine Information Note 641 issued by the Maritime and Coastguard Agency (MCA) requires that every 3 years the Duty Holder must submit a signed statement to the MCA saying that the Port is compliant with the Port Marine Safety Code (PMSC).	The Port Authority external auditor (The Designated Person) confirmed the Port Authority's compliance with the Port Marine Safety Code in March 2021.
2	Review the 1976 Byelaws and prepare updated Byelaws approved by the Port Authority Board ready for <i>informal</i> public consultation. Having considered the feedback from the informal consultation, prepare updated Byelaws approved by the Port Authority Board ready for <i>formal</i> public consultation by Dec 2018. Informed by the <i>formal</i> public consultation, submit draft byelaws approved by the Port Authority Board to Transport for Scotland for approval.	Work on the Byelaws is ongoing.
3	Ensure that the safety of navigation and compliance with the PMSC is maintained throughout the development, construction and subsequent operation of the Deep Water Terminal and that any operations associated with these activities remain within the scope of the port-wide risk assessment and at ALARP. ¹	A navigational risk assessment has been undertaken for the Deep Water Terminal development, and this will be updated as the project proceeds to construction.
4	Put in place impartial, transparent and safe procedures to permit, lay, maintain, lift and operate moorings for recreational vessels to include: Drawing up a constitution, agreed with stakeholders to state how the moorings will be managed. Under the constitution agreed above, set-up a Moorings Committee to manage the moorings on behalf of the Authority. NB: this Committee will include executive representation from the Authority. Draw up an Individual Moorings Agreement, one to be signed by each mooring holder.	It is intended that the constitutional work on moorings association will be completed early 2022.
5	Commence procurement of a replacement pilot transfer vessel.	Port Authority operations team have commenced investigations and the procurement strategy is being prepared.
6	Review the port-wide Navigational Risk Assessment to include the impact of aspects of the Deep Water Terminal development as necessary.	A target date of 30 Sept 2022 has been set.

7	Conduct complete PMSC compliance audit in accordance with the MCA aide-memoire as detailed at the PMSC Guide to Good Practice.	A target date of 30 Jun 2022 has been set.
8	Review the Oil Spill Contingency Plan.	A target date of 30 Nov 2022 has been set.
9	Review the Port Waste Management Plan.	A target date of 26 Mar 2023 has been set.

¹ ALARP: As Low As Reasonably Practical.

Aids to Navigation

As a Port Authority, Stornoway Port Authority is the Local Lighthouse Authority and as such must meet statutory duties associated with those responsibilities. A report into the availability of the Authority’s various Aids to Navigation is therefore prescribed by regulation. Performance is monitored and periodically audited by the National Lighthouse Authority, namely the Northern Lighthouse Board and a full audit took place within the reporting period.

Category	No. of Aids	Target Availability %	Availability %
CAT 1	7	99.8	88.11
CAT 2	25	99	99.99
CAT 3	3	97	100

SUSTAINABILITY

The Outer Hebrides is a special part of Scotland with a natural beauty and a very different way of life. The Port plays an integral role in the prosperity of the Outer Hebrides, managing multiple priorities and interests for the benefit of all stakeholders.

Our Environment

Stornoway Port Authority is committed to safeguarding Stornoway Harbour area for the benefit of its stakeholders.

- To protect wildlife and the marine environment we ensure that all relevant environmental bodies are consulted prior to any work being undertaken in the harbour area.
- Regular harbour clean ups are done to reduce any pollution within our harbor area.
- Continuous monitoring of our harbor environment.

Economic Prosperity through trade

Stornoway Port Authority are looking to secure long term sustainable employment on the islands by securing further investments to develop our harbor facilities for stakeholder benefit.

- Develop our Deep Water Terminal facility.
- We recognise the importance of the renewable energy sector and have been working closely with a variety of organisations to develop our facilities further.
- Continually review our Masterplan.

A thriving Community

Stornoway Port Authority, through economic development and protecting our environment, enable a thriving community, through regular dialogue, shared ambitions and collective accountability.

- We support local community groups through our community assistance fund.
- Local school groups are invited to visit Stornoway Port Authority where staff members will show groups round the harbour area and up to the Arnish Lighthouse, to help educate and support the future workforce.
- Support community events – small section on the open day.
 - Stornoway Port Authority, supported by Event Scotland’s Year of Coasts and Waters, held an Open Day in August 2021 called Steòrnabagh air a’Chùan.
 - Steòrnabagh air a’Chùan comprised of a series of events for all the family to enjoy. Stornoway’s own Peat and Diesel were a hit as they played their unique set to a large crowd on the quayside.
 - Thousands of locals and tourists enjoyed what was the first event of this kind since the outbreak of the Covid-19 pandemic.
 - The Port Authority are proud to have been able to put on such an event for the community, and being able to see the community come together after such challenging times.

PORT OPERATIONS

Aquaculture

Stornoway is the hub for the aquaculture sector in the Outer Hebrides.

Most of the fish farms are located on the east coast of Harris and Lewis, but an increasing number are being developed on the west coast. Overall production is growing and the Outer Hebrides now account for one fifth of Scottish fish farming production. The leading operator in the Port is The Scottish Salmon Company. Their fish are landed at the harvesting station at Arnish, then trucked to their Marybank facility for processing and shipping, then onwards for distribution via the ferry to the mainland.



Offshore

The Outer Hebrides provide a forward base for oil-related operations in the deep-water frontier areas of the Atlantic, off the north west of Scotland. Situated close to the Hebrides platform, Stornoway can play a major role in the future development of resources as far offshore as the Rockall Bank.

As a result of the Lewis Offshore yard, originally built in the early 1970s, Stornoway has a strong connection within the Oil & Gas industry. As well as a wide variety of barges/tugs associated with the Arnish facility, Stornoway harbour has a long history of oil-related traffic including supply vessels, seismic vessels, anchor handlers, workboats etc.

Near to the Arnish materials quay is the barge grounding berth, suitable for a standard North Sea barge. The Port also has a rig anchorage area with a minimum depth of 14m, initially installed during the refurbishment of the Drillmaster/Buchan Alpha rig in the early 1980's.



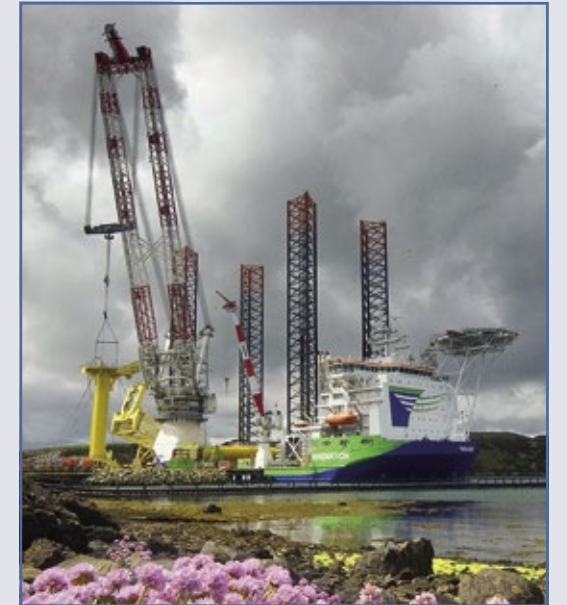
Arnish

Arnish is a key strategic site, investor ready, offering a manufacturing, assembly and deployment hub within the West of Scotland cluster.

Investment in Arnish has created a fully serviced site with heavy load quay facilities, providing a range of flexible serviced plots. Arnish is a key NRIP site, has Enterprise Area designation and is well positioned to attract inward investment and provide for expansion of existing businesses.

Arnish offers excellent opportunities within high growth business sectors associated with marine engineering and can support future national and international investments in both the renewable energy, and oil and gas sectors.

The Port Authority enjoy a close working relationship with Harland & Wolff, the operator of the Arnish yard.



Ferries

With over 95% of all visitors to the Outer Hebrides travelling through Stornoway harbour, the vast majority of people arriving into Stornoway use the ferry service.

Operated by CalMac Ferries Ltd, the largest vessel in the CalMac fleet the M.V. Loch Seaforth sails between Ullapool and Stornoway three times a day. The sailing takes 2 hours and 30 minutes and travels past the scenic Summer Isles and through Loch Broom. The 116-metre roll on roll off ferry is capable of operating 24 hours a day and has capacity for up to 700 passengers and 143 cars or 20 commercial vehicles.

A separate drop trailer parking area has recently been constructed to assist with commercial traffic.



2021 BUSINESS OBJECTIVES PROGRESS

What the Port Authority did in 2021 to achieve the Business Objectives.

Project Development

01

Develop a Deep Water Terminal

- Award construction contract – *delayed by Covid-19, now early 2022.*
- Obtain all necessary consents and land purchase arrangements – *all consents were in place by end of 2021, whilst negotiations were ongoing with landowners.*

02

Develop Marina capacity at Goat Island

- Newton Marina to open April 2021 – *completed.*
- Commission Yacht lift mid 2021 – *completed.*

03

Develop a covered boat repair facility

- Award construction contract early in 2021 – *completed.*
- Complete boat storage area mid 2021 – *completed.*

04

Develop increased capacity and capability for fish processing

- Complete processing building mid 2021 – *completed.*

05

Redevelopment of the Inner Harbour landside area

- Develop detailed plans of proposed inner harbour landside areas – *ongoing, delayed by Covid-19.*
- Public consultation on this work – *delayed by Covid-19.*
- Install new fence at old bus station site – *delayed by Covid-19.*

Financial / Commercial

06

Double 2017 revenue within the next 10 years through expansion

- Goat Island, Processing building and Deep Water Terminal a major part of this – *Covid-19 has affected revenue for 2020, and this will continue for a couple of years.*
- Significant Sales/Marketing exercise for leisure traffic – *delayed to 2022.*
- Determine tenant options for DWP – *ongoing.*

07

Increase revenue of existing operations through marketing and sales improvements

- Develop marketing Plan & Strategy – Cultural Tourism, Destination Management, etc all to be included – *delayed to 2022.*
- Investigate and develop long term strategy for Goat Island Slipway – *major improvements planned for 2022, strategy developed in tandem with new boatlift.*

Operational

08

Develop an organisational structure consistent with a developing business

- Office administration changes resulting from retirement – *completed.*
- Internal reporting procedures to be developed further – *improved.*

09

Continually learn and adopt best practice

- Develop Procedures – *further progress achieved.*
- Site visits to learn from others – *delayed by Covid-19.*
- Training plans, and competency – *good progress.*

10

Develop effective controls and systems to manage risk

- Develop Procedures in all business areas – *good progress.*
- Improve all RAMs – *complete.*

11

Improve HSEQ culture through communication with all stakeholders

- Develop new Environmental management System – *largely complete.*
- Continuous communication with stakeholders – *affected by Covid-19.*
- Develop Procedures in all business areas – *good progress.*
- Communicate procedures to stakeholders – *good progress.*

12

Build and maintain relationships with key customers

- VVisit/meet with customers in all business areas – *affected by Covid-19.*
- Install CRM (Customer Relationship Management) software – *development ongoing.*

13

Achieve and maintain outstanding customer service

- Ensure customer gets what they want and when, by improving procedures in all business areas – *good progress.*
- Ensure Port Authority personnel know the product and customer – *good progress.*

14

Maintain the port infrastructure to a high standard

- Elmpement maintenance management software – *completed.*
- Programming of small projects – *good progress.*

Community

15

Maintain the Port Authority's central role in the community and local economy

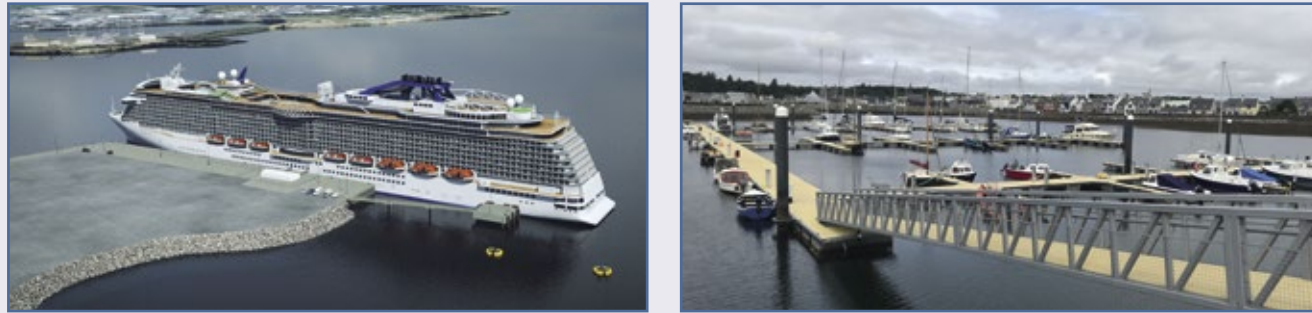
- Public meetings, Public Relations team, notifications, etc – *affected by Covid-19.*
- Meet regularly with all key stakeholders – *affected by Covid-19.*

16

Ensure that the Port recognises the views and needs of the local community

- Public meetings, Stakeholder meetings and PR strategy – *affected by Covid-19.*
- Approachable staff and Board members – *good progress.*

PORT MASTERPLAN



The 2017 Stornoway Port Authority Port Masterplan was an ambitious and extensive plan setting out the framework for the physical development of Stornoway Port Authority over the next 20 years.

The Port Authority is aware that the port is crucial to the economic future of Stornoway and the Outer Hebrides. The Masterplan represents an opportunity to deliver socioeconomic transformation for the town and beyond.

The Masterplan includes the recently opened Newton Marina, the now operational Food Standard Building leased to McDuff Shellfish, a 100t boat hoist currently in use, a Marine Engineering Workshop which is due to be completed in 2022, and the Deep Water Terminal project due to commence construction in 2022.

The Masterplan was to be developed in phases, with the decision to proceed with the next phase dependent on the success of the previous phase. The initial construction phase was to be between 2018-2022 and the first phase of operations to be between 2023-2032.

Stornoway Port Authority has, through working closely with its partners, found itself vastly ahead of schedule, with all the main elements of the Masterplan estimated to be completed by the end of 2023. The Port Authority is now in a position where a new Masterplan will be required to be developed which has become a new business objective to review over the next year.



NEWTON BASIN / GOAT ISLAND DEVELOPMENT



The Newton Basin/Goat island redevelopment will provide an 81-berth marina, a public slipway, a new 100T boatlift, a new engineering workshop which will offer covered space for boat repair and a new factory using state of the art process equipment to process locally caught shellfish.

Newton Marina Opening

Following delays caused by the March 2020 lockdown, the Newton Marina was fully operational from April 2021, able to accept local leisure craft in time for the summer season. The marina boasts 81 berths in a very sheltered environment, all with access to electricity and water.

The Boat hoist commissioning was delayed due to Covid-19 but was fully operational by the end of 2021. It has already proven to be a great asset for the Port Authority, allowing boat owners much greater flexibility in lifting their vessels in and out of the water. The boat hoist has a lifting capacity of 100 tonnes and is fitted with 360-degree steering.

Marine Engineering Building Construction

Arch Henderson, the Port Authority's consultant engineers, undertook the design of the new building and boat washdown facility in 2020. The facility will provide two berths for boat building and boat repair, each measuring 24m x 12m, with a door height of 11m. This will allow work to be done under cover, avoiding weather restrictions. Following the tender process, the Port Authority awarded the contract for the construction of the Marine Engineering Building to 3b Construction in March 2021. Construction commenced mid-2021, with the shed steel frame being erected and cladding completed by the end of 2021.

Food Standard Building

The building was completed in June 2021 and completely operational in July 2021. The new building will allow locally caught shellfish to be sold as a premium product, benefitting the local fishing fleet and the whole fishing chain.

DEEP WATER TERMINAL



One of the most ambitious projects ever undertaken in the Outer Hebrides, the Deep Water Terminal development is a project of national significance and will be transformational for our local economy. The opportunities created by this catalytic project will be felt for many years to come and will be essential to a sustainable future for these islands. Core infrastructure projects such as this will produce significant gains in economic output, with a subsequent effect on employment, development etc, all with the aim of a more sustainable future for the islands.

Deep Water Terminal

1. What we did in 2021

The Port Authority started 2021 by commencing the pre-qualification process for the construction contract. This was immediately followed by the tender process for the construction contract.

Tenders were received mid-2021, however budgetary issues caused by Covid-19 had a larger impact than previously imagined. Following an extensive value engineering exercise and some additional funding, the project was ready for construction late in 2021. Negotiations for land acquisition and access arrangements were ongoing at the end of 2021.

2. Covid-19 implications

Many aspects of this project were affected by the Covid-19 pandemic, but the potential for sustainable economic development presents a huge opportunity for the recovery from the pandemic.

3. Main events in 2021

- Value engineering exercise
- Tender process
- Land acquisition.



Main berth to accommodate the largest cruise ships in the world



149m long linkspan berth



6.5 hectares reclamation

2022 PROJECTION

What the Port Authority intends to do in 2022 to achieve the Business Objectives

Project Development

01

Develop a Deep Water Terminal

- Award construction contract
- Finalise all land purchase arrangements
- Finalise marketing strategy.

02

Procure a replacement Pilot vessel

- Determine specifications for the new vessel.

03

Develop a covered boat repair facility

- Completion of construction contract
- Commence operations within the completed facility.

04

Position the Port Authority to positively contribute to the Islands Net Zero ambitions

- Develop proposals reduce carbon footprint.

05

Redevelopment of the Inner Harbour landside area

- Develop detailed plans of proposed inner harbour landside areas
- Public consultation on this work
- Install new fence at old bus station site.

Financial / Commercial

06

Double 2017 revenue within the next 10 years through expansion

- Revenue from Food Standard Building and Newton Marina
- Significant Sales/Marketing exercise for leisure traffic
- Marketing strategy for Deep Water terminal.

07

Increase revenue of existing operations through marketing and sales improvements

- Develop marketing Plan & Strategy – Cultural Tourism, Destination Management, etc all to be included
- Investigate and develop long term strategy for Goat Island Slipway.

08

Exercise prudent cash management through effective financial controls

- Continue to improve financial control systems.

Operational

09

Develop an organisational structure consistent with a developing business

- Office administration changes resulting from retirement
- Internal reporting procedures to be developed further.

10

Continually learn and adopt best practice

- Develop procedures
- Site visits to learn from others
- Training plans, and competency assessment.

11

Develop effective controls and systems to manage risk

- Develop Procedures in all business areas
- Improve all RAMs.

12

Improve HSEQ culture through communication with all stakeholders

- Rollout new Environment Management System
- Continuous communication with stakeholders
- Develop Procedures in all business areas
- Communicate procedures to stakeholders.

13

Maintain employee competencies consistent with operational demands

- Undertake full evaluation of operational staff competencies.

14

Build and maintain relationships with key customers

- Visit/meet with customers in all business areas
- Realise full functionality of CRM (Customer Relationship Management) software.

15

Achieve and maintain outstanding customer service

- Ensure customer gets what they want and when, by improving procedures in all business areas
- Ensure Port Authority personnel know the product and customer.

16

Maintain the port infrastructure to a high standard

- Realise full functionality of new planned maintenance management software
- Programming of small projects.

Community

17

Maintain the Port Authority's central role in the community and local economy

- Public meetings, Public Relations team, notifications, etc
- Meet regularly with all key stakeholders.

18

Ensure that the Port Authority recognises the views and needs of the local community

- Public meetings, Stakeholder meetings and PR strategy
- Approachable staff and Board members.

Report of the Board and Audited Financial Statements

For the year ended 31 December 2021

Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

FINANCIAL STATEMENTS

For the year ended 31 December 2021

Contents

Authority Information	40
Report of the Board	41
Report of the Independent Auditors	44
Profit and Loss Account	48
Other Comprehensive Income	49
Balance Sheet	50
Notes to the Financial Statements	52

Authority Information

For the year ended 31 December 2021

BOARD MEMBERS:

M A Murray
I Burgess
A Macdonald
J M Nicolson
A D MacLeod
I McCulloch
M A Macleod
A MacDonald
A D MacLeod

CONTACT ADDRESS:

Amity House
Stornoway
Isle of Lewis
HS1 2XS

INDEPENDENT AUDITORS:

Mann Judd Gordon Ltd
Chartered Accountants
& Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

Report of the Board

For the year ended 31 December 2021

The Board Members present their report with the financial statements of the company for the year ended 31 December 2021.

Operation, administration, ongoing maintenance and future development of Stornoway Harbour has been entrusted to the Board of Stornoway Port Authority, an independent statutory body formed under the terms of the Stornoway Harbour Order Confirmation Act of 1976, as modified most recently by The Stornoway Harbour Revision (Constitution) Order 2021.

PRINCIPAL ACTIVITY

The principal activity of the Authority in the year under review was that of the operation of the Harbour Undertaking and ancillary services.

REVIEW OF BUSINESS

The review of the business for the year can be found within the Chairman’s Report.

FUTURE DEVELOPMENTS

In March 2022 the Board of Stornoway Port Authority approved the construction of the Stornoway Deep Water Terminal. This transformational project for the Outer Hebrides is a £56million development funded by a mixture of loans, capital grants and Stornoway Port Authority funds in conjunction with Scottish Government (Marine Scotland and the Scottish Futures Trust), Comhairlie nan Eilean Siar and Highlands and Islands Enterprise.

BOARD MEMBERS

The Board Members shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

- M A Murray – Chair
- I Burgess
- A Macdonald
- J M Nicolson
- I McCulloch – Vice Chair
- M A Macleod
- A MacDonald
- A D MacLeod – Chief Executive

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The Board Members are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Legislation requires the Board Members to prepare financial statements for each financial year. Under that law the Board Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Board Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the authority for that period. In preparing these financial statements, the Board Members are required to::

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the authority will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the authority's transactions and disclose with reasonable accuracy at any time the financial position of the authority and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities..

The Board Members are responsible for the maintenance and integrity of the corporate and financial information included on the authority's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Board Members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Authority's auditors are unaware, and each Board Member has taken all the steps that he or she ought to have taken as a Board Member in order to make himself or herself aware of any relevant audit information and to establish that the Authority's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies..

ON BEHALF OF THE BOARD:

M A Murray – Chair

Date: 22nd April 2022

Report of the Independent Auditors

For the year ended 31 December 2021

Opinion

We have audited the financial statements of Stornoway Port Authority (the 'authority') for the year ended 31 December 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Harbours Act 1964 as amended by the Transport Act 1981.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note twelve to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Board are responsible for the other information. The other information comprises the information in the Report of the Board, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 and Harbours Act 1964, as amended by the Transport Act 1981

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Harbours act 1964, as amended by the Transport Act 1981, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Board.

Responsibilities of Board Members

As explained more fully in the Statement of Board Members Responsibilities set out on page 42, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are The Stornoway Harbour Order Confirmation Act of 1976, as modified most recently by The Stornoway Harbour Revision Order 2021; and the Port Marine Safety Code. In addition, regulations relating to the health, safety and environment of all stakeholders of the Port, marine and animal life. Furthermore, those that relate to employment matters and those relating directly the preparation of the financial statements; that is FRS102 and the Companies Act 2006. Stornoway Port Authority are also subject to data protection laws (GDPR) and health and safety within the workplace.

We assessed the risks of material misstatement in respect of fraud as follows:

As part of our audit team discussion, we identified if any particular area was more susceptible to misstatement. A list of the known related parties was compiled along with an expectation of transactions between them. We then made fraud enquires of those charged with governance and confirmed our related party list.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. We corroborated our enquiries of those charged with governance by a review of the board minutes to date, a review of the bank statements to date and a review of legal fees charged in the year for any evidence of legal or regulatory issues. Our considerations at planning were corroborated and no further legal or regulatory issues were noted.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries throughout the year into our audit approach. A review of

the year of bank statements was undertaken, to identify any large or unusual transactions. No transactions outside the normal course of business were identified.

Given the size of the entity, segregation of duties is limited, so we designed our audit procedures to identify and to address any material misstatements arising from this. Appropriate approval controls were found to be in place.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the authority's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Harbour Act 1964, as amended by the Transport Act 1981. Our audit work has been undertaken so that we might state to the authority's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

John E Moffat ACA (Senior Statutory Auditor)
for and on behalf of Mann Judd Gordon Ltd
Chartered Accountants & Statutory Auditors
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

Date: 19th April 2022

Note:

The maintenance and integrity of the Stornoway Port Authority website is the responsibility of the Board Members; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Profit and Loss Account

For the year ended 31 December 2021

		31.12.21		31.12.20	
	Notes	£	£	£	£
REVENUE			3,847,282		3,472,405
Cost of sales			<u>2,326,725</u>		<u>1,818,575</u>
GROSS PROFIT			1,520,557		1,653,830
Administrative expenses			<u>1,465,843</u>		<u>1,254,467</u>
			54,714		399,363
Other operating income			<u>282,955</u>		<u>208,088</u>
OPERATING PROFIT	3		337,669		607,451
Interest receivable and similar income			<u>173</u>		<u>1,879</u>
			337,842		609,330
Interest payable and similar expenses	4	7,359		119	
Other finance costs	10	<u>35,000</u>		<u>34,000</u>	
			42,359		34,119
PROFIT BEFORE TAXATION			295,483		575,211
Tax on profit			<u>56,197</u>		<u>236,773</u>
PROFIT FOR THE FINANCIAL YEAR			<u>239,286</u>		<u>338,438</u>

Other Comprehensive Income

For the year ended 31 December 2021

		31.12.21	31.12.20
	Notes	£	£
PROFIT FOR THE YEAR		239,286	338,438
OTHER COMPREHENSIVE LOSS			
Actuarial gain/(loss) on pension deficit		1,230,000	(762,000)
Income tax relating to other comprehensive income/(loss)		<u>(150,100)</u>	<u>200,260</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		<u>1,079,900</u>	<u>(561,740)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>1,319,186</u>	<u>(223,302)</u>

Balance Sheet

For the year ended 31 December 2021

		31.12.21		31.12.20
	Notes	£	£	£
FIXED ASSETS				
Property, plant and equipment	5		20,945,925	18,786,679
Investment property	6		1,425,100	1,425,100
			<u>22,371,025</u>	<u>20,211,779</u>
CURRENT ASSETS				
Debtors	7	620,837		604,520
Cash at bank and in hand		1,325,234		1,602,967
		<u>1,946,071</u>		<u>2,207,487</u>
CREDITORS				
Amounts falling due within one year	8	768,423		962,068
NET CURRENT ASSETS			<u>1,177,648</u>	<u>1,245,419</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,548,673</u>	<u>21,457,198</u>
CREDITORS				
Amounts falling due after more than one year	9		(332,143)	-
PROVISIONS FOR LIABILITIES			(440,328)	(493,374)
ACCRUALS AND DEFERRED INCOME			(12,236,571)	(11,103,479)
PENSION LIABILITY	11		(1,474,200)	(2,114,100)
NET ASSETS			<u>9,065,431</u>	<u>7,746,245</u>
RESERVES				
Fair value reserve	10		803,325	803,325
Retained earnings			8,262,106	6,942,920
			<u>9,065,431</u>	<u>7,746,245</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board and authorised for issue on the 22nd April 2022 and were signed on its behalf by:

M A Murray – Chair

I McCulloch – Vice Chair

Notes to the Financial Statements

For the year ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities", the Companies Act 2006 and the Harbours Act 1964, as amended by the Transport Act 1981. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The presentation currency of the accounts is Pound sterling (£).
The accounts are rounded to the nearest £1.

Going Concern

The Authority is a going concern and there are no material uncertainties casting significant doubt over its ability to continue as a going concern.

Significant judgements and estimates

Fixed asset net book value and depreciation charges are the areas of the accounts which are affected by significant judgements and estimates. The members exercise judgement in determining both the useful economic life and the likely residual value of the authority's assets. This judgement affects the rates of and charge for depreciation as well as grant release in the accounts for the year. It also therefore affects the net book value of the assets in the balance sheet.

Turnover

Turnover comprises the total income receivable for the year, excluding value added tax, from dues on berthings, goods landed and utilisation of ancillary services.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land, Buildings and Works	- at varying rates on cost
Plant and Equipment	- at varying rates on cost
Office Furniture & Equipment	- at varying rates on cost
Motor Vehicles	- 25% depreciation on cost

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Assets under construction

Assets under construction are stated at cost within Land, Buildings and Works. These are not depreciated until they are available for use.

Investment property

The Authority recognises its portfolio of rental properties as investment properties in the balance sheet, and includes them at Fair Value.

The Board have deemed that Fair Value on transition to FRS102 Section 1A is best represented by the most recent market value obtained from its valuing agents.

Any revaluation surpluses or deficits arising on the revaluation of the investment property portfolio will be reflected in the Profit and Loss account as they arise.

Deferred tax has been provided on the revaluation surplus.

The Board will revisit the valuation of the investment property portfolio on a tri-annual basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Authority operates a defined benefit pension scheme. A full actuarial valuation by a professionally qualified actuary is carried out every 3 years. The surplus/deficit in the scheme is recognised as an asset/liability on the balance sheet. Changes in the asset/liability are reflected in the profit and loss account or statement of Other Comprehensive Income as required.

Grants

Capital grants received in respect of fixed assets are credited to deferred income and amortised to the profit and loss account over the useful economic lives of the assets to which they relate.

Debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the Authority has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. EMPLOYEES

	31.12.21	31.12.20
	£	£
Wages and salaries	1,000,886	925,930
Social security costs	94,523	95,483
Other pension costs	177,000	180,677
	<u>1,272,409</u>	<u>1,202,090</u>

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Operations	19	17
Administration	3	3
Management	6	4
	<u>28</u>	<u>24</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Operating lease income	(284,418)	(205,814)
Depreciation – owned assets	1,244,005	1,076,025
Auditors' remuneration	8,200	8,200
Auditors' remuneration for non-audit work	27,046	16,456

The notes form part of these financial statements

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.21	31.12.20
	£	£
Hire purchase interest	7,359	-
Interest on corporation tax	-	119
	<u>7,359</u>	<u>119</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Land, Buildings & Works	Plant & Equipment	Office Furniture & Equipment	Motor Vehicles	Totals
	£	£	£	£	£
COST					
At 1 January 2021	23,329,330	3,961,210	94,728	105,189	27,490,457
Additions	<u>2,677,493</u>	<u>667,636</u>	<u>2,983</u>	<u>55,139</u>	<u>3,403,251</u>
At 31 December 2021	<u>26,006,823</u>	<u>4,628,846</u>	<u>97,711</u>	<u>160,328</u>	<u>30,893,708</u>

DEPRECIATION

At 1 January 2021	7,085,564	1,489,757	76,861	51,596	8,703,778
Charge for year	<u>996,842</u>	<u>218,088</u>	<u>6,573</u>	<u>22,502</u>	<u>1,244,005</u>
At 31 December 2021	<u>8,082,406</u>	<u>1,707,845</u>	<u>83,434</u>	<u>74,098</u>	<u>9,947,783</u>

NET BOOK VALUE

At 31 December 2021	<u>17,924,417</u>	<u>2,921,001</u>	<u>14,277</u>	<u>86,230</u>	<u>20,945,925</u>
At 31 December 2020	<u>16,243,766</u>	<u>2,471,453</u>	<u>17,867</u>	<u>53,593</u>	<u>18,786,679</u>

Included in cost of land and buildings is freehold land of £63,860 (2020 – £63,860) which is not depreciated.

Included within the cost of Land, Buildings and Works is £4,938,044 (2020: £5,492,608) of assets under construction which are not depreciated until the asset is available for use.

The notes form part of these financial statements

6. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021 and 31 December 2021	1,425,100
NET BOOK VALUE	
At 31 December 2021	1,425,100
At 31 December 2020	1,425,100

Included in fair value of investment property is freehold land of £1,305,600 (2020 – £1,305,600) which is not depreciated.

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2012	1,061,735
Cost	363,365
	1,425,100

If the investment properties had not been revalued they would have been included at the following historical cost:

	31.12.21	31.12.20
	£	£
Cost	363,365	363,365
Aggregate depreciation	(34,028)	(34,028)

The investment properties were valued on an open market basis on 31 March 2012 by Graham + Sibbald Chartered Surveyors.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade debtors	378,243	405,726
Other debtors	242,594	198,794
	620,837	604,520

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Hire purchase contracts	64,286	-
Trade creditors	77,959	367,021
Taxation and social security	181,883	60,010
Other creditors	444,295	535,037
	768,423	962,068

9. CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.21	31.12.20
	£	£
Hire purchase contracts	332,143	-
Amounts falling due in more than five years:		
Repayable by instalments		
Hire purchase	75,000	-
	768,423	962,068

10. RESERVES

	Fair value reserve £
At 1 January 2021 and 31 December 2021	803,325

11. EMPLOYEE BENEFIT OBLIGATIONS

The Authority participates in a multi employer defined benefit pension scheme, for qualifying employees providing benefits based upon pensionable pay.

The Authority contributes to the Highland Council Pension Fund. Contributions to the scheme are charged to the profit and loss account in the year in which they are payable. The contributions are assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest triennial actuarial valuation was at 31 March 2020.

The main conclusions arising from the valuation of the entire scheme are:

The funding level (ratio of assets to past service liabilities) as at 31 March 2020 is 100% (compared with 101% as at 31 March 2017). At the 2020 valuation, there was a surplus of assets relative to the

The notes form part of these financial statements

The notes form part of these financial statements

assessed cost of members' benefits on the target funding basis of £6m (£13m at 2017).

The whole fund Primary and Secondary contribution rates at this valuation are:

Primary rate (% of pay): 21.2% from 1 April 2021 to 31 March 2024 (17.8% 2017-2020)

Secondary rate: -2.1% 2021/22
-2.1% 2022/23
-2.1% 2023/24

The primary rate also includes an allowance of 0.7% for the Fund's expenses (0.6% at 2017). The average employee contribution was assessed as 6.1% of pensionable pay (6.0% at 2017).

Further sums should also paid to the Fund to meet the costs of any non-ill health early retirements using methods and assumptions issued by the actuary from time to time.

The certified contribution rates represent the minimum level of contributions to be paid. For Stornoway Port Authority, the contributions payable will be 19.0% of employee's pensionable pay in the three years to 31 March 2024.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Present value of funded obligations	(8,335,000)	(8,366,000)
Fair value of plan assets	6,515,000	5,756,000
	(1,820,000)	(2,610,000)
Present value of unfunded obligations	-	-
Deficit	(1,820,000)	(2,610,000)
Deferred tax asset	345,800	495,900
Net liability	(1,474,200)	(2,114,100)

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Current service cost	582,000	439,000
Net interest from net defined benefit asset/liability	35,000	34,000
Past service cost	-	-
	617,000	473,000
Actual return on plan assets	72,000	105,000

The notes form part of these financial statements

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Opening defined benefit obligation	8,366,000	6,786,000
Current service cost	582,000	439,000
Contributions by scheme participants	62,000	63,000
Interest cost	107,000	139,000
Benefits paid	(256,000)	(204,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(535,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(117,000)	1,173,000
Other experience	126,000	(30,000)
	8,335,000	8,366,000

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Opening fair value of scheme assets	5,756,000	5,230,000
Contributions by employer	177,000	181,000
Contributions by scheme participants	62,000	63,000
Expected return	72,000	105,000
Benefits paid	(256,000)	(204,000)
Remeasurements:		
Return on plan assets (excluding interest income)	577,000	381,000
Assets other remeasurement	127,000	-
	6,515,000	5,756,000

The notes form part of these financial statements

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	535,000	-
Actuarial (gains)/losses from changes in financial assumptions	117,000	(1,173,000)
Other experience	(126,000)	30,000
Return on plan assets (excluding interest income)	577,000	381,000
Assets other remeasurement	127,000	-
	<u>1,230,000</u>	<u>(762,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
Equities	66%	68%
Bonds	12%	14%
Property	13%	10%
Cash	9%	8%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.21	31.12.20
Discount rate	1.85%	1.25%
Future salary increases	3.75%	2.95%
Future pension increases	2.95%	2.45%

12. RELATED PARTY DISCLOSURES

During the year the Authority purchased goods from Manor Filling Station, a business in which Allan Macdonald is a director and shareholder. The value of the purchases was £784 (2020: £919) and no balance was outstanding at the year end.

No Board Members were reimbursed any expenses during the year or in 2020.

13. FRC ETHICAL STANDARD – PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

14. PILOTAGE

The Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 require the separate disclosure of revenue and expenditure applicable to pilotage activities.

	31.12.21	31.12.20
	£	£
Revenue from pilotage services	68,105	33,224
Pilotage expenses	174,109	108,976

In addition the Authority incurs internal costs on Pilotage in the region of £10,000 per annum, in respect of management time and expenses.



Contact Us

STORNOWAY PORT AUTHORITY

Amity House, Esplanade Quay, Stornoway, Isle of Lewis HS1 2XS

T: +44 (0)1851 702688 E: info@stornowayport.com

www.stornowayportauthority.com