



LERWICK PORT AUTHORITY ANNUAL REVIEW 2022-23





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CHAIR'S STATEMENT

It is my privilege to present the 2022-23 annual review. Having been appointed Chair in July 2022, I would like to thank past chair, George Anderson, for his work and dedication during the early part of 2022.

Geopolitical issues and global crises, both at home and many miles from our shores, have affected us all, including covid, energy prices soaring, international supply chain constraints and the cost-of-living impacts, all presenting additional challenges. However, against this backdrop, Lerwick Harbour's strategic location and comprehensive facilities provide the backbone for growth and opportunities across all sectors.

As Chair and with the Board's continued support, we will continue to provide modern and safe port facilities while having the confidence and ambition to plan for further developments to support a wide range of port sectors.

During 2022, while each sector worked through its recovery, supply chain companies continued to make full use of the port's extensive and versatile facilities, with fish landings, oil and gas support and decommissioning and marine tourism continuing.

The diverse operation of the port, including a large property portfolio has proved resilient throughout, with occupancy levels at continued high rates.

The cruise sector in particular saw major disruption from covid, but has bounced back vigorously, with Shetland remaining a popular destination. Forward bookings are extremely strong.

Lerwick Port Authority is at the heart of economic growth for Shetland and has an essential role to play in the delivery of Net Zero targets. The port will support all sectors in the transition, including renewable projects, both on and offshore. This includes, in the early part of 2023 being the main support hub for the delivery and storage of components for the onshore Viking Energy wind farm.

The port continues to reduce its carbon emissions and will work alongside partners and harbour users in the transition to ensure that Lerwick is at the forefront of a low-carbon future for Shetland.

We acknowledge Bank of Scotland's ongoing support which has been crucial to the Authority and has

allowed the development of facilities to be realised, especially now, as we navigate through the current challenges.

We continue to plan and work through ambitions to further develop facilities at Lerwick. Ongoing bank support and specific government funding opportunities, where available, will be vital in the years ahead to capture the opportunities.

A strong safety culture is embedded across all our operations, and we are proud to maintain the internationally recognised standards of ISO 9001, ISO 14001, and ISO 45001, which are a testament to the dedication and input of our staff.

I would like to thank all members of the Board and port colleagues for their hard work through this period and look forward to continued recovery.



JOHN HENDERSON
Chair/December 2023



CHIEF EXECUTIVE'S STATEMENT

I am pleased to have the opportunity to write this report for the 2022-23 Annual Review for Lerwick Port Authority. The year has been a time to rebuild and recover from the effects of the challenging period during the Covid-19 pandemic.

2022 saw a welcome return to traffic levels more normally associated with the port and resulted in a positive performance. The financial results are much more positive in comparison with the previous period.

Turnover increased to £12.0m from £10.0m in 2021. Profit after tax rose to £2.5m from £0.9m.

Overall gross tonnage of shipping showed a rise of 37% at 12.2m gross tonnes and vessel arrivals were up to 4,786, a gain of 15%.

Whitefish box landings remained steady in 2022, with 203,644 boxes. We are confident of the future opportunity in this sector with the extra capacity the replacement fishmarket provides.

Following a two-year hiatus due to covid, the cruise sector at Lerwick returned to a more normal season in 2022, with 94 vessels arriving at the port with 58,450 passengers.

Passenger numbers utilising the Serco NorthLink Ferries service to Orkney and the Scottish mainland recovered, with passenger numbers increasing to 146,588 in 2022, representing an improvement of 43%.

Activity related to the oil & gas sector continued at lower levels than anticipated. However, the sector was buoyed by the arrival of the Ninian Northern oil field production platform jacket for decommissioning. The largest construction vessel in the world, *Pioneering Spirit*, worked quayside at Dales Voe before loading in the single-piece structure - the first time the vessel had operated directly to a quayside in the UK.

The remarkable double - the Ninian Northern topsides having been previously recycled at the deep-water Dales Voe Base - reinforced Lerwick's role as a leader in decommissioning.

The Authority's property portfolio plays an important role in its overall performance and allows supply chain companies based in Lerwick to develop and grow. With high levels of occupancy and several businesses looking to expand, we are seeking to further develop the port estate in the years ahead.

2023 has continued positively across all sectors, with the staging of Viking Energy's wind farm components in the port bringing a welcome boost for the start of the year, the return of the Tall Ships Races in July a spectacular success and a record cruise season.



CAPTAIN CALUM A.S. GRAINS
Chief Executive/December 2023



HARBOUR STATISTICS 2022

4,786

-
VESSEL
ARRIVALS

887,631

-
TONNES CARGO

12.2M

-
GROSS TONNES
OF SHIPPING

205,038

-
PASSENGERS

41,670

-
TONNES
FISH LANDED

146,588

-
TONNES
FISH LANDED

£56.1M

-
VALUE OF FISH
LANDED

144

-
TENANTS

209

-
PROPERTIES
RENTED

793

-
PILOTAGE
MOVEMENTS

403,342

-
LARGEST VESSEL
GROSS TONNES

58,450

-
CRUISE
PASSENGERS

49

-
MEMBERS
OF STAFF

£12.0M

-
GROSS ANNUAL
TURNOVER

£5.1M

-
OPERATING PROFIT

**9 nautical
miles**

-
SIZE OF HARBOUR
(NORTH TO
SOUTH LIMITS)

130,000m²

-
OF LAYDOWN

4,574

-
METRES OF QUAYS

12.5m

-
MAXIMUM WATER
DEPTH ALONGSIDE

**3 nautical
miles**

-
SIZE OF HARBOUR
(INNER HARBOUR)

ABOUT US

At the crossroads of the North Sea and North-east Atlantic, Lerwick Harbour is Britain's 'Top' Port - the most northerly commercial harbour in the country and the principal port for the Shetland Islands.

With modern, versatile facilities serving a wide variety of users, it is a key component in the local economy, stimulating trade and economic benefits for customers and the community.

Lerwick Port Authority was established in 1877 as Lerwick Harbour Trust by an Act of Parliament. This Act constituted the Trust Port to manage, maintain and regulate the Port of Lerwick. The promotion of the Act was funded by the merchants of the town who established a Board of Trustees. The first task of the newly created Trust was to build Victoria Pier, which opened in 1886.

As a Trust Port, the harbour is operated commercially by the Port Authority which, although not publicly funded, is accountable to the wider Shetland community, as well as harbour users. A self-financing business, we depend, like any commercial concern, on cash flows and profits for its successful operation. The Trust Port status sees all profits reinvested in the maintenance and development of the harbour to ensure the wide-ranging requirements of customers continue to be met. Over £120m has been invested in port assets over the years.

Mindful of the wider community, the Authority also provides stakeholder benefits through leisure and amenity improvements and involvement in community events.

[~ READ OUR MISSION, VISION AND VALUES](#)



OUR BOARD

Meeting monthly, Lerwick Port Authority is directed by eleven Board Members. The Chief Executive and Senior Commercial Executive of the Authority are ex-officio Board Members, holding responsibility for controlling and overseeing all areas of operations and providing support to senior managers through appropriate training, mentoring and guidance.

The Chair and Deputy Chair appointments are made annually, selected by Board Members from among their number. Members are un-salaried and receive an attendance allowance for meetings. Leadership is provided through the ongoing review of all business activities and the setting of strategic objectives and targets.

John Henderson (Chair) Term to July 2024	James Anderson Term to July 2022	Steven Hutton Term to July 2024
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George Anderson (Past Chair) Term to July 2022	Gary Robinson Term to July 2023	Colin Nicolson Term to July 2023
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Bobby Polson Term to July 2022	Peter Campbell Term to July 2023	Ella Hunt Term to July 2024
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~ MEET OUR CURRENT BOARD MEMBERS

APPOINTMENTS

At the Authority's AGM in July 2022, George Anderson retired from the Board to be succeeded by John Henderson as Chair. Colin Nicholson assumed the role of Deputy Chair. The Board also welcomed newly appointed Members Colin Leask, Sheila Keith, and Richard Williamson to serve a three-year term to July 2025.

Recruitment of non-executive Board Members occurs annually, drawing on vital skills, experience, and expertise from candidates, to ensure a Board that is independent and fit-for-purpose, rather than representative of particular interests. Non-executive Board Members serve a three-year term, with a rolling programme of one-third of the Board standing down in consecutive years.

STRATEGY & RISK MANAGEMENT

The Board implements a Strategic Business Risk Assessment. The principal outcome of this review is to have the ability to reliably understand, predict, influence and react to the factors affecting the Authority. Fundamental to the Assessment is the identification of risks to the business.



From left to right: Sheila Keith, Richard Williamson, Colin Nicholson (Deputy Chair), John Henderson (Chair) and Colin Leask.



OUR STAFF

The Board regularly receives updates from the management team, which oversees day-to-day operations and implements strategic objectives, financial and administrative processes, and business development.

~ MEET THE MANAGEMENT TEAM

During the period, the Authority directly employed 49 FTE staff members, who contributed to the effective, smooth running of the port. The dedicated and long-serving workforce has a wealth of experience in various operations, including maintenance, engineering, electrical, joinery, marine, administration and marketing. Ongoing staff training helps to maintain high standards of health, safety and environmental compliance across all departments. The move to more online health & safety training offers flexibility for staff undertaking courses around the port's busy operations, resulting in time and cost savings.

Read more on the [standards that create the culture of the Authority](#), reflected throughout all areas of the business.



OBJECTIVES AND TARGETS UPDATE 2022

The continuous improvement of the Authority's performance is measured against the successful implementation of an annual programme of strategic business objectives and targets.

The high-level strategic objectives and targets set by the Board during the period were:

TARGETS

STRATEGIC OBJECTIVE 1 - Management, maintenance and regulation of Lerwick Harbour.

Monitor regulatory developments in the ports sector, particularly Covid-19 and EU exit impacts.

Explore options for management of ongoing pension liability.

Procurement, allocation and control of financial resources within parameters of Bank facility to manage recovery from Covid-19 impacts.

Engage with companies where the Authority has shareholdings and directorships to focus on successful trading and input into the company structure.

OUTCOMES

Covid requirements and internal processes relaxed. Customs approvals gained for fish movements.

New pension scheme implemented and staff enrolment ongoing.

More comfortable headroom within covenants and meeting loan repayments on bank facility.

Executive Management contributions through Board meetings attended.

TARGETS

STRATEGIC OBJECTIVE 2 - Conduct all business activities in a responsible manner which assures the prevention of injury and ill-health to employees, port users and others, the preservation of the environment and quality of service, and promoting the development of an efficient, cost-effective sustainable port.

Maintain Certification to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Develop a strategy towards Net Zero.

Dialogue with stakeholders to promote and emphasise standards within the port environment to be met across all activities.

Maintain processes and systems in compliance with current requirements during Covid-19 pandemic.

OUTCOMES

System documentation reviewed and updated, with successful re-certification in 2022.

Baseline analysis and draft strategy document drafted.

Specific campaign material distributed and shared through communications channels.

Workplace processes and procedures were updated with the relaxation of requirements to retain any beneficial measures.

TARGETS

STRATEGIC OBJECTIVE 3 - Invest in new port facilities where a need is identified. Diversify the portfolio of investments and sources of income, especially where it also supports and strengthens core harbour activity.

Progress the development of an Ultra-Deep-Water Quay (UDWQ).

Monitor market requirements for future infrastructure projects and investigate applying for any available external funding that can assist in the delivery of capital projects.

OUTCOMES

Outline business case for the project submitted to Government and financial package being explored.

High-level capital projects considered and planned. Seafood trailer park completed. Discussions with pelagic and salmon stakeholders on infrastructure improvements. Planning for Tall Ships requirements may include a temporary pontoon solution at Mair's Pier to handle cruise calls.

TARGETS

STRATEGIC OBJECTIVE 4 - Attract new business and ensure continued satisfaction of existing customers and users, and to defend the port against unfair competition and anti-competitive practices.

Maintain and promote Lerwick's identity as a leading strategic North Sea port, showcasing capacity, competitiveness and comprehensive facilities.

Diversify use of deep-water infrastructure to realise opportunities in the renewables sector, particularly onshore and floating offshore wind.

Review digital marketing strategy.

OUTCOMES

Promotion of UDWQ with key industry contacts. Soft launch of 'Land in Shetland' campaign for the fishing sector at Skipper Expo.

Executive management team directly engaging with renewables sector, with a focus on Offshore Wind. Discussions with developers to promote UDWQ and Lerwick.

Strategy drafted and content planned.

TARGETS

STRATEGIC OBJECTIVE 5 - Maintain existing buildings, plant and equipment and harbour facilities in a safe and serviceable order.

New property and asset software systems to be implemented and developed to ensure compliance with inspections and maintenance.

Maintain an overview of issues surrounding potential sea level rise.

OUTCOMES

Both systems were successfully populated with information. Routine tasks established and new items added as required.

Impacts on existing and new infrastructure factored into improvements and future quay designs.



OPERATIONS UPDATE

A key component of the Authority's strategy is the continual improvement of all harbour services and facilities to meet the needs of port users. To achieve this, the Authority operates an integrated management system which fulfils requirements under the tripartite of standards for Quality ISO 9001:2015, Environment ISO 14001:2015 and Occupational Health & Safety ISO 45001: 2018

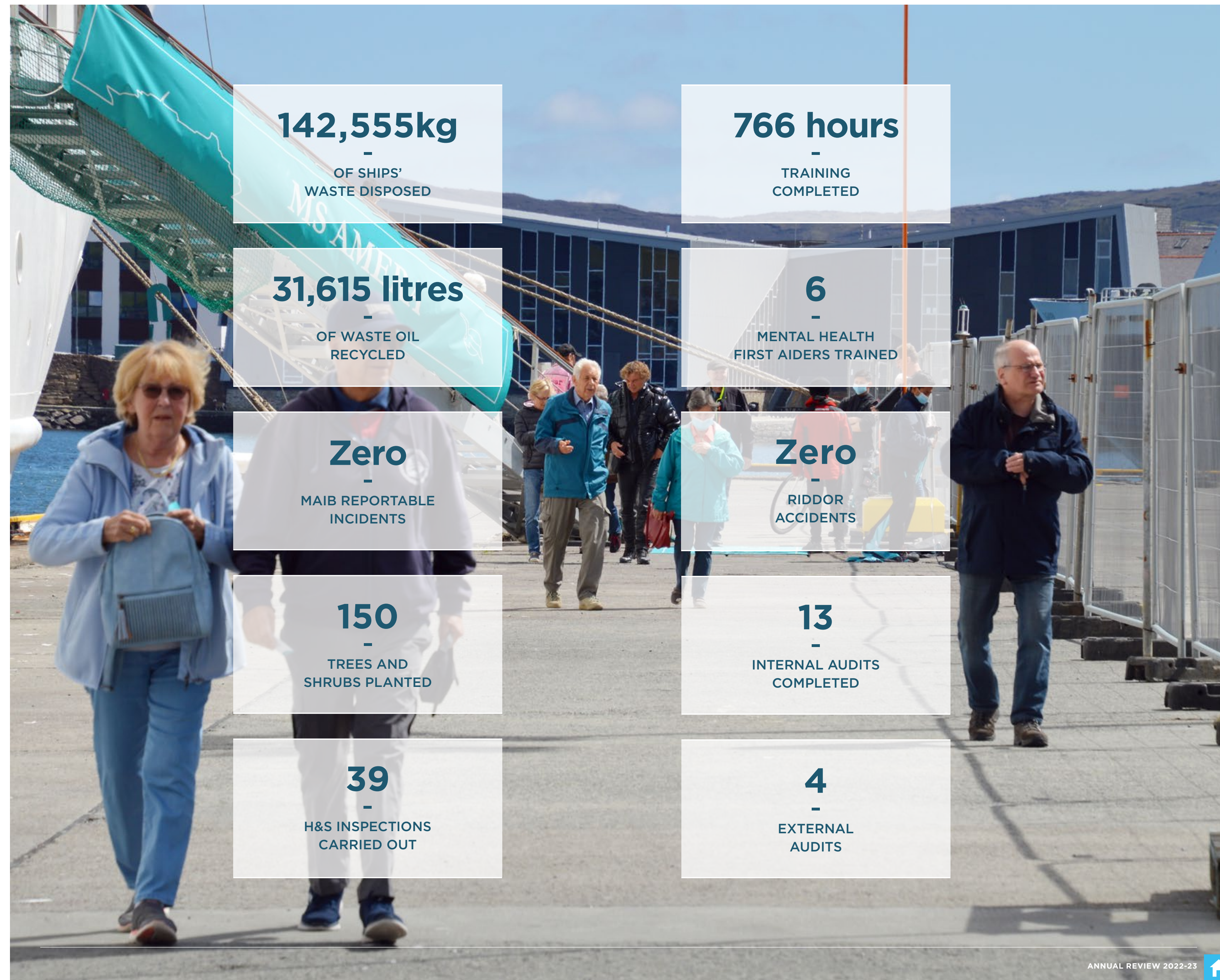
The Authority's Occupational Health and Safety system was a vital factor in enabling it to maintain critical operations the covid pandemic and subsequent recovery. Robust procedures and processes were put in place which allowed essential harbour operations to continue, whilst ensuring the health and safety of Authority personnel and others.

Maintaining communications and consultation with staff is a priority so that staff can actively contribute to the discussions around the adaptation of work patterns and processes essential to their safety.

Compliance with the ISO standards is a core component of the Authority's business processes, assisting with hazard identification and risk management, and facilitating continual improvement in health and safety, environmental and quality performance.

Embracing external scrutiny via the audit process gives the Board, as Duty Holder, the assurance that operations are being conducted in a compliant manner. ISO certification also gives customers and stakeholders confidence that the Authority is:

- ~ Actively identifying risks and opportunities.
- ~ Considering the environmental impact of business decisions.
- ~ Placing health and safety of staff, contractors, port users and others at the heart of all decision-making.
- ~ Striving to maintain safe, efficient, cost-effective sustainable harbour operations.
- ~ Continually examining its internal processes to ensure they remain effective and efficient.



142,555kg

OF SHIPS' WASTE DISPOSED

766 hours

TRAINING COMPLETED

31,615 litres

OF WASTE OIL RECYCLED

6

MENTAL HEALTH FIRST AIDERS TRAINED

Zero

MAIB REPORTABLE INCIDENTS

Zero

RIDDOR ACCIDENTS

150

TREES AND SHRUBS PLANTED

13

INTERNAL AUDITS COMPLETED

39

H&S INSPECTIONS CARRIED OUT

4

EXTERNAL AUDITS



TACKLING CLIMATE CHANGE

In support of the Scottish Government's Climate Change Plans, existing good practices already rolled out across port operations have been reinforced with the Board moving ahead to set a Net Zero Policy and new processes to support this. The Authority's management system centres around continuous environmental improvement and sustainability and has done so for many years, to ensure greener port operations, increase efficiency and explore new opportunities.

The existing activity at the port must be maintained whilst also supporting emerging industries, such as offshore floating wind farms and clean fuel bunkering. This strategy will ensure the long-term prosperity of the industries using the port and help to create opportunities for the local supply chain.

The Authority's capital programme for improving port infrastructure will play a vital role in the energy transition, support for which includes:

- ~ Ultra-Deep-Water Quay in development through Islands Growth Deal.
- ~ Orion Project Partner to develop Shetland's Energy Hub.
- ~ Two existing quayside decommissioning bases and potential for a third in development.

Emissions reductions across operations and electrification of key plant and equipment are ongoing. Other examples include:

- ~ Air source heating at Albert Building offices.
- ~ Biomass heating at Holmsgarth Passenger Terminal.
- ~ Plate chilling at replacement fishmarket.
- ~ LED lighting rolled out across port estate.
- ~ High-capacity shore power for pelagic fleet.

Waste and recycling initiatives:

- ~ Reuse of tyres for fendering avoiding landfill.
- ~ Tree planting to offset paper usage.
- ~ Donating redundant equipment to charity for reuse.
- ~ Supporting marine waste recovery and net recycling.



PORT MARINE SAFETY CODE

Across all marine operations, there is a commitment to implementing the good practice of the Port Marine Safety Code (PMSC) to improve the safety and management of processes to nationally agreed standards. Significant safety risks are identified and evaluated, and suitable control measures are put in place to manage them.

The Authority's fully integrated Health, Safety Environment and Quality (HSEQ) Management System covers processes for navigational safety, environmental protection and conservancy in its area of jurisdiction. In doing so, the Authority maintains an effective navigational Safety Management System (SMS) based on a formalised risk assessment process which is kept under continuous review.

The Board was presented with the findings of the annual PMSC compliance audit at its October meeting, which reported no non-conformances and four opportunities for improvements which have all been closed out.

~ [LEARN MORE ABOUT PMSC KEY PROCESSES](#)



AIDS TO NAVIGATION

Lerwick 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 takes place within the reporting period. The audit was passed, and all points for action have been completed.

Category	No. of Aids	Target Availability %	Availability %
CAT1	4	99.74	99.80
CAT2	32	99.98	99.00
CAT3	1	100.00	97.00

INTERNATIONAL SHIP AND PORT SECURITY CODE (ISPS)

The Authority recognises its responsibility to comply with ISPS requirements and maintains a Port Facility Security Plan. The Port Facility Security Officer works closely with the Department for Transport, Border Force and with security contractors, conducting regular security inspections, particularly when cruise vessels are in port.



COMMUNITY AND STAKEHOLDERS

As a Trust Port, the Authority carefully manages its assets for the benefit of all its stakeholders and actively supports local community activities. Working closely with all interested parties is a key priority to maintain a safe harbour, protect the environment and promote the use of our facilities.

The Modern Trust Ports for Scotland: Guidance for Good Governance defines a Trust Port as “a valuable asset presently safeguarded by the existing Board, whose duty it is to hand it on in the same or better condition to succeeding generations. This remains the Board’s ultimate responsibility, and future generations remain the ultimate stakeholder”.

Stakeholders include employees, harbour users, commercial businesses, tenants, customers using third-party services, membership organisations, the local community, the Local Authority, elected representatives, NGOs, regulators and Governments, both UK and Scottish.

Our annual marketing strategy aims to reach this diverse, wide audience to communicate how we attract and maintain business activity that benefits Shetland’s economy as a whole. We do this by attending trade shows, hosting engagements with potential and existing customers, maintaining a strong web presence, extending the reach of our messaging through print and broadcast media, social media, and a donations and sponsorship policy.

Annual assistance continues to be directed towards marine-related charities, as are donations and sponsorships towards local community interest groups, small groups, charities and fundraising campaigns which are all part of the Authority’s stakeholder benefits.

Support also goes beyond financial donations or sponsorship and often involves benefits in kind, such as staff time and other resources and contributing to maritime causes that involve the wider community, some examples of which are:

~ THE TALL SHIPS RACES

Lerwick was proud to be a host to this prestigious event for the third time. Planning throughout 2022 saw the port contributing significant resources to the preparation of event sites and support for the fleet. A full programme of festivities, attractions and activities was offered to the colourful and spectacular fleet and their crews. The Tall Ships Races provided a valuable boost to our economy and community when they returned in July 2023.

~ SUPPORT FOR SAIL TRAINING

As well as providing facilities for the vessels and crews in the Tall Ships Races, the port proudly maintains annual sponsorship of sail training placements for young people aged 15 - 25 through Sail Training Shetland, supporting once-in-a-lifetime adventures for all those who take part.

~ FISHING FOR LITTER

Ongoing efforts to reduce marine litter on our piers and quays is a priority and we support partnerships that are tackling this offshore too. Lerwick is a registered port where fishermen can access cost-free landing facilities for marine litter gathered from the sea. 7.9 tonnes of marine waste were collected in 2022. .

~ DOGS AGAINST DRUGS

Lerwick is the main seaway to the islands, and we are fully behind the efforts of Dogs Against Drugs in safeguarding the community through the deterrent and detection of illegal drugs. Our support includes donations, access to parking and use of premises for training purposes.

~ CANCER RESEARCH RELAY FOR LIFE

In recognition of the indiscriminate impacts that cancer has had on our staff, their families and our community, we sponsored staging of the Relay’s 24-hr walking challenge at Clickimin, which harnesses Shetland’s incredible fundraising efforts towards world leading cancer research.



FINANCIAL AND BUSINESS PERFORMANCE

INCOME

Turnover for 2022 was £12.0m, representing an increase of 20.1% compared to 2021, with income returning almost to pre-pandemic levels.

The port was expecting a tentative return of cruise ships during 2022 post-covid, but was delighted to receive 94 vessels from April to September, compared to 18 vessels during 2021. Harbour dues were also bolstered with the delivery of the Ninian jacket by the Pioneering Spirit in April 2022.

Income from fish landings was up on the previous year and there was also an increase in cargo via ro-ro ferry movements, particularly vehicles, as operations returned fully following covid restrictions.

Rental income was also up, due to rent reviews in the year, an additional one-off licence granted for the construction of a new electricity grid supply point and some additional rental agreed for the storage of Viking wind farm components.

EXPENDITURE

Cost of Sales remained reasonably consistent with previous years, with a slight increase in operating and maintenance costs as planned repairs were stepped up post-pandemic. This was offset by reduced wages and salary costs, as a result of vacancies in-year.

Administrative overheads increased as covid restrictions lifted, and port operations returned to normal.

PROFIT

Operating profit for the year was £3.5m, due to the positive upturn in turnover.

PORT COMPETITIVENESS

The Authority works hard to provide a competitive, cost-effective harbour with the capacity for growth whilst servicing existing customers' demands. Recent years have been challenging due to the impact of the covid pandemic, leading to uncertainty about the future. It was therefore welcome, that as 2022 came to an end, operations had returned to pre-pandemic levels, giving the confidence to plan for future port development.

The Authority will continue to market the port as a cost-effective, low-emission solution for users. This is enabled due to the strategic location in the heart of the northern North Sea, east Shetland basin and west of Shetland oil & gas fields, rich fishing grounds and cruise ship routes.

BANK FACILITIES

We have a long-term and close working relationship with the Bank of Scotland and the facilities provided have been tailored to suit planned investments. The development phase of the bank facility ceased in 2020, with the completion of the replacement fishmarket, and was converted into a term loan.

The level of borrowing has required close monitoring during the last few years, where operations were restricted and turnover reduced. Bank of Scotland allowed a capital repayment holiday during 2020/21, which ensured cash flow was maintained at an acceptable level to stay within bank covenants. Improved performance during 2022 has led to higher cash balances being maintained while borrowing continued to reduce.

Our borrowing is due to be re-financed in January 2024. During 2023, consideration of future port development will take place and we will work with the bank to look at optimal solutions for our financing needs.

PENSIONS

The Authority provides two pension schemes for employees, a defined contribution scheme through the Ensign Retirement Plan, and a defined benefit scheme as an admitted body to the Shetland Islands Council's Local Government Pension Scheme (LGPS).

The LGPS scheme was closed to new entrants from 1 April 2019. This was due to the contribution rate increasing significantly and the level of deficit accruing in the scheme being uncertain. The valuation of the pension scheme as of 31 December 2022 represented a pension asset of £2.5m, which compared to a pension liability of £8.0m as of 31 December 2021.

All employees who started with the Authority after April 2019, have been enrolled into the Ensign Retirement Plan unless they have chosen to opt-out or do not meet the minimum requirements for auto-enrolment.

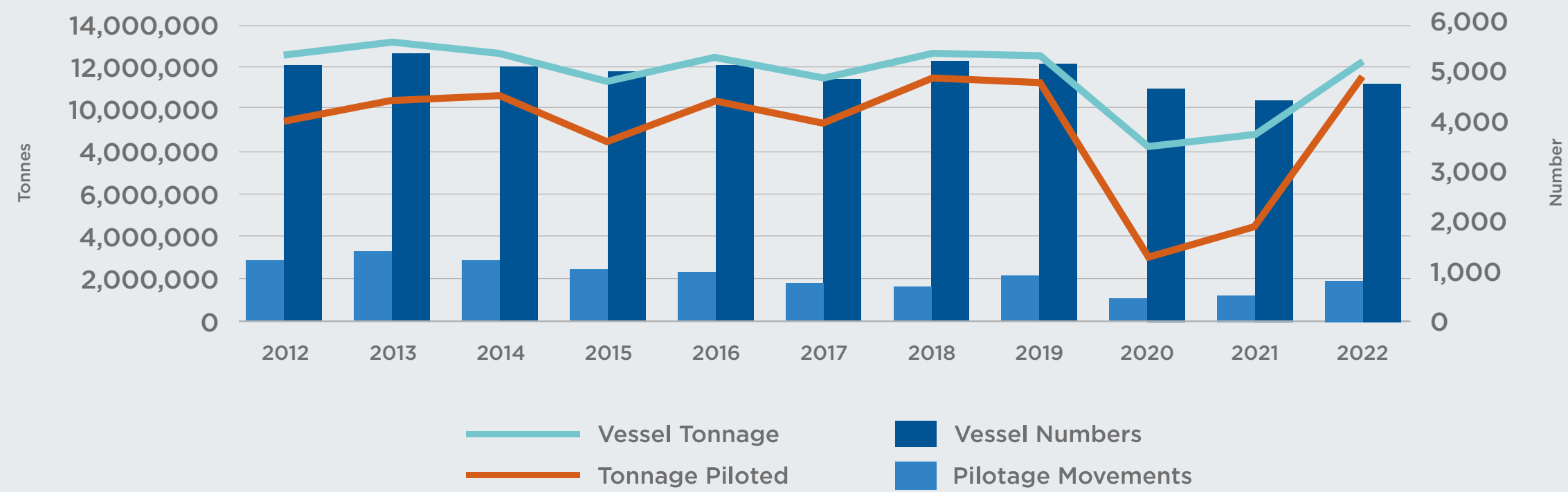
INTEREST RATE RISK

The Authority decided to take advantage of the low-interest rates available and "lock in" a significant portion of its borrowings to a low rate, using an interest rate swap in 2017. This has allowed the business to take advantage of the historically low-interest rates and given certainty over the cost of repayment of borrowings, hedging against the risk of any future interest rate increases.

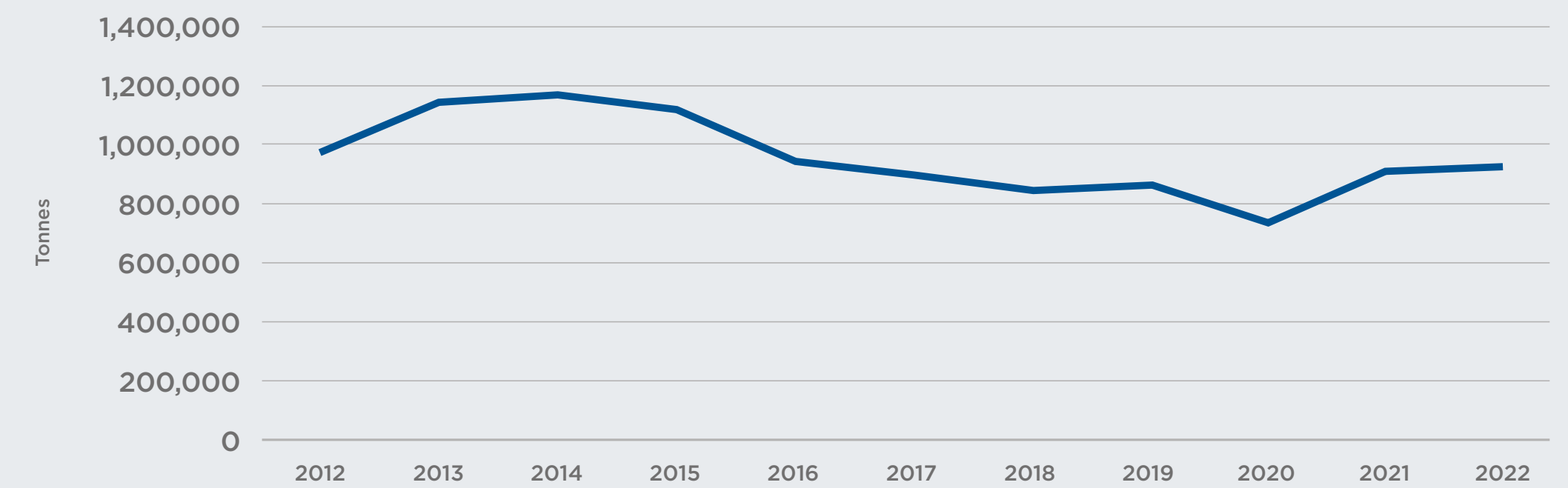


KEY PERFORMANCE INDICATORS 2022

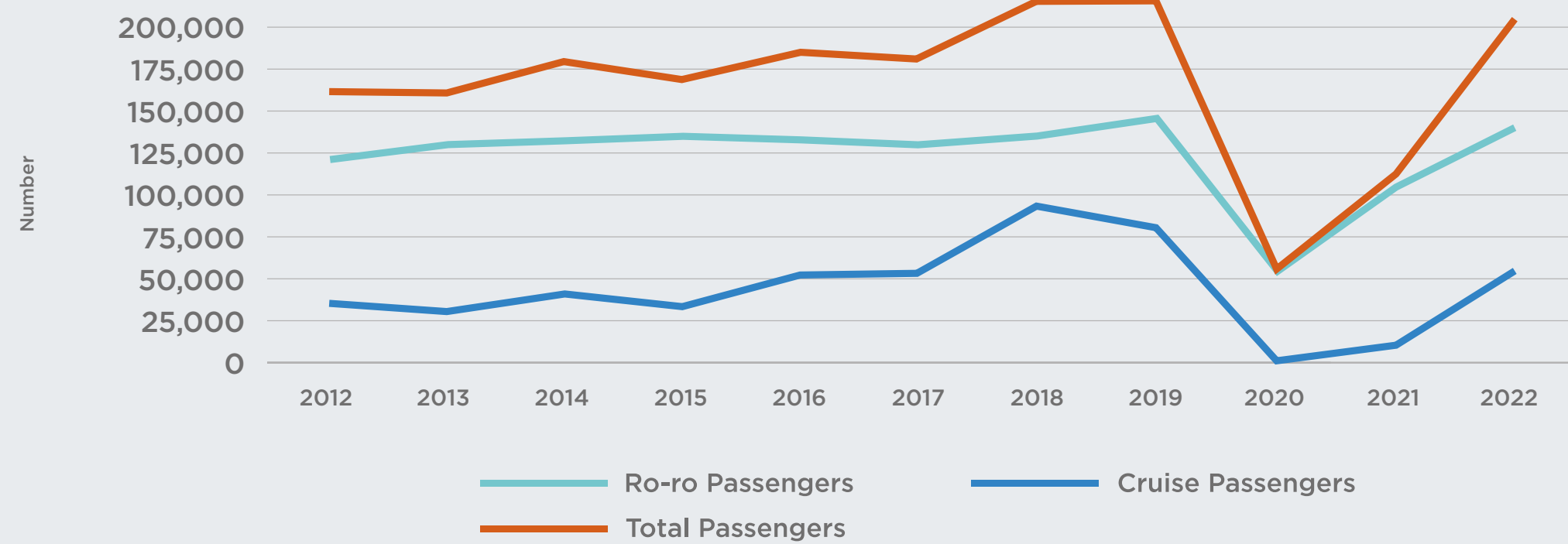
VESSELS



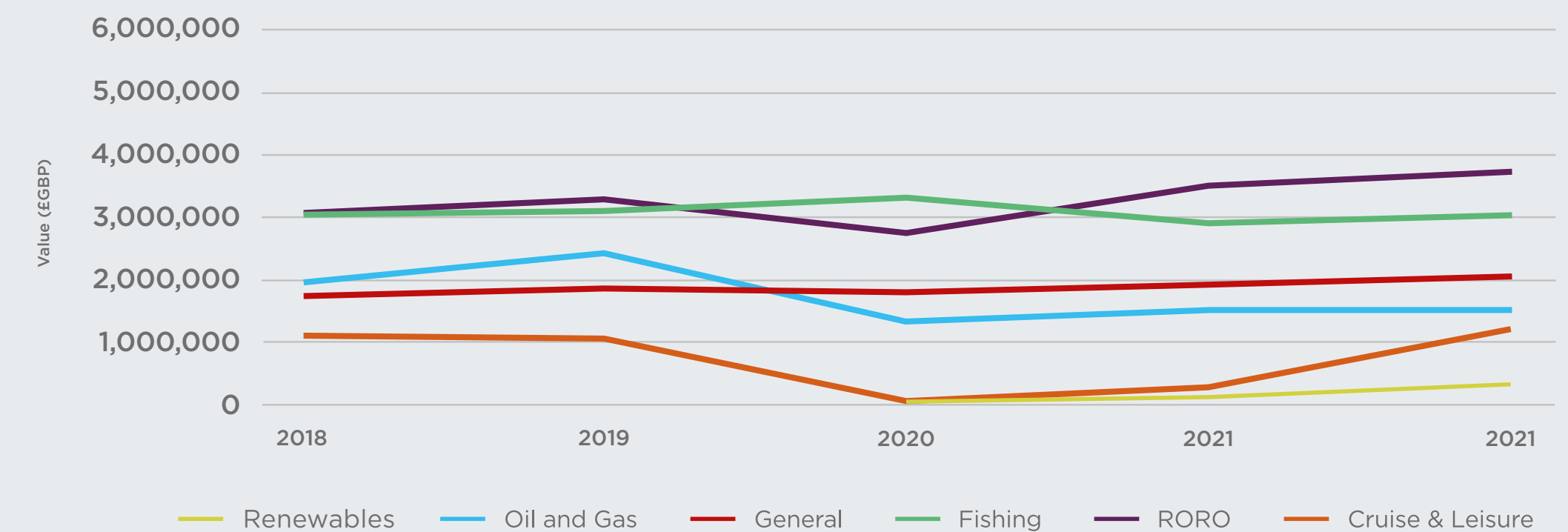
CARGO MOVEMENTS



PASSENGERS



INCOME SPLIT BY SECTOR





FINANCIAL STATEMENTS

INCOME STATEMENT

For the year ended 31 December 2021

	2022	2021
	£000	£000
TURNOVER	12,016	10,008
Cost of sales	(7,146)	(7,153)
GROSS PROFIT	4,870	2,855
Administrative expenses	(1,396)	(1,319)
Other Income	5	273
OPERATING PROFIT	3,479	1,809
Fair value (losses)/gains on financial instruments	663	370
Interest receivable and similar income	1	1
Interest payable	(907)	(851)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,236	1,329
Taxation	(771)	(460)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE YEAR	2,465	869

The operating profit for the year arises from the Group's continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2022	2021
	£000	£000
RETAINED PROFIT FOR THE YEAR	2,465	869
OTHER COMPREHENSIVE INCOME		
Actuarial gains on defined benefit pension scheme	10,983	3,916
Tax relating to other comprehensive income	(2,746)	308
	8,237	3,608
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,702	4,477

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	2022		2021	
	£000	£000	£000	£000
FIXED ASSETS				
Tangible assets		78,555		80,286
Investments		1,666		1,666
		80,221		81,952
CURRENT ASSETS				
Debtors falling due within one year	1,910		1,804	
Debtors falling due after more than one year	625		819	
Cash at bank and in hand	6,524		4,870	
	9,059		7,493	
CREDITORS				
Amounts falling due within one year	(4,944)		(4,347)	
NET CURRENT LIABILITIES		4,115		3,146
TOTAL ASSETS LESS CURRENT LIABILITIES		84,336		85,098
CREDITORS				
Amounts falling due after more than one year		(12,173)		(14,758)
PROVISIONS FOR LIABILITIES		(1,891)		-
DEFERRED INCOME		(9,736)		(9,994)
NET ASSETS EXCLUDING PENSION LIABILITY		60,536		60,346
Pension liability		2,486		(8,026)
NET ASSETS INCLUDING PENSION LIABILITY		63,022		52,320
CAPITAL AND RESERVES				
Savings fund		70		70
Profit and loss account		61,088		58,269
Pension reserve		1,864		(6,019)
TOTAL EQUITY		63,022		52,320



LERWICK PORT AUTHORITY

www.lerwick-harbour.co.uk

