









Montrose
PORT AUTHORITY

**SMALL PORT.
HUGE OPPORTUNITIES.
ANNUAL REVIEW 2019/20**



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CHAIRMAN'S STATEMENT

JOHN CARMICHAEL

There have been huge changes at Montrose in the last couple of years in terms of infrastructure development; diversification of business and changes in personnel.

In 2019 the Chief Executive, Nik Scott-Gray, decided to move on and we thank him for his service to the Port over some four years. He was replaced by Captain Tom Hutchison who has a long connection with Montrose Port including being Harbourmaster since 2015. Tom and his team have already made their mark with the introduction of new business including SSE Seagreen who have chosen Montrose as their O&M base for offshore wind farms. However the Port's success can be measured not only by the companies who locate in the Port but also those who have come to the hinterland because of the presence of the Port.

The reconstruction of Berths 7 & 8 has been completed making a total of almost 600 metres of new quay constructed over the last ten years at a cost in the order of £20m. It is worth noting that investment at this level is greatly assisted by the Port's status as a Trust Port and also, of course, by the increase in business we have seen in recent years. Increased berth capacity and a hugely enthusiastic team have seen

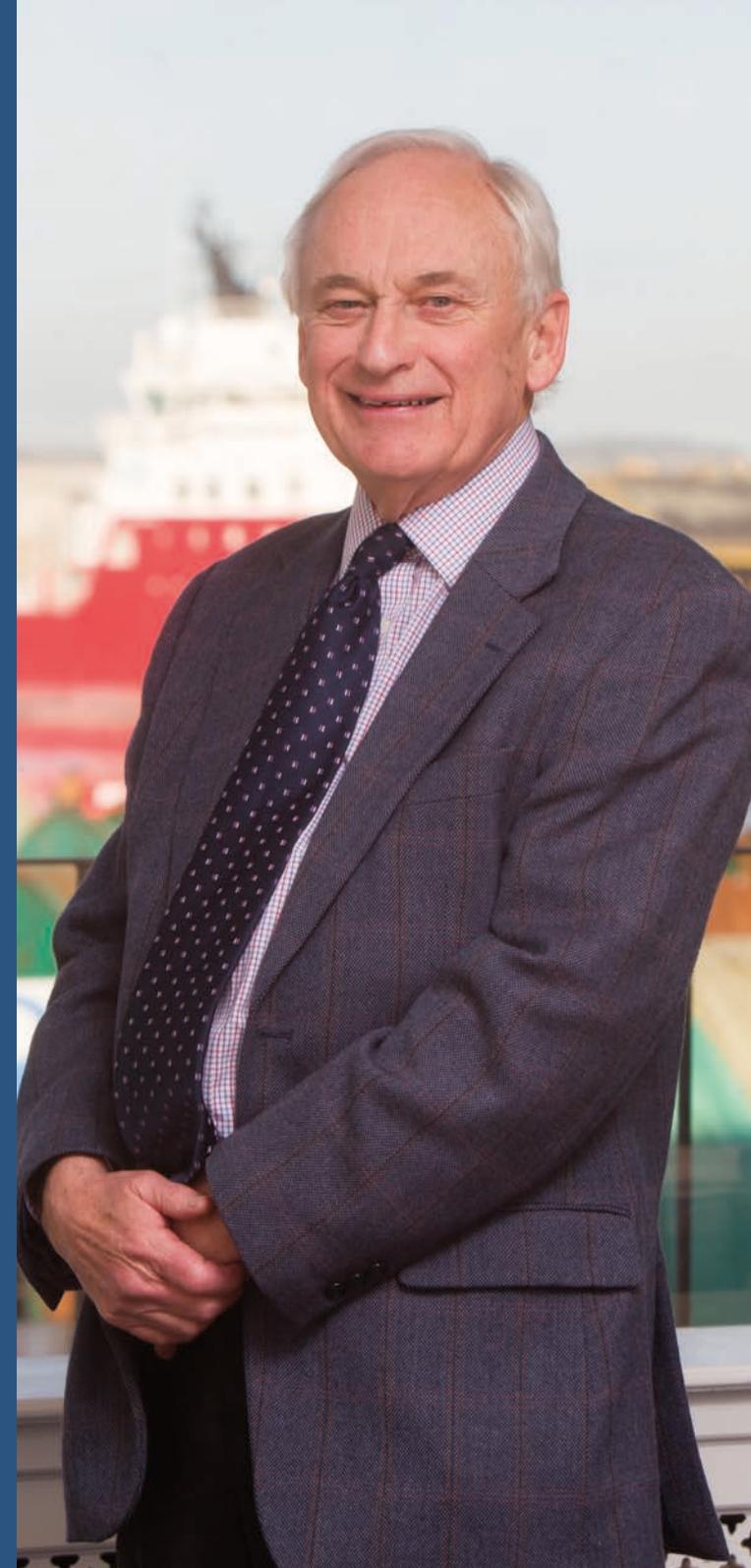
shipping tonnage remain steady and turnover improve. By the end of March 2020 tonnage exceeded 2.9m tonnes, while at the same time turnover has increased to over £6m for the first time.

This year, like everyone else in the world, the Port has had to cope with the effects of Covid-19. However, I am struck with the positive attitude of all who work in the Port who have continued to think of the future and, whether working from home, or in the Port, have kept the business running at a high level of efficiency throughout this difficult period. We still remain the Port that likes to say 'yes'.

After eleven years on the Board, three of which I have been Chairman, I am now retiring and passing on the baton to Peter Stuart. It has been a great experience and honour to have had this association with Montrose Port Authority and I wish all who work in the Port the very best for the future. Times are uncertain but I know Peter has the best team possible to carry the Port forward in years to come.

John Carmichael
CHAIRMAN

WE STILL REMAIN THE PORT
THAT LIKES TO SAY 'YES'.



CHIEF EXECUTIVE'S REPORT

CAPTAIN TOM HUTCHISON

The last year has brought many exciting developments to Montrose Port and I'm delighted to have overseen them in my first year as Chief Executive Officer following my appointment in August 2019. Working for the Port for the last twenty years has been a privilege and I am excited to see where the next few years will take us as we look to diversify and build upon our existing strengths.

I would like to thank my team for assisting with this transition and making it as smooth and enjoyable as it has been. We have had an extremely successful first year and have many reasons to be positive despite the difficult economic climate we currently face globally as a result of the covid pandemic. However, the market that we are in remains very competitive and for us as a business we must continue to plan our investments and think strategically about our long term goals.

It is for this reason that we were absolutely delighted to announce in October 2019 that SSE Renewables has chosen Montrose Port as its Operations and Maintenance base for its landmark Seagreen offshore wind development. This is a massive win for the Port which reflects our consistently flexible approach and long-term diversification strategy. SSE Renewables' decision also represents an outstanding opportunity for the local supply chain network and will result in the creation of a number of jobs in the area.

Over the last year we have also embarked on a series of quayside redevelopments and are working with existing customers to develop their facilities. The redevelopment of berths 7 & 8 was completed in October and will improve capacity and capability going forward. We now have 1000 metres of quayside across the north and south side of the harbour.

The oil and gas business continues to be a major component of our trade. In the last year our oil and gas business and general cargo activity remained steady, against a backdrop of difficult North Sea trading activity.

Our relationship with our customers remains positive and this in turn continues to drive further volumes and opportunities. I would like to take this opportunity to thank all our stakeholders and the wider Port community who have worked with us so closely to play a part in our success.

We were also selected by ION Geophysical, a global software firm, as the first test-bed port in the world to trial their Marlin SmartPort software. This technology will transform the safety and sustainability of ports and harbours. The migration to this digital way of working took place during the COVID-19 pandemic and allowed us to maintain business continuity and remote working for the Port.

The exciting move to 'Marlin SmartPort' is a major leap forward for Montrose Port Authority replacing highly manual port operation procedures with an efficient, integrated digital system.

The Port is renowned for its ability to adapt easily to vessel requirements, but the new software really propels us to the forefront of the market, ideally aligned with our recent quayside redevelopment and the new landmark contract with SSE Renewables. The project also supports our ambitions to become Scotland's greenest port.

Captain Tom Hutchison
CEO & HARBOUR MASTER



THE PORT AT A GLANCE

2019/20 TURNOVER:
£6,062,587
2018/19 TURNOVER:
£5,788,879

2019/20
VESSEL GROSS
TONNAGE HANDLED:
2,903,640

2018/19
VESSEL GROSS
TONNAGE HANDLED:
3,166,456

WATER BERTHS
TO A DEPTH OF
8m



2019/20
NUMBER OF
VESSEL CALLS:
625

2018/19
NUMBER OF
VESSEL CALLS:
628

ALMOST
600m
OF NEW QUAY
CONSTRUCTED
OVER THE LAST
10 YEARS
AT A COST OF
£20M

130,000m²
OF OPEN STORAGE

1000m
OF QUAYSIDE ACROSS
NORTH & SOUTH
OF HARBOUR

42,000m²
WAREHOUSING

AGRIBULK

BREAK BULK

DRY BULK

FOREST PRODUCTS

UNITISED AND OFFSHORE OIL MATERIALS

TYPES OF CARGO

OUR PEOPLE

Our success as a respected and forward thinking port is predominantly due to the level of service we provide, but also down to the people working here.

We have a close-knit team from top to bottom who know that as a Trust Port, the fruits of their labours are all reinvested in the Port.

As well as our staff we have a Non-Executive Board of enthusiastic people who take a keen interest in the day to day running of the Port. They have a wide range of experience and expertise which is always available to help with operations.



OUR BOARD 2019/20

OUR TEAM OF NON-EXECUTIVE DIRECTORS

Montrose Port Authority has operated as a Trust Port for nearly 200 years. During that time the Trust Board has used its wide range of knowledge and experience to steer the management and development of Montrose Port into the 21st century port we see today.

The Board brings a wide range of management and specialist expertise to Montrose Port, and all trustees share the fundamental aim to maintain, improve and develop the Port.

JOHN CARMICHAEL
Chairman

John is a retired civil engineer, having spent all his working life in maritime civil engineering and port management. John joined the board of Montrose Port Authority in 2009 and was elected Chairman in 2017.

PETER STUART
Vice-Chairman

A board member since 2015, Peter has worked for the past 13 years in both an advisory and executive management capacity with oil and gas private equity firm SCF Partners, including five spells as acting CEO of portfolio businesses.

GRAEME NIMMO
Board Member

Graeme is a fully qualified chartered shipbroker with over 35 years' shipping industry experience, and is currently Ship's Agency Manager for Seletar Shipping Ltd. Graeme joined the Montrose Port Authority board in 2016.

JAMES DOYLE
Board member

James, chartered shipbroker and master mariner, has been a non-executive director at MPA since 2014. He is also the chairman of the Institute of Chartered Shipbrokers' Humber Branch, as well as a THMA advisory board member.

KIM HUNTER
Board member

Kim is an experienced people leader who has spent the last 6 years working in the energy industry at executive level for a global leader in energy and technical services based in Aberdeen. She joined the MPA board in 2017.

FIONA SCRIMGEOUR
Board member

Fiona is a master mariner having sailed deep sea with a number of different shipping lines and on a variety of different vessel types. She currently works for BP Exploration in Aberdeen and joined the MPA board in 2016.

HAMISH WATT
Board member

Hamish is a lawyer who started his own legal firm in 1979, specialising in employment, corporate and damages actions, as well as civil/criminal court cases. He joined the MPA board in 2016.

ANDREW JONES
Board member

Andrew has extensive experience in providing senior media counsel, strategy, and crisis management to the energy and maritime industries. A former BBC editor, he has worked in the media sector for over 30 years.

DOROTHY SHEPHERD
Board member

With over 20 years' experience in the energy sector, Dorothy is an independent consultant with a proven track record in offshore wind development and delivery. Dorothy joined the board in 2019.

THE BOARD IN 2020/21

Peter Stuart will take over as Chairman from John Carmichael in October 2020, with Hamish Watt as Vice Chair. Graeme Nimmo is now Chief Operating Officer and has been replaced by Paul Boath. James Doyle has stepped down and Harry Knox and Tom Brighton have joined as new members.



PETER STUART

Our new Chairman
as of October 2020

SEAGREEN OPERATIONS AND MAINTENANCE BASE

In 2019 we were selected as the Operations and Maintenance base to support the Seagreen Offshore Wind farm.

The base will include an operations building, warehouse, communications tower and pontoon for crew transfer vessels. The operations building is a modular building which was previously in use in Aberdeen and will be re-used as part of the circular economy.

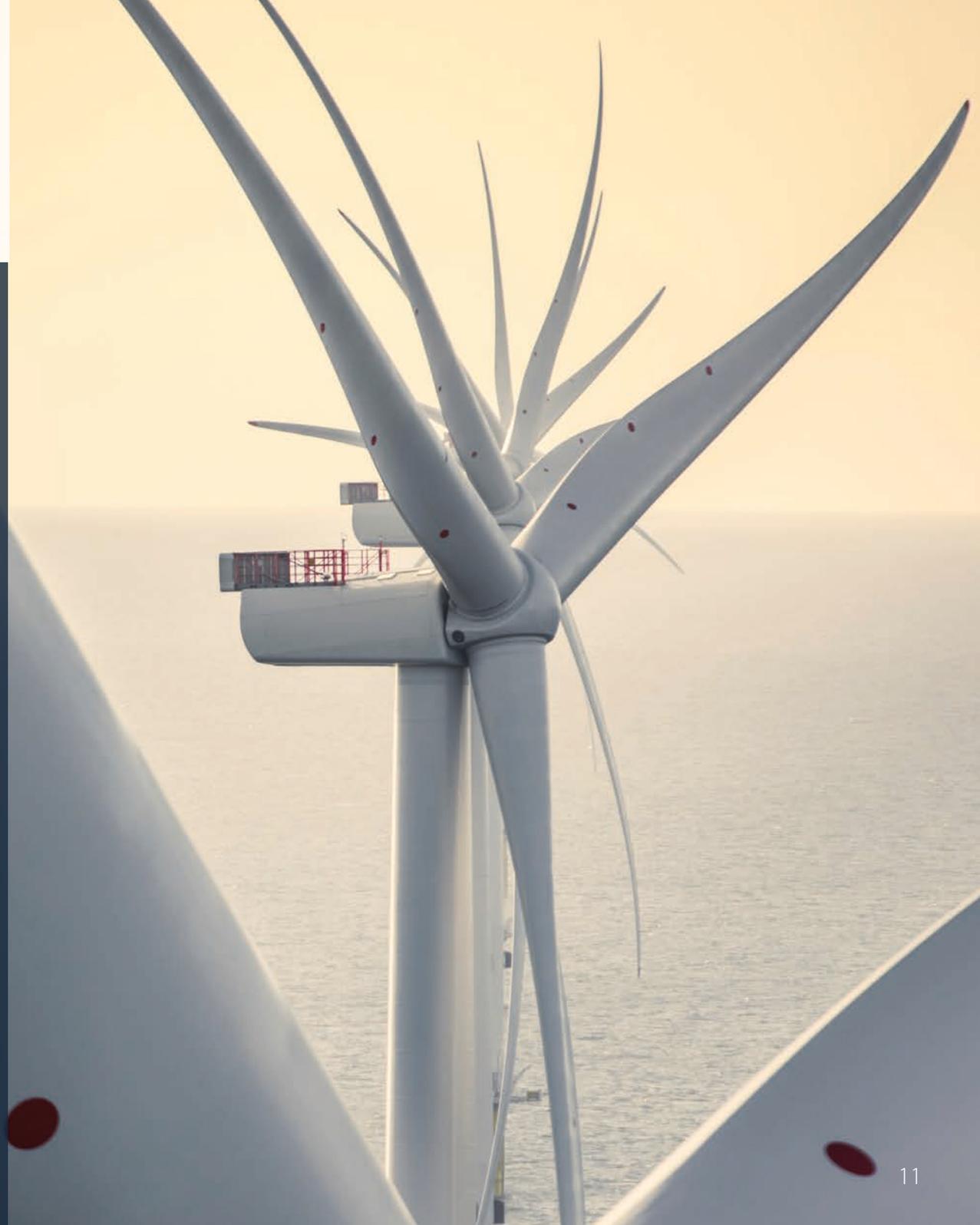
Situated over 27km off the Angus coastline, Seagreen is the furthest from shore of any Scottish offshore wind farm and is expected to produce enough renewable energy to power over 40% of all households in Scotland. When completed, it will become Scotland's largest offshore wind farm.

Construction work will take place at the Port between November 2020 and November 2021.

Seagreen will aim to employ up to 50 roles at the base and turbine maintenance contractor, MHI Vestas, will aim to employ up to 10. MHI Vestas will also employ up to 60 roles to be based on their offshore service operations vessel, which will use the Port every 2-3 weeks to rotate crew, staff and replenish the offshore warehouse. Both Seagreen and MHI Vestas will aim to employ these roles in the local Angus area.

Seagreen represents one of the largest construction projects ever undertaken in Scotland and will support a significant number of jobs during construction and throughout its operational life.

This 25-year commitment from Seagreen will ensure ongoing investment and redevelopment of our existing facilities in line with our remit as a Trust Port. It also demonstrates our consistently flexible approach and long term diversification strategy, as well as offering an outstanding opportunity for the local supply network.



A PORT FOR THE FUTURE

BERTH OPENING



On the 27th November 2019 phase two of the extensive quayside redevelopment was officially opened. Around 120 invited guests attended the ribbon cutting ceremony on the North Quay, carried out by Mrs Helen Carmichael, wife of MPA Chairman, John Carmichael, with pupils from nearby Lathallan School Pipe Band performing as part of the celebrations.

Forming part of the 20-year masterplan, the increased capacity, depth alongside and associated utilities work, has increased the maximum potential size of berthing vessels from 12,000 to 18,000 gross tonnage.

ION MARLIN SMARTPORT™



Innovation is at the heart of successful business and Montrose Port Authority has always embraced the opportunity for positive change.

We moved from the traditional port control whiteboard system to an online system called ION Marlin SmartPort™ in January and are currently the first port in the world to do so.

ION developed its Marlin SmartPort™ software with Scottish Enterprise grant support and used Montrose Port Authority as a test-bed to refine technology that could transform the efficiency, safety and sustainability of ports and harbours. This makes Montrose the first port in the world to use this system.

The Marlin SmartPort™ system allows us to monitor the movements for the day remotely and gives us all the port control details at our fingertips. This has been invaluable and means we've been able to work as safely as possible during the uncertain time of COVID-19.

ECOPORTS



In March 2020 we joined only two other Scottish ports, Aberdeen and Peterhead, in becoming proud members of the EcoPorts initiative.

EcoPorts is the main environmental initiative of the European port sector. It was initiated by a number of proactive ports in 1997 and has been fully integrated into the European Sea Ports Organisation (ESPO) since 2011.

The overarching principle of EcoPorts is to raise awareness on environmental protection through cooperation and sharing of knowledge between ports and improve environmental management. In order to join, we completed their 'Self Diagnosis Method' by answering an in-depth questionnaire about our environmental management. This gave us a benchmarking comparison with all the other European member ports. We can now refer to this benchmarking to guide our priorities based on those of other environmentally conscious ports.

Each year, EcoPorts publishes a European ports environmental report which looks at the work EcoPorts are doing and the trends that are emerging.



OUR COMMUNITY



Montrose Port Authority plays a pivotal role in supporting the wider community. The continuing success of the Port has a knock on effect for the town and surrounding areas, with many benefits felt the other way round too. Our success helps aid the local economy and ensures that we can continue to take an active role working with a number of educational and cultural programmes. Here are some of the organisations we assisted in 2019/20.



SCHOOL VISITS

Pupils from Ferryden Primary School were given a tour of Montrose Port by Captain Tom Hutchison (pictured here on the quayside). Additionally, pupils from Lathallan School were also given a tour of the Port and a number of pupils on work experience placements were invited aboard the Njord Viking.

LATHALLAN PIPE BAND

Lathallan School Pipe Band played at the official launch of our new £7 million quayside development in November 2019. Pipe Major Lydia Broadley cut the ribbon at the event and was then presented with a donation towards the Pipe Band of £1000 alongside Headmaster Mr Toley and lead drummer Millie Wark.



MONTROSE COMMUNITY TRUST

Montrose Port Authority donated £6000 to Montrose Community Trust during the last financial year.

The funding was used to launch the COVID-19 programme in March which provided funding for home-schooling support, food bank donations, hot meals, essential transport, and befriending calls during the initial lockdown period. Additionally this funding helped run the community sports programme.



MONTROSE FOOTBALL CLUB

The football club is at the heart of the community and currently plays in Scottish League One. MPA sponsored the back of the shirt for two seasons and has an ongoing relationship with the club. We are proud to support Montrose Football Club as it provides grassroots sports to the local community, benefitting fans young and old.

MONTROSE BOWLING CLUB

The Montrose Bowling club plays an important role in the community and is a venue for both outdoor and indoor events. We sponsored the 54th year of the Carnies mixed open pairs bowling competition which welcomes players from all over Scotland to Montrose.



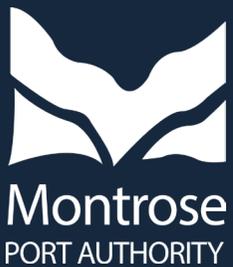
FINANCIALS

	2020/19	2019/18
Current Assets (£)	3,485,002	3,525,773
Long Term Debtors (£)	719,981	242,403
Current Liabilities (£)	(5,877,391)	(1,165,924)
Deferred Income (£)	(223,711)	(683,956)
Long term Liabilities (£)	(6,737,108)	(9,228,762)
Provisions (£)	(682,269)	(335,447)
Net Assets (£)	1,485,559	2,615,953
	2020/19	2019/18
Number of ships arriving	625	628
Gross tonnage	2,903,640	3,166,456
Goods throughout (tonnes)	549,197	551,001
Oil (tonnes)	74,871	70,448
Other (tonnes)	474,326	480,553
Turnover (£)	6,062,587	5,788,879
Operating Profit (£)	1,761,615	1,829,238



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