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Based on the east coast of Scotland, Montrose Port Authority is a thriving support and service hub for the North Sea energy and shipping industries.

Montrose Port has developed over the centuries to establish its reputation as a leading centre of international trade and distribution throughout Scotland and Northern England and we are known for our flexible approach.

Through our Port stakeholders, we offer a broad range of port-related services including agency, stevedoring, storage and bunkering.
OUR VISION

Montrose Port Authority’s vision is for sustainable and inclusive growth secured through the Port’s reputation, infrastructure and services that support its customer base.

This will be achieved through increased Port activity, additional customer services, strong revenues and the provision of a safe, efficient Port environment.

We are committed to creating an environment where our employees feel engaged and involved in the development of our business.

MISSION STATEMENT

Our aim is to develop Montrose as the port and logistics hub of choice for North-East Scotland. This is based on our unique competitive advantage, achieved through the quality of service provided to customers and is the result of continuous improvement achieved through infrastructure development, customer focus and innovation.

Customers drive our growth and provide our purpose as a Trust Port. Building a strong and sustainable platform for growth is based on our commitment to the quality of our commercial customer relationships, our commitment to delivering best value and our capacity to support value-added services. The Montrose Port Authority team prides itself on being open, innovative and customer-focused.

OUR ACTIVITIES

Offering around 1000 metres of quayside on both the north and south side of the harbour, Montrose Port provides a sheltered haven almost half a mile long. Sheltered berthing is available and vessels lying alongside in any weather conditions experience no heave or range.

A wide range of cargoes pass through Montrose Port, handled by our experienced stevedores. We have the ability to handle almost all cargo type. This includes chain and anchor, forest products, dry bulk, agribulk, break bulk, unitised and offshore oil materials and equipment.

As a Trust Port we rely on income from different activities, including:

- Ships dues
- Cargo dues
- Property rentals
CHAIRMAN’S STATEMENT

I am delighted to be writing my first Chairman’s report for Montrose Port Authority as it passes the 525 year milestone since being granted a Royal Charter by King James IV in 1493 – although it has to be said a Port existed on the South Esk for at least 500 years before that date.

In addition to this milestone, I am particularly pleased that the Port now complies with the requirements of the Port Marine Safety Code, though in my view what is even more important than complying with legislation is the implementation of a safety culture throughout.

The Port has enjoyed a year of record breaking, including a berth utilisation of nearly 80%. It is against this backdrop that, yet again, we have been able to embark on the reconstruction and upgrading of berths. This time we are improving a further 180 metres of berth which will bring the total length of new berth constructed in the last ten years to almost 600 metres representing an investment in the order of £20m.

This investment will help to justify the increasing demand from our existing and new customers and let us continue to widen our client base to reflect changing requirements of the various sectors which we serve.

Our success is in no small way due to the level of service which we provide and this in turn is down to the people in the Port. We have a close-knit team from top to bottom who know that in a Trust Port the fruits of their labours are all reinvested in the Port.

As well as our staff we have a Board consisting 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 augment the skills of the Executive team.

I would like to thank everyone involved with the Port for their input to its success which has the knock on effect of contributing to the economic wellbeing of Montrose and the wider community.

It is a great privilege to be Chairman of Montrose Port Authority and I look forward to another prosperous year in 2019.

John Carmichael
Chairman
CHIEF EXECUTIVE’S FOREWORD

It has been an extremely busy 12 months for us here at Montrose Port Authority. The year of 2018 included a record breaking month of vessel gross tonnage with 337,145 in the month of August.

During the past year there has been an overall increase in the activity within the Port including the GT increase from 1,850,163 up to 2,309,206. Our vessel calls increased from 454 to 500 and the berth utilisation increased to 78% from its previous 58%.

The strong demand for both open and covered storage over the year was driven by growth from within the oil and gas industry and a steady performance in the general cargo market. This allowed us to plan the commencement of infrastructure redevelopment works on berths 7 and 8 in June 2018.

Our annual revenue increased from 2016/2017 figures, with an increase of 8.5% to £4.813m in 2018. We approach the forthcoming year with optimism. Costs are being carefully controlled while we are pleased to report that our key tenants in both oil and gas, and general cargo are performing strongly.

The Port’s five year growth strategy presents opportunities in mooring systems, subsea, decom, renewables and general cargo, with a particular focus on agri bulks. Our 25 year masterplan covers all aspects of port development and infrastructure investment.

Recognised as our key stakeholders, we have continued to engage with the populations of Montrose and Ferryden through different forms of social media, including sponsorship of a prize at Montrose Academy annual prize-giving.

Our continuing investment in the business is delivering strong results. 2017/18 was undoubtedly our busiest year to date. This performance owes much to our dedicated staff and stakeholders; I thank you for your support.

Nik Scott-Gray
Chief Executive
A TRUST PORT

Montrose Port has developed over the centuries to establish its reputation as a leading gateway for international trade and distribution throughout Scotland and northern England. We have operated as a Trust Port for nearly 200 years. In that time, the Trust Board has used its wide range of knowledge and experience to steer the management and development of the Port into the 21st century facility we see today.

What is a Trust Port?

Trust Ports like Montrose Port Authority are independent statutory bodies, whose powers, structures and functions are set out in local legislation – Harbour Orders. Trust Ports operate on a commercial basis, independently of government and in line with their local legislation and good practice. They 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 formation in 1818. 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 Montrose Port Authority.

We now have nine trustees, appointed by the Port Authority, who follow strict guidelines with assistance from an independent assessor. Our Chief Executive also sits on the board.
WHO WE ARE
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.

Nik Scott-Gray is an experienced port and logistics professional. From the beginning of his career in 1988, as a P&O graduate trainee, he has amassed experience in the operational, financial and strategic management of vessels and ports along the UK's east coast.

The role of Port Manager for both Grangemouth and Leith Ports led to Nik’s appointment as Commercial and Development Manager for Forth Ports’ Scottish division in 2009. He has been Chief Executive of Montrose Port Authority since May 2015.

Amongst his wide-ranging responsibilities, Nik launched - and continues to implement - a Master Planning and Strategy process for Montrose Port Authority, developing new markets and directing investment towards key infrastructure projects.

John Carmichael is a retired civil engineer, having spent all his working life in maritime civil engineering and port management. His experience embraces general port and harbour construction including fishery and transport ports, shipyards, coast protection and dredging.

He worked with several consulting engineers before joining the newly formed Strathclyde Regional Council where he set up a unit to deal with the region’s pier, harbour and coast protection responsibilities. He later joined Dundee Port Authority where he was Engineer and Deputy Chief Executive before returning to consulting engineering with Arch Henderson LLP, ultimately becoming Senior Partner before retiring in 2009.

He has served the Institution of Civil Engineers in several capacities, including Chairman of the Maritime Civil Engineering Board. John joined the Board of Montrose Port Authority in 2009 and was elected Chairman in 2017.

A Board member since 2015, Peter was educated at Montrose Academy before completing an engineering degree at Heriot-Watt University in Edinburgh. From there he started his career with Halliburton and pursued an engineering career within the oil and gas sector which has spanned some 39 years, working in roles within Sparrows Offshore, Drexel, Tuboscope and National Oilwell Varco (NOW). In his latter years with Tuboscope and NOW, he was responsible for running the company’s Eastern Hemisphere operations.

For the past 10 years, Peter has worked in an advisory and executive management capacity with oil and gas private equity firm SCF Partners, including four spells as acting CEO of portfolio businesses. He is currently the interim CEO of global rental and service company Centurion Group Ltd, headquartered in the UK, but with businesses in the USA, Canada, Europe, South East Asia and Australia.

Peter lives in Montrose and is also active in the local community including his role as Vice Chairman of Montrose Football Club.
James Doyle
Board Member

James, Master Mariner and chartered shipbroker, holds a master’s in business administration and has been a non-executive director at Montrose Port Authority since 2014.

James is a main board director for J.R. Rix and Sons Ltd (a Times Grant Thornton top track 250 SME) and managing director for all port, terminal, shipping and freight forwarding operations for the J.R. Rix Group. He is also the chairman of the Institute of Chartered Shipbrokers (Humber Branch) and a THMA Advisory Board Member.

Graeme Nimmo
Board Member

Born in Glasgow, Graeme is a fully qualified chartered shipbroker with over 35 years’ experience in the shipping industry.

Currently employed by ASCO Group subsidiary Seletar Shipping Ltd, in the capacity of Ship’s Agency Manager, he is responsible for Seletar’s office network providing port coverage in the UK’s central and southern regions. Graeme is also lead examiner for one of the Institute of Chartered Shipbroker’s compulsory subjects and, since 1991, has tutored its Shipping Business course to students globally. Graeme joined the MPA Board in 2016.

Murray Ross
Board Member

Murray has been working at Kinnes Shipping Ltd. since 1979, joining our Board in 2009. After a short spell with Dundee, Perth & London Shipping Ltd., Dundee he joined the company as an Agency Clerk. Currently a Director, he is responsible for Kinnes Shipping’s Agency Operation in Dundee, Montrose, Perth and Grangemouth.

As well as being on the Board of Montrose Port Authority, Murray is also a board member of Helm Training Ltd., Dundee which aims to improve the educational and employment skills of disadvantaged children in Dundee and further afield.

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, most recently BP Shipping’s tankers. Having come ashore in 2013 to raise her family, she currently works for BP Exploration in Aberdeen as a Marine Operations Advisor and joined our Board in 2016.
Kim Hunter
Board Member

Kim is an experienced people leader who has worked across multiple industries in her career, spending the last 6 years working in the energy industry at executive level for a global leader in energy and technical services based in Aberdeen.

Her experience covers global talent acquisition, workforce planning, strategy, people integration and executive search. Kim holds a degree in Consumer Studies, a Masters in Business and an MBA focused in Oil and Gas Management from Robert Gordon University, Aberdeen. Kim joined Montrose Port Authority Board in 2017.

Hamish Watt
Board Member

Hamish joined the Board of Montrose Port Authority in 2016. He has lived and worked in Tayside for most of his life and is familiar with the commercial and industrial activity throughout the east coast of Scotland. A law graduate from the University of Dundee, he completed his training in Dundee before being invited to join a legal firm in Montrose as a solicitor.

He started his own firm in 1979 and has worked as lawyer ever since, specialising in civil/criminal court cases, employment, corporate and damages actions. He is a past tutor/course leader in advocacy and pleading on the postgraduate course (Diploma in Legal Practice) at Dundee University. Now partially retired, he retains a number of business interests.

Jim Cargill
Board Member

Jim has been in the oil and gas industry for over 40 years, holding a variety of senior roles with international offshore logistics and marine service companies, including ASCO, Wood Group Offshore, Peterson, OIL Limited, Sea Oil Services, OSA do Brasil and Sea-Cargo.

Jim’s experience includes involvement in various activities in the North Sea (UK & Norway), Brazil, Caspian Sea, Gulf of Mexico, Morocco, Faroes and South East Asia. He is currently Chief Executive of PlanSea Solutions Limited and retains interests in the Brazilian offshore market.

In addition, Jim has developed and now tutors oilfield logistics courses at Aberdeen’s Robert Gordon University. He holds a BA in majoring in economics and politics and a Diploma in management studies. He joined Montrose Port Authority’s Board in 2013.
A CULTURE OF SAFETY

Health and safety will always be our top priority. No matter how well thought out our safety management systems are and no matter how robust our safe systems of work are, the only real way to achieve and keep to our ultimate goal of creating a positive health and safety culture is to educate, empower and engage with our employees. Accidents occur and rules can be broken but if safety is embedded at the heart of the company, then adherence to safe working practices and a consistent philosophy of care for others will naturally follow and integrate into our daily activities and decisions.

All Montrose Port Authority employees are encouraged to take responsibility for safety and make ‘safety observations’ as part of their daily routine. By adopting this approach, we are encouraging our employees to be aware of their working environment and identify the risks in their workplace all of which helps to keep everyone safe and reduce incidents.

We also believe that it is important that management at every level are involved in managing safety and engaging with the workforce. This is achieved by safety walk arounds and safety inspections - both of which require managers and supervisors to spend time in the workplace discussing safety issues and corrective actions with the workforce.
PORT MARINE SAFETY CODE

We are committed to fully comply with the Port Marine Safety Code and to meet these requirements in all our operations, while seeking to meet the changing needs of all Port users.

Marine risks are formally assessed and are eliminated or reduced, as low as reasonably practical in accordance with good practice. We employ competent people who are trained, qualified and experienced in positions of responsibility for managing marine and navigational safety. The Harbour Board being the Duty Holders have declared in writing to the Maritime Coastguard Agency that the Port complies with the standards set out in the Port Marine Safety Code.

We have published a Marine Safety Plan showing how the standards in the Port Marine Safety Code will be met and to report assessing performance against the plan at least every three years.

The Port was audited by the designated person in November 2017, who having considered all the requirements of the Port Marine Safety Code, including reviewing the risk assessments and the marine safety management system, reported that Montrose Port Authority meets the standard required by the code. We were issued with a certificate of compliance in December 2017.

INCIDENTS

All reported incidents and near misses were recorded and relevant authorities were informed as required.

DREDGING & SURVEYS

We continually conduct berth, inner harbour and navigational surveys which are available from the Harbour Master’s office. Over the last 12 months we conducted one maintenance dredge in March, which was to maintain our channel depth of 5.5m. We are in a market where vessels continue to get bigger and therefore maintaining this depth is essential to the longevity of the Port.
## ACCOUNTS

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<th>2017/2018</th>
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<tr>
<td>Current Assets</td>
<td>2,094,523</td>
<td>1,504,002</td>
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<tr>
<td>Long term Debtors</td>
<td>208,808</td>
<td>126,277</td>
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<tr>
<td>Current Liabilities</td>
<td>(677,218)</td>
<td>(938,141)</td>
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<td>Deferred Income</td>
<td>(390,341)</td>
<td>(234,958)</td>
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<tr>
<td>Long term Liabilities</td>
<td>(7,282,944)</td>
<td>(7,577,602)</td>
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<td>Provisions</td>
<td>(393,061)</td>
<td>(1,741,681)</td>
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<td>Net Assets</td>
<td>3,819,653</td>
<td>1,970,162</td>
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## Four year statistical review

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<tr>
<td>Number of ships arriving</td>
<td>500</td>
<td>454</td>
<td>474</td>
<td>593</td>
</tr>
<tr>
<td>Gross tonnage ('000)</td>
<td>2,309,206</td>
<td>1,850,163</td>
<td>1,745,510</td>
<td>2,147,290</td>
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<tr>
<td>Goods throughput ('000)</td>
<td>455,468</td>
<td>439,861</td>
<td>521,210</td>
<td>581,671</td>
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<tr>
<td>Oil</td>
<td>59,898</td>
<td>54,894</td>
<td>56,419</td>
<td>57,180</td>
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<tr>
<td>Other</td>
<td>395,570</td>
<td>384,967</td>
<td>464,790</td>
<td>524,491</td>
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<tr>
<td>Turnover (£000s)</td>
<td>4,814</td>
<td>4,433</td>
<td>4,473</td>
<td>4,810</td>
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<tr>
<td>Operating Profit</td>
<td>804</td>
<td>800</td>
<td>773</td>
<td>1,219</td>
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Full accounts audited by Henderson Loggie are available for inspection at the Harbour office.