



Annual Report 2024

**Locally Invested.
Globally Recognised.**



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Our Mission

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

Our Vision

“To build a truly sustainable business that is one of the leading economic drivers of the Outer Hebrides”

Our Business Objectives

Growth

- Target minimum £7.5 million income by 2027
- Increase market share from new markets
- Realise the opportunities presented by marine renewables

Talent

- Foster an exciting and challenging culture to attract, develop and retain the best people
- A consistent and strong HSEQ track record

Stakeholder engagement

- Maintain Stornoway Port's central role in the community and local/national economy
- Play a leading role in creating a shared vision of local economic opportunities
- Responsive and collaborative communications with our community

Identity

- Ensure Stornoway Port remains a significant driver of the local economy
- Position Stornoway as a globally recognised port
- Position Stornoway Port as an organisation to promote local business and opportunity

Customer relationship management

- Innovate and pivot Stornoway Port to remain relevant to changing market requirements
- Achieve and maintain outstanding customer service
- Build and maintain relationships with key customers and develop new customer opportunities

Chair's Statement



Margaret Ann Macleod
Chair

As Chair of Stornoway Port, I am proud to reflect on a landmark year for the organisation and our community. The progress made in 2024 reinforces the Port's role as a key driver of economic opportunity and resilience for Stornoway and the wider Outer Hebrides.

On 1 April 2024, the Deep Water Terminal officially opened, welcoming its first cruise ship and marking the culmination of one of the most ambitious infrastructure projects in the region's history. Delivered on time and within budget, the terminal has already begun to transform our cruise offering and many visitors enjoyed the new walking route through the Castle Grounds, linking the terminal with the town centre.

The Deep Water Terminal is a multi-use asset with potential across many sectors, including offshore and onshore renewables. As energy security becomes increasingly important, the Port is working with developers to ensure we can support future demand and support the large-scale investment envisaged.

At Cromwell Street Quay, work continued on a new civic space to welcome visitors and support cruise shuttles. At Goat Island, major investment has delivered improved infrastructure and facilities for tenants reflecting the Port's commitment to long-term, sustainable activity.

Maintaining core infrastructure at Stornoway Port remains a key priority for the organisation with a particular focus on resolving the complex challenges presented by the breakdown of the Passenger Access System at Pier No. 3.

I would like to thank our staff, whose dedication and professionalism underpin all we have achieved. Their efforts throughout the year have been instrumental to the success of our growing infrastructure and operations.

This year also brought changes to the Board. Ian Burgess retired in April after ten years of valued service, including seven as Vice Chair. We thank him for his leadership and service. In May, we welcomed two new Board members—Iain MacKinnon and Callum Finlayson—whose insight and experience will help guide the next phase of our development.

The Port Masterplan, drawn up in 2016, laid the foundation for key projects including the Deep Water Terminal. With its major recommendations now delivered, a new Masterplan will be commissioned in 2025 to shape our future direction.

It has been a year of progress and delivery, and I look forward to building on that momentum as we continue to serve the Outer Hebrides with energy and purpose.

Chief Executive's Statement



Alex Macleod
Chief Executive

In 2024, Stornoway Port marked a year of major achievement, with the opening of the Deep Water Terminal standing as a defining moment in our long-term development strategy.

While income reached over £6.3 million in 2024 with growth in many areas of the business, annual debt servicing, covering interest and capital repayments, now exceeds £2 million. Future investment decisions must therefore be carefully managed to ensure financial sustainability while continuing to deliver on strategic priorities.

One continuing challenge has been the Passenger Access System. Its failure in 2023 led to a complex, multi-party process involving insurers, suppliers, and legal teams. While we share the community's frustration, recent months have seen real progress. A bespoke replacement system is now in design, with installation commencing late in 2025. In the meantime, passengers exit via the vehicle deck with safety always paramount. The introduction of a dedicated luggage van has also improved the experience.

The new Deep Water Terminal is already proving its value. In 2024, it hosted 35 vessels at the new berth and helped deliver a record 76 cruise calls and over 56,000 passengers to Stornoway. As the cruise market continues to grow, we have set out potential impacts through Cruise Scotland and the British Ports Association and are engaging constructively with Ministers and officials. Cruise lines have indicated potential reductions to industry bodies should a levy proceed.

Beyond cruise, the terminal is a strategic asset with long-term value. It offers substantial potential as a renewables base and logistics hub—supporting energy security and meeting rising freight demand across the islands.

Looking ahead, key projects include the dualling of Arnish Road to support further investment, and installation of a second linkspan at the Deep Water Terminal to increase resilience and support the case for a dedicated freight ferry.

I would like to thank the Board for their continued support, and our staff for their commitment and professionalism. I look forward to building on this year's momentum as we work together for a strong and sustainable future for Stornoway Port and the Outer Hebrides.

Port Highlights 2024

Deep Water Terminal

- Entered operation in 2024
- First cruise ship alongside 1 April 2024
- Delivered on time and on budget
- £59m investment

76 Cruise Calls
and over
56k Cruise passengers
(35 calls at DWT)

15 Cruise Maiden Calls
during 2024

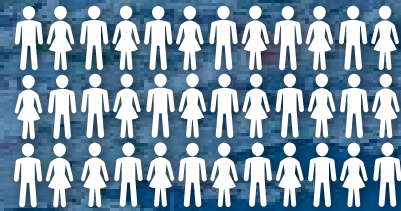


MS Rotterdam
Largest vessel
ever alongside
(300m in length)

Ferry Passengers

↘ down 3% to

290k
in 2024



102k Cars
on the Ullapool
to Stornoway
↘ Ferry route
down 9% on 2023



228
Pilotage
Acts
in 2024

198
Boat
Hoist
lifts

0
Lost Time
Incidents
in 2024



100%
Electricity
requirements
met by local
renewable wind



£6.3
million
annual income

474
visits by
yachts
to our marinas



Port Operations

Ferries

The Stornoway-Ullapool ferry service remains a lifeline for the Outer Hebrides, providing essential year-round connectivity for residents, businesses, and visitors. The MV Loch Seaforth continues to operate up to three sailings daily, supporting the flow of passengers, vehicles, and commercial freight.

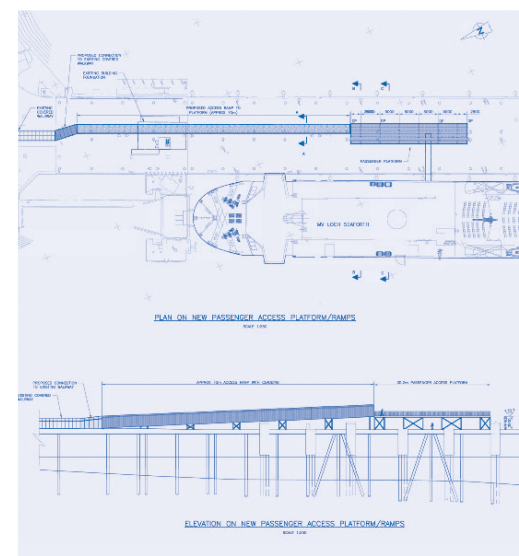
In 2024, we continued to advocate for a dedicated freight ferry, which remains a strategic priority for Stornoway Port. This would provide vital resilience to the transport network and ensure capacity for the increasing volume of freight linked to infrastructure, energy, and commercial development across the islands.

The ongoing unavailability of the Passenger Access System (PAS) at Stornoway Ferry Terminal was a significant issue throughout 2024. Stornoway Port fully shares the frustration expressed by ferry users and the wider community, and continues to work towards a long-term solution that meets the needs of passengers and operators alike.

While the absence of the PAS has required passengers to disembark via the vehicle deck, this process has been managed to the highest safety standards. No delays to the timetabled ferry service have occurred as a result of these arrangements. However, we fully recognise and acknowledge the inconvenience caused—particularly the additional waiting time of up to 15–20 minutes for foot passengers while vehicles clear the vehicle deck in Stornoway.

Progress has now been made towards a long-term fix. A bespoke replacement PAS design has been developed and is now entering the procurement phase. A formal tender process will begin in late summer 2025, with installation expected to commence later in 2025.

In response to the key concern raised by passengers—the difficulty of moving luggage through the vehicle deck and up and down stairways—a **dedicated luggage transfer van** was introduced in 2024.



This service has proven highly effective and is being well utilised. It has significantly improved the passenger experience and Stornoway Port has requested that CalMac ferries allow this to continue even after the new access system is in place.

We remain focused on delivering a safe and improved passenger experience. While the process has taken time, a path forward is now in place, and we continue to work with CalMac and other partners to ensure the best outcome for ferry users and the wider community.

Cruise

The 2024 cruise season marked a step-change in Stornoway's capabilities as a destination. A total of 76 cruise calls brought over 56,000 passengers, many on some of the world's largest cruise vessels, now able to berth directly at the Deep Water Terminal (DWT). The DWT has dramatically enhanced passenger access, streamlined operations, and delivered a major boost to the local economy.

The wider benefit of cruise tourism extends well beyond Stornoway Port itself. Local guides, transport operators, craft producers, and food and drink suppliers all benefit from the increased footfall and visibility brought by a strong cruise programme. The Cromwell Street Quay area continues to be developed as a welcoming civic space and serves as the hub for cruise shuttle drop-offs, further supporting town centre activity.

A new path through the Lews Castle Grounds, completed in 2024, also provides a scenic and practical route between the DWT and the town centre. This infrastructure encourages walking access and improves the first impressions for passengers visiting the island.

Feedback from cruise operators has been overwhelmingly positive, citing improved access, turnaround efficiency, and visitor experience. Cruise is now firmly established as one of Stornoway Port's most important growth sectors and a key contributor to the region's tourism economy.

Aquaculture & Fishing

The fishing sector remains resilient, with strong ongoing activity at the quay and consistent landings. Stornoway Port continues to support the local industry with the provision of facilities and is looking at further investment opportunities.

The closure of Bakkafrost's operations in summer 2024 was a significant loss, both in terms of local employment and knock-on impacts to freight and quay activity. However, the factory leased to Macduff Shellfish continues to support active shellfish processing, and Stornoway Port remains committed to diversifying and strengthening its role in supporting the broader marine economy.



Offshore & Renewables

The Deep Water Terminal is now firmly established as a strategic enabler of Scotland's renewable energy ambitions. The link road between the terminal and the Arnish yard allows for the direct movement of heavy and oversized cargo, creating a seamless route for energy and infrastructure projects.

Stornoway is increasingly viewed as a potential base for long-term renewable operations. There is growing interest from developers in establishing Operations & Maintenance (O&M) bases at Stornoway Port to support the multi-gigawatt ScotWind projects planned off the west coast. This presents a major opportunity for long-term port activity, skilled employment, and sustained investment in local infrastructure.

A number of onshore wind projects across the region are also advancing, and we continue to engage with developers to ensure that Stornoway Port is equipped to support their delivery. The planned dualling of Arnish Road is being designed to accommodate the movement of next-generation wind turbine components, which are larger, heavier, and more complex than ever before.

The forthcoming interconnector project represents a transformative investment for the Western Isles. Stornoway Port will play a central role in facilitating freight and logistics throughout its construction, reinforcing Stornoway's position as a critical hub in Scotland's energy transition.

In early 2025, Navantia assumed operations at the Arnish yard, bringing forward encouraging plans to revitalise fabrication and energy-focused activity. Stornoway Port continues to work closely with industry partners to realise the full potential of this strategic site.

Purpose & Investment

As Stornoway Port evolves, we remain focused on our core purpose: to serve as a long-term economic driver for the Outer Hebrides. From aquaculture and tourism to freight, renewables, and marine engineering, Stornoway Port provides the platform for investment, innovation, and community benefit.

Work will begin in 2025 on a new Port Masterplan, aimed at unlocking the full value of our infrastructure—particularly the Deep Water Terminal—and ensuring our assets continue to support the changing needs of the region. Through careful planning and sustained investment, we will enable a resilient, adaptable and prosperous future for the islands.



Deep Water Terminal

A new era for Stornoway

Operational: 1 April 2024

Investment: £59 million

Main Berth Length: 201 metres extending to 277 metres

Dredged Depth: 10 metres

2 million tonnes of rock and gravel:

Blasted from the hillside & dredged from the seabed

Use Cases: Cruise | Cargo | Renewables | Laydown

Delivered: On time and on budget

Additional Berth: 145m berth constructed with
planned linkspan installation in 2026

Deep Water Terminal

A historic first year of operation

The Deep Water Terminal (DWT), the centrepiece of the 2017 Port Masterplan, became operational on **1 April 2024**, marking a significant milestone for Stornoway and the Outer Hebrides. One of the most ambitious infrastructure projects ever undertaken in the region, the £59 million terminal was delivered **on time and on budget**, demonstrating excellence in project management and regional collaboration.

The terminal welcomed its **first vessel, the cruise ship MS Ambition**, on opening day, carrying **1,002 passengers**. Over the course of its first season, **35 cruise vessels** berthed directly at the DWT, contributing to a record **76 cruise calls to Stornoway** and bringing **over 56,000 passengers** to the island. These calls included the MS Rotterdam, the **largest vessel ever to berth in Stornoway**, measuring 300 metres in length and carrying **2,726 passengers**.

The completion of the **Castle Grounds walking path** significantly improved access between the terminal and the town centre. The revitalised **Cromwell Street Quay** also served as a key civic space and transit hub for cruise passengers, enhancing the visitor experience and reinforcing Stornoway's reputation as a premier cruise destination.



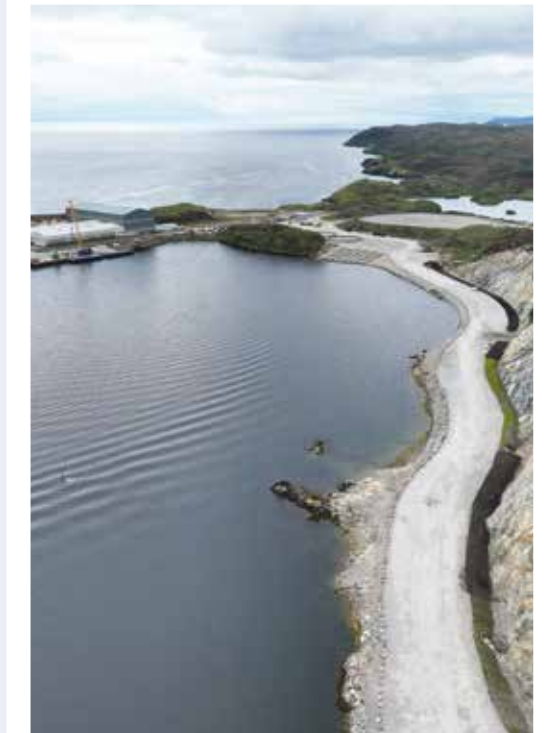
Unlocking multi-use potential

While cruise activity has been a clear early success, the DWT is designed as a **multi-use facility** that will support a wide range of sectors. With **heavy haul road access to Arnish Yard**, the terminal can accommodate large-scale freight and support **offshore and onshore renewable energy developments**, including the fast-growing **ScotWind programme**.

Stornoway Port has continued discussions with developers and stakeholders about the use of the facility for **Operations & Maintenance (O&M) bases**, with interest from both domestic and international firms. The DWT is also expected to play a central role in facilitating the delivery of several large-scale **onshore wind** and **infrastructure projects** planned across the region.

Looking ahead, the **installation of a linkspan**, anticipated for **2026**, will further enhance the terminal's capabilities. This will support improved **ferry resilience**, create the necessary infrastructure for a potential **dedicated freight ferry**, and broaden the year-round utility of the DWT across cargo, renewables, and passenger sectors.

With a highly successful first year of operations, the Deep Water Terminal stands as a transformational asset for Stornoway and the Outer Hebrides – enabling future growth, attracting new markets, and reinforcing the Port's role as a critical enabler of regional development.



Our People

Martin Graham
Harbour Master



- **How long have you been with the Port Authority?**
I started in May 2024 as an Assistant Harbour Master but have since been promoted to Harbour Master as of April 2025.
- **What inspired you to join Stornoway Port?**
Having grown up on the Island, the Harbour very much felt like the beating heart of the island, where locals, tourists, fishermen and pleasure craft users all flowed in and out. I was watching with interest the recent port developments such as Newton Marina and Goat Island and of course Deep Water Terminal.
I was ready to come ashore as my family was growing and I saw the position advertised. Piloting had always interested me and at the time I applied, DWT hadn't yet taken its first large cruise vessels and I hoped that I could be a part of that journey one day.
- **What do you like best about your job?**
As Harbour Master, I now don't get to pilot as much as I would like, but the various aspects of this position plus engaging with stakeholders, different companies, public groups and members of the public means that there is never a dull moment. The team we have here at SPA is brilliant to work with, so whatever is happening, you know you have a good support network around you.
- **What challenges do you face in your job?**
The summer is always a busy and challenging time with 90-100 cruise vessels calling here in Stornoway as well as the visiting yachts in addition to all the usual traffic we have. Balancing my daily tasks in between the added workload means you need to be organised and efficient in order to keep things running smoothly.
- **Where do you see yourself in five years' time?**
I'll hopefully be occupying the same seat here at SPA with 5 more years of experience under my belt.

David Nicolson
Maintenance Supervisor



- **How long have you been with the Port Authority?**
I have been with Stornoway Port for three years now.
- **What inspired you to join Stornoway Port?**
Having worked at sea previously, I was always on the lookout for a job that would allow me to stay on the island whilst allowing me to continue working within the maritime industry. I saw the job vacancy at the Port and haven't looked back.
- **What do you like best about your job?**
The best thing about my job is the variety of work and the different projects I'm involved in. No two days are the same here, so there is always an opportunity to gain experience and learn something new.
- **What challenges do you face in your job?**
With most of my time being spent outside, I'd say dealing with the unpredictable Hebridean weather is the biggest challenge.
- **Where do you see yourself in five years' time?**
I hope to still be at the Port, contributing towards its success.

Business Objectives 2024

What the Port Authority did in 2024 to achieve their Business Objectives

Growth

Target minimum £7.5 million income by 2027:	<ul style="list-style-type: none">• Deep Water Terminal (DWT) became operational in April 2024.• 2024 income grew to £6.3 million, progressing toward the 2027 target.
Increase market share from new markets:	<ul style="list-style-type: none">• Progressed the marketing of DWT across cruise, logistics, and energy sectors.• Developed a business case for a dedicated freight ferry.• Progressed discussions with developers in the renewables industry.
Realise the opportunities presented by marine renewables:	<ul style="list-style-type: none">• Advanced internal business case work for a potential second deep-water berth designed to support onshore and offshore renewables.• Continued dialogue with energy developers interested in establishing Operations & Maintenance (O&M) bases in Stornoway.

Talent

Foster an exciting and challenging culture to attract, develop, and retain the best people:	<ul style="list-style-type: none">• Made an internal appointment to the newly created post of Cruise Manager to maximise opportunities from the cruise sector.• Appointed a Chief Financial Officer (CFO) to bring additional expertise to the Port's strategic financial planning.
A consistent and strong HSEQ track record:	<ul style="list-style-type: none">• No lost time incidents recorded in 2024.• Further improvements made to on-site safety systems.• Planning for ISO 45001 certification began in late 2024, with implementation work to commence in 2025.

Stakeholder engagement

Maintain Stornoway Port's central role in the community and local/national economy:	<ul style="list-style-type: none">• Maintained strong engagement with CNES and the Scottish Government.• Continued engagement with local organisations including Stornoway Traders Association.
Play a leading role in creating a shared vision of local economic opportunities:	<ul style="list-style-type: none">• Hosted an economic strategy workshop to bring together stakeholders and partners to support regional development.• Worked closely with stakeholders to build the case for a dedicated freight ferry.
Responsive and collaborative communications with our community:	<ul style="list-style-type: none">• Hosted a major stakeholder event at Lews Castle, bringing together representatives from government, industry, and the community.• Maintained regular communications via media, digital channels, and direct briefings, particularly around the DWT operations.

Identity

Ensure Stornoway Port remains a significant driver of the local economy:	<ul style="list-style-type: none">• The successful opening of the DWT is a critical enabler of economic activity across multiple sectors.• Investment across the Goat Island estate has supported businesses in areas such as shipbuilding, fish processing, and marine services.
Position Stornoway as a globally recognised port:	<ul style="list-style-type: none">• The Port welcomed some of the largest cruise ships in the world during the 2024 season, enhancing Stornoway's profile in the industry.• Maintained visibility through participation in trade events, national forums, and partnerships.
Position Stornoway Port as an organisation to promote local business and opportunity:	<ul style="list-style-type: none">• Expanded Stornoway Port's role in supporting local enterprise through training, infrastructure access, and stakeholder collaboration.• Delivered a tourism-focused training programme in partnership with Outer Hebrides Tourism.

Customer relationship management

Innovate and pivot Stornoway Port to remain relevant to changing market requirements:	<ul style="list-style-type: none">• Continued to develop commercial offerings across cruise, freight, and renewables.• Engaged actively with customers and developers in the energy sector.
Achieve and maintain outstanding customer service:	<ul style="list-style-type: none">• Despite the challenges associated with the Passenger Access System, the Port's staff worked hard to maintain a positive and safe ferry experience, including the introduction of a dedicated luggage van.
Build and maintain relationships with key customers and develop new customer opportunities:	<ul style="list-style-type: none">• Strengthened links with cruise operators, freight stakeholders, and energy developers to secure long-term opportunities.• Promoted the Port's infrastructure and capabilities through industry networks and collaboration with public sector partners.

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 often need explaining to both those outside but also inside our

“Any profits trust ports make are reinvested back into the port”

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.

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.

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.



The Board

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 Chair 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 Transport Scotland through their publication “Modern Trust Ports for Scotland 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 “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.

Board Member Biographies



Chair

Mrs Margaret Ann Macleod

Margaret Ann Macleod joined the Board in November 2016 and has a business background in textile manufacturing, international sales and rural economic development. Appointed as Chief Executive at Harris Tweed Hebrides in 2023 having been promoted from Sales Director, 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 has been an active board member for a number of community organisations on the island.

Margaret Ann was appointed Chair of Stornoway Port in February 2023.



Vice Chair

Mr Roddie Mackay

Roddie has owned and managed the RMk business in Stornoway for the past twenty five years. Roddie became a local councillor in 2007 and was the Leader of Comhairle nan Eilean Siar between 2017 and 2022 and latterly chaired the Highland and Islands Regional Economic Partnership as well as the Islands Growth Deal Joint Committee.

Roddie joined the Board in May 2022.



Chief Executive

Mr Alex Macleod

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

Prior to joining Stornoway Port, Alex had a long career in the civil engineering construction industry, both in Stornoway, the UK and abroad.

Alex 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 with 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 Chair of that organisation in early 2019.

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.

Following ten years of service on the Board, including Vice Chair from 2015 – 2022, Ian retired from the Board in April 2024.



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 Chair 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. He brings extensive maritime, fishing and business experience to the Board. Following ten years of service on the Board, John is retiring from the Board in April 2025.



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 has previously served as Chair of the Board for Lews Castle College/University of the Highlands and Islands and the Gearrannan Trust.



Mrs Seonag Mackinnon

Seonag Mackinnon, a native Gaelic speaker, was born and brought up in Harris. She was a primary teacher for 10 years and spent some time teaching in Rhenigidale when the school had only one pupil and the village did not have a road. She went to school on a Scalpay fishing boat. After a period as a head teacher, she worked as Primary Adviser and Quality Improvement Officer for Comhairle nan Eilean Siar. Passionate about our culture and language, Seonag has been very active in promoting Gaelic in Education. Before retiring, she was also Director of Education and Children's Services. Since retiring, Seonag has served a term on the board of Skills Development Scotland. She has also involved herself with local charitable organisations such as Crossroads, Neuro Hebrides and Acair, the Gaelic Publishing Company. She is current Chair of Acair.

Seonag was co-opted to the Board in March 2023.



Mr Murdo Maciver

Retired in 2021 as Group Director and Chief Operating Officer of Peterson Offshore Group part of the Royal Peterson and Control Union Group concluding a distinguished career in global offshore logistics, port operations, decommissioning, and supply chain management and having held various senior leadership, commercial, and supply chain roles across many countries enhancing his expertise in global port and offshore operations.

In 2009, he established and became the founding Chair of Decom North Sea, the industry's first dedicated supply chain forum for offshore decommissioning, promoting collaboration, capability development, and market growth.

Murdo moved to Shetland in 2000, where for Shetland Decommissioning Company, he led initiatives to position Shetland as a strategic hub for offshore structure decommissioning, promoting investment and supply chain opportunities in the region. Following the management buyout in 2002, he became a partner in SBS logistics Ltd, where he played a key role in building the company's commercial infrastructure and guiding its expansion.

Prior to leaving Lewis in 2000, Murdo was a Director of Lewis Offshore Ltd for 11 years, instrumental in the management buyout of the Fabrication yard, serving as Director with responsibility for project support and supply chain management.

Murdo joined the Board in May 2022.



Mr Iain Mackinnon

A Chartered Civil Engineer and Fellow of the Institution of Civil Engineers, Iain Mackinnon retired in 2023 from the role of Director for Investment Delivery at Comhairle nan Eilean Siar, where he was responsible for the development and delivery of a portfolio of major infrastructure projects in the Outer Hebrides.

His previous roles within the Comhairle included eleven years as Director of Technical Services, responsible for the management and maintenance of Comhairle-owned assets and infrastructure comprising roads, properties, piers and harbours, and the delivery of municipal services, comprising waste and public transport services.

It also included two years as Executive Director of Sgoiltean Ura LLP when he was responsible for the design and procurement stages of the Western Isles Schools Project comprising six new schools across the Outer Hebrides. Prior to then, Iain spent 19 years as a project engineer and project manager in the water and wastewater sector with the Comhairle, the North of Scotland Water Authority and Scottish Water, returning to the Comhairle in 2004. Iain joined the Board in May 2024.



Mr Callum Finlayson

Callum Finlayson has recently retired after a 45-year career with Shell, Northern Marine Ship Management and Denholm Ship Management. He spent the last five years in Nigeria where he was accountable for crude oil exports for Shell and a large variety of other local and international operators.

An experienced Master Mariner, Callum captained crude and LNG vessels earlier in his career, with the last 20 years spent in a variety of Shipping and Oil Production roles in various locations around the world. Callum joined the Board in May 2024.

Non-Executive Board Members	Joined the Board	Resigned / Retired	2024 Meetings Attended
Mrs Margaret Ann Macleod	November 2016		8/9
Mr Roddie Mackay	May 2022		9/9
Mr Ian Burgess	August 2014	April 2024	3/3
Mr John Nicolson	November 2015		8/9
Mr Archie MacDonald	January 2019		6/9
Mrs Seonag Mackinnon	March 2023		7/9
Mr Murdo Maciver	May 2022		9/9
Mr Iain Mackinnon	May 2024		6/6
Mr Callum Finlayson	May 2024		6/6
Executive Member	Joined The Board		2024 Meetings Attended
Mr Alex Macleod (Chief Executive)	August 2015		9/9



Principal Risks

As a trust port serving a vital economic and social role, the Port actively manages a range of risks across financial, operational, environmental, and community dimensions. Below is a high-level overview of key risk areas and how we are addressing them.

Category	Description	Mitigating factors
Financial Stability	Exposure to economic fluctuations may impact income from cruise, ferry, and fishing activities, while large investments carry financial uncertainty.	We maintain strong financial controls, diversify our income sources, and work closely with funders to ensure sustainable operations.
Operational Reliability	Infrastructure or system failures, including IT or equipment, could disrupt daily activities.	Regular maintenance, robust contingency planning, and modern IT security measures support continuous operations.
Marine Safety	Navigational incidents, hazardous materials, or pilotage issues could endanger lives, the environment, and port operations.	We uphold a comprehensive marine safety system, backed by qualified personnel and ongoing training.
Health & Safety	Working in a complex marine environment poses risks to staff and public safety.	Our strong safety culture, safety management systems, and preventative maintenance ensure a safe port environment.
Critical Asset Dependency	Failure of key infrastructure (e.g., ferry linkspan) could halt essential services.	We invest in asset monitoring, redundancy planning, and swift response strategies to minimise disruption.

Category	Description	Mitigating factors
Workforce Capability	Limited availability of specialist skills may affect operations.	We focus on staff development, skills planning, and team cohesion to maintain a resilient workforce.
Legal & Regulatory Compliance	Changing regulations could impose operational or financial burdens.	We actively monitor regulatory developments and ensure legal oversight to remain compliant and adaptable.
Environmental & Community Impact	Emissions, noise, or community concerns may lead to opposition or legal issues.	We prioritise sustainable practices, community engagement, and transparency in all activities.
Reputation	Public trust can be affected by missteps or external perception.	We communicate openly, uphold high ethical standards, and manage reputation proactively through positive engagement.
Market Competition	Shifting global trends in cruise, fishing, or industry could affect demand.	We stay market-aware, pursue niche opportunities, and continually invest in innovation and infrastructure to remain competitive.

This summary reflects our ongoing commitment to managing risk responsibly and safeguarding the port’s long-term contribution to the local economy and community.

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 2024.

Standing Objectives Attainment 2024

Service Provision / Activity		Standing Objectives 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.	Stornoway Port has conducted port-wide navigational risk assessments and reviews on a periodic basis.
2	Reduce the likelihood and frequency of Navigational Incidents.	No serious incidents have occurred over the past year.
3	Maintain an effective Marine Safety Management System (SMS).	Stornoway Port's Designated Person, who is independent of the Authority has assessed that the safety management system is effective and reviews the same annually.
4	Communicate Stornoway Port's ongoing efforts and achievements in managing the safety of navigation within the Port.	Stornoway Port summarises its Port Marine Safety performance within this Annual Report. SPA's website is also used 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.	Stornoway Port employs qualified Pilots along with a number of other qualified Pilots on an ad hoc basis to meet the pilotage requirements.
6	Conservancy and Hydrographic Survey.	Stornoway Port has extensive hydrographic surveys of the harbour. Information is regularly submitted to the Hydrographic Office enabling more regular chart updates.
7	Support, approve and facilitate on-water events within the Statutory Harbour Limits.	Stornoway Port takes an active role in water events and 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.	Stornoway Port consulted with port users on a number of issues over the past few years, including the Port Masterplan, Pilotage Directions and General Directions.

Plan Objectives 1 Jan 2024 – 31 Dec 2026

Service Provision / Activity		2024 Objectives 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).	This statement confirming compliance was submitted at the relevant time.
2	Ensure that the safety of navigation and compliance with PMSC is maintained and developed through the initial years of Deep Water Terminal Operations. With operations due to commence in April 2024, it is importance that continued vigilance is maintained during integration into wider port operations.	Operations at the Deep Water Terminal commenced in April 2024, with marine safety paramount.
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 South project 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 would be undertaken for the Deep Water South development as and when the project moves further forward.
4	Request MCA health check on PMSC.	An invitation to the MCA was made in 2024.
5	Review the port-wide Navigational Risk Assessment to include the impact of aspects of the Deep Water South development as necessary.	The port-wide update would be undertaken for the Deep Water South development as and when the project moves further forward.
6	Conduct complete PMSC compliance audit in accordance with the MCA aide-mémoire as detailed at the PMSC Guide to Good Practice.	The Designated Person undertook a compliance audit in 2024 and confirmed the Port Authority's compliance with the Port Marine Safety Code.
7	Mid-term review of the Oil Spill Contingency Plan.	A mid-term review of the Oil Spill Contingency plan which is active from 2023-2028 will be carried out in 2026.
8	Mid-term review of the Port Waste Management Plan.	An updated version of the Port Waste Management Plan will be reviewed in 2025.

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	100
CAT 2	28	99	99.8
CAT 3	5	97	100



Sustainability & Community

The Outer Hebrides is a unique and special part of Scotland, defined by its natural beauty, strong communities, and deep connection to land and sea. At Stornoway Port, we recognise our responsibility to protect this environment, support sustainable economic growth, and contribute to the wellbeing of the islands we serve.

Our environment

Stornoway Port continues to take active steps to safeguard the natural environment and reduce its long-term carbon impact. In 2024, our sustainability programme built on strong foundations laid in previous years.

- We ensure that all relevant environmental bodies are consulted before undertaking any work in the harbour area, to protect wildlife and the marine environment.
- Regular harbour clean-ups continue to reduce pollution and protect the marine ecosystem.
- We began sourcing all electricity from 100% renewable sources, specifically the local Point and Sandwick Trust wind farm.
- A Cycle to Work Scheme is available to employees, promoting healthier travel choices and reducing emissions.
- Two fully electric buggy vehicles are in use across our estate for internal transport.
- Initial consultation work began on a phased electric vehicle replacement programme.
- Early-stage preparations are underway towards ISO 45001 certification, to support continual improvement in environmental and operational performance.

In 2024, we carried out our first carbon footprint assessment as part of the Net Zero Strategy. This data, reflecting activity in 2023, establishes a baseline for future measurement and reduction.

This work provides the foundation for a structured and evidence-based emissions reduction plan going forward.

Economic prosperity through trade

With the Deep Water Terminal now fully operational, Stornoway Port is better positioned than ever to support the economic resilience of the Outer Hebrides. It has already enabled a step-change in cruise activity, and is set to play a key role in supporting cargo throughput, renewable energy logistics, and the handling of materials and equipment for offshore and onshore wind developments.

The facility has also strengthened our ability to support freight movements tied to large-scale infrastructure projects, laying the groundwork for sustained economic opportunity across multiple sectors.

Meanwhile, the operation of assets on the Goat Island estate continues to support local employment and enterprise. Industries such as shipbuilding, marine engineering, fish processing, and aquaculture have benefited from improved infrastructure and access to dedicated space.

Our marina facilities, which have been significantly upgraded in recent years, are also seeing high levels of use, with a growing number of visiting yachts making use of Stornoway's services and hospitality.

Looking ahead, planned investment in the dualling of Arnish Road and a new linkspan will further unlock development potential, enable freight growth, and ensure resilience for lifeline ferry services.

A thriving community

Through our commitment to economic development and environmental sustainability, Stornoway Port continues to enable a thriving local community by fostering collaboration, shared goals, and mutual accountability.

- We hosted school visits to Port assets, supported work experience placements, and engaged in local employment initiatives.
- Cromwell Street Quay and other Port sites were used for community events and public engagement throughout 2024.
- Looking ahead to 2025, we will again sponsor young people from the local community to take part in the Tall Ships Race—a truly unique and rewarding experience that promotes teamwork, confidence, and connection to the sea.

As we look ahead, sustainability will remain at the heart of our planning—ensuring the Outer Hebrides remains vibrant, connected, and environmentally responsible for years to come.

Port Masterplan

The 2017 **Stornoway Port Masterplan** set out a bold and long-term vision for the physical development of Stornoway Harbour, recognising the Port's pivotal role in delivering socioeconomic transformation for the town and the wider Outer Hebrides. Designed as a phased strategy over 20 years, the Masterplan aimed to support economic growth, attract investment, and enhance connectivity.

At its heart was the **Deep Water Terminal (DWT)** – a transformational, multi-use facility now completed on time and on budget in 2024. The DWT has created new capacity for cruise, freight, and renewable energy activity, establishing Stornoway as a regional maritime hub. As part of the original Masterplan, a dedicated linkspan at the DWT is also envisaged, with delivery targeted for 2026. This will strengthen resilience in ferry infrastructure and enable future freight opportunities.

The phased approach of the Masterplan ensured that each project informed and enabled the next. With the majority of its key objectives now achieved or underway, the Port is entering a new strategic phase.

Major deliverables to date:

1. Goat Island projects:

- **Newton Marina:** Fully operational, supporting leisure and tourism.
- **Food Standards Building:** Supporting local shellfish processing operations.
- **100T Boat Hoist:** Operational and widely used by commercial and leisure vessels.
- **Marine Engineering Building:** Fully leased and in use since late 2023.

2. Deep Water Terminal:

- The flagship project of the Masterplan, offering berthing for the world's largest cruise vessels and capacity for offshore wind, freight, and logistics.
- Surrounding infrastructure includes a **new pedestrian route through the Castle Grounds**, improving access from the terminal to the town, and improvements to **Cromwell Street Quay** which enhance the visitor experience and provide a functional shuttle interchange point.

Looking ahead:

In 2025, work will begin on a new Masterplan for the next phase of port development. This will be led by the same consultants who supported the original strategy and will examine the opportunities and challenges facing Stornoway Port in the decade ahead.

The updated plan will focus on:

- Improving customer experience and infrastructure across the estate.
- Future-proofing facilities to support long-term growth.
- Enhancing income diversity to underpin financial sustainability.
- Strengthening the Port's contribution to regional economic development.

Together, the completed and upcoming elements of the Masterplan represent the most significant transformation of Stornoway Harbour in a generation—ensuring it continues to serve the needs of the community, visitors, and industry for years to come.

Business Objectives 2025 Projections

What the Port Authority intends to do in 2025 to achieve its Business Objectives

Growth

- Target minimum £7.5 million income by 2027:
- Increase market share from new markets:
- Realise the opportunities presented by marine renewables:

- Focus on maximising the potential of the Deep Water Terminal.
- Identify operational efficiencies to support long-term financial sustainability.
- Maintain presence at key industry events in cruise, renewables, and energy.
- Build new commercial relationships across domestic and international sectors.
- Support early-stage discussions around O&M base potential in Stornoway.
- Continue working with developers and government to align infrastructure with ScotWind and onshore wind delivery.

Talent

- Foster an exciting and challenging culture to attract, develop, and retain the best people:
- A consistent and strong HSEQ track record:

- Embed recent staff appointments and succession planning across teams.
- Deliver training aligned with cruise, cargo, and customer service needs.
- Maintain strong safety performance across all Port activities.
- Refresh internal training and safety campaigns for staff and tenants.
- Improve walkways and signage: continue investments in physical safety measures across the harbour.
- Achieve ISO 45001 accreditation.

Stakeholder engagement

- Maintain Stornoway Port's central role in the community and local/national economy:
- Play a leading role in creating a shared vision of local economic opportunities:
- Responsive and collaborative communications with our community:

- Continue strategic engagement with stakeholders on key projects including the Arnish Road, linkspan, and masterplan.
- Maintain regular communication with elected members, agencies, and local groups.
- Involve stakeholders in the development of the new masterplan.
- Participate in local economic planning initiatives.
- Promote cruise and tourism training programme for local businesses.
- Actively engage with the community through a monthly newsletter.

Identity

- Ensure Stornoway Port remains a significant driver of the local economy:
- Position Stornoway as a globally recognised port:
- Position Stornoway Port as an organisation to promote local business and opportunity:

- Highlight the Port's role in supporting key sectors including tourism, freight, and energy.
- Prioritise projects that deliver long-term regional benefit.
- Promote Stornoway's capability to host world-class cruise vessels.
- Continue participation in Cruise Scotland, British Ports Association, and other sector groups.
- Foster links with local businesses to maximise economic spin-offs from Port activity.
- Support opportunities for employment and training through Port operations.

Customer relationship management

- Innovate and pivot Stornoway Port to remain relevant to changing market demands:
- Achieve and maintain outstanding customer service:
- Build and maintain relationships with key customers and develop new customer opportunities:

- Monitor market trends across cruise and renewables to guide priorities.
- Progress design and funding work for the DWT linkspan.
- Maintain strong day-to-day operations and passenger experience, despite challenges with the PAS.
- Emphasise safety, professionalism, and responsive service.
- Maintain close engagement with key customers.
- Identify and pursue new opportunities in high-growth sectors.

Financial Statements

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

	2024	2023
	£	£
REVENUE	5,786,242	5,639,580
Cost of Sales	(2,914,199)	(2,273,642)
GROSS PROFIT	2,872,043	3,365,938
Administrative expenses	(1,712,483)	(2,404,947)
Other operating income	520,176	330,830
OPERATING PROFIT	1,679,736	1,291,821
Interest receivable and similar income	70,682	40,680
Other finance income	7,000	12,000
Interest payable and similar expenses	(1,139,136)	(792,831)
Other finance costs	—	—
PROFIT BEFORE TAXATION	618,282	551,670
Tax on profit	(77,465)	(272,992)
PROFIT FOR THE FINANCIAL YEAR	540,817	278,678

OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	£	£
PROFIT FOR THE YEAR	540,817	278,678
OTHER COMPREHENSIVE INCOME		
Actuarial gain/(loss) on pension deficit	1,152,000	(25,000)
Unrecognised Surplus	(1,064,000)	(160,500)
Income tax relating to components of other comprehensive (loss)/income	—	16,500
OTHER COMPREHENSIVE INCOME (LOSS)/ INCOME FOR THE YEAR, NET OF INCOME TAX	88,000	(169,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	628,817	109,678

BALANCE SHEET

As at 31 December 2024

	2024	2023
	£	£
FIXED ASSETS		
Property, plant and equipment	64,775,796	59,891,360
Investment property	5,026,500	4,617,934
	<u>69,802,296</u>	<u>64,509,294</u>
CURRENT ASSETS		
Debtors	2,269,082	1,598,687
Cash at bank and in hand	3,098,359	4,316,971
	<u>5,367,441</u>	<u>5,915,658</u>
CREDITORS		
Amounts falling due within one year	<u>(4,242,723)</u>	<u>(7,189,846)</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(1,124,718)</u>	<u>(1,274,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	70,927,014	63,235,106
CREDITORS		
Amounts falling due after more than one year	(38,160,810)	(32,549,291)
PROVISIONS FOR LIABILITIES	(555,871)	(598,561)
ACCRUALS AND DEFERRED INCOME	(19,511,404)	(18,017,142)
PENSION ASSET	<u>—</u>	<u>—</u>
NET ASSETS	<u>12,698,929</u>	<u>12,070,112</u>
RESERVES		
Fair value reserve	—	102,540
Retained Earnings	12,698,929	11,967,572
	<u>12,698,929</u>	<u>12,070,112</u>





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