

# Port of Inverness

## Annual Report 2023



[www.portofinverness.co.uk](http://www.portofinverness.co.uk)

# 175 YEARS

## of the Port of Inverness

**T**he earliest known record of the Port of Inverness is in the writings of Benedictine monk Matthew Paris who wrote that in 1249 a large ship was built in Inverness for a French count to carry him to the Crusades.

We don't know anything about the success of that mission but we do know that trade from Inverness flourished for hundreds of years with the Low Countries, France, the Baltic and Scandinavia with exports such as skins, salmon, salt cod and herring. New quays were constructed and the harbour expanded until, after several years of lack of maintenance and financial mismanagement, an Act of Parliament became law in 1847 providing for the upgrading of the Port and the creation

of Inverness Harbour Trust, an independent board to manage the Port's assets.

The Port has always been at the very heart of Inverness and its development into the city it is today. With its sheltered location Inverness has been a natural site for a thriving port for hundreds of years and has played a key role in keeping the Highlands running with imports of fuel, wood and road salt amongst other cargoes.

Our continuing status as a Trust Port means we have no shareholders or owners and all profits are reinvested, giving us the flexibility to ensure we move with the times and provide exactly the facilities our users need as we look forward to the next 175 years.



# Chairman's Foreword

3



It is my pleasure to welcome you to the 2022/2023 Annual Report which outlines another successful year for the Port of Inverness as we continue to recover from the global pandemic.

One of the year's highlights was the awarding of Green Freeport status to the Inverness and Cromarty Firth Consortium in January. The Port is a key member of the consortium.

Coming in the same year as we have been celebrating our 175th anniversary this has led to reflection on our many successful years of operating at the heart of the Highlands mixed with huge excitement for the opportunities the Green Freeport will bring. We are currently mapping out what the Green Freeport will look like and how we can best maximise the benefits to the whole of the economy of the Highlands.

As a Trust Port all our profits are reinvested for the benefit of our users. Over the last 12 months we spent more than £250,000 on a range of projects to maintain and improve our infrastructure, ensuring we continue to provide excellent modern facilities to all our users.

This year we said farewell to two of our Trustees - Gary Cobb who moved to take up a new position on the Isle of Man and Russell Thomson who completed his three terms of office. We thank both for their dedication and wish them all the best for the future. In their place, after a comprehensive selection process with a considerable amount of interest, we appointed Mark Paterson, CEO of Carbon Neutral Energy Ltd and a well-known figure in the oil and gas industry and the renewables sector and Eddie Scott, director of Hydrosafe who has extensive experience in health and safety.

In conclusion, I would like to thank all our team of staff for their hard work and commitment throughout the year. Our success is largely thanks to their sterling performance and the outstanding service they continue to provide to port users.

**George Macleod**

Chairman, Port of Inverness





# Chief Executive's Statement



It is my pleasure to report another strong financial performance over the last year with a turnover of almost £1.7 million resulting in a surplus of £23,129 which builds on the growth of the past two years. In common with all other businesses our operational costs rose considerably this year but remained in line with budget and we also continued to reduce our longer-term debts.

We spent over £250,000 on improvements to our infrastructure and security along with routine repairs and maintenance. A major outlay was the purchase of a new pilot vessel, MV Udale Bay, from the Cromarty Firth Port Authority which will replace MV Carnarc as our main pilot vessel with MV Ardgowan being used as our backup.

In January we were delighted with the announcement that the proposal for the Inverness and Cromarty Firth Green Freeport had been successful against five other bids. The new development will bring a huge transformation to the Highlands with the potential to benefit everyone in the region. We are now working on the business case for the Green Freeport and plan to designate part of the Port area as both a tax and customs site.

Several of the companies involved in the consortium behind the new Green Freeport are set to build wind farms off the north and east coasts, recognising the immense potential of the area for generating renewable energy. There is a huge opportunity to develop a world-class centre of excellence in the Highlands for the still emerging floating wind technology which allows wind turbines to be sited in deeper waters further offshore where

the wind conditions are ideal for generating the maximum amount of green electricity.

One of the main challenges will be to build these offshore projects in a sustainable way, keeping as much of the material needed off the roads as possible. Port of Inverness and other ports and harbours across the country are set to play a crucial role in decarbonising the supply chain. Our years of expertise in renewables can also be used to deliver other forms of renewable energy developments such as onshore wind farms and the pumped hydro storage schemes currently in the pipeline for the Great Glen. Shipping has a vital part to play in ensuring these projects are built in an environmentally friendly way which ensures their benefits are not lost in the construction phase.

Along with our plans to help decarbonise the renewables industry we also have ambitions to become a net zero business ourselves. Earlier this year we carried out a study to assess our carbon footprint and devised a plan to ensure the Port is carbon neutral by 2038. Under the planned measures we will see an immediate reduction in our carbon usage and will monitor performance against key metrics going forward.

In December Roddy Macdonald, one of our longest serving Boatmen, retired from the Port after 31 years' service and our Deputy Harbour Master Gordon Mackenzie also retired. They will both be much missed and we wish them all the best for their retirements. Our new Deputy Harbour Master Stephanie Smith joined us from the Port of London Authority and brings a wealth of experience with her.



I am delighted to report that the first cruise ship returned to the port after the global pandemic, a trend which also looks set to continue for next year.

We are continuing to work on plans for our new Harbour Gait initiative and have commissioned an options report to look at the development in greater detail. We have also been actively engaging with Highland Council's Inner Moray Firth Local Development Plan process.

This year we were very pleased to have had a positive independent audit of our health and safety policies and culture. I'm extremely grateful to all our staff for their continuing support in this key area and indeed for all their hard work throughout the year which is reflected in our continued excellent performance.

**Sinclair Browne**

Chief Executive, Port of Inverness



# Harbour Master's Report



**A**fter last year's exceptional throughput, cargo figures this year were down slightly overall.

A total figure of 717,275 tonnes were handled through the Port, down 11% on last year's bumper figures. Imports were down 16% although exports were up 5%.

On the imports side, salt imports were up 48% while packaged timber and logs were markedly down, partly due to continuing sanctions against Russia. The importing of heavy fuel oil has now come to an end but fuel imports remained steady at 250,000 tonnes.

For exports, we saw sterling board continue steadily, woodchips up 10% and wood pellets down 9%, while log exports resumed. A further cargo of scrap metal was also exported.

Covid restrictions were relaxed for the Port and for arriving vessels, as the impact of the pandemic eased and all staff received regular vaccines. Like all other organisations though, we continue to make extensive use of virtual meeting platforms to progress port business.

Significant works during the year included the plating of sheet piling at North Citadel Quay, extending the length of all safety ladders at our main Longman Quay, fitting anodes for cathodic protection at South Citadel Quay and replacing all roof truss bolts and encasing all roof support columns in concrete at our salt store. As usual, routine low water inspections of our infrastructure were carried out throughout the year and minor repairs made as necessary.

We carried out a heavy lift in December when Norbord exported one of their redundant kiln drying drums.

During the narrow licence window available to us, most of the Port's river areas and berthing pockets were maintenance dredged. We have deferred some minor areas to next year to complete the dredging campaign.

We have now implemented the port data management system Destin8 for all our customs clearances and the system continues to work well.

A comprehensive air draught procedure for the Kessock Bridge was agreed with BEAR Scotland during the year.

We continue to meet our statutory obligations under the International Ship & Port Facility Security Code (ISPS), the Oil Spill (OPRC) Regulations, the Port Waste Management Regulations and most importantly the Port Marine Safety Code. Regular security meetings were held and tabletop exercises carried out. H&S meetings were carried out throughout the year in support of our Safety Management System. The Port Emergency Plan was refreshed and our Safety Management Systems for wet and dry side operations were combined into a single document.

A further two-day H&S audit to benchmark the Port against the requirements of the OHS18001 standard was also carried out again this year by our PMSC Designated Person. There were no major or minor non-conformances found but, as ever, we continuously strive to improve standards.

On the environmental side, we continue to engage with the MF(SAC) Management Group and attend meetings with many other environmental bodies. During the year a consultation took place on Highly Protected





Marine Areas (HPMAs) being introduced around Scotland. These proposals have now been withdrawn by the Scottish Government.

All navigation lights owned and in use by the port are termed Category 2 Aids to Navigation (AtoN). These must meet “availability criteria for operation” as set down by the Northern Lighthouse Board. They must be functioning for at least 99% of the year - our actual availability was greater than requirement. Our navigation lights all operated in excess of this. During the year, the Citadel North light, was replaced with a solar LED unit. A comprehensive audit of our light provision was carried out by the NLB during the year and passed satisfactorily.

**Captain Ken Maclean**

Harbour Master, Port of Inverness



# The Board

April 2022 to March 2023

8



**George Macleod** Chairman (appointed January 2021)

George Macleod has over 40 years of experience in oil and gas/marine engineering in senior executive and company director roles. A Fellow of the Institute of Directors, he has held many directorships over the years. George has considerable experience in international project management, contract negotiations, business development and management. Having recently sold his shipping business he is currently managing director of the family business which covers marine consultancy, property development and construction. He was born and brought up in the Highlands.



**Russell Thomson** (Retired 31 January 2023)

Following ten years' service as a deck officer in the Merchant Navy, Russell moved ashore to the Isle of Skye in 1989 to take up the position of port manager with Caledonian MacBrayne on the Kyle-Kyleakin Service. On closure of the ferry route, he became Skye Bridge manager and then moved to Inverness in 2004 when he secured the position of waterway manager for the Caledonian Canal. Russell retired from Scottish Canals after 18 years in April 2022.



**Sinclair Browne** Chief Executive

Sinclair Browne was appointed chief executive of Inverness Harbour Trust in July 2011 and is a qualified chartered surveyor. He has over 30 years' experience in the commercial property market where he was involved in a number of high profile projects. Before joining the Harbour Trust he was a partner in an international firm of property consultants. Sinclair is a non-executive director of the Highland Housing Alliance and a former non-executive director of Inverness Chamber of Commerce.



**Graham Phillips**

Graham Phillips has over 35 years of consulting experience at the highest level, specialising in large-scale project delivery, procurement, risk management and strategy. A Highland Councillor from 2012 to 2017, Graham served as Chair of the Transport, Environmental and Community Services Committee for two years when he was also a director of HITRANS, then as Vice-Chair of Audit and Scrutiny. He chaired the Harbours Board for five years, delivering a business strategy. He moved from the Borders to Sutherland in 2003.



**Catriona Maclean**

Catriona has been Deputy Director of the Scottish Government's Public Bodies Unit since November 2020. From 2017 to 2020 she was Head of the Rural Economy and Communities Division which has a wide ranging remit, including developing a vision for rural Scotland. Previously Catriona was the Chief Executive of the Crofting Commission. Born in Glasgow, Catriona returned with her parents to their native Lewis, where she finished her education at The Nicolson Institute before moving to Inverness. Catriona is a lay member of the Law Society for Scotland.





### **Gary I Campbell**

Gary is currently the Key Account Director at the University of the Highlands & Islands, where he is responsible for delivering the university's employer engagement strategy. A chartered accountant by profession, he has lived in Inverness for over 25 years and held various management, sales and finance roles in the private sector before joining the university in 2012. During that time, he was also a visiting lecturer at the Institute of Chartered Accountants of Scotland. He currently sits on a number of boards of local bodies.



### **Alison Wilson**

Alison is Head of Development and Alumni with the University of the Highlands and Islands, responsible for raising money for and engaging others in the work of the university. Previously, Alison spent 25 years with Highlands and Islands Enterprise in a range of economic development roles. A proud champion of the Highlands and Islands, she has led numerous programmes to profile the region on the national and international stage.



### **Gary Cobb** (Retired 31 January 2023)

Before his move to the Isle of Man, Gary was Chief Operating Officer at Highlands and Islands Airports Ltd where he oversaw HIAL's operations and regulatory compliance. Gary is a key member of the senior management team responsible for setting HIAL's goals and strategic priorities. Previously, Gary was Head of Airfield Planning at Gatwick Airport where he was responsible for the airport's innovative northern runway project and was in charge of the operation of Gatwick's single runway – the biggest in the world.



### **Mark Patterson** (Appointed 1 February 2023)

Mark Patterson has over 40 years' experience in the oil and gas industry, with a particular focus on the marine and global subsea business sectors. Mark is currently Chairman of Mansefield Investments and holds numerous directorships across various sectors.



### **Eddie Scott** (Appointed 1 February 2023)

Eddie is a director of a Hydrosafe, a health and safety consultancy business specialising in marine renewable energy projects, particularly offshore wind, wave, tidal energy and hydro power generation. He has worked in the marine sector for over 40 years, holding senior HSE roles in renewable energy, power conversion and marine construction companies.

# Port of Inverness

## A Trust Port

**S**hips and boats have been using Inverness Harbour for more than 2,000 years. The first Inverness Harbour Trust was formed by seven councillors, five merchants and five ship owners after parliament passed the first Harbour Act in 1847. This marked the start of the modernisation and development of the port – a process that continues today.

### What is a Trust Port?

Trust Ports, like the Port of Inverness are independent statutory bodies, whose powers, structures and functions are set out in local legislation - Harbour Orders. Trusts operate on a commercial basis, independently of government and in line with their local legislation and good business practice. Trust Ports are independent but are accountable to their local stakeholders. They cannot be owned by other companies or shareholders and reinvest their profits for the benefit of the port and its stakeholders.

The guidelines and laws surrounding Trust Ports have been updated a number of times since our foundation in 1847. Most recently, in January 2002, the Government completed their review of Trust Ports and published “Modernising Trust Ports – A Guide to Good Governance”. This guide outlines standards of accountability for all ports in the UK, including the Port of Inverness.

We now have seven trustees, appointed by the Harbour following strict guidelines and with assistance from an independent assessor. The chief executive also sits on the Board.

### Commercial Activities

As a Trust Port we rely on income from port users. Our income comes from different activities:

- piloting ships in and out of the Port;
- dues paid by companies for loading and unloading cargoes; and
- berthing fees paid by individuals keeping yachts in the marina.

As one of Scotland’s most sheltered deep water harbours, Inverness is well placed to handle trade between the UK and countries in Scandinavia, the European Union, the Baltics, Turkey and the Mediterranean.

A diverse range of cargo passes through the harbour, including wind turbines, oil, timber, wood pellets, Sterling Board, logs, road salt and grain. Our customers have access to spacious, modern transit sheds as well as large areas of open storage.

The marina is owned and managed by Inverness Marina Limited, a company jointly owned by Inverness Harbour Trust and Caley Marina. With 150 berths and a full range of high quality facilities including showers, toilets, a laundry and electricity and fresh water on all berths, the marina is an established destination for sailors, attracting enthusiasts from all over the world.

The marina features one of the most up-to-date boat hoists in Europe which can lift large and small craft, allowing us to cater for yachts of all sizes.

# Inverness Harbour Trust Accounts

11

## SUMMARY OF RESULTS

The Trust returned a net surplus for the 12 months to 31 March 2023 of £23,129. A summary of the result is shown below

|                                                | 2023<br>£          | 2022<br>£      |
|------------------------------------------------|--------------------|----------------|
| Turnover                                       | <b>1,699,934</b>   | 1,774,601      |
| Costs and Overheads                            | <b>(1,765,471)</b> | (1,563,127)    |
| Operating Surplus/(Deficit)                    | <b>(65,537)</b>    | 211,474        |
| Investment Income                              | <b>103,957</b>     | 150,176        |
| Interest Payable                               | <b>(15,291)</b>    | (16,656)       |
| Revaluation of defined pension scheme          | <b>0</b>           | (74,775)       |
| Gains/(Losses) on Sale of Assets & Investments | <b>0</b>           | 0              |
| <b>Surplus/(Deficit)</b>                       | <b>23,129</b>      | <b>270,219</b> |

## BALANCE SHEET

The Trust had net assets of £10,005,501 at 31 March 2023 (March 2022 - £9,982,372) a summary of which is shown below:

|                                           | 2023<br>£          | 2022<br>£        |
|-------------------------------------------|--------------------|------------------|
| Fixed Assets including under Construction | <b>10,300,768</b>  | 10,438,401       |
| Current Assets                            | <b>2,340,027</b>   | 2,456,317        |
| Long Term Debtors                         | <b>0</b>           | 0                |
| Current Liabilities                       | <b>(384,846)</b>   | (415,815)        |
| Deferred Income                           | <b>(1,592,922)</b> | (1,690,888)      |
| Long Term Liabilities                     | <b>(381,894)</b>   | (483,364)        |
| Provisions                                | <b>(275,632)</b>   | (322,279)        |
| <b>Net Assets</b>                         | <b>10,005,501</b>  | <b>9,982,372</b> |

Full Accounts audited by Chiene + Tait LLP are available for inspection at the Harbour Office.

## FIVE YEAR STATISTICAL REVIEW

|                                     | 2022/23        | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|-------------------------------------|----------------|---------|---------|---------|---------|
| Number of ships arriving            | <b>191</b>     | 208     | 199     | 202     | 242     |
| Gross Tonnage ('000)                | <b>550</b>     | 593     | 544     | 576     | 654     |
| Goods throughput ('000 tonnes)      | <b>718</b>     | 807     | 655     | 649     | 759     |
|                                     | <b>2022/23</b> | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
| Turnover (£000's)                   | <b>1,700</b>   | 1,775   | 1,730   | 1,474   | 1,829   |
| Surplus/(Deficit) for year (£000's) | <b>23</b>      | 270     | 408     | 271     | 404     |





For more information about the Port please contact

Sinclair Browne  
Chief Executive

Tel: 01463 715715

Email: [sinclair@portofinverness.co.uk](mailto:sinclair@portofinverness.co.uk)

[www.portofinverness.co.uk](http://www.portofinverness.co.uk)

