

Isle of Sark Shipping - Update

June July August 2021

Volume Performance/Financial to date



Volume performance:

	DX			
	2021	2019	variance	% var
June	4803	11876	-7073	-60
July	8147	16697	-8550	-51
August	12137	16814	-4677	-28

	PR			
	2021	2019	variance	% var
June	4400	3179	1221	38
July*	9616	6725	2891	43
August	7485	5442	2043	38

	Single			
	2021	2019	variance	% var
June	496	769	-273	-36
July*	1125	1592	-467	-29
August	778	1192	-414	-35

	Total			
	2021	2019	variance	% var
Total	9699	15824	-6125	-39
June	9699	15824	-6125	-39
July*	18888	25014	-6126	-24
August	20400	23448	-3048	-13

Cargo

	2021		2019			
Satandard Cargo	Tonnes	Revenue	Tonnes	Revenue	Tonnes Variance	Revenue Variance
June	340	£35,399	290	£32,269	50	£3,130
July	382	£39,057	392	£42,821	-10	-£3,764
August	378	£37,704	407	£37,782	-29	-£77

	2021		2019	
Charter	Tonnes	Revenue	Tonnes	Revenue
June	195	£9,825	0	£0
July	65	£3,275	65	£3,275
August	0	£0	0	£0

Financial performance

Bank balance/overdraft at end of month (August/YTD)

Forecast
+£230,136

Actual
+£285,670

Improved position in comparison to forecast

+£55,530

Year to date and advanced bookings

Through to the end of June IoSS has been running to the Bailiwick only budget for both volume and revenue. Costs have been variable but again broadly within budget despite fairly significant increases in the price of fuel and completion costs for the “Corsaire de Sercq”, mortgage arrangement fees and un budgeted repairs to Sark Belle.

From mid July onwards outside Bailiwick visitors to Guernsey started to appear. The performance for both revenue and costs moved in line with the “recovery budget” that had been compiled earlier in the year.

Volume comparisons

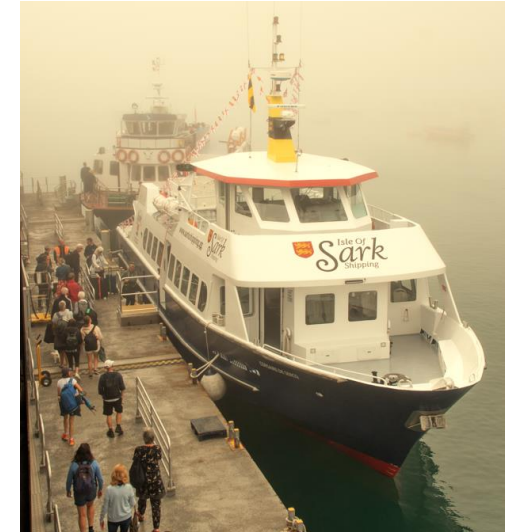
Month	Volume performance against Budget PY & 2019										
	2021	2020	2021/20 Variance	2019	2021/2019 Variance	Budget 2021	Variance	Recovery Budget	Variance	pre 2020 5yr ave	5 yr ave Variance
October	2,352	4,057	- 1,705	3,687	- 1,335	1,500	852	1,500	852	4,301	- 1,949
November	2,049	1,259	790	1,287	762	1,500	549	1,500	549	1,191	858
December	2,009	1,569	440	1,368	641	1,439	570	1,439	570	1,438	571
January	952	1,052	- 100	1,176	- 224	890	62	890	62	893	59
February	-	802	- 802	1,146	- 1,146	1,100	- 1,100	1,100	- 1,100	1,079	- 1,079
March	876	777	99	1,633	- 757	1,750	- 874	1,750	- 874	1,838	- 962
April	6,001	-	6,001	6,753	- 752	3,000	3,001	3,000	3,001	6,193	- 192
May	7,170	-	7,170	13,945	- 6,775	6,500	670	6,500	670	12,579	- 5,409
June	9,699	3,181	6,518	15,633	- 5,934	8,500	1,199	8,500	1,199	16,654	- 6,955
July	18,898	12,079	6,819	24,533	- 5,635	12,000	6,898	18,000	898	22,654	- 3,756
August	20,400	16,818	3,582	22,984	- 2,584	17,000	3,400	20,000	400	21,724	- 1,324
September	5,541	8,364	- 2,823	12,427	- 6,886	6,000	- 459	6,500	- 959	12,253	- 6,712
	75,947	49,958	25,989	106,572	- 30,625	61,179	14,768	70,679	5,268	102,795	- 26,848

Note: September bookings are travelled and booked for the period as of 5th Sept.

Fleet update/Operations

Corsaire de Sercq:

Corsaire de Sercq entered service on 2nd July. Thus far crew and passenger reaction has been very positive. We are monitoring the schedule keeping and if required will make any adjustments for next season.



Guernsey to Sark Punctuality

sailings 97	Dep		Arr		
	number	%	number	%	
on time or early	77	79	31	32	74
within 5	20	21	43	44	
6 to 15	0	0	17	18	
16 to 30	0	0	6	6	23

Sark to Guernsey Punctuality

sailings 100	dep		Arr		
	number	%	number	%	
on time or early	40	41	41	42	68
within 5	60	62	27	28	
6 to 15	0	0	28	29	
16 to 30	0	0	4	4	32

Sark Turnaround	minutes	ave pax
09:35	00:12	133
11:15	00:17	183
16:00	00:17	154
last turnaround	00:16	116

GY - SK	Average crossing time	37 min
SK- GY	Average crossing time	36 min
	Average rotation time	1H29 min

Fleet update/Operations

Corsaire de Sercq (continued):

There have been some unforeseen issues with the new fendering in Sark damaging the forward belting on the Corsaire. (These issues are not related to the quality or fitting of the fendering but rather the design and position of the existing fendering on the Corsaire. We are working on replacing/modifying the vessel fendering to negate the problems. Work will be done during winter season overhaul.

Performance – The vessel is operating reliably and economically using less fuel than the Venture for a round trip. Customer reaction has been very positive even in choppy weather conditions. There have been some comments from Sark residents ref the timekeeping. We are confident the vessel can improve on the current punctuality as most of the delays are related to the volumes of luggage being carried on the am sailings due to a predominately Guernsey resident market rather than the vessel performance.

Draft schedules for 2022 have additional turnaround time added. (see page 13 for schedule draft proposals)

Sark Venture:

Sark Venture is operating normally and there have been no reported issues. The incline and lightship survey has been completed and we are planning to get the MCA/Mecal back to move the survey anniversary date back to October rather than March. The November through to March schedule has been based on Venture operating times.

Sark Viking:

Sark Viking is operating normally and there have been no reported issues.

Sark Belle:

A UK buyer for the Sark Belle is still interested in the purchase, to be completed in late September/October, delivered to the UK. We are awaiting a formal offer letter.

Establishment



Staffing

Crew:- We are currently operating with a full crew complement. Three staff have been qualified as Engineers.

Office and Admin:- Earlier in the year the Company recruited Mrs Angela Willis as Finance Manager, to replace Mr Paul Burnard, Angie is a fully qualified accountant with many years experience working in the private sector.

It should also be noted that our employee co-funding with the States of Guernsey ended in June. The value of this contribution in this financial year alone is in excess of £60K. General staff costs July August, to date are broadly in line with the Recovery budget but in excess of the Bailiwick only cost calculation due to the additional rotations and passenger volumes.

IT systems

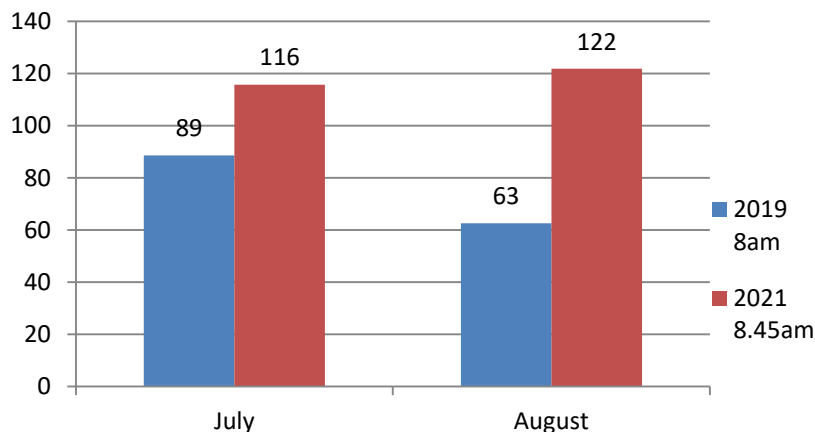
The current IT (reservations) system is approaching the end of its useful life. The company that supplied the system are finding it more difficult to support and there is greater risk of failure. At this stage we have approached to suppliers of “off the shelf” ferry reservation systems (Hogia & Compass) This project is currently at a very early stage and a business case will be published in due course.

To Date Summary

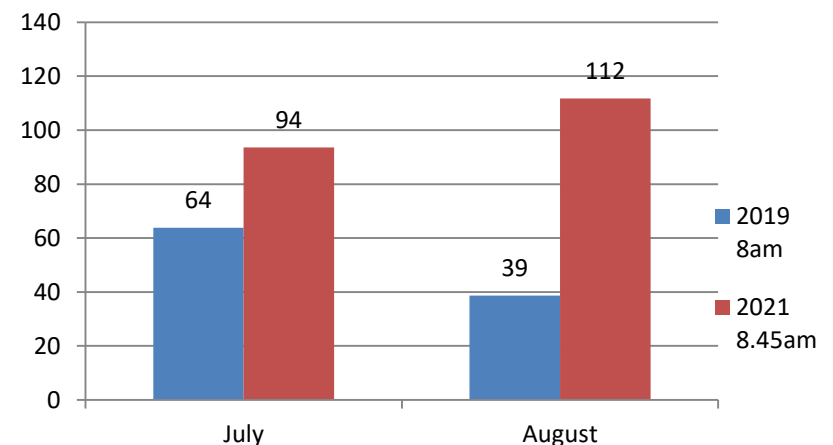
Volume, revenue, have been running better than budget and costs are running to budget. The cash flow is currently running better than forecast. Financially we are ahead of target and there is still £180K that has NOT been drawn down on the loan agreed in 2020.

After the first six weeks of operation of the Corsaire de Sercq, operating to the published schedule, passenger and crew feedback has been very positive.

The introduction of the 0845 GY departure to replace the 0800 is proving much less difficult to sell, to both GY residents and particularly visitors, and the 0845 and 1025 are booking up more evenly rather than the later sailing filling before the early. Average loads for the 0845 departure have risen considerably compared to the demand on the 0800



0800 vs 0845 average passenger loadings



0800 vs 0845 average passenger loadings excluding Saturdays

The visitor market (Guernsey and Sark) is by no means back to where it was in 2018/19. We are adding sailings if required/when required, so apologies for what is a bit of a moving feast as regards set departure times.

It appears from our sailing statistics that the length of stay for visitors to Sark increased during July and August with people staying for longer periods and/or travelling during the week rather than a concentration over the weekend.

To Date Summary *(continued)*

Not only has the 0845 sailing become more popular there has also been a change in the volume and mix of passengers with more staying visitors travelling out to Sark on the am sailings and back on the earlier sailings. The increase in staying visitors along with the accompanying increase in luggage volume has had a challenging impact on maintaining the schedule.

Average		Turnarounds											
		DX				PR				Total			
		OFF	ON	Total	% Variance	OFF	ON	Total	% Variance	OFF	ON	Turnaround	% Variance
2019	0800/0900	31	5	37		8	5	13		39	11	50	
2021	0845/0935	44	13	57	+55	20	8	28	+114	63	21	85	+71
2019	1000/1100	112	3	115		21	27	48		134	30	164	
2021	1025/1115	48	3	51	-56	44	38	82	+69	92	41	133	-19

		DX				PR				Total			
		OFF	ON	Total	% Variance	OFF	ON	Total	% Variance	OFF	ON	Turnaround	% Variance
2019	1500/1600	9	88	97		35	21	56		44	109	153	
2021	1510/1600	2	49	51	-47	24	59	83	+48	26	108	134	-12
2019	1700/1800	7	108	115		17	12	29		24	120	144	
2021	1710/1800	7	59	66	-43	15	30	45	+55	22	89	111	-23

To Date Summary *(continued)*

Fares – The £16 day return from Sark to Guernsey has had a small positive effect on the volume of Sark originating passengers, but not offset the number of longer visit Sark originating traffic. It is the intention to retain the £16 fare through the winter and we will be introducing a £20 3 night fare for Sark residents during the winter period.

We are also working with the Sark Medical & Emergency Committee to introduce a discounted fare for residents needing to visit Guernsey for non elective medical/dental or other specified treatments.

Cargo - Cargo volumes and revenues have also recovered to pre 2020 levels and following the changes in legislation relating to the sale of property the demand for building material has also increased.

The pandemic is still impacting the business albeit in some aspects with a positive effect. The remainder of this season (and possibly next season) may be a bit of learning process therefore any feedback relating to any aspect of the service is more than welcome; if not essential. We are always happy to discuss your ideas or concerns either by phone or a call into the office.

Looking forward to 2022 season

Objectives and Assumptions



Objectives:

- Where possible use single vessel on scheduled sailing times. If required additional rotations will be added. If additional capacity is required second vessel (Sark Venture) will be scheduled for outward am departure 1000 and or 0800. additional return rotations 1600 and or 1800.
- Retain current fare levels Guernsey and Sark originating to support volumes.

2022 schedule:

- 0845 departure maintained for 2022 Later time more popular with both GY residents and visitors.
- AM second rotation Guernsey and Sark turnaround time increased to 20 minutes.(see above. Pressure on am turnarounds due to increased luggage [PR numbers out and back])
- 1025 departure moved to 1030 to accommodate the 5 min increase in turnaround time.
- Passage time maintained at 35 minutes. (round trip time 1H30 has been achieved through 2021 season)
- 1710 Guernsey departure brought forward to 1645
- 1800 Sark departure brought forward to 1745 (sailing brought forward to allow for 3rd rotation if required)
- High season 1145/1245 sailing replaced by 1215/1305 sailing (assumes a % of UK originating Sark staying visitor numbers return. Price leverage (discounted fares will be offered to encourage short day trip option.

Assumptions:

- Winter season and demand & schedules will remain as previous years
- There will likely be further recovery of the tourism industry during 2022 but the visitor numbers are unlikely to reach 2018/9 levels at least until July/August (air schedules not fully recovered, tour operators need to set up programmes etc.)
- Agency sales may not reach 2018/19 levels as to date we have had few enquiries relating to 2022 programmes.
- Cruise liner visits only 25% of 2018/9 levels (Brexit and Covid)
- Guernsey resident staying visitor numbers may fall back to 2019 volume and pattern of travel as holiday destinations open up.