



Port of Milford Haven

Annual Report & Financial Statements 2016



Contents

2016 Highlights	2
Chairman's Statement	4
Chief Executive's Report	6
Strategic Report	8
Risk Management	11
Environment	14
Transportation	16
Renewable Energy	19
Leisure and Tourism	20
Fishing and Aquaculture	25
Stakeholder Engagement	26
Our People	31
Non-Executive Directors	32
Senior Management Team	34
Financial Statements	36

2016
Highlights

Cargo volumes
of 34.9m tonnes

Profit before
tax of £5.6m

Growth in
ferry traffic

New 19 metre
pilot boats
delivered

£1.2m dredging
campaign
completed

Milford Waterfront
brand launched

State-of-the-art
navigation
simulation suite
opened

Milford Marina
celebrated its
25th anniversary

Heritage boat
tours launched at
Milford Marina

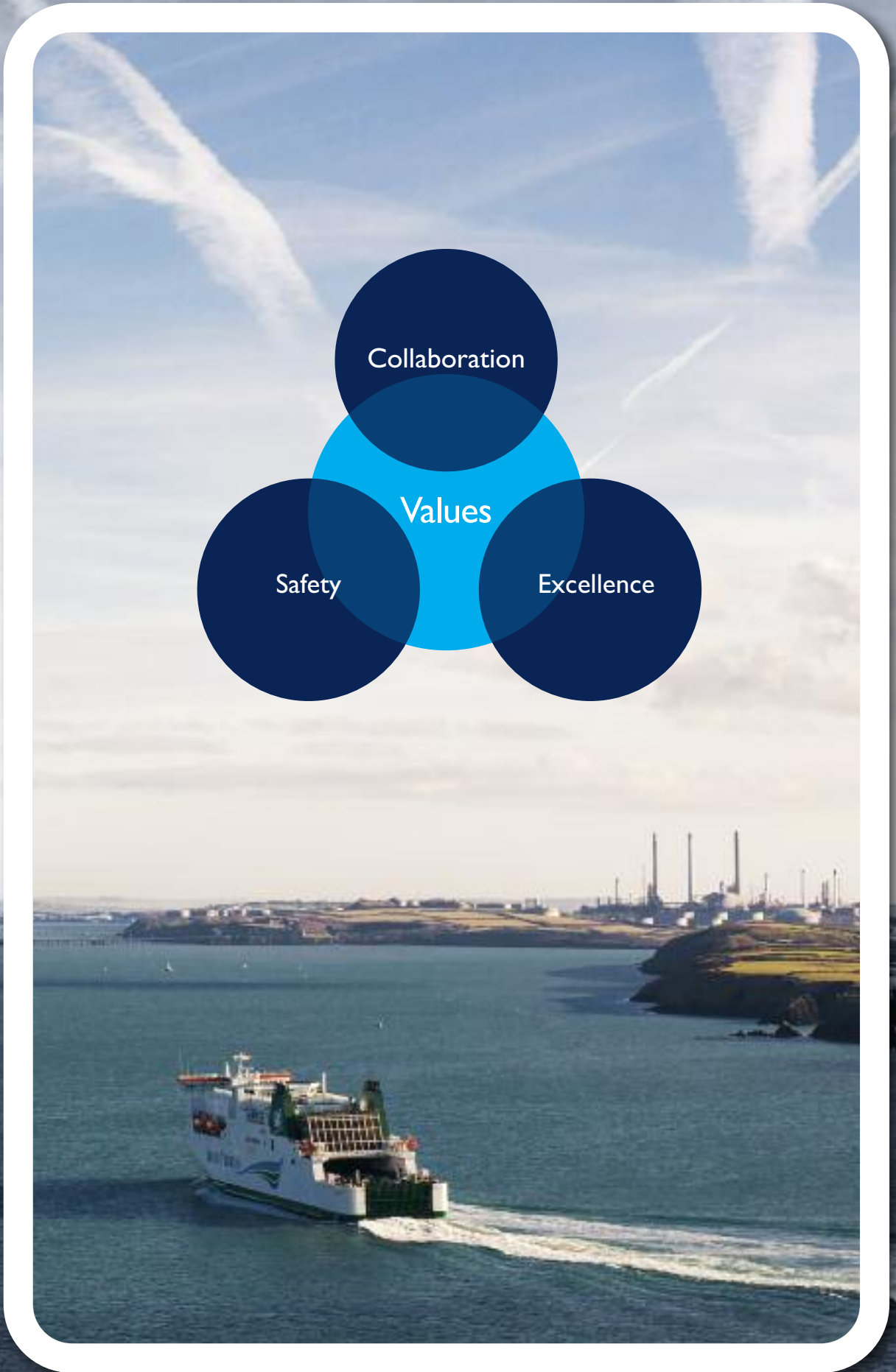
Four cruise
ships brought over
1,500 passengers
to the Port

Pembrokeshire
Cancer Support
voted the Port's
Charitable Cause
of the Year

Five schools
participated in the
Waterway Robotics
Challenge

Sponsorship of
Coleman Racing
Powerboat team

Winner of a
Wales National
Transport Award



Chairman's Statement



Our vision for the Port of Milford Haven is that it should continue to play a key role in building the Haven's prosperity. A successful port and a successful cluster of businesses trading around and through the Port are a key

foundation for the health and wellbeing of the wider community. I am pleased to report a business performance that is showing increasing resilience to some of the volatility inherent in the oil and gas sector. In 2016 the Port had a total cargo throughput of 34.9 million tonnes, slightly down on the preceding year. Despite this, a satisfactory profit before tax of £5.6m for the year was reported.

This stable financial performance masks a 26% reduction in the volume of liquefied natural gas (LNG) handled in the Port in 2016 and we currently anticipate this headline trade being substantially lower again in 2017. On the plus side, the result also reflects steady throughput at the other major terminals and growing levels of confidence about our prospective developments at Milford Waterfront. Our financial stability is further enhanced by our investments in solar schemes, that are now generating a total contribution of over £841,000 per annum (see note 3 on page 50).



We have engaged extensively this year with you, our stakeholders, to understand your needs - we do this through surveys, through meetings such as the Annual Consultative Meeting (which this year will take place on 21 July), groups such as the Port Advisory Committee and the Stakeholder Accountability Committee, and also through many one-to-one meetings with individual stakeholders. The overriding message coming back is that, first and foremost, our stakeholders want the Port



to be a safe operation. You want us to be a stable and resilient organisation willing and able to invest in people and equipment in order to be a successful base of operations for other successful businesses that in turn provide long-term, well-paid and secure jobs. You also want us to be a clean operation, and one that is engaged in the cultural and community life of Pembrokeshire.

We have adopted these objectives wholeheartedly. Our vision - to Build the Haven's Prosperity - is inherently linked to our core values of safety, collaboration and excellence. A prosperous region is one that is clean and has strength in depth; one which offers great opportunities to its young and enables families to approach life with confidence and optimism.

Our Milford Waterfront project, an investment worth tens of millions of pounds, is inspired by the principles associated with building a great and sustainable community. We see it as a great place to live, work and play, with a diverse economy based on enterprise such as the commercial port, fishing and aquaculture, and working as a centre for leisure and tourism. Milford Waterfront straddles the coastal path, has a railway station right at its heart, and is now home to 'Masters of the Deep' boat tours, West Wales Dive Company and Milford Museum. It will also be the new location in Wales for the Powerboat PI National Championships in July 2017.

We expect it to be a home for people seeking an active and healthy lifestyle who are also keen to have career and investment opportunities in this unique location.

Good progress has been made on attracting renewable energy businesses to Pembroke Port to further strengthen the marine engineering cluster based in the area. We worked closely with partners to put together the Swansea Bay City Region's bid for a City Deal, which Prime Minister Theresa May signed off on 20 March 2017. The £1.3bn investment in south west Wales includes our



Pembroke Dock Marine (PDM) project, which will entail re-engineering the western end of Pembroke Port to create a large and sophisticated centre for the design, fabrication and testing of marine energy devices. Events such as the closure of Murco and the recent threatened closure of the Port Talbot steelworks show that no business can exist in isolation. To be resilient and to prosper, any given company needs to serve several different markets and to have access to a diversified and multi-skilled supply chain.

Our Pembroke Dock Marine project is founded on this concept of clustering, an idea which is strongly aligned to the UK government's recently published green paper on Industrial Strategy. PDM provides diversification opportunities for existing businesses using indigenous regional skills. It will bring together people involved in the traditional oil and gas sector, in boat building and ship repair, and in innovation and technology development by partnering with neighbouring universities and colleges. The UK's proposed industrial strategy also emphasises the need for prosperity to be spread across regions and sets out to deliver this by increasing opportunities for skills development and increasing productivity, a goal we share here at the Port of Milford Haven. As a port in Wales we also make a significant contribution to the goals of the Welsh government and are driving forward with plans to deliver a more prosperous Pembrokeshire and Wales for future generations.

This will be my last statement as Chairman of the Port of Milford Haven. The process of recruiting my successor is underway and will be completed by 31 July 2017.

We have engaged extensively this year with you, our stakeholders, to understand your needs

It has been a privilege to be associated with the Port and the community of Pembrokeshire. In my many visits to the county I have succeeded in walking a significant proportion of the coastal path and have taken great pleasure (and some pain) in discussions about rugby and much else besides. I expect the banter about rugby results has been much the same since England and Wales first encountered each other on the rugby field in 1881. If so, it is probably the only thing that has stayed the same. Once again, the vagaries of international energy markets are bringing new challenges to our doorstep. However, over the last three years, the Port and its staff have built a more resilient organisation with ample cash resources and strong investment plans to drive the business and the local economy on towards greater levels of prosperity.

Once more, and for a final time, I would like to thank our staff and the many people who work in close collaboration with us for their great contributions to the continued success of the Port. My colleagues on the Board, under a new Chair, will continue to be fully committed to the future success of the organisation, and I shall look forward to watching the organisation move forward over the years to come.

Peter Jones

Chief Executive's Report



In 2016 the Port achieved a turnover of £25.3m. Although this is slightly below the level achieved in 2015, profit before tax at £5.6m for the year is 26% up on the previous year.

Progress made on our property investment and development

activity is having a greater influence on the Port's results. This year we recorded a gain of £300,000 in the valuation of our property investments and our development costs for Milford Waterfront are now being recorded as an asset. When these effects are stripped out it is important to note that the underlying trading performance of our core port operations was in fact weaker in 2016 than in the previous year, primarily due to a substantial reduction in the throughput of LNG. It is, however, an important indicator of the overall health of the organisation and a testament to the work done to improve the Port's resilience in the face of turbulent energy markets that the Port's operating cash flow increased from £8.1m in 2015 to £9.2m in 2016.

This resilience is important to us - it underpins our ability to work with partners on future investments and business development opportunities; it will be central to our ability to secure finance for the Milford Waterfront development. It has also provided assurance to the officials overseeing the Swansea Bay City Deal that our own Pembroke Dock Marine project has viable commercial backing to deliver on the Pembroke Port redevelopment.

Whilst resilient, we are not immune. South Hook LNG volumes were down significantly in 2016 and are expected to be lower again in 2017. This will have a real impact on our results. It is simply the fact that other consumers are prepared to pay higher prices than the UK gas market provides, for example customers in well established markets in the Far East, such as Korea and China, as well as the growing markets in South America, the Middle East and Asia. This is not an effect of Brexit, nor low oil prices, but is due to the balance of supply and demand in the gas wholesale markets, not only in the UK, but also across the globe. Valero, on the other hand, continued to trade at an impressively steady level. It is great news for the area that Valero is now seeking to build a new Combined Heat and Power (CHP) plant within its refinery and storage complex, representing an investment of over £100m in the Welsh economy.

The Port continues to develop its involvement in the renewable energy industry. Given the failure of Tidal Energy Limited, it would be perfectly legitimate to question whether wave and tidal energy will ever form a significant part of our energy mix. The same could once have been said of solar and wind, now core parts of our generating landscape, and love it or loathe it, it is unquestionably the case that publicly backed subsidies such as the feed in tariff or Contracts for Difference



have encouraged the uptake of emerging renewable and low carbon electricity generation techniques. Solar is now the cheapest form of new power generation in Europe and offshore wind's competitive long term levelised cost position has fallen from £160 per MWh in 2010 to under £110 today, with recent prices for some schemes in Europe well below this figure.

Cost of power is also a challenge for marine renewable energy, which like solar and wind a decade or more ago, is at its early stages of development, but serious businesses are making substantial investments in the wave and tidal sector; and Pembroke Port is on their radar because of our steady engagement since the formation of Marine Energy Pembrokeshire in 2010 and our investments in new energy and innovation. Wave-tricity and Marine Power Systems are now building trial devices here in Pembroke Dock in partnership with local businesses and should the government follow through on the recommendation in the Hendry report and commit to the construction of the Swansea Bay Tidal Lagoon, we believe that local businesses and the Port will benefit.

What is vitally important to us as a Port and to the local economy is that we continue to develop this cluster based on strong ownership of indigenous intellectual property and with high levels of overlap with other core businesses in the region. This sector is now generating a growing level of revenue for the Port and, with positive encouragement from us all, is expected to become a significant new sector for the Pembrokeshire economy.

Interconnectedness is also a key feature of our strategy in relation to Milford Waterfront. Many of the occupants of the flats around the marina and at Smokehouse Quay work in one of the terminals or for the Port. The Port has now achieved a level of ownership of some of the key retail properties that allows us to have a stronger influence on the overall mix of businesses at the destination. Many of the businesses being attracted to the location are about healthier living: Healthaspire, B-Fit Gym, West Wales Dive Company, and PhysioFit. Training and education are also part of what goes on at Milford Waterfront. Pembrokeshire College's MITEC centre has been located in the Docks since 2000 and Milford Museum is an educational attraction that is working increasingly closely with schools. We have now added to this mix our new marine navigation simulator

suite which, as well as being a state-of-the-art facility for our own superbly competent pilots, is being marketed to attract marine professionals from across the UK.

It is a significant milestone for Milford Waterfront that construction of the drive-thru Costa Coffee is about to commence and is planned to be completed by the end of the year. It is the first new-build in the development programme. Costa is a successful national brand that will enhance the attraction of Milford Waterfront as a visitor location. The first phase of the scheme includes

a new hotel, a premium waterfront restaurant and redevelopment of the Quay Stores building. We are in active discussions with national and international operators for these units and subsequent phases of the scheme. The outline scheme now comprises 380,000 sqft of leisure, commercial, residential and retail space. If all of this space is successfully developed, the Port will have successfully reduced its dependence on revenues derived from oil and gas and will have created in the region of 600 new jobs in Milford Haven.

Our development philosophy is to make Milford Waterfront a great place for living, for working and for leisure

Fishing and aquaculture have also been central to the commercial life of Milford Haven. Projects like Egnedol will bring fish production on shore along with similar concepts we are working on with partners such as Swansea University. Our development philosophy is to make Milford Waterfront a great place for living, for working and for leisure. Our total rental income in relation to office, retail, leisure and food and beverage units at Milford Waterfront now exceeds £300,000 per annum and the destination has over 100,000 visitors per annum.

Events are part of what is on offer at Milford Waterfront. For 2017 we have succeeded in attracting the Powerboat PI National Championships, won last year by Pembrokeshire's own team, Coleman Racing. We expect that PI will be a major event for the county, playing a vital role in attracting visitors into Pembrokeshire and to Milford Haven from further afield. The key objective for the Port, however, is to attract people to visit the



destination every day and every week as opposed to attracting them to events held once a year. Our approach to events is therefore evolving. Regular visitor numbers excluding events and visitor spend at the destination are now Key Performance Indicators for us as a business.

Safety is a core value throughout the Port. We work hard within the business to assess risk using carefully planned operating procedures to deliver a safe port operation for all of our stakeholders. This is particularly the case in our marine operations. It is a considerable disappointment to us all, therefore, that we recorded four lost time accidents in the year, three of which were associated with one incident involving one of our new pilot boats, the St Davids. The incident has been fully investigated. Every effort is made to learn lessons across the organisation not only from incidents that have occurred but also from near misses.

Our staff are keenly aware of the critical services they provide in ensuring that customers can trade through the Port, getting safely to and from berths in all weathers and at all times of day and night. I want to clearly acknowledge our staff and thank them for their hard work, professionalism, creativity, and good humour.

This year we are facing some substantial challenges - LNG volumes are minimal in the year so far. We also expect to incur some substantial costs in pursuit of a legal claim in connection with the design of our dock lock at Milford Haven. But it is precisely because of these sorts of events that we have pursued a strategy of diversifying our cash flow and having a strong balance sheet with over £17m of cash balances. However, it should be noted that, in line with other companies with any form of defined benefit scheme, there has been a significant increase in pension liabilities over the year due to movement in discount rates. Yields used to value pension liabilities fell significantly in 2016, particularly after the EU referendum.

As a result we are able to focus on remaining heavily engaged in the process of developing some substantial new trades for the Port: in leisure and tourism, in renewable energy and in fishing and aquaculture. Our role in these sectors is to be primarily an investor in infrastructure and property. We need and seek to attract traders and operators in these focused sectors who themselves know their markets and are successful at winning business to be fulfilled at our port facilities. We greatly value our partnerships with our customers, large and small. We will continue to invest in these key relationships in order to build a prosperous future for customers, for our staff, and for the community.

Alec Don



Strategic Report

Strategy

The Port of Milford Haven's primary objective is to remain an efficient and competitive gateway within the UK's national transport network, facilitating easy access for our customers to their markets in the UK and overseas. Achieving this mission will ensure the Port continues to fulfil its role as a key driver of economic activity and growth, particularly in Pembrokeshire and the Swansea Bay City Region, whilst operating at the highest standards of safety and protection of the environment. The Port provides its customers with the ability to operate on a very large scale, ensuring the resilient delivery of essential energy supplies to the UK market on a basis that minimises environmental impact across the global supply chain and helps keep UK PLC internationally competitive.

In the interests of the local economy the Port is seeking to achieve greater diversity in the range of activities being undertaken. The sustainability of the core operation and the achievement of diversification requires the Port to retain a strong ability to finance investment (with a focus on port-related infrastructure and services), promoting the development of additional linkages to the Port and working with partners to expand the range of activities carried out, in particular at the facilities at Pembroke Port and Milford Docks.

The Port has put in place certain strategies to achieve this; however, the timing and delivery will depend on market conditions and the strength of the economy as a whole. The strategies are:

- To continue to provide high quality responsive services to customers, including the major energy terminals;
- To facilitate the development of Milford Waterfront focused on marine leisure, retail and fishing;
- To facilitate the development of Pembroke Port into a centre of excellence for marine-renewables, engineering and stevedoring services including ferry operations;
- To facilitate the effective and appropriate development of non-port-related landholdings;
- To work with existing infrastructure owners/operators to help achieve increased asset utilisation, commercial growth and inward investment;
- To introduce new deep water trades based on the development of new general-purpose deep water berths; and
- To support the creation of additional transport linkages to the Port.

Values

The Port's core values provide a framework for profitable, sustainable growth and guide the actions of all employees. They are:

Safety Our primary goal afloat and ashore

Collaboration The best solutions come from working together

Excellence We deliver what we promise

Being responsive to customer needs, advancing the skills and knowledge of employees and working with stakeholders in an open and consultative way to jointly develop solutions are at the heart of all the Port does.

It also reflects the importance placed on providing a safe and sustainable environment and investing for the long term for future generations.



building
the Haven's
prosperity

Business Model

Milford Haven Port Authority (MHPA) is the statutory harbour authority for the Port of Milford Haven. It operates on a commercial basis, charging port fees for providing conservancy and pilotage services to the vessels delivering or collecting products at the principal terminals located on the Milford Haven Waterway. It also owns and operates a property portfolio at Milford Marina and Fish Docks and port facilities at Pembroke Dock. As a Trust Port, MHPA does not have shareholders. All profit is retained and is available for re-investment into the business in support of its key objectives. The Port sustains a nationally important portfolio of businesses engaged in the production and distribution of energy and energy fuels. This activity accounts for over 5,000 jobs in Wales and substantial continuous investment into the local economy. As a commercial entity in active competition with all other ports, the organisation is financed through retained profit after corporation tax and conventional bank lending.

Business Review

The Port of Milford Haven's group trading result for 2016 and 2015 is summarised below:

	2016 £'000	2015 £'000
Turnover	25,259	25,956
Operating profit*	5,445	4,565
Profit before interest*	5,962	4,968
Profit before tax	5,556	4,389
Taxation	(1,125)	(1,679)
Profit after tax	4,431	2,710
ROCE	6.5%	5.8%
Cargo volume*	34.9m tonnes	37.8m tonnes

*Considered to be the Port's key financial performance indicators

ROCE is measured as profit before interest and taxation divided by total assets less current liabilities excluding bank loans.

Liquefied Natural Gas (LNG) throughput and therefore income was lower in 2016 than in 2015. Activity unrelated to the marine operations improved slightly over the preceding year with some growth at Pembroke Port and returns generated from solar investments and rental streams from the property portfolio. Fish volumes landed in the year at 2,791 tonnes were lower than the 3,267 tonnes landed in 2015. The marina portfolio performed in line with the prior year. Significant costs continue in respect of recovery payments to the Pilots' National Pension Fund (PNPF). Capital expenditure included investment in the Milford Waterfront development, the procurement of three new pilot boats and investment in a marine navigation simulator suite. The Port finished the year with £17.8m of cash and is well placed to continue investment into its trading base and maintain business critical assets as the need arises.

The sale of investment in Marimatech AS, sold and accrued for at the end of last year, received a further consideration in late 2016 of £217,000.

Milford Haven Properties Limited, a subsidiary company, operates a solar farm. A Pension Funding Partnership has been created resulting in MHPA's pension scheme investing in a financial instrument which is in turn funded from the profits of the solar farm. This structured investment has provided a cost-effective mechanism for managing the deficit in the MHPA Pension Fund as explained further in Note 20 on page 61.

Future Prospects

The volatility of the oil and gas markets continue to cause uncertainty about future revenue streams, therefore the need to diversify into other sectors continues to be a major focus for the Port. The Milford Waterfront project has already begun and over the coming years will transform the marina into a vibrant year-round destination focused on retail, leisure and fishing. On the other side of the water, the Pembroke Dock Marine project is centered around developing a world class centre for wave and tidal stream energy development, fabrication, testing and deployment. It will unlock marine energy potential by driving down the cost of energy, creating export potential and delivering long term UK energy security. The success of these projects will not only assist in enhancing the financial stability of the business, but will provide a significant uplift to the local and Welsh economy with a large number of highly skilled employment opportunities. The Port is a significant employer in the region and its contribution to creating a more prosperous society is a key part of its strategy.





Risk management is an integral part of corporate governance



Risk Management

Risk

Risk management is an integral part of corporate governance and has the full support of the Port of Milford Haven's Board and Senior Management Team.

Risk may be defined in a number of ways. The Port has expressed it as:

"An exposure to the chance of loss, danger, damage, liability or uncertainty to the Port's business activities, be it internal or external".

The Port has in place a Risk Management Policy that sets out the structure under which the Port operates a comprehensive system for the identification and management of risks across all aspects of the business. The structure consists of two interconnected elements:

1. Assurance Framework

This is the framework that sets out how risks are identified, reported, measured and managed, and provides assurance as to the effectiveness of these controls. The framework is designed to establish a single, clear process to be followed in order to ensure that the Port is alerted to and addresses any risks identified within the undertaking, management and control of all business activities.

2. Risk Registers

Utilising an industry standard hazard management system, Hazman II, the Port maintains corporate and operational risk registers to summarise and rank all identified hazards to which the business is exposed.

For the Port's risk management structure to be successful, it is essential that it becomes embedded in all business activities and decisions and that all employees engage with the system in the pursuance of the Port's strategy and objectives.

Principal Risks and Uncertainties

The Board reviews the overall business risk register on an annual basis. Risk appetite has been defined for specific risk categories and is included in the risk management policy. The principal risks and uncertainties facing the business are primarily the same as in 2015 given the nature of the business.



The risks and actions taken to mitigate these risks are:

- Providing safe navigation in the Port. A Safety and Environmental Management System (SEMS) is used in conjunction with a marine risk register to identify and mitigate risks wherever possible. The SEMS is monitored continuously and frequently reassessed ensuring continuous performance improvement.
- Failure of the strategic plan. The plan is to improve the quality of earnings from new revenue streams and diversify away from oil and gas market influences that may result in the loss of a major customer. As experienced in 2016, the significant reduction in LNG activity supports the need for diversification. The Port is committed to developing other profitable income streams and sustaining a level of cash flow to ensure the required Port infrastructure is maintained.
- Procurement and management of supply chain. The Port has a procurement manager and procurement policy to ensure cost and value for money are considered with all purchases made by the Port. The Port is governed by the EU Utilities Directive 2014/25/EU which coordinates the procurement procedures of entities operating in the water, energy, transport and postal services sectors. Where goods or services do not fall under this Directive they are governed by our internal policy. Procurement and investment relating to property are also being reviewed regularly by a sub-group of non-executive directors and management.

- Extraneous influences linked to political, environmental or legislative changes which lead to unexpected costs or an adverse impact on the ability of the Port to deliver its objectives.

The Port is committed to working collaboratively with all levels of government and regulatory bodies to ensure the impact of proposed changes is clearly understood by all stakeholders.

- Terrorist attack.
With shipping and the nature of activity on the Haven, this is considered a potential risk. Exercises are carried out regularly to ensure the plans and procedures in place work.
- Increase in pension costs.
Current employees are members of a defined benefit scheme based on career average earnings. The Port continues to work collaboratively with the Trustees to provide a cost-effective solution in this regard. The Pension Funding Partnership (see note 20 on page 61) is a recent example of this working. Some operational pilots elected to become members of the Pilots’ National Pension Fund, a multi-employer defined benefit scheme. The Port continues to closely monitor the ongoing position of this Fund.

Other Financial Risks

The Board’s financial instruments comprise borrowings, cash and various items such as trade debtors and creditors that arise directly from its operations.

The Port is not generally exposed to movements in exchange rates as it trades in sterling with major customers and currencies other than sterling are rarely used.



The Port’s policy is to ensure that current cash reserves are held for future development of its infrastructure. The Port invests its temporary cash balances in UK banks with low-return/low-risk deposits.

The Port finances its operations with a mixture of retained earnings and term debt. Loans are at fixed rate or based on LIBOR and the Port has a revolving credit facility to support short-term needs and future investments.



Key Non-Financial Performance Indicators

Employees are being actively encouraged to report all incidents, near misses and concerns - minor and major - through the Assurance Framework. It is through this process that the Port aims to achieve Zero Harm. Following a programme of engagement and education with staff, the Port saw an increase in the number of incidents reported through the Assurance Framework. The number of incidents in 2016 was 84, up from 57 in 2015. Near misses were down with 81 reported in 2016 compared to 109 the previous year, and there were 67 concerns reported, up from 40 in 2015. Over 95% of the incidents, near misses and concerns were minor in nature and assessed to have low business impact requiring a review of best practice in the relevant area to limit future risk.

The Port also welcomes very close co-operation from all the major operators on the Haven in monitoring and taking active measures to reduce the risk of any form of oil spill. The number of pollution incidents in the Haven Waterway for the year was five, all of which were considered to be minor.

Health, Safety and Security

In 2016, the Port of Milford Haven established a number of new initiatives in order to address health and safety performance across the organisation and to help reinforce the message that safety is everyone’s responsibility. Future emphasis will be placed on behavioural safety, increased reporting of incidents and near misses, and detailed incident investigations which help identify hazards within the Port’s operations.

As part of the Port’s daily activities, sadly some employees have to deal with incidents which result in serious injury or loss of life. During the year, the team assisted the emergency services with the death of a fisherman at Milford Fish Docks and the fatalities of two Milford Haven-based fishermen at sea. This affected the entire fishing community in Pembrokeshire. To assist in raising safety



awareness, in 2017 the Port is proactively progressing safety campaigns linked to the fishing industry.

2016 proved to be another busy year at Milford Marina as the Port continued to support public events and four cruise calls, all of which were delivered safely without any reported incidents.

Port Marine Safety Code

The aim of the Port Marine Safety Code is that all ports in the United Kingdom should, within their jurisdiction, apply nationally agreed standards for the safety of marine operations. These national standards are represented by the Code itself.

As the duty holder under the Code, the Board is fully committed to providing a safe environment for any person within the Port of Milford Haven limits. A Safety and Environmental Management System has been formulated in such a way as to embrace the concepts and standards of both the Port Marine Safety Code and the Guide to Good Practice, and is subject to both internal and external audit.

The 2016 Port improvement plan included the following:

- Review the Milford Haven and Pembroke Dock bye-laws
- Engage more actively with Port stakeholders
- Update navigational risk assessments
- Update the Safety and Environment Management System
- Update the Port Emergency Plan

Under the Port Marine Safety Code the Port is expected to have an annual Safety Plan and to publish the results of how it performs against the plan. In 2016 this consisted of 69 actions for the marine division to achieve, with a target of 95% completed. During the year, 67 of the 69 were completed, giving a completion rate of 97.1%.

The Board formally declares its compliance to the Port Marine Safety Code every three years (the last occasion being March 2015).

Port Security

The Port of Milford Haven recognises that terrorist threats seriously disrupt society, not only through direct terror-like attacks, but also via indirect threats. International seaports and large goods flows form vulnerable targets.

During 2016 terrorism continued to be a global concern, further emphasising the need to follow the requirements of the International Ship and Port Facility Security Code.

The Code does not state specific measures that each port and ship must take to ensure the safety of the facility against terrorism, due to the many different types and sizes of these facilities. Instead it outlines a standardised, consistent framework for evaluating risk - enabling governments to offset changes in threat with changes in vulnerability for ships and port facilities.

To ensure compliance, the Port Security Framework has included plans that cover:

- Port facility security plans
- Port facility security officers
- Certain security equipment

In addition, the requirements for our port facilities include:

- Monitoring and controlling access
- Monitoring the activities of people and cargo
- Ensuring security communications are readily available

These plans are constantly reviewed, updated and approved by the Department for Transport. The security of our borders and the prevention of terrorism is the responsibility of the UK Border Force and Security Services. These services work daily with all main operators on the Haven to keep the Waterway secure.

There were no reported security incidents during 2016.

Approved by the Board of Directors and signed on behalf of the Board.

Peter Jones

Environment

A diverse range of vessels use the Milford Haven Waterway on a daily basis. However, ensuring such activity does not have a negative environmental impact is of paramount importance. Large amounts of monitoring, liaison and management time are invested into maintaining the special environmental qualities of the Haven.

Oil Pollution Incidents

There were five recorded oil spillage incidents during 2016, all of which were very small volume. The causes ranged from a leaking pipe to a car inadvertently entering the water. While any pollution incident is treated seriously by the Port, none of the incidents in 2016 had any significant environmental effects.

Some apparent oil pollution regularly appears in small quantities on the surface of Milford Marina and Fish Docks. Following investigations, the cause has been determined to originate from the mechanisms of the Port's boat hoist which uses a mineral-based lubricant that poses no risk to the environment.

Waste

The EU Waste Framework Directive requires all Member States to implement measures to ensure that, from 2015, four key waste materials are segregated from other waste for recycling. All of the waste generated by the Port adheres to the internationally recognised Waste Hierarchy, and, as a matter of default, is separated into waste streams at source where Technically, Economically and Environmentally Practicable (TEEP).

In 2016, the Port achieved an average monthly recycling rate of 78.4%.

Invasive Non-Native Species

Building on survey work carried out in 2015, the Port is developing a Vegetation Management Plan which includes the management of Japanese Knotweed on the Port's estate. New developments undertaken as part of the Milford Waterfront project have required a change in the way that Japanese Knotweed is managed and the Vegetation Management Plan will reflect that change.

In the marine habitat of the Waterway, at least 35 species of non-native marine algae and animal species have been recorded to date. A public

awareness campaign and best practice project continues across the whole range of Waterway users to try to reduce the risk of the introduction and spread of invasive non-native species.

EcoPorts Accreditation

The Port's accreditation with EcoPorts was successfully renewed in 2016. The accreditation means that the Port of Milford Haven can share environmental experiences and best practice between port professionals in Europe.

Carbon Footprint

The Port's carbon footprint springs from many sources: marine craft fuel use, plant and vehicle fuel use, indirect energy emissions, water, heating fuel and gas usage. Combined, these all contribute to the amount of CO₂ released as a result of the Port's activities. In 2016, this figure was estimated to be almost 2,500 tonnes. The largest single sector of emissions generation remains marine craft, followed by indirect energy emissions. A substantial improvement was observed in 2016 following the introduction of gas-powered forklift trucks at Milford Fish Docks, which has reduced emissions in that location. Road vehicle emissions were reduced in 2016, a trend which is likely to continue with the introduction of electric vehicles to the Port's fleet.

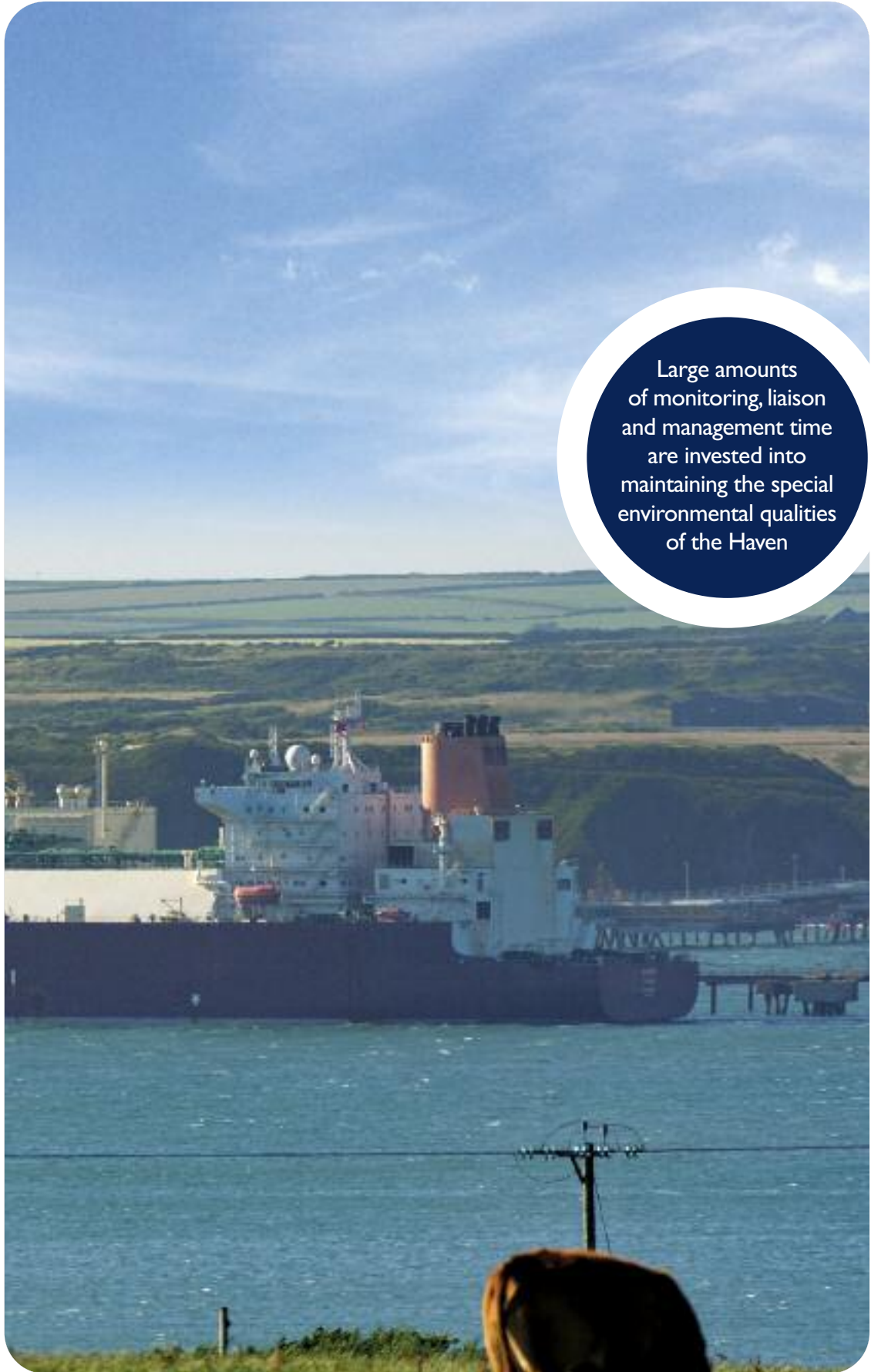
Photovoltaic Energy Generation

In 2016, the Port continued to generate zero-carbon energy from its range of photovoltaic panels installed across Port properties and in the large solar array at Liddeston Ridge. The total generated by building-mounted panels was over 750,000kWh, and by the solar array, over 4,880,000kWh. The carbon emissions saving embodied in this generation equates to over 2,500 tonnes, which offsets the carbon footprint arising from Port activities. The Port therefore retained its carbon-neutral status in 2016.

To view the Port's Environmental Policy Statement visit www.mhpa.co.uk/environmental



carbon
neutral



Large amounts of monitoring, liaison and management time are invested into maintaining the special environmental qualities of the Haven



Transportation

Marine

Vessel Traffic Services (VTS) and its management of traffic on the Waterway is at the hub of the Port's work in delivering the safe and efficient movement of both commercial and recreational vessels. Cargo throughput in 2016 was slightly down on the previous year to 34.9m tonnes, with fewer LNG vessels calling at Milford Haven. The number of ship calls in 2016 stood at 2,053, marginally below the 2015 figure of 2,083.

The early part of the year demonstrated the type of severe weather that crews routinely service ships in, with as few delays to customers' shipping requirements as possible.

During that time the Port took delivery of, and brought into service, the first of its three new pilot boats, St Brides, soon followed by St Davids. Formal blessings were undertaken by Father Harri Williams and an official naming ceremony for all three vessels will take place when the final pilot boat, St Govans, comes into service. The oldest boat in the fleet, Hakin, was sold to begin a new life as a workboat and pilot boat in Gibraltar.

In late June, during unseasonal poor weather and while boarding pilots at sea, St Davids suffered a serious incident and was severely damaged. Crew aboard were also injured. An in-depth investigation followed, with an internal report including recommendations published in December. The recommendations will be taken through the Port's safety committee structure for implementation, as appropriate.

As a continuation of the Port's commitment to staff development and the safety of the Port, a marine navigation simulation suite was installed during 2016. Located in the Sail Loft building at Milford Marina, it sits alongside the existing VTS simulator and back-up Port Control. It consists of a main ship bridge and a tug bridge, allowing both parts of the real operation to train together easily. The 'Dolphin' software, designed by Netherlands research firm MARIN, allows pilots and tug masters in particular to practice their skills, develop



A marine navigation simulation suite was installed during 2016

new ones and to simulate their responses to emergency situations. Work is underway to offer the simulator as a training, port development and investigation tool worldwide.

At the end of the year an 'as live' emergency LNG carrier exercise was undertaken at the new simulation suite involving pilots, VTS, Svitzer staff and invitees from South Hook LNG, Dragon LNG, Shell International Trading and Shipping Company Limited, the Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP) and port management. The exercise was a success and response strategies and procedures will be adopted as a result of the outcome.

As described in the 2015 Annual Report, dredging was completed in 2016. This was a successful collaboration between the Port of Milford Haven, contractors and all of the terminals on the river. Accurate surveys before and after the dredging campaign ensured that the Port was able to accurately declare the depths all over the river and to determine when the next campaign may be needed, anticipated to be in the next three to four years.

Much work is invested into training and career development within the marine division. In 2016, the seasonal Water Ranger became a full-time member of staff. This reinforces the Port's commitment to leisure users and the Recreation Management Plan, but also to driving the changes to the General Directions which were consulted on and adopted in 2016. This includes ensuring fishing gear pot markers are clearly visible and identifiable. To this end, investment in a new RHIB was made in 2016 for use of the Water Ranger going forward.

Extreme leisure sports is an up-and-coming activity. Risk assessments have been drawn up to respond to requests for bungee jumping events, flyboards and the Powerboat PI National Championships being hosted at Milford Waterfront in 2017.



Pembroke Port & Pembroke Dock Ferry Terminal

Volumes at Pembroke Dock Ferry Terminal, via the Pembroke Dock to Rosslare Irish Ferries route, continued to show annual growth on both the freight and passenger side. Irish Ferries continues to handle 66% of the freight and 50% of the passengers on the southern corridor and is an important mainstay of the Pembroke Port operation, sustaining over 60 full-time jobs. Freight traffic increased by 11.9% and passenger numbers grew by 1.2%.

Meanwhile, volumes of imports and exports continued to rise at Pembroke Port. Following the establishment of a new waste management facility in 2015, the number of shipments of household waste exported to Sweden grew in 2016. The Port and Pembrokeshire County Council were recognised for their collaboration on the project,



winning a Wales National Transport Award from the Chartered Institute of Logistics and Transport (CILT) Cymru.

A major customer at Pembroke Port, Cefetra, renewed its animal feed contract during the year. In response to its commitment, the Port invested in a new fleet of grain trailers to improve safety and efficiency levels.

In anticipation of the construction of Hinkley Point nuclear power station in Somerset, tenant GD Harries is bringing in armoured rock due for export in 2017.

During 2016, Sheraton International started the import and storage of part of the decommissioned Murco refinery in preparation for future export by sea, to Pakistan. Other opportunities have been investigated and efforts will continue in 2017 to secure these potential new cargoes.





A Marine Hub offers commercial office space to industry-relevant partners and currently hosts specialist consultants

Renewable Energy



Technology developers looking to capitalise on the unique offering that the Milford Haven Waterway presents are increasing their presence in the Pembroke Port area. Most notably, Wave-tricity has rented the Fleet Surgeons House from the Port, investing £6 million over the next two years to develop its Ocean Wave Rower to commercial demonstration phase. As well as being a tenant, the contract to build the device was awarded to local boat-building company Mainstay Marine Solutions, also a tenant of the Port.

Marine Energy Pembrokeshire won the right to deliver a national focus via Marine Energy Wales. From its base in Pier House at Hobbs Point in Pembroke Dock, the organisation has set up a Marine Hub offering commercial office space to industry-relevant partners and currently hosts specialist consultants MarineSpace, and technology developers Wavepower and Nova Innovation Ltd, which were the world's first developers to generate electricity from more than one turbine off Shetland in 2016.

At the start of the year, the Port signed a Memorandum of Understanding with Marine Power Systems which has developed the pioneering WaveSub wave energy converter. The company is in the process of fabricating a quarter-scale prototype at Ledwood and will be testing the device in the Waterway in 2017.

Despite Tidal Energy Limited going into administration, Wales' first tidal stream deployment from Pembroke Port to Ramsey Sound was a success and met expectations. The news that the business has been sold and the technology development is set to continue is most welcome and the Port is looking forward to working with the new owners, as well as those with an increasing interest in the sector.



Leisure and Tourism

Milford Marina

Milford Marina celebrated its 25th anniversary throughout 2016. A series of campaigns and an exclusive event for berth holders helped to mark the milestone, along with a busy programme of community events. These included the Milford Fish Festival, which attracted over 4,500 people to the marina; two Torch Theatre Sunset Cinemas; and Milford Haven Round Table's Fireworks Display. Events of this scale are helping to raise the profile of the town as part of the wider strategy to create a multi-million-pound waterside development.



Occupancy levels at the marina averaged at 80% during the year - which is in line with the UK national average - and annual berth holder numbers increased. The Milford Marina Gold Card scheme was launched in the summer providing those berth holders with annual contracts exclusive discounts at many of the businesses in and around the area. In addition to the Gold Card, members can also access the Passeport Escales programme enabling them to berth for free for up to five nights at over one hundred participating marinas across the south coast of England, France, Spain and Portugal.

Milford Marina received high praise during the year as readers of 'Sailing Today' magazine voted it one of the top five marinas in the UK. The announcement was made at the Sailing Today Awards at the Southampton Boat Show, with the judges recognising the marina for its investment in new lock gates - which have created more frequent access times, as well as its accolade as the only four Gold Anchor facility in west Wales.

Work has continued to improve the reliability of the new lock gates; alterations to the hydraulic systems have resulted in smoother movement of the gates. As a result of this, as well as carefully targeted maintenance, all requests for locks have been satisfied. The Port has placed an order for the correction of other issues which will now take place after the end of the summer 2017 sailing season. Legal action is continuing against the designers of the civil engineering works in relation to a number of issues.

Seafair Haven took place for the sixth time in 2016 and Milford Marina hosted several tall ships for the biennial event.

During the summer, heritage boat tours became operational from Milford Marina offering passengers a fascinating insight into the area's rich history. The 'Masters of the Deep' tours are being run on board the vessel 'Discovery', purchased by the Port of Milford Haven and operated by CNG Logistics on its behalf. On land, guided walks are now available to book at Milford Museum with audio handsets which provide interpretation for visitors in English, Welsh and German. The project has been part-funded by the Coastal Communities Fund.



Cruise

The Port welcomed four cruise vessels in 2016: Silver Explorer; MS Europa, Seabourn Quest and Albatros. Over 1,500 passengers enjoyed tours to popular Pembrokeshire destinations such as Pembroke Castle, Tenby and St Davids, as well as taking in the spectacular Milford Haven Waterway.

Milford Marina
celebrated its 25th
anniversary
throughout 2016



Milford Waterfront

In 2016, the Milford Waterfront brand was officially launched. The Port received a resolution to grant planning consent from Pembrokeshire County Council for the redevelopment scheme in 2015 and work has been ongoing to finalise the proposals for the first of five phases.

Milford Waterfront is a flagship development for the Port of Milford Haven and has the potential to accommodate approximately 380,000 sq ft of commercial, leisure and premium residential space. Milford Waterfront will play an important role in boosting Pembrokeshire's year-round economy and is likely to create significant employment.

Milford Waterfront is already an active destination comprising a 328-berth marina, on-shore boat services, and storage in partnership with Windjammer Marine and Quadra Marine Services. The destination currently attracts over 100,000 visitors per annum. In the past year the Port has invested in website and marketing capabilities in order to help businesses at Milford Waterfront and further afield to work together to project their messages and attract visitors.

Two planning applications have been approved to date: the first for a drive-thru Costa Coffee; the second for four timber, floating hotel suites to be located within the marina. Feasibility studies have been commissioned for future phases, including redevelopment of a redundant site which housed the former Victoria Filling Station and the Grade II listed Quay Stores building.

Ground investigation works took place at the site during the year to understand the challenges from a structural viewpoint. This, along with environmental considerations, will play a key factor when submitting further planning applications and the Port is working closely with relevant experts and authorities to ensure all regulations are adhered to.

Despite the Port owning the land at Milford Marina and Fish Docks, not all of the retail units are in its ownership. To address this, work has been undertaken to acquire a number of premises over the past 12 months, resulting in a vibrant mix of food, retail and leisure businesses. Among the wide range of successful traders are newly-opened Gordon Bennett's Traditional Fish and Chips, Foam coffee house and B-Fit gym. A good mix of local, independent firms will complement the larger



national brands that the Port will seek to attract as the development evolves.

Milford Waterfront will be a 21st century destination; a place which is as relevant online as it is in person. Work got underway in 2016 to outline a clear online strategy which will be developed and implemented over the next 12 months.

With marine leisure being an important element of the destination, Milford Waterfront has become the proud sponsor of the PI Coleman Racing Team. Local sibling team Sam and Daisy Coleman are the PI Superstock National Champions and will base their training at the marina, as well as hosting experience days. During the weekend of 14-16 July 2017, the Powerboat PI National Championships will be held at Milford Waterfront, bringing thousands of contenders and spectators to the area.





Milford Waterfront is a flagship development for the Port





The Milford Haven Waterway has the potential to develop a thriving aquaculture industry

Fishing and Aquaculture



Milford Fish Docks

Maintaining excellent standards of services and facilities at Milford Fish Docks is of utmost importance. As a Port that means ensuring customers have everything they need to land their catch safely and efficiently in Milford Haven. During the first half of the year, a fishermens survey was undertaken in order to see what is most valued currently and to identify areas for improvement. As a result, the Milford Fish Docks team is currently working on an application to the European Maritime and Fisheries Fund for additional safety equipment that incorporates the feedback from the survey.

The amount of fish landed at Milford Fish Docks was slightly lower than the previous year. This was due to reduced quotas for the fleets, and poor weather. The industry continues to be a challenging one; therefore a great deal of work is

being undertaken to explore other ways to add value to the catch landed in Milford Haven.

In February, Milford Fish Docks hosted two fish filleting courses in the newly-built F-shed. The courses were part of a Seafish-supported training programme targeted towards fish processors, the hospitality industry and fishmongers.

Milford Fish Docks once again sponsored a summer cookery school at Healthaspire where children up to the age of 12 learnt about the importance of healthy eating and how to cook with fish. The cookery school took place over a six-week period and accommodated over 60 children.

Aquaculture

Aquaculture is a global growth industry and is expected to become the primary source of fish for direct human consumption by 2030. Products range from fish and shellfish to biotech and pharmaceuticals. The Milford Haven Waterway has the potential to develop a thriving aquaculture industry which would deliver increased local economic development, job growth and significant environmental benefits. Potential involvement could see the Port create facilities onshore, as well as supporting the development of aquaculture farms in the Haven and around the coast. A great deal of time and research was dedicated to learning more about the opportunities posed by this sector in 2016 and work will continue in earnest throughout 2017.



Stakeholder Engagement

As a Trust Port, keeping its stakeholders informed and engaged is a key priority for the Port of Milford Haven. Stakeholders are defined as anyone who uses or is connected to the Port, or whose livelihood and welfare may be dependent on the Port, and all bodies or individuals who may represent others in this context.

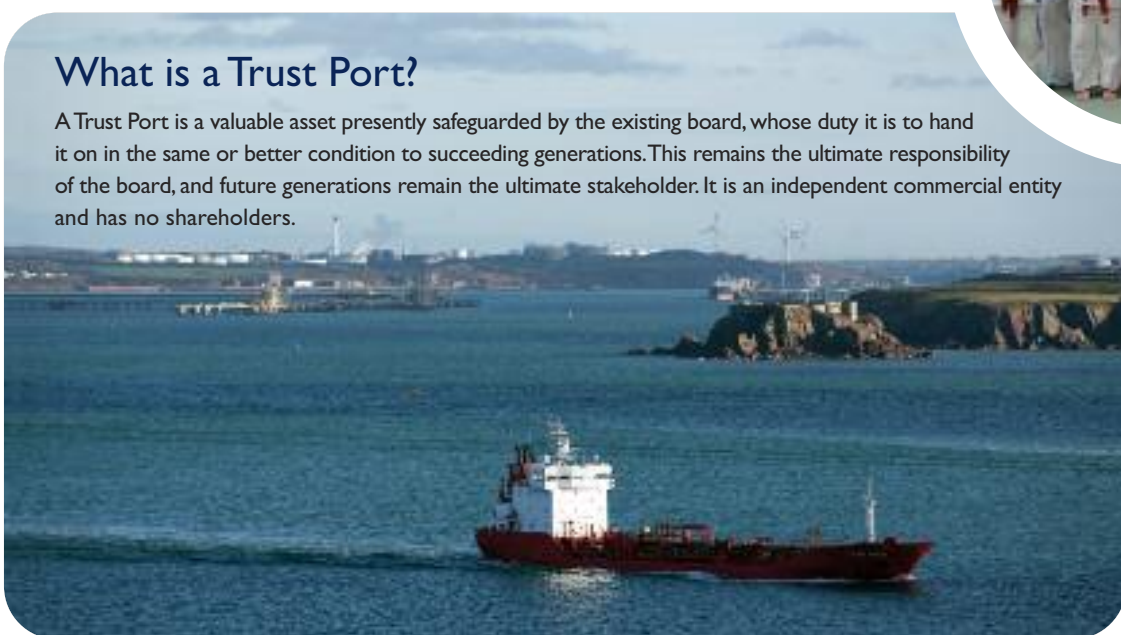
Who are the Port's stakeholders?

Cadw	Neyland Town Council
Customers	Other professional users of the Waterway
Department for Transport	Pembroke Town Council
Dyfed Powys Police	Pembroke Dock Town Council
Employees	Pembrokeshire Coast National Park Authority
Fishing industry	Pembrokeshire College
Leisure users of the Waterway	Pembrokeshire County Council
Local associations	Pembrokeshire Tourism
Local MPs and AMs	Pembrokeshire residents
Local schools	Shipping agents
Local traders	Suppliers
Maritime and Coastguard Agency	Swansea Bay City Region Board
Mid & West Wales Fire & Rescue Service	The Crown Estate
Milford Harbour Users Association	Tourists and visitors to Pembrokeshire
Milford Haven Town Council	Towage companies
National Trust	Voluntary control bodies
Natural Resources Wales	Welsh Government
Network Rail	



What is a Trust Port?

A Trust Port is 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 ultimate responsibility of the board, and future generations remain the ultimate stakeholder. It is an independent commercial entity and has no shareholders.



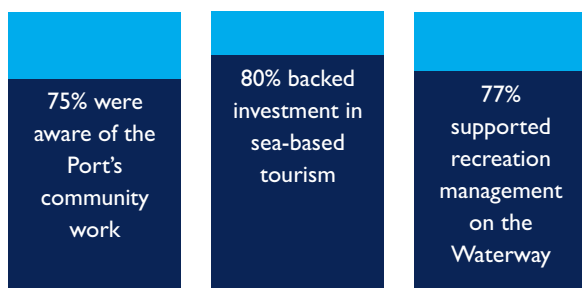
Stakeholder Accountability Committee

In 2016 the Stakeholder Accountability Committee undertook a major stakeholder survey to fully understand the current relationship status between the Port and its wide-ranging stakeholders. Stakeholders who were considered to be key to the Port's immediate strategy and business objectives were visited by senior Port staff so that meaningful data could be gathered and deeper relationships formed. This was an important task and findings will be used to inform future decision-making. The full survey results can be downloaded from the Port's website www.mhpa.co.uk



Another focus for the Committee was the Port's Key Performance Indicators, which are the targets by which the Port and its stakeholders can measure the performance of the Port. The Committee was able to satisfy itself that the strategic direction and performance of the Port has been fully scrutinised in relation to the results expected by stakeholders, and the KPI data will be used as a benchmark for future performance.

Stakeholder Survey Results



Benchmarking

The Port became a member of the London Benchmarking Group (LBG) for the first time in 2016. The LBG framework is the global standard for measuring corporate community investment and focuses on inputs, outputs and impacts. The data is a useful method of evaluating the benefits that community projects deliver and helps to inform future planning.

Haven Energy Forum

In terms of its customers, the Port regularly engages with personnel from the six major terminals in the Milford Haven Waterway. The Haven Energy Forum aims to raise the profile of the energy sector as well as sharing best practice in order to enhance safety and reduce environmental impacts. Members of the Haven Energy Forum are:

- Dragon LNG
- Port of Milford Haven
- Puma Energy
- RWE Pembroke Power Station
- SemLogistics
- South Hook LNG
- Valero Pembroke Refinery

Community Projects

Education

Future generations are the Port's ultimate stakeholder, therefore significant emphasis is placed on contributing to and enhancing educational opportunities for young people. Educational projects undertaken in 2016 included:



WAVE

The annual WAVE event took place at Pembrokeshire Yacht Club in July which aimed to raise awareness of the dangers of tombstoning. The project was a collaboration between the Port, Dyfed-Powys Police, Mid and West Wales Fire and Rescue Service, Milford Youth Matters, St John Ambulance and Milford Haven Sea Cadets and saw forty young people take part in educational workshops, water activities and a raft race.

Coastal Curriculum

The Port worked with Pembrokeshire Coastal Forum to deliver lessons in secondary schools in line with the national curriculum which focused on the role of the Port, potential career opportunities and new technologies being developed in the Haven.

Scholarship Scheme

The winners of the 2015/16 Scholarship Scheme undertook placements at the Port during August. Bethan Rogers, Isabel Harries, Hannah Taylor and Guto Harries all completed projects relevant to their studies and interests. In December, students Sian Thomas, Claudia Belli, Harriet Sleight and Benjamin Pepper were pronounced winners of the 2016/17 scheme and received £1,500 awards in addition to a summer work placement.

Waterway Robotics Challenge

A new initiative was established between Dark Sky Wales, the Dragon LNG Experience and the Port in 2016 involving 150 year-six pupils from five Pembrokeshire schools. The Waterway Robotics Challenge enabled participants to construct a robot and used coding to program it to



navigate through a 3D model of the Waterway, culminating in a competition finale at the Port's headquarters. The project provided pupils with a greater understanding of the Port and the careers available within the sector.

Under the Bridge

Following a successful pilot project in 2015, Under the Bridge was staged at Milford Marina during the six weeks of school summer holidays in 2016. Over eighty 14-18 year olds engaged with urban arts, music and dance activities, followed by a final showcase event at the Torch Theatre. The project was a successful collaboration between the Port, The VC Gallery, Arts Care Gofal Celf, Arts & Business Cymru and Milford Youth Matters, with the latter co-ordinating peer mentoring qualifications with Agored Cymru.

Community Fund

Over one hundred Pembrokeshire charities, community groups and individuals were supported through the Port's Community Fund in 2016. The Port receives a large number of applications on a monthly basis, all of which are decided upon by a committee consisting of employees from across all levels of the organisation.

Charitable Cause of the Year

Employees at the Port nominated Pembrokeshire Cancer Support to be its official Charitable Cause of the Year during 2016. A wide range of initiatives took place including a sponsored bungee jump and a cross departmental team painting day to makeover the charity's shop in Pembroke Dock. The elected charity for 2017 is the Paul Sartori Foundation and staff will once again be encouraged to participate in fundraising activities.

Communications

The team at the Port takes every opportunity to engage with its stakeholders. The Annual Consultative Meeting took place in July providing attendees with the opportunity to hear about progress over the last twelve months and learn about future plans, in particular the Milford Waterfront development.

The Port provides its stakeholders with regular communications through a range of mediums. In 2016, a revamped website was launched; two editions of the Port's newsletter OnBoard were distributed to 30,000 homes around the Waterway; the five year Recreation Management Plan was issued and engagement levels on social media remained high throughout the year enabling the Port to reach thousands of stakeholders each week.





Investing in its staff is something the Port prides itself on



Our People



It is only through the efforts of employees that the Port can successfully serve its customers, generate long-term sustainability and contribute to the local economy. Investing in its staff is something the Port prides itself on and a significant number undertake professional qualifications during their employment. By providing highly skilled, secure, long term jobs, it is making a positive difference to the wellbeing of its staff and creating a more prosperous community.

Enabling the organisation to recruit, develop and retain talent is one of the HR division's primary accountabilities. Over the past year, the number employed remained stable at 167, while labour turnover remained low with total turnover at 7.7% and voluntary turnover at 5.9%.

In 2016, the HR team handled 17 recruitment cases which were completed in an average recruitment time of six weeks. The team also supported a number of agency and relief assignments to assist with short-term requirements.

The annual employee survey was conducted in November 2016 with a high response rate of 70% (up from 59% compared to the previous survey). Overall it showed a steady proportion of engaged employees and the majority of scores saw a slight improvement when compared to 2015. However, more work is needed to bring it into line with the UK average and the most highly engaged organisations. In response to the 2015 survey results, employee groups were formed to address some of the low-scoring areas, which led to a programme of activity during 2016. Investment was also made in a Leadership Development Programme

which ran throughout the year and will continue into 2017. A further action plan will be developed to take the latest survey results forward.

The Port recognises when its employees go the extra mile through its Employee Recognition Scheme. Over one hundred individual awards were allocated in 2016.



Promoting workplace health and wellbeing is an important area for the Port and will be a focus throughout the coming year. Sickness levels for 2016 stood at 2.7%.

The Port encourages its staff to support local charities and voluntary groups with an allocation of 12 hours per employee to undertake volunteering activity during working hours. Some use this time to support the official Charitable Cause of the Year which for 2016 was Pembrokeshire Cancer Support.



Non-Executive Directors



Peter Jones

Chairman

Peter Jones has worked in the British Ports industry for almost 35 years and has filled leading roles for the last two decades. Most recently, he served as CEO of Associated British Ports for six years to 2013 and, prior to that, CEO of The Mersey Docks & Harbour Company. In these and earlier roles he has served in or held responsibility for most of the major ports in the British Isles.

Peter is currently Chairman of Henderson Opportunities Trust plc and a Non-Executive Director of both Mercantile Ports & Logistics plc and Hargreaves Services Ltd.



Chris Martin

Vice Chairman

Born and bred in Pembrokeshire, Chris gained an honours degree in Pharmacy in Cardiff before starting working life with Boots the Chemist in Cwmbran, subsequently going on to own and build two successful community pharmacy businesses in the West Country and back in Pembrokeshire.

He has a number of roles in the private and public healthcare sector including being a Non-Executive adviser of Alliance Healthcare Distribution Ltd. He is Deputy Chairman of the Bevan Commission, Chairman of the Prudent Prescribing Implementation Group in Wales, Chairman of the Welsh Community Pharmacy Remuneration Group and most recently was appointed Non-Executive Director to the Audit and Risk Assurance Committee for Health and Social Services at Welsh Government.

He is also Managing Director of a property development company and runs a portfolio of rental properties across Pembrokeshire. Chris is a member of the Wales Advisory Board of Marie Curie Cancer Care and a governor of Pembrokeshire College.

Chris joined the Board as Vice Chairman in 2012 and is a member of both the Remuneration and Nominations Committees.



David Snelson

Non-Executive Director

David Snelson brings with him significant marine and port experience. Having started in the Royal Navy he rose to the rank of Rear Admiral having commanded warships including the aircraft carrier HMS Ark Royal. David came ashore in 2006 to a new career as chief harbourmaster for the Port of London Authority and left in 2011. During this time he was also a special adviser to the House of Commons Defence Committee. Between 2012-16 he was a Non-Executive Director of the Maritime and Coastguard Agency.

David is a Companion of the Order of the Bath, an Elder Brother of Trinity House, Fellow and past council member of the Nautical Institute, Chairman of Seavision and a member of the Royal Yachting Association.

David is a member of the Nominations Committee and the Stakeholder Accountability Committee.



Andrew Edwards

Non-Executive Director

Following graduation from the University of Wales Aberystwyth, Andy spent two years working on civil engineering projects in the UK and the Middle East before joining the police service in 1979. He undertook a variety of operational and administrative roles and was the Acting Chief Constable for Dyfed-Powys Police before being appointed Deputy Chief Constable for all Wales in 2009 where he had operational responsibility for serious and organised crime and counter-terrorism. He sits on the Wales boards for the Equality and Human Rights Commission and Victim Support.

Andy is an honorary fellow and part-time lecturer at the University of Wales, Trinity St David, was previously a visiting lecturer at the John Jay College of Criminal Justice in New York and is a graduate of the FBI National Academy.

He is based in Carmarthenshire and is a Welsh speaker.

Andy joined the Board in 2012 and is a member of the Nominations Committee, as well as Chairman of the Stakeholder Accountability Committee.



Rick Squires

Non-Executive Director

Rick has extensive experience in the energy sector as a Non-Executive Director and Chairman of a number of renewable energy businesses, based not only in the UK but also North America, including wind (onshore and offshore), solar and biomass.

Rick has an honours degree in electrical engineering and a masters in business studies. He spent 28 years with the Royal Dutch Shell Group with roles in business areas including coal, oil trading, shipping and power generation before becoming a Senior Vice President with InterGen, an international power company based in Boston, USA, with assets spread across 10 countries. In 2003 he founded UK-based consultancy, PiEnergy Ltd pursuing a portfolio of roles including advising on clean technology, renewable energy, executive recruitment and providing training to the power and energy sectors.

His current Non-Executive Directorships include: Green Investment Bank Financial Services, a wholly-owned subsidiary of UK Green Investment Bank plc; Good Energy Group plc, a UK-based 100% renewable domestic electricity generation and supply company; and Green Energy for Education Limited, an unquoted business backed by VCT funding managed by Triple Point Investment Management LLP.

Rick joined the Port in 2012 and is a member of the Audit Committee.



Steven Owen

Non-Executive Director

Steven is an accomplished Chartered Accountant and has had considerable experience as a Finance Director and Deputy Chief Executive within the quoted property investment/fund management arena.

Steven embarked on his career with KPMG before moving on to spend 24 years at Brixton plc where he became Finance Director and subsequently Deputy Chief Executive of a property investment and development company that owned/managed over 18 million square feet of industrial and warehouse space in the UK. He is currently CEO and founding partner of Wye Valley Partners LLP, a commercial real estate asset management business.

Steven is a Non-Executive Director, the Senior Independent Director and Chairman of the Audit Committee of Primary Health Properties PLC, a UK Real Estate Investment Trust and the leading investor in modern healthcare premises. He is also a Director of Ice Campus Ventures Limited.

Welsh is Steven's first language. He is also a Director of Wales in London, a not-for-profit company which aims to promote and connect Wales within Europe's business capital.

Steven is Chairman of the Port's Audit Committee.



Sue Davenport

Non-Executive Director

Sue began her career at Aramark PLC undertaking a number of operational and strategic roles in sales and marketing. She left to become Sales and Marketing Director for Pasta King UK in 2003 leveraging an MBO and becoming CEO in 2006. The company achieved several business awards culminating in winning the Orange National SME of the Year 2008.

Sue currently is a Non-Executive Director with the Pembrokeshire Coastal Forum, Chair at Racoon International and a shareholder of the award-winning Pembrokeshire Beach Food Company. Sue's business success has been recognised with a number of high-profile business awards including the BVCA Women CEO of the Year 2009.

Sue lives in Pembrokeshire and is breathing new life into a coastal farm, diversifying into the tourism sector. She is also a governor at Hakin Community School.

She is a Chartered Director and an ambassador for the Institute of Directors Chartered Director programme and is also a member of the Port's Audit and Remuneration Committees.



Anne Jessopp

Non-Executive Director

Anne has worked in HR across a number of sectors, gaining manufacturing experience early in her career at Rolls-Royce and Procter & Gamble. She went on to gain consumer experience at Radio Rentals and RAC.

More recently, she was HR Director of an industrial services company and Remploy, before joining the Royal Mint in 2008 as the Business Services Director, leading the functions which support the business, including Business Excellence, IT, HR and Health, Safety & Environment. She has recently moved to lead the Commemorative Coin Division.

Particular areas of focus have been working with companies which are developing their culture and undergoing significant change.

Anne is a member of the Port's Remuneration and Nominations Committees.

Senior Management Team



Alec Don

Chief Executive & Executive Director

Alec has over 20 years of international experience leading port businesses. He was appointed Chief Executive of the Port of Milford Haven in 2010.

He began his Port career in 1994 when he joined the Mersey Docks and Harbour Company as Director of Planning. In 2002 he became Chief Executive of the Port of Maputo where he completed the first full port privatisation in Africa and then, at the same time as developing the commercial activity of the port, delivered on a \$70m reconstruction programme finished on time and below budget within 18 months. He returned to Mersey Docks as Director of the Port of Liverpool in 2004.

He is currently Vice Chairman of the British Ports Association and is also Chairman of the separate statutory entity The Port Security Authority.

In his early career, Alec left Oxford University with a degree in Engineering Science to join UK merchant bank Robert Fleming & Co, where he had a successful career for seven years in corporate finance.



Andy Jones

Deputy Chief Executive & Executive Director

Andy joined the Port as Finance Director in 2011 bringing with him extensive working knowledge in senior financial, commercial and operational roles across a broad range of industries. In 2014, Andy accepted the role of Deputy Chief Executive adding responsibility for the marine operations and risk management aspects of the Port.

He qualified as a Chartered Accountant with PricewaterhouseCoopers in Cardiff before continuing with the firm in Toronto, Canada. In 2000, he was appointed as Finance Director for a division of S&P500-listed machinery and equipment manufacturing giant Manitowoc. He subsequently moved into an Operations Director role within its commercial cooking equipment business and worked closely with chefs, restaurant owners and food chains such as McDonalds. In 2007, Andy took over as Commercial Director for the Canadian distribution business of Manitowoc, growing the business by double digits each year. In 2009, he started his own successful company focused on providing trusted advisory services to SME business owners, before returning to the UK.

Andy is a member of the CBI Council in Wales, a co-opted member of Pembrokeshire College's Audit Committee and a Trustee Director of the Pilots' National Pension Fund.



Bill Hirst

Harbourmaster

Bill's career began as a Group Cadet for P&O in 1975 where he served on a variety of vessels including general cargo, reefer, tanker and passenger.

Progressing through the ranks, he gained his second mates certificate and went on to work for Safmarine where he gained experience on bulk and container ships and completed his Masters (Class 1) certificate.

In 1995 Bill came ashore to work as Port Control Officer at Orkney Department of Harbours Office in Scapa Flow. In 1999, having worked there for number of years, he was promoted to Assistant Harbourmaster.

Bill relocated to Pembrokeshire in 2000 and joined the Port of Milford Haven as Assistant Harbourmaster. In 2001 he was promoted to Deputy Harbourmaster where he provided continuity through the two risk assessments carried out in preparation for the arrival of liquefied natural gas (LNG) and also led on the implementation of procedures for the handling of LNG at the Port. In 2012 Bill was promoted to Harbourmaster.

Bill is a council member with the UK Harbour Masters' Association.



Tim Bownes

Engineering Director

Tim joined the Port as Engineering Director in May 2014. He has a wide range of experience covering ports and the construction industry both in the UK and overseas, including work in environmentally sensitive areas.

He is a Chartered Civil Engineer and initially worked in construction contracting for large building and civil engineering companies on offices, industrial installations and large road and rail projects.

In 1997 Tim was appointed Chief Engineer of Mersey Docks and Harbour Company, taking responsibility for a wide range of projects and maintenance activities for the group's ports at Liverpool, Birkenhead, Heysham, Sheerness and Chatham. Whilst in Liverpool, Tim was responsible for the consenting and construction of the Twelve Quays ferry terminal and for obtaining consent for the in-river terminal now known as Liverpool 2.

Tim moved into consultancy in 2008 and worked for Royal Haskoning, based initially in Liverpool and then Dubai. Projects ranged from construction assistance in India to port master planning in Djibouti. Major projects included the Doha New Port in Qatar, a new coastguard harbour near Muscat in Oman and a new port on Boubyan Island in Kuwait.



Neil Jenkins

Destination Director

Neil joined the Port in March 2016 and brings a wealth of property experience having spent the last 32 years developing commercial and residential property throughout England, Wales and the Channel Islands.

Following graduation from the University of Wales in 1983 and completing his training to become a Chartered Surveyor, Neil joined London Transport Property developing sites above and adjacent to tube stations throughout London, including a large mixed-use development, Gloucester Park in Kensington. This was followed by three years working for McNerney Estates in London and Jersey and with Muller International in London. In 1995 Neil went to work for Bilfinger + Berger Development's London office, with responsibility for the company's expanding UK development programme, which included the development of luxury flats and offices in central London.

In 2000, Neil formed his own development company to develop commercial and residential property in London. He also founded Jersey Waterfront Hotel Holding Limited, a Jersey-based company that developed and currently owns the 4-star, 195-bedroom Radisson BLU Hotel and Conference Centre on the Jersey Waterfront in St Helier. The hotel opened for business in 2007 and recently won Best Hotel and Best 4/5 Star Hotel awards in Jersey.



Vidette Swales

HR Director

Vidette was appointed as Human Resources Director in January 2011. She joined the Port in 2001 to provide a generalist HR service. During her time in this role, Vidette was instrumental in helping the Port achieve recognition as an Investors in People organisation and continues to ensure this standard is retained.

Vidette is a Chartered Fellow of the Chartered Institute of Personnel and Development. Her career started in the private sector in HR/recruitment roles before moving to work as Personnel Officer for Pembrokeshire County Council for five years before joining the Port.

Vidette is a Trustee for the Port's pension schemes and an executive committee member of the Association of Participating Bodies of the PNPf (Pilots' National Pension Fund). She is also a panel member for the Danny Fellows Training Trust and a member of the Pembrokeshire College Advisory Forum.

Financial Statements

Officers and Professional Advisers

Chairman

P A Jones

Vice Chairman

C M Martin

Directors

S Davenport

A J W D Don

A Edwards

A M Jones

S Owen

D Snelson CB

R Squires

A Jessopp

Chief Executive

A J W D Don

Harbourmaster

Captain W C Hirst

Deputy Chief Executive

A M Jones

Registered Office

Gorsewood Drive

Milford Haven

Pembrokeshire

SA73 3EP

Banker

Barclays Bank plc

Solicitors

Blake Morgan LLP

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

Cardiff

United Kingdom

Report of the Board

The Directors present their Annual Report and audited financial statements for the year ended 31 December 2016. Certain information regarding principal risks and future prospects has been included within the Strategic Report.

The Port of Milford Haven Board

The 2002 Act specifies that the Board shall comprise the Chairman, the Chief Executive, between six to eight other non-executive members and up to two other executive members.

The Chairman is appointed by the Secretary of State for Transport after an open competitive selection process.

All other non-executive Board members are appointed by the Board itself through a similarly open process. For any board position, including the Chairman, the position is advertised and an independently-led appointment panel is formed to shortlist and interview candidates. In every case the appointment panel recommends its preferred candidate for appointment.

Each appointment is for a three-year term. This is in line with government policy - Modernising Trust Ports (Second Edition).

The means of selection of members is in accordance with guidelines laid down by the Government for all Trust Ports and follows what are commonly termed 'Nolan principles'.

All Board members must adhere to the following guiding principles of conduct:

- Independence
- Openness
- Integrity
- Honesty
- Accountability
- Selflessness
- Objectivity
- Leadership

The duties of a Board member are akin to those of a director of a company. In particular, to be accountable for the proper exercise of the organisation's statutory functions, the identification and setting of business policies, the delivery of port and harbour services, and to provide proper oversight and direction in relation to the safety of operations and the financial performance of all business activities.

Selection and appointment of non-executive members should be based on each non-executive bringing a particular skill set or specialisation to the Board to cover the following headings:

- Chairman
- Marine
- Finance
- Stakeholders
- Vice Chairman
- Energy
- HR
- Marketing

These skill sets may be amended from time-to-time to reflect the changing business interests of the Port.

The Board meets regularly, at least six times a year. Whilst the Board has not appointed a Senior Independent Director as recommended by the Higgs report, the Vice Chairman is appointed by the Board itself to serve a similar purpose (provide sufficient challenge to the Chairman and act as a focus for the views of non-executive members to be fully taken into account). The non-executive members meet on a regular (but not frequent) basis without the executive members and on occasion without the Chairman, to review general workings of the Board.

A register of members' interests is maintained which includes landholdings, shareholdings and other

responsibilities and appointments, together with the requirement to identify any issues that could be perceived as a conflict of interest. The Port also maintains a hospitality register for all Board members and managers.

The determination and implementation of the Group's strategy is the key remit of the Board. In addition, the Board is ultimately responsible for the operational performance, including safety performance, of the Group. It is therefore part of the Board's role to monitor the performance of the management and satisfy itself, through review of the risk register and other reporting systems and procedures, that the business operates in compliance with the law and regulation to the highest standards of safety and with appropriate financial prudence. The Board operates a number of committees to support its functions. These are described below.

Executive

The Chief Executive and Senior Management Team (SMT) are accountable to the Board for the implementation of Board policy, the management of the business and affairs of the Port of Milford Haven. The SMT meets regularly as a group.

Audit Committee

The audit committee comprises three non-executive members of the Board, the Chief Executive and Deputy Chief Executive.

Its terms of reference allow it to consider any matter relating to the financial affairs of the Port and include the monitoring of financial reporting, accounting policies, matters relating to the auditors, the adequacy of the Port's internal financial controls and, at the request of the Board, to review and monitor the Port's risk management systems.

The audit committee has primary responsibility for the appointment, reappointment and removal of external auditors and safeguards the objectivity of the external auditor by reviewing the nature and fees of all non-audit services performed by the auditor to ensure it does not impair their independence. The Chair is the non-executive director with the appropriate finance and accounting background.

The committee meets at least once a year and comprises five members of the authority.

Remuneration Committee

The remuneration committee consists of not less than three non-executive members including the Chairman and Vice Chairman, with up to two other non-executive members. The Chief Executive acts as a non-voting secretary to the committee.

The primary duties of the remuneration committee are to determine the remuneration and employment conditions of the senior managers and to make recommendations to the full Board as to the fees and emoluments of non-executive members and of non-executive directors of any subsidiary companies. No member of the committee takes part in the decision-making process about his/her own remuneration or other benefits.

The committee is also charged with determining bonus

structures for senior managers and staff and for reviewing employment policies for the Port. It also ensures that remuneration policies facilitate the employment and motivation of senior personnel on a best practice basis, and to ensure that levels of Board remuneration are detailed in the financial statements.

The committee is also able, at the request of the Board, to advise or act on its behalf in a senior management appointment and, at the request of the executive, as a wages and salaries committee, being the final referral body in pay and conditions negotiations.

Nominations Committee

The nominations committee undertakes a formal process of reviewing the balance and effectiveness of the Board, identifying the skills and job descriptions required for individual Board positions, including executive members. It is also tasked with managing the recruitment process and recommending appointments to the Board.

In particular, the committee must assess the time commitments of Board posts and ensure that the individual has sufficient available time to undertake them. It will meet as appropriate to consider whether or not non-executive members coming to the end of their term of office should be put forward for reappointment. Membership of the committee is determined by the Board but will be made up of at least four members including the Chairman or Vice Chairman and Chief Executive.

Stakeholder Accountability Committee

The stakeholder accountability committee is responsible for ensuring that the Port, as a Trust Port, holds itself properly accountable to its stakeholders. This entails ensuring that

the Port correctly obtains and understands the needs and views of its stakeholders and, in the context of the Port's statutes and relevant public guidance and policy, sets an appropriate strategy and direction for the business.

The committee has particular oversight of the setting of measureable targets for the performance of the Port and acts as an appeals committee to which stakeholders should direct concerns in the first instance. It corresponds directly with stakeholders and reports on its proceedings to the Port's full Board.

Membership of the committee comprises three non-executive and one executive member of the Board and four external stakeholder members appointed by the Board.

Port Advisory Committee

In accordance with its Act of Parliament 1983, the Port of Milford Haven meets twice a year with representatives from groups of major stakeholders. These representatives form the Port Advisory Committee and the meetings provide a forum for confidential discussion and interaction between the Port and these stakeholders.

The objectives of the committee are to enable relevant statutory authorities and users of the Port and the Waterway to meet and interact with each other and the Port, with the particular objective of focusing on the work of the Port and the operation of the Waterway. To promote further engagement, the committee is supported by a secure, interactive website that facilitates the exchange of views between committee members and the Port, and allows those views to be fed into the Port's decision-making.

The Directors in the year are as listed on page 36.

Attendance at Board meetings in 2016					
	Board	Audit Committee	Remuneration Committee	Nominations Committee	Stakeholder Accountability Committee
Total number of meetings	7	4	7	4	2
Board Members					
Peter Jones	7		7	4	
Chris Martin	7		7		2
David Snelson	7			4	1
Andrew Edwards	6			3	2
Sue Davenport	7	4	7		
Rick Squires	6	4			
Steven Owen	7	4			
Anne Jessopp	7		7	3	
Alec Don	7	2	7	4	2
Andy Jones	7	4			
External Members					
Ed Tomp - Valero					2
Ian Westley - Pembrokeshire County Council					1
Stan McIlvenny - Haven Waterway Enterprise Zone					1
Paddy Walsh - Irish Ferries					2

Corporate Governance

The Directors are committed to high standards of corporate governance and have implemented systems of corporate governance compliant with the principles of Modernising Trust Ports II and the relevant sections of the UK Corporate Governance Code.

Internal Control and Risk Management

The Directors are responsible for the business's system of internal control. Such a system provides reasonable but not absolute assurance against material loss or misstatement.

Key procedures that have been established include an organisational structure with clear operating procedures, lines of responsibility and delegated authority. In particular, there are defined procedures for:

- capital investment covering appraisal and authorisation
- financial reporting within a comprehensive financial planning and accounting framework
- internal audit to monitor the system of internal control and risk management
- the procurement of goods and services

The Directors have reviewed the effectiveness of the system of internal control for the accounting year and the period to the date of the approval of the financial statements in accordance with the principles included in the UK Corporate Governance Code and other relevant guidance.

Investment Policy

The business' policy is to ensure that investments achieve long-term commercial viability and sustainability for the Port, its users, its employees and stakeholders.

The primary objective of the Port of Milford Haven is to generate commercial rates of returns on its investments, while maintaining security of assets.

Details of the primary 2016 capital investments are provided within the Strategic Report.

Going Concern

After making due enquiries, including consideration of recent and forecast trading performance, cash flow forecasts and banking facilities, the Directors have a reasonable expectation that the Port of Milford Haven has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Disclosure of Information to the Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- (1) so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Board Meeting.

Approved by the Board of Directors and signed on behalf of the Board



PA Jones

Chairman

Date: 31 March 2017

Gorsewood Drive, Milford Haven, Pembrokeshire, SA73 3EP

Statement of Board of Directors' Responsibilities

The Board of Directors is responsible for preparing the annual report and audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the United Kingdom Harbours Act 1964, as amended by the United Kingdom Transport Act 1981. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Authority's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

Independent Auditor's Report to the Directors of the Port of Milford Haven

We have audited the financial statements of the Port of Milford Haven for the year ended 31 December 2016 which comprise the Group and company Profit and Loss Accounts, the Group and company Statements of Comprehensive Income, the Group and company Balance Sheets, the Group and company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) FRS 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

This report is made solely to the Authority's Directors, as a body, in accordance with the United Kingdom Harbours Act 1964, as amended by the United Kingdom Transport Act 1981. Our audit work has been undertaken so that we might state to the Authority's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the

knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Authority's affairs as at 31 December 2016 and of their profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the United Kingdom Harbours Act 1964, as amended by the United Kingdom Transport Act 1981.

Opinion on other matters

In our opinion, based on the work undertaken in the course of the audit;

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report to the Board have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Report of the Board.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Authority, or returns adequate for our audit have not been received from branches not visited by us; or
- the Authority's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Hedditch

David Hedditch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

Date: 31 March 2017

Profit and Loss Accounts

Year ended 31 December 2016

	Note	Group		Authority	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Turnover	3	25,259	25,956	24,717	25,352
Cost of sales		(13,307)	(13,317)	(13,266)	(13,265)
Gross Profit		11,952	12,639	11,451	12,087
Operating expenses		(6,575)	(7,503)	(6,307)	(7,230)
Impairment of fixed assets		-	(361)	-	(361)
Profit/(loss) on sale of fixed assets		68	(210)	68	(210)
Operating Profit		5,445	4,565	5,212	4,286
Profit on disposal of associate	4	217	750	217	675
Share of profit in associate		-	345	-	-
Gain/(loss) on revaluation of fixed assets	11	300	(692)	300	(692)
Profit On Ordinary Activities Before Interest		5,962	4,968	5,729	4,269
Net finance costs	5	(406)	(579)	(103)	(239)
Profit On Ordinary Activities Before Taxation	6	5,556	4,389	5,626	4,030
Tax on profit on ordinary activities	10	(1,125)	(1,679)	(1,105)	(1,643)
Profit On Ordinary Activities After Taxation		4,431	2,710	4,521	2,387
Minority interest	26	-	-	-	-
Profit For The Financial Year		4,431	2,710	4,521	2,387

All results derive from continuing operations.

Statements of Comprehensive Income

Year ended 31 December 2016

	Note	Group		Authority	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Profit for the financial year		4,431	2,710	4,521	2,387
Actuarial (loss)/profit on pension schemes (note 20):					
- Actuarial (loss)/gain on present value of scheme liabilities		(15,370)	2,589	(15,370)	2,589
- Actuarial gain/(loss) on scheme assets		5,195	407	6,285	(79)
		(10,175)	2,996	(9,085)	2,510
Deferred tax relating to pension liability (note 18)		1,751	(502)	1,751	(502)
Total comprehensive (expense)/income		(3,993)	5,204	(2,813)	4,395


Balance Sheets

At 31 December 2016

	Note	Group		Authority	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed Assets					
Tangible assets	11	72,566	72,158	67,642	67,105
Investments	12	-	-	5,966	5,966
		72,566	72,158	73,608	73,071
Current Assets					
Stocks	13	191	72	191	72
Debtors					
- due within one year	14	5,365	8,216	5,283	8,161
- due after one year	14	1,389	-	1,447	38
Cash at bank and in hand		17,796	12,728	17,531	12,318
		24,741	21,016	24,452	20,589
Creditors: Amounts Falling Due Within One Year	15	(6,644)	(7,916)	(6,324)	(7,446)
Net Current Assets		18,097	13,100	18,128	13,143
Total Assets Less Current Liabilities		90,663	85,258	91,736	86,214
Creditors: Amounts Falling Due After More Than One Year	16	(3,238)	(3,911)	(11,908)	(12,768)
Pension Liability	20	(21,118)	(11,047)	(12,096)	(2,901)
Net Assets		66,307	70,300	67,732	70,545
Reserves					
Other reserve	25	25,547	25,247	25,547	25,247
Profit and loss account	25	40,734	45,027	42,185	45,298
		66,281	70,274	67,732	70,545
Minority interest (non-controlling interest)	26	26	26	-	-
		66,307	70,300	67,732	70,545

The financial statements of the Port of Milford Haven were approved by the Authority Directors and authorised for issue on 31 March 2017.

Signed on behalf of the Authority by:


Chairman
P A Jones


Chief Executive
A J W D Don

Statements Of Changes In Equity

At 31 December 2016

	Group		Authority	
	Profit and loss account £'000	Other reserve £'000	Profit and loss account £'000	Other reserve £'000
At 1 January 2015	39,131	25,939	40,211	25,939
Profit for the financial year	2,710	-	2,387	-
Actuarial profit on pension schemes (note 20)	2,996	-	2,510	-
Deferred tax on pensions (note 18)	(502)	-	(502)	-
Total comprehensive income	5,204	-	4,395	-
Transfer to Other reserve in relation to revaluation of fixed assets (note 11)	692	(692)	692	(692)
At 1 January 2016	45,027	25,247	45,298	25,247
Profit for the financial year	4,431	-	4,521	-
Actuarial (loss) on pension schemes (note 20)	(10,175)	-	(9,085)	-
Deferred tax on pensions (note 18)	1,751	-	1,751	-
Total comprehensive expense	(3,993)	-	(2,813)	-
Transfer to Other reserve in relation to revaluation of fixed assets (note 11)	(300)	300	(300)	300
At 31 December 2016	40,734	25,547	42,185	25,547

Group Consolidated Statement of Cash Flows

Year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Net cash inflow from operating activities	22	9,229	8,115
Cash flows from investing activities			
Proceeds from sales of fixed assets		86	21
Purchase of fixed assets		(3,842)	(7,797)
Interest received		93	41
Grants received		43	504
Net cash flow used in investing activities		(3,620)	(7,231)
Cash flows from financing activities			
Repayment of borrowings - interest		(111)	(133)
Repayment of borrowings - capital		(647)	(633)
Repayment of loan stock by associates		-	(7)
Deferred consideration		217	-
Net cash outflow used in financing activities		(541)	(773)
Net increase in cash and cash equivalents		5,068	111
Cash and cash equivalents at beginning of year		12,728	12,617
Cash and cash equivalents at end of year		17,796	12,728
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		17,796	12,728
Cash and cash equivalents		17,796	12,728

Notes To The Financial Statements

Year ended 31 December 2016

I. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with the Harbours Act 1964, as amended by the Transport Act 1981 and subsequent legislation, and in accordance with applicable United Kingdom accounting standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of investment/owner-occupied properties and modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The particular accounting policies, which have been adopted on a consistent basis in the current and prior year, are described below. Currency is in GBP and any translation from the foreign associate is as described in the notes. Rounding is to the nearest thousand pounds. The company is incorporated in the United Kingdom. The registered office is detailed on page 36.

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the parent Authority and its subsidiary companies, joint ventures and associates for the year ended 31 December 2016 as listed in note 12. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The financial statements have been prepared on the going concern basis. After making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current facilities. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Investment properties

Property (including land held for development) is classified as investment property if it is not occupied by the Authority or used by such to provide operational port services that are material in nature. Investment property is owned by the Authority to earn rental income or for capital appreciation or both. Completed investment property is measured at fair value after initial recognition at cost. Where it is considered that the fair value of investment property in the course of construction cannot be measured reliably without undue cost or effort, it is measured at cost, which will include interest and other appropriate net outgoings, until such time as it is possible to determine fair value with the exception of underlying land which is included at carrying value before construction commenced. The revalued carrying amount must not differ materially from fair value, so the fair value will be based on

market evidence by appraisals undertaken each year and by professional valuers if the Board deems necessary. All changes in fair value of investment property will pass through the profit and loss account. Depreciation is not provided on investment properties.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Property (excl. investment property)	10 - 50 years
Specialised marine assets	2 - 125 years
Plant and equipment	3 - 50 years
Capital dredging	20 years

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. This is determined for an individual asset unless that asset does not generate cash inflows, in which case the cash-generating unit to which the asset belongs is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Investments

In the balance sheet, investments held as fixed assets are stated at cost less provision for impairment. Those held as current assets are stated at the lower of cost and net realisable value.

Joint ventures and associates

In the Group financial statements, investments in joint ventures and associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of profits less losses, while the Group's share of the respective assets and liabilities is shown in the consolidated balance sheet. Goodwill arising on acquisition is capitalised and written off over its useful economic life, which is 10 years.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Provision is made for obsolete, slow-moving or defective items where appropriate. Cost is calculated on a first in, first out basis.

Notes To The Financial Statements

Year ended 31 December 2016

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. This comprises revenue from charges to port users and from rents of both operational and estate property. Turnover is recognised in the period in which it is earned.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Employee benefits

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee-administered funds. Pension scheme assets and liabilities are measured on an actuarial basis using a discount rate equivalent to the current rate of return on a high quality (AA) corporate bond. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Grants

Under FRS 102, the Port has adopted the performance model whereby grants are treated as deferred income and released to the profit and loss account when performance-related conditions have been met.

Other grants relating to revenue expenditure are credited to the profit and loss account in the year to which the expenditure relates.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the

effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There has been no significant judgement by management in applying accounting policies.

Key sources of estimation uncertainty

Employee benefits

The group operates two defined benefit schemes and some operational pilots are members of the Pilots National Pension Fund. The value of scheme liabilities has been prepared by the actuary for each scheme based on assumptions agreed with management. The assumptions reflect the unique properties of each scheme where appropriate. See note 20 for further information.

Revaluation of assets

Investment properties are classified on the basis of FRS 102 definition and included at fair value. The Board determines fair value by reference to market and considers advice received from an independent valuer who will in turn undertake desktop or full valuations as the Board requires, to support the determination of fair value. Further information regarding investment properties is in note 11.

Notes To The Financial Statements

Year ended 31 December 2016

3. Turnover

Analysis of turnover by class of business is stated below:

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Ship, passenger and goods dues	10,382	11,797	10,382	11,797
Marine services	6,618	5,339	6,618	5,339
Pilotage services (note 9)	5,569	6,201	5,569	6,201
Rents	1,714	1,641	1,714	1,641
Miscellaneous income	135	90	135	90
Solar income	841	888	299	284
	25,259	25,956	24,717	25,352

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax. All turnover is attributable to the principal activities of the Group and arose in the British Isles.

4. Disposal Of Associate

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Proceeds	-	1,359	-	1,359
Investment	-	(609)	-	(684)
Deferred consideration	217	-	217	-
Gain on sale of associate	217	750	217	675

The investment in Marimatech was sold on 30 December 2015, consideration following 2016 trading was received late in 2016 and there is potential for further deferred consideration in 2017 depending on trading.

Notes To The Financial Statements

Year ended 31 December 2016

5. Finance Costs (Net)

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Interest payable and similar charges	106	195	122	138
Less: Interest receivable	(88)	(89)	(107)	(72)
Other finance costs (note 20)	388	473	88	173
Total finance costs	406	579	103	239

Interest Payable and Similar Charges

Bank overdrafts and loans	110	132	110	132
3.5% debenture stock	1	1	-	-
Exchange rate (gain)/loss	(5)	12	12	6
Share of associate interest payable	-	50	-	-
Total	106	195	122	138

Interest Receivable

Other interest received	88	53	88	53
Distribution of profits from group undertakings	-	-	19	19
Share of associate interest receivable	-	36	-	-
Total	88	89	107	72

Other Finance Costs

Net interest on defined benefit liability (note 20)	388	473	88	173
---	------------	-----	-----------	-----

Notes To The Financial Statements

Year ended 31 December 2016

6. Profit On Ordinary Activities Before Taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Staff costs (note 8)	9,854	11,573	9,340	11,065
Depreciation of tangible assets (note 11)	3,716	4,268	3,494	4,050
Grant amortisation (note 19)	(325)	(1,264)	(325)	(1,264)
Cost of stock	241	235	241	235
Hire and operating leasing charges	160	105	160	105
Foreign exchange	(5)	12	12	6
Auditor's remuneration:				
- Audit of Authority and consolidated financial statements	43	44	43	44
- Audit of Authority pension scheme	9	8	9	8
- Other non-audit services - corporate taxation and pension advice	10	20	9	19
- Audit of Milford Docks Company pension schemes	9	5	9	5

7. Remuneration Of Key Personnel

Key personnel includes executive and non-executive Directors and the Senior Management Team.

	Group and Authority	
	2016 £'000	2015 £'000
Fees - Non Executive Directors	149	160
Aggregate emoluments (excluding defined benefit pension contributions) - Executive Directors	371	605
Pension costs - Executive Directors	49	53
Other senior management	481	722
	1,050	1,540

The number of Directors to whom retirement benefits are accruing under defined benefit schemes is one (2015: two).

Remuneration of the highest paid Director:	£'000	£'000
Highest paid Director	251	367

The accrued pension of the highest paid Director under the MHPARBS defined benefit pension scheme at 31 December 2016 was £270 per annum (2015: £3,114). There are no longer retirement benefits accruing for this Director and a pension allowance of £25,539 was paid for the year (2015: £nil) which is included in pension costs above.

The average number of Directors during the year was as follows:

	2016 No.	2015 No.
	10	10

Notes To The Financial Statements

Year ended 31 December 2016

8. Staff Costs

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Wages and salaries	7,075	8,726	7,075	8,726
Social security costs	793	776	793	776
Pension costs (note 20)	1,986	2,071	1,472	1,563
	9,854	11,573	9,340	11,065

The above includes amounts paid to Authority Directors as disclosed in note 7.

Pension costs include only those items included within operating costs. Interest costs are reported in finance costs as per note 5.

The average monthly number of employees, excluding non-executive Directors, during the year was as follows:

	2016 No.	2015 No.
Operational staff	110	113
Office staff	69	66
	179	179

9. Pilotage

The revenue and expenditure relating to pilotage can be summarised as follows:

	Group and Authority	
	2016 £'000	2015 £'000
Turnover		
Providing pilotage services	5,438	6,073
Issue and use of pilotage exemption certificates	131	128
	5,569	6,201
Expenditure		
Providing services of a pilot	2,647	3,561
Providing, maintaining and operating pilot boats	1,527	2,041
Administration and other pilotage function costs	1,995	1,804
	6,169	7,406

Notes To The Financial Statements

Year ended 31 December 2016

10. Tax On Profit On Ordinary Activities

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
(a) Analysis of charge for the year				
Current tax				
UK corporation tax on profit for the year	806	691	806	691
Adjustment in respect of previous years	(11)	(91)	(11)	(91)
Total current tax charge	795	600	795	600
Deferred tax				
Origination and reversal of timing differences	710	640	681	604
Adjustment in respect of previous years	(339)	447	(339)	447
Effect of changes in tax rates	(41)	(8)	(32)	(8)
Total deferred tax charge	330	1,079	310	1,043
Total tax per profit and loss account	1,125	1,679	1,105	1,643
Deferred tax per statement of comprehensive income	(1,751)	502	(1,751)	502
(b) Factors affecting tax charge for the year				
The tax charge for the current and previous year differs from the corporation tax rate applicable to the Group/Authority of 20.00% (2015: 20.25%). The differences are explained below:				
Profit on ordinary activities before tax (excluding share of associate results)	5,556	4,389	5,626	4,030
Profit on ordinary activities multiplied by the applicable rate	1,111	888	1,125	816
Expenses not deductible	604	746	603	745
Income not taxable	(199)	(303)	(157)	(179)
Effects of group relief/other reliefs	-	-	(84)	(87)
Adjustment in respect of previous years	(350)	356	(350)	356
Tax rate changes	(41)	(8)	(32)	(8)
Total tax charge for the year	1,125	1,679	1,105	1,643

(c) Factors that may affect future tax charges

The Group and Authority are not aware of any factors that will materially affect the future tax charge. The Group and Authority are aware that the phased reduction in corporation tax rates to 19% in 2017 and 17% in 2020 has been announced and enacted.

Notes To The Financial Statements

Year ended 31 December 2016

11. Tangible Fixed Assets

	Specialised marine assets	Freehold land and property	Investment property in the course of construction	Investment property	Plant and equipment	Dredging works	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Cost or valuation							
At 1 January 2016	35,320	4,461	-	15,067	31,732	2,038	88,618
Additions	728	1	762	248	2,103	-	3,842
Disposals	-	-	-	-	(627)	-	(627)
Revaluation	-	-	-	300	-	-	300
At 31 December 2016	36,048	4,462	762	15,615	33,208	2,038	92,133
Accumulated depreciation							
At 1 January 2016	4,342	207	-	-	10,054	1,857	16,460
Charge for the year	2,040	170	-	-	1,404	102	3,716
Disposals	-	-	-	-	(609)	-	(609)
At 31 December 2016	6,382	377	-	-	10,849	1,959	19,567
Net book value							
At 31 December 2016	29,666	4,085	762	15,615	22,359	79	72,566
At 31 December 2015	30,978	4,254	-	15,067	21,678	181	72,158
Authority							
Cost or valuation							
At 1 January 2016	35,320	4,461	-	15,067	26,278	2,038	83,164
Additions	728	1	762	248	2,010	-	3,749
Disposals	-	-	-	-	(627)	-	(627)
Revaluation	-	-	-	300	-	-	300
At 31 December 2016	36,048	4,462	762	15,615	27,661	2,038	86,586
Accumulated depreciation							
At 1 January 2016	4,342	207	-	-	9,653	1,857	16,059
Charge for the year	2,040	170	-	-	1,182	102	3,494
Disposals	-	-	-	-	(609)	-	(609)
At 31 December 2016	6,382	377	-	-	10,226	1,959	18,944
Net book value							
At 31 December 2016	29,666	4,085	762	15,615	17,435	79	67,642
At 31 December 2015	30,978	4,254	-	15,067	16,625	181	67,105

Notes To The Financial Statements

Year ended 31 December 2016

11. Tangible Fixed Assets (continued)

A desktop review of investment properties has been conducted by the Port of Milford Haven. Cushman & Wakefield completed a desktop assessment of value for a small number of investment properties with significant changes in the year. Cushman & Wakefield are suitably qualified external valuers with detailed historical knowledge of the estate. The valuers have confirmed the assessment of fair value, using a variety of bases such as market value, letting value and occupancy terms, which amounted to £15,615,000 (2015: £15,067,000), of which £14,830,000 (2015: £14,366,000) is freehold and £785,000 (2015: £701,000) is leasehold. All leasehold is short leasehold. The depreciated historical cost of investment properties held at fair value is £16,724,000 (2015: £16,477,000). Other reserves also include historical valuations of specialised marine assets up to 31 December 2015 when deemed cost at the last formal valuation at 31 December 2013 was adopted, which will remain as an unrealised reserve at £26,247,000.

12. Fixed Asset Investments

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Subsidiary undertakings	-	-	5,966	5,966
Total	-	-	5,966	5,966

Group and Authority investments

Subsidiaries	Nature of business	Class of share held	Proportion of nominal value held
Milford Docks Company	Dock operator	£1 Ordinary	98.2%
Milford Haven Properties Limited	Solar Park	£1 Ordinary	100%
MHPA PFP (General Partner) Limited	Pension Fund Partner	£1 Ordinary	100%
MHPA PFP Limited Partnership	Pension Limited Partner	£1 Ordinary	100%
MHPA RBS Trustee Company Limited	Pension Trustee Company	£1 Ordinary	100%

The investment in Marimatech was sold on 30 December 2015, consideration for the 2016 agreement was received in 2016 and there is a potential of a final consideration late in 2017 dependent on trading results.

Milford Docks Company, Milford Haven Properties Limited and MHPA RBS Trustee Company Limited were incorporated in England and Wales and have the same registered address as the Authority as disclosed on page 36. MHPA PFP (General Partner) Limited and MHPA PFP Limited Partnership were incorporated in Scotland and are registered at Lomond House, 9 George Square, Glasgow, Scotland, G2 1QQ.

The Group has an interest in a limited partnership registered in Scotland, MHPA PFP Limited Partnership, which is fully consolidated into these Group financial statements. The Group has taken advantage of the exemption conferred by regulation 7 of the Partnerships (Accounts) Regulations 2008 and has therefore not appended the financial statements of these qualifying partnerships to these financial statements. Separate financial statements for these partnerships are not required to be, and have not been, filed at Companies House.

Subsidiary undertakings

	Authority	
	2016 £'000	2015 £'000
Cost at 1 January	5,966	5,966
Carrying value at 31 December	5,966	5,966

Notes To The Financial Statements

Year ended 31 December 2016

12 Fixed Asset Investments (continued)**Associate undertaking**

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Carrying value before impairment				
At 1 January	-	272	-	684
Foreign exchange retranslation of opening balance	-	79	-	-
Share of retained profit for the year	-	253	-	-
Disposals in the year	-	(604)	-	(684)
At 31 December	-	-	-	-
Goodwill				
At 1 January	-	6	-	-
Written off	-	(1)	-	-
Disposals in the year	-	(5)	-	-
At 31 December	-	-	-	-
Carrying value	-	-	-	-

13. Stocks

	Group and Authority	
	2016 £'000	2015 £'000
Stock of fuel and parts	191	72

Notes To The Financial Statements

Year ended 31 December 2016

14. Debtors

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:				
Trade debtors	3,175	4,014	3,169	4,014
Deferred tax asset (note 18)	909	992	909	992
Other debtors	502	453	491	453
Prepayments and accrued income	779	783	714	728
Grants due	-	615	-	615
Sale of associate	-	1,359	-	1,359
	5,365	8,216	5,283	8,161
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	58	38
Deferred tax asset (note 18)	1,389	-	1,389	-
	1,389	-	1,447	38
	6,754	8,216	6,730	8,199

15. Creditors: Amounts Falling Due Within One Year

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Secured bank loan	661	647	661	647
Trade creditors	888	625	883	601
Pension contribution	257	254	-	-
Social security	227	247	227	247
Corporation tax	270	295	270	295
Other creditors	55	77	40	54
Accruals	2,444	3,544	2,418	3,520
Deferred tax liability (note 18)	1,682	1,945	1,665	1,800
Deferred income (note 19)	160	282	160	282
	6,644	7,916	6,324	7,446

Notes To The Financial Statements

Year ended 31 December 2016

16. Creditors: Amounts Falling Due After More Than One Year

	Group		Authority	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts owed to Group undertakings	-	-	8,836	8,875
3.5% debenture stock	18	18	-	-
Secured bank loan:				
- between one and two years	2,752	661	2,752	661
- between two and five years	-	2,752	-	2,752
Deferred tax (note 18)	148	-	-	-
Deferred income (note 19)	320	480	320	480
	3,238	3,911	11,908	12,768

17. Borrowings

	Group and Authority	
	2016 £'000	2015 £'000
Debenture loans	18	18
Bank loans	3,413	4,060
	3,431	4,078
Due within one year	661	647
Due after more than one year	2,770	3,431
	3,431	4,078
Analysis of loan repayments:		
Bank loans and overdrafts:		
- within one year or on demand	661	647
- between one and two years	2,752	661
- between two and five years	-	2,752
	3,413	4,060

Notes To The Financial Statements

Year ended 31 December 2016

17. Borrowings (continued)

The 3.5% debenture stock is secured on the undertakings of the Milford Docks Company and is not subject to repayment. In accordance with section 3 of The Milford Docks Act 1972, the 3.5% debenture stock can be purchased and cancelled by the Milford Docks Company at the discretion of the directors.

The Authority was authorised as at 31 December 2016 to borrow sums not exceeding £50 million. The Clydesdale bank loan of £513,000 as at 31 December 2016 is repayable by 2018 in monthly instalments of £24,000 which commenced in 2008. The loans are secured on the property known as Pembroke Port Gate 4 in Pembroke Dock and bear interest at 5.64%. The Barclays bank loan of £2,900,000 as at 31 December 2016 is repayable quarterly at £100,000 principal plus interest variable in line with LIBOR rates. In 2014, the Authority also set up a £10 million revolving credit facility with Barclays.

Under the Milford Docks Act 1981, the Milford Docks Company is empowered to raise finance by the creation and issue of share capital, or by loans or mortgage of the undertaking, or by the creation and issue of debenture stock, or wholly or partly by one or more of those modes up to a maximum of £20 million. The amount raised by the company at 31 December 2016 under these provisions was made up as follows:

	Group and Authority	
	2016	2015
	£'000	£'000
- Ordinary shares - paid up amount	1,462	1,462
- 3.5% debenture stock - due after five years	18	18
	1,480	1,480

18. Deferred Taxation

	Group		Authority	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Deferred tax liability/(asset) at 1 January	953	(628)	808	(737)
Charge to profit and loss account	330	1,079	310	1,043
Charge to statement of comprehensive income	(1,751)	502	(1,751)	502
Deferred tax (asset)/liability at 31 December	(468)	953	(633)	808
Accelerated capital allowances	1,830	1,945	1,665	1,800
Short-term timing differences	-	(412)	-	(412)
Pension deficit	(2,298)	(580)	(2,298)	(580)
Deferred tax (asset)/liability	(468)	953	(633)	808
- of which due to be recoverable in one year	(909)	(992)	(909)	(992)
- of which recoverable after one year	(1,389)	-	(1,389)	-
- of which due to be payable in one year	1,682	1,945	1,665	1,800
- of which due to be payable after one year	148	-	-	-

Notes To The Financial Statements

Year ended 31 December 2016

19. Accruals And Deferred Income

	Group and Authority	
	2016	2015
	£'000	£'000
Deferred capital grants		
At 1 January	762	907
Additions	43	1,119
Released to profit and loss account	(325)	(1,264)
At 31 December	480	762
- of which due to be released in one year	160	282
- of which due to be released after one year	320	480

In 2016, the Authority has benefited from Government grant funding from Welsh Government through the European Fisheries Fund (EFF) of £nil (2015: £1,070,000).

20. Employee Benefits

The Group/Authority operates a number of schemes providing benefits for its employees as follows:

- (a) A defined contribution scheme where the assets of the scheme are held separately from those of the Authority in an independently administered fund. There were no pension contributions payable to the fund for the year (2015: £nil). There were no outstanding contributions payable to the fund at the end of the year (2015: £nil). Employees of the Authority are able to make additional voluntary contributions into this scheme.
- (b) A defined benefit scheme (MDCSBS) providing benefits based on final pensionable pay for its full time staff. The most recent actuarial valuation of this scheme was as at 1 July 2014. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the return on investment, the rate of increase in salaries and the rate of mortality. It was assumed that the investment returns would be 5% per annum, salary increases would average 1.5% over RPI per annum and the rate of mortality would be based on the A67/70 and PA90 mortality tables.
- The pension contribution for the year was £nil (2015: £12,000). There were no outstanding contributions payable to the fund at the end of the year (2015: £nil).
- The most recent actuarial valuation showed that the scheme's assets amounted to 104% of the value of the liabilities of the scheme as they fall due. The Authority expects to contribute £nil to this scheme during the year to 31 December 2017, since it has no active members going forward.
- (c) A defined benefit pension scheme (MHPARBS) for its staff. During 2009 the Board made the decision to change this scheme with effect from 1 January 2010 to provide benefits based on either Career Average Revalued Earnings or final pensionable pay. Benefits provided up to 31 December 2009 were based on final pensionable pay. The assets of the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Authority. The contributions are determined by a qualified actuary on the basis of triennial valuations.
- The pension contribution for the year was £905,000 (2015: £980,000). There were no outstanding contributions payable to the fund at the end of the year (2015: £nil).
- The most recent actuarial valuation was at 1 January 2015 and showed that the value of the scheme's assets amounted to 109% of the value of the liabilities of the scheme. The Authority expects to contribute £922,000 to this scheme during the year to 31 December 2017.

Notes To The Financial Statements

Year ended 31 December 2016

20. Employee Benefits (continued)

(d) In addition to the above schemes, some operational pilots are members of the Pilots' National Pension Fund (PNPF). Contributions payable to the PNPF amounted to £72,000 (2015: £92,000). The Authority, in common with other competent harbour authorities, is making recovery plan payments to the PNPF. The Authority share of the deficit is calculated and recognised in line with defined benefit scheme accounting under FRS 102 and payments are made as they are invoiced by the Trustee. In the year, the employer paid deficit contributions of £495,000 (2015: £479,000) and will continue to pay for the remaining 12 years of the 16-year deficit plan.

FRS102 Employee Benefits

The main assumptions used to calculate scheme liabilities under FRS 102 are:

	2016			2015		
	MHPARBS	MDCSBS	PNPF	MHPARBS	MDCSBS	PNPF
Inflation rate	3.4%	3.3%	3.3%	3.1%	2.9%	3.0%
Discount rate for scheme liabilities	2.7%	2.6%	2.5%	3.8%	3.8%	3.5%
Rate of increase in salaries	n/a	n/a	3.8%	n/a	n/a	3.5%
Rate of increase for deferred pensions and pensions in payment	2.4%	2.3%	2.3%	2.1%	1.9%	2.0%
CARE revaluation	3.4%	n/a	n/a	3.0%	n/a	n/a

The mortality assumptions used were as follows:

	2016			2015		
	MHPARBS Years	MDCSBS Years	PNPF Years	MHPARBS Years	MDCSBS Years	PNPF Years
Longevity in years at age 65 for current pensioners:						
- Men	22.2	17.3	22.2	22.4	17.3	22.1
- Women	24.2	21.7	24.2	24.4	21.7	24.1
Longevity in years at age 65 for future pensioners:						
- Men	23.9	17.9	23.9	24.1	17.9	23.8
- Women	26.1	22.4	26.1	26.3	22.4	26.0

Pension Funding Partnership

On 10 December 2013, the Group made a contribution to the Milford Haven Port Authority Retirement Benefits pension scheme of £8.47m. On the same day, the Pension Scheme Trustees invested £8.47m in MHPA PFP Limited Partnership (SLP) as a limited partner. SLP was established by the Authority to hold loan notes issued by Milford Haven Properties Limited, a wholly-owned subsidiary of the Group, with a value of £13m. The Group retains control over this partnership, and as such is fully consolidated within these group financial statements. As a partner in SLP the Pension Scheme is entitled to an annual coupon share of the profits of SLP each year for 20 years.

Notes To The Financial Statements

Year ended 31 December 2016

20. Employee Benefits (continued)

Under FRS 102, the investments held by the Pension Scheme in SLP, a consolidated entity, do not represent a plan asset for the purposes of the Group's consolidated financial statements. This is because the definition of plan assets excludes any non-transferable financial instruments issued by the entity and held by the Pension Scheme. Accordingly, the Pension Scheme's deficit position presented in these Group financial statements does not reflect the current value of the investment in SLP held by the Pension Scheme. Distributions from SLP to the Scheme will be reflected as pension contributions in these Group financial statements on a cash basis. For the Authority, the investment held by the Pension Scheme represents a scheme asset, and accordingly, the pension deficit position reflects the current value of the investment.

In the Authority, there is a deferred tax asset created as part of the Pension funding partnership of £nil (2015: £412,000) as a result of the pension spreading rules.

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	At 31 December 2016			At 31 December 2015		
	MHPARBS £'000	MDCSBS £'000	PNPF £'000	MHPARBS £'000	MDCSBS £'000	PNPF £'000
Group						
Service costs						
- operating expenses	1,342	-	124	1,441	-	163
Past service cost	-	-	(7)	-	-	-
Admin costs	-	-	35	-	-	48
	1,342	-	152	1,441	-	211
Other finance charges/(income)						
- net interest cost	185	(6)	209	256	(3)	220
Total	1,527	(6)	361	1,697	(3)	431
Recognised in other comprehensive income	(8,980)	30	(1,225)	2,641	47	308
Authority						
Service costs						
- operating expenses	1,342	-	124	1,441	-	163
Past service cost	-	-	(7)	-	-	-
Admin costs	-	-	35	-	-	48
	1,342	-	152	1,441	-	211
Other finance (income)/charges						
- net interest cost	(115)	(6)	209	(44)	(3)	220
Total	1,227	(6)	361	1,397	(3)	431
Recognised in other comprehensive income	(7,890)	30	(1,225)	2,155	47	308

Notes To The Financial Statements

Year ended 31 December 2016

20. Employee Benefits (continued)

The analysis of the assets in the scheme were:

Group	At 31 December 2016			At 31 December 2015		
	MHPARBS	MDCSBS	PNPF	MHPARBS	MDCSBS	PNPF
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	27,818	169	5,375	24,555	161	4,992
Bonds	6,575	678	5,543	5,439	646	5,157
Cash	694	-	280	1,060	-	186
Annuity contracts	124	3,743	-	127	3,138	-
Property	5,857	-	-	5,710	-	-
Total market value of assets	41,068	4,590	11,198	36,891	3,945	10,335
Present value of scheme liabilities	(55,067)	(4,396)	(18,511)	(41,802)	(3,787)	(16,629)
(Deficit)/surplus in the scheme	(13,999)	194	(7,313)	(4,911)	158	(6,294)
Pension (liability)/asset	(13,999)	194	(7,313)	(4,911)	158	(6,294)
Related deferred tax	946	(37)	1,389	(647)	(32)	1,259
Net pension (liability)/asset	(13,053)	157	(5,924)	(5,558)	126	(5,035)

Authority	At 31 December 2016			At 31 December 2015		
	MHPARBS	MDCSBS	PNPF	MHPARBS	MDCSBS	PNPF
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	27,818	169	5,375	24,555	161	4,992
Bonds	6,575	678	5,543	5,439	646	5,157
Cash	694	-	280	1,060	-	186
Annuity contracts	124	3,743	-	127	3,138	-
Property	5,857	-	-	5,710	-	-
Investment in SLP	9,022	-	-	8,146	-	-
Total market value of assets	50,090	4,590	11,198	45,037	3,945	10,335
Present value of scheme liabilities	(55,067)	(4,396)	(18,511)	(41,802)	(3,787)	(16,629)
(Deficit)/surplus in the scheme	(4,977)	194	(7,313)	3,235	158	(6,294)
Pension (liability)/asset	(4,977)	194	(7,313)	3,235	158	(6,294)
Related deferred tax	946	(37)	1,389	(647)	(32)	1,259
Net pension (liability)/asset	(4,031)	157	(5,924)	2,588	126	(5,035)

Notes To The Financial Statements

Year ended 31 December 2016

20. Employee Benefits (continued)

Movements in the fair value of scheme assets were:

	At 31 December 2016			At 31 December 2015		
	MHPARBS £'000	MDCSBS £'000	PNPF £'000	MHPARBS £'000	MDCSBS £'000	PNPF £'000
Group						
At 1 January	36,891	3,945	10,335	34,961	4,065	10,718
Interest income	1,390	146	353	1,223	139	356
Actuarial gains/(losses)	3,423	724	1,048	749	(77)	(265)
Benefits paid	(2,321)	(225)	(1,118)	(1,801)	(194)	(1,058)
Members' contribution	266	-	48	271	-	61
Expenses paid	-	-	(35)	-	-	(48)
Contributions paid by employer	1,419	-	567	1,488	12	571
At 31 December	41,068	4,590	11,198	36,891	3,945	10,335
Actual returns on scheme assets in the year	4,813	n/a	1,401	1,972	n/a	91
Authority						
At 1 January	45,037	3,945	10,335	43,801	4,065	10,718
Interest income	1,690	146	353	1,523	139	356
Actuarial gains/(losses)	4,513	724	1,048	263	(77)	(265)
Benefits paid	(2,321)	(225)	(1,118)	(1,801)	(194)	(1,058)
Members' contribution	266	-	48	271	-	61
Expenses paid	-	-	(35)	-	-	(48)
Contributions paid by employer	905	-	567	980	12	571
At 31 December	50,090	4,590	11,198	45,037	3,945	10,335
Actual returns on scheme assets in the year/return on plan assets	6,203	n/a	1,401	1,786	n/a	91

Notes To The Financial Statements

Year ended 31 December 2016

20. Employee Benefits (continued)

Reconciliation of present value of scheme liabilities:

	At 31 December 2016			At 31 December 2015		
	MHPARBS £'000	MDCSBS £'000	PNPF £'000	MHPARBS £'000	MDCSBS £'000	PNPF £'000
Group and Authority						
At 1 January	41,802	3,787	16,629	42,304	3,969	17,460
Service cost	1,342	-	124	1,441	-	163
Past service cost	-	-	(7)	-	-	-
Members' contribution	266	-	48	271	-	61
Interest cost	1,575	140	562	1,479	136	576
Benefits paid	(2,321)	(225)	(1,118)	(1,801)	(194)	(1,058)
Actuarial loss/(gain)	12,403	694	2,273	(1,892)	(124)	(573)
At 31 December	55,067	4,396	18,511	41,802	3,787	16,629

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the Group statement of comprehensive income is £15,137,000 (2015: £4,962,000). The Authority equivalent is £14,036,000 (2015: £4,951,000). Only 2014 onwards is calculated under FRS 102 and so cannot be compared to earlier years.

Amounts for current and previous four years for MHPARBS, MDCSBS and PNPf (2013 onwards only):

	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Group					
Defined benefit obligations	(77,974)	(62,218)	(63,733)	(56,252)	(34,620)
Plan assets	56,856	51,171	49,744	41,422	28,514
Net liability recognised in balance sheet	(21,118)	(11,047)	(13,989)	(14,830)	(6,106)
Total actuarial gains and losses recognised in the statement of comprehensive income	(10,175)	2,996	997	(1,692)	(78)
Authority					
Defined benefit obligations	(77,974)	(62,218)	(63,733)	(56,252)	(34,620)
Plan assets	65,878	59,317	58,584	49,962	28,514
Net liability recognised in balance sheet	(12,096)	(2,901)	(5,149)	(6,290)	(6,106)
Total actuarial gains and losses recognised in the statement of comprehensive income	(9,085)	2,510	1,424	(1,622)	(78)

Notes To The Financial Statements

Year ended 31 December 2016

21. Transactions With Related Parties

The following summarises the Group's transactions from the point of the investment, all of which were on an arm's length basis:

Associates

On 30 December 2015, the Authority sold its share in Marimatech AS for initial consideration of £1,359,000 and deferred consideration of £217,000 in the current year. In the previous year Marimatech AS invoiced the Authority £24,691 for services provided of which £nil was outstanding at the year-end. There were no sales to Marimatech AS in the previous year.

22. Reconciliation Of Operating Profit To Cash Generated By Operations

	2016	2015
	£'000	£'000
Group		
Operating profit	5,445	4,565
Impairment of fixed assets	-	361
(Gain)/loss on sale of fixed assets	(68)	210
Depreciation charges (net of grants released)	3,391	3,004
Operating cash flow before movement in working capital	8,768	8,140
Increase in stocks	(118)	(9)
Decrease/(increase) in debtors	2,768	(769)
(Decrease)/increase in creditors	(876)	1,857
Difference between pension charge and cash contributions (note 20)	(492)	(419)
Tax paid	(821)	(685)
Cash generated by operations	9,229	8,115

Notes To The Financial Statements

Year ended 31 December 2016

23. Capital Commitments

	2016	2015
	£'000	£'000
Group		
Contracted for but not provided in the financial statements	449	856

24. Operating Lease Commitments

At 31 December 2016 and 31 December 2015 there were no operating lease commitments.

25. Reserves

Other reserve

This reserve records any excess of fair value over depreciated historic cost for investment properties and any excess of depreciated replacement cost revaluations of other property, plant and equipment of £25,547,000 (2015: £25,247,000).

Profit and loss account

This records cumulative profit and loss.

26. Minority Interest

	£'000
Group	
At 1 January	26
Minority interest in year (1.8% of loss of £638)	-
At 31 December	26



Head Office:

Gorsewood Drive, Milford Haven, Pembrokeshire SA73 3EP
Tel: +44 (0) 1646 696100
Fax: +44 (0) 1646 696125
enquiries@mhpa.co.uk
www.mhpa.co.uk

Port of Milford Haven

Business Units:

Milford Marina
Cleddau House, Milford Haven SA73 3AF
Tel: +44 (0) 1646 696312
Fax: +44 (0) 1646 696314
enquiries@milfordmarina.com
www.milfordmarina.com



Milford Fish Docks
Cleddau House, Milford Haven, Pembrokeshire SA73 3AF
Tel: +44 (0) 1646 696300
Fax: +44 (0) 1646 696302
enquiries@milfordfishdocks.com
www.milfordfishdocks.com



Quayside Properties
Suite 5, Cedar Court, Milford Haven, Pembrokeshire SA73 3LS
Tel: +44 (0) 1646 696380
Fax: +44 (0) 1646 696381
enquiries@quayside.properties
www.quayside.properties



Pembroke Port
Port Office, The Royal Dockyard, Pembroke Dock, Pembrokeshire SA72 6TD
Tel: +44 (0) 1646 623420
Fax: +44 (0) 1646 623439
info@pembrokeport.com
www.pembrokeport.com



Published by the Port of Milford Haven and produced in Pembrokeshire with the dedicated assistance of our staff.

Photography: Aurora Imaging, Owen Howells, Gareth Davies Photography, Martin Cavaney, Derek Phillips Photography, Alex Brown
Design: rockpooldesign.co.uk Print: Harcourt Colour Print

This publication is printed on paper from sustainable forests using vegetable based inks



