

ANNUAL REPORT 2022



CUSTODIANS OF THE TIDAL THAMES



ABOUT THE TIDAL THAMES

The tidal Thames is 95 miles of river from Teddington Lock, through central London, out to the North Sea. The river is home to the UK's biggest port, the busiest inland waterway for freight and passengers and a growing centre for sporting activity.

ABOUT THE PLA

As a Trust Port, we hold the Thames in trust for future generations. We have no shareholders, so operate for the benefit of customers and stakeholders now and in the future.

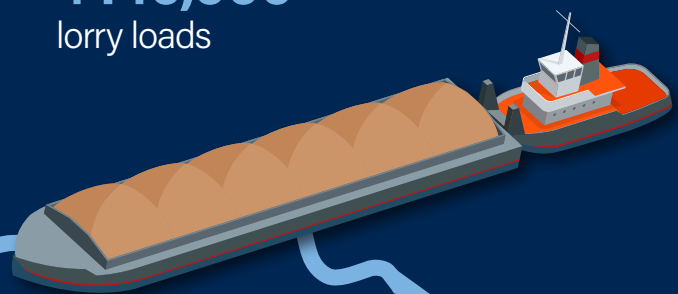
TRAVEL

+8 million
passenger trips



INLAND BULK FREIGHT

+140,000
lorry loads



SPORT

19,000
people afloat



LIGHT FREIGHT

87,500
packages



LARGEST UK PORT

+50 million
tonnes of cargo



VALUED HABITAT

+4,000
seals

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2022 AT A GLANCE



PORT TRADE

Port trade reached its highest level in more than two decades, with 54.9 million tonnes handled; further growth will follow London Gateway Berth 4 development.



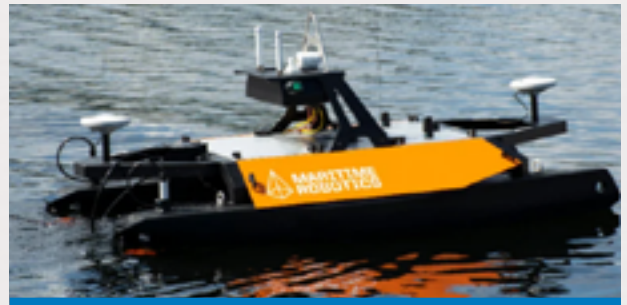
THAMES VISION 2050 LAUNCHED

Thames Vision 2050 launched, setting the long-term strategy for development of the port, river and the PLA.



LIGHT FREIGHT

Masthouse Terrace Pier acquired, for development as a new light freight base, alongside existing passenger operations serving communities on the Isle of Dogs.



AUTOMATED SURVEY VESSEL

PLA and University College London secure Engineering and Physical Sciences Research Council grant support for a fully funded automated survey vessel, and new high resolution survey system.



CONTROL CENTRE

Development of a new port control centre, ready to handle forecast growth in port trade announced.



BARKING RIVERSIDE PIER

Barking Riverside Pier opened, extending the reach of river commuter services further eastwards.



EMISSIONS

Carbon emissions from PLA operations halved, compared to 2014 baseline, three years ahead of plan, through use of bio-diesel in vessel fleet.



REFLECTIONS

Reflections event celebrated Her Majesty the Queen's life of service.

RIVER USE

- ↑ **54.9m** Tonnes of goods handled
- ↑ **8.3m** Passenger journeys
- ↓ **2.82m** Tonnes of inland waterways freight
- ↑ **87,500** Light freight packages
- ↑ **569** Sporting events

ENVIRONMENTAL STEWARDSHIP

- ↓ **109** Tonnes of driftwood recovered
- ↓ **1,076** CO₂ emissions (equivalent tonnes)
- ↓ **71,832** Kilowatt hours generated
- ↑ **53** Foreshore clean-ups supported

NAVIGATION & SAFETY

- = **1** Serious navigational incident
- ↓ **13,699** Pilotage Acts

FINANCE

- ↑ **£48.9m** Stakeholder benefit
- ↓ **£4.7m** PLA cash capital investment
- ↑ **£12.2m** Operating surplus

HEALTH & SAFETY

- ↑ **148** Near miss reports and safety observations
- ↓ **2** Lost Time Incidents

STAKEHOLDER ENGAGEMENT

- ↑ **1,149** People attending public and online forums

OUR VISION FOR THE THAMES IN 2050

The UK's leading port, central to the nation's economy, with Net Zero emissions. A clean river, free of pollution and rubbish, supporting more sport, passengers and freight. A resilient Estuary, adapting to climate change and richer in wildlife. A more diverse Thames, providing jobs, learning and enjoyment to the whole community, and always, everyone, staying safe.



For the latest on *Thames Vision 2050*, visit: www.pla.co.uk/ThamesVision

Thames Vision 2050 is built around three interconnected themes, centred on the role the river plays for people and the environment.



Trading Thames



The No. 1 Net Zero UK trading hub



Destination Thames



A place to live, visit, play and enjoy



Natural Thames




Clean air, water and land supporting diverse wildlife

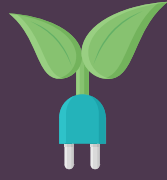
DELIVERING THE VISION: 2030 ACTION PLAN

To deliver the Vision we are working to an immediate Action Plan, between now and 2030. We are working with partners to complete the following actions.

Safety improved, with new Class V passenger regulations introduced in 2022




Thames Net Zero Coalition formed and a collective action plan radically to reduce emissions on the Thames produced by end 2023



Route map to a zero sewage, zero rubbish, zero plastic Thames published by 2023 and Tideway Tunnel operational by 2025



Investment in growth, including leveraging the benefits of Freeport status, from 2022



Thames Estuary 2100 plan updated by 2023, alongside a plan for a resilient network of high-quality protected habitats developed



River masterplan published by 2024



New Marine Control Centre developed and operational by 2025




Active Thames programme leveraging some £500,000 over five years to support greater sports participation, by 2027




Three safeguarded wharves reactivated, and light freight operations promoted by 2030



Busier river, served by London's first boatyard in a century, fully operational by 2025



Up to 1,000 people undertaking Thames Continuous Professional Development, by 2027



Better connected Thames, with Lower Thames Crossing completed by 2030



STRATEGIC REPORT



CHAIR'S STATEMENT

JONSON COX CBE



At the PLA, we play an essential role in sustaining and improving the tidal Thames as trading hub, destination and natural haven. As custodians of the river, we aim to drive positive impact, reinvesting profits, supporting sustainable growth in port and river use, alongside an improving environment.

Thames Vision 2050, launched last year draws together, and makes more ambitious our goals for the medium- and long-term evolution of the port and river. These are for the No. 1 Net Zero UK trading hub, a place to live, visit, play and enjoy, providing clean air, water and land supporting biodiversity and public use. It is fundamental for us that the river and the PLA is open and more accessible to all.

Safety underpins all elements of river use. It remains our prime focus. This ranges from the day-to-day oversight of operations in the UK's largest port, to ensuring suitable continual skills development is established as a cornerstone of river operations.

The Vision was shaped in consultation with our diverse stakeholder community. We have engaged swiftly on the medium-term 2030 Action Plan of strategic partnering and targeted investment to deliver objectives of the Vision.

Continuing investment in our core pilotage service is an immediate priority, to meet our customers' growing demand of the UK's biggest port. The masterplan we will develop for the tidal Thames is also a major focus, enabling the PLA and partners to make 'no regrets' decisions for the development of the river.

The creation of the Thames continuous professional development (CPD) scheme, with the Thames Skills Academy (TSA) and the Company of Watermen & Lightermen (CWL) is an essential innovation. We are backing it with investment to ease access to simulator training, before CPD becomes mandatory from 2024.

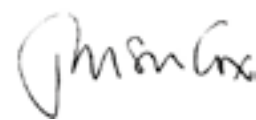
Improving and protecting the Thames environment is a key theme of the Vision and focus for us as an organisation. The Vision sets clear and demanding targets for us, including to work with those responsible for the discharge of pollution to agree the steps to create a clean river, free of sewage and plastics.

The launch of the Vision demonstrates the continuing evolution of the PLA. We are much changed as a partner to our stakeholders and are changing too as an organisation. Over the next two years we will transform our marine control operations, with the largest investment in our core services in

more than two decades. That will sit alongside our continuing drive for operational efficiency, and improving customer service and supporting innovation on the river, including trials of light freight delivery by river to central London.

Since joining as chair last April, I have witnessed first-hand the dedication of the PLA team to helping people make the most of the river, safely. To them I offer my sincere thanks.

My thanks also to the PLA Board and the contribution of all our Board members. In January 2023 we welcomed Vanessa Howlison as a non-executive, and chair of the audit and risk committee. Special thanks to Judith Armit, Darren James and Alun Griffiths, who are concluding their time with the PLA after more than six years' valued service.



Jonson Cox CBE
Chair

3 May 2023

CHIEF EXECUTIVE'S STATEMENT

ROBIN MORTIMER



2022 saw substantial progress in the PLA, port and river community. Together we consolidated the foundations for sustainable growth and established a clear future path, through *Thames Vision 2050*. At the same time, the organisation delivered a strong performance across all key areas, from safety to financial results, in the face of growing economic headwinds.

SAFETY

Safety is fundamental to our business. We work to help river users enjoy the Thames in safety and have the same health, safety and wellbeing commitment for our employees and contractors.

Our three-year Marine Safety Plan targets a 10% reduction in serious navigational incidents and we remain on track for this with a single incident reported in 2022.

Near miss reporting during the period rose by 80%, after a focused promotional drive. The navigational safety team worked closely with operators and river users along the Thames, providing expert counsel and advice to support greater safety on the river. To improve Thames safety over the coming years, we will be mandating Thames Continuing Professional Development from 2024.

At the end of 2022, Parliament passed new Regulations so that, from 2024, the Maritime & Coastguard Agency (MCA) will be applying modern safety standards to historic vessels operating on the river. This is a very welcome development, which the PLA has been keen to see for many years, and will address one of the most significant safety risks on the tidal Thames. We thank Department for Transport (DfT) and the MCA for making this happen, and we will be working with the MCA and Thames operators on the implementation of the new Regulations.

Personal Health & Safety was a major focus for the team through the year, with a reduced number of Lost Time Incidents, compared to the previous year and a review of all our risk assessments completed across the business. In a focused review, we came together as a cross company team to shape our future Health & Safety strategy.

PORT & RIVER OPERATIONS

Trade in the port in 2022 was 54.9 million tonnes, increasing by 6% (2021: 51.8 million tonnes). London remains the UK's largest port by volume of goods handled.

Pilotage acts in the year fell slightly to 13,699, as the mix of vessel types calling evolved (2021: 14,037). The service level was 98.5% (2021: 99.1%), remaining above our 98% target level. Fourteen trainee pilots joined the business in the year. Investment in continued pilot trainee recruitment is a key priority, in line with operators' planned terminal developments.

Investment in Thameside terminals continues apace. DP World is developing the fourth berth at London Gateway and Forth Ports is completing commissioning of the building materials handling systems at Tilbury2. Both are partners with the Ford Motor Company and the PLA in Thames Freeport, which will drive future investment and growth. At the same time, ferry operator CLdN is increasing calls on the Thames and Stolthaven is advancing its jetty replacement works.

Prospects for growing use of the river for inland freight are extremely positive. Alongside the established use of the river for moving bulk materials, logistics companies' interest in the Thames as a light freight route is at unprecedented levels. We are supporting and facilitating their trial river operations, while also leading studies into the pier adjustments needed to accommodate this new river use.

The recovery of passenger operations continued, post-COVID restrictions. More than eight million passenger trips were taken during the year, almost double the number in 2021. Investment in further piers and new vessels with cleaner propulsion systems is setting the sector up for long-term sustainable growth.

FINANCIAL PERFORMANCE

The organisation delivered a positive financial performance in 2022, as trade increased and we addressed business impacts flowing from the Russian invasion of Ukraine. The operating surplus of £12.2 million was up 40% on £8.7 million in 2021, on a turnover of £78.2 million (2021: 71.4 million).

For the medium- and long-term we are well set, with plans in place to manage the principal liabilities and cash available to make strategic investments which support delivery of *Thames Vision 2050* goals.

INVESTMENT

We invested £4.7m in PLA capital projects in 2022, more than half in sustaining capital projects, including fuel tanks for bio-diesel, radar network equipment and repairs at Richmond Lock and Weir. Property related investment included the completion of site works at Plaistow and Royal Primrose wharves, and the acquisition of Masthouse Terrace Pier, which we will improve for existing passenger operations and develop a light freight hub.

Our major future investment will be in a single port control centre at Gravesend. This will provide us with a flexible and high-tech base from which to manage the demands of a growing port and busier, more complex river.

SUSTAINABILITY

Thames Vision 2050 sets out a clear ambition for the condition of the river and habitats. It also places a clear premium on the development of the Thames as the UK's leading Net Zero trading hub. To support us in realising these ambitions, we have welcomed our first sustainability director to the PLA.

Our immediate priority has been to reduce carbon emissions from our operations, as we work to achieve Net Zero by 2040, or earlier. In 2022 we halved these emissions, compared to our 2014

baseline, three years ahead of target, by using bio-diesel from sustainable sources in our vessel fleet. This is an important stepping stone solution, as we look at the optimum long-term zero carbon options.

More broadly we are engaged with the ambitions of Maritime 2050, to decarbonise UK maritime. Our work leading the hydrogen highway consortium is progressing well and our *Thames Green Scheme* is incentivising operators in the port and on the river to use vessels with lower emissions and superior environmental performance.

Our ambition is to sustain a thriving port and thriving environment, side by side. Tideway will provide a once in a generation step change in river cleanliness. We are working now on consolidating those improvements, concluding a plan for cleaning the Thames, especially in terms of sewage discharges, plastics and other pollution in the river. We are engaged with our partners in the water companies and environmental regulators to advance this important area of work.

ESTUARY SERVICES LIMITED

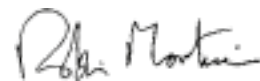
2022 was the first full year of Estuary Services Limited (ESL) as a wholly PLA-owned operation. ESL transfers pilots to and from vessels transiting the Thames and Medway. During the year, the team completed 10,445 pilot boarding and landing operations. As part of our long-term fleet investment programme we placed an order for a replacement pilot cutter for the operation, due for 2024 delivery from vessel builders, Goodchild Marine.

LOOK AHEAD

The building blocks for a sustainable future are in place. The long-term goals for the PLA and river are captured in *Thames Vision 2050*. Our ambitions for health & safety, customer service and environmental improvement are clear. We have the scope for strategic investment in support of our ambitions for greater river use, wider participation and a cleaner river.

Everything we do for river users and stakeholders flows from the passion and commitment of the 460-plus people who work for the Port of London Authority and our subsidiary Estuary Services Limited.

Many of our team work on shift, and afloat in often challenging conditions. To everyone in the team, my thanks for your commitment and hard work in making this amazing natural resource safely accessible to our many customers and stakeholders.



Robin Mortimer

Chief Executive

3 May 2023

CHIEF FINANCIAL OFFICER'S STATEMENT

JULIE TANKARD



2022 was a positive year for the PLA as port trade grew to exceed our pre-COVID volumes. Financially we managed through a period when the Russian invasion of Ukraine prompted a 40-year inflationary peak, which drove up our cost base.



Turnover was £78.2 million (2021: £71.4 million) which was a 10% increase on the previous year. Income in all categories increased: vessel and cargo conservancy by 11%; property and investment related income was up 10% and pilotage income rose 7%.

Operating profit was £12.2 million (2021: £8.7 million) which recovered significantly because of the increase in income.

We continue to hold sufficient cash and reserves to service our long-term goals, invest in the business and reflective of our long-term liabilities. Cash plus short term and pooled investments at year end were £32.9m (2021: £36.8m).

Our investments are focused on sustaining and improving our core operational assets, supporting river use and diversifying our income.

Investment in our pilotage operations has been a major focus for more than five years, both in response to immediate demand and our customers' long-term expansion plans. The financial impact of the pilotage business was a small profit of £0.1m (2021: loss of £0.7m); maintaining an on-demand pilotage

service that provides a consistently high level of service availability is an expensive business model.

Our core infrastructure development projects include the proposed new Marine Control Centre, needed to cope with increased port trade and changing vessel technology forecast in *Thames Vision 2050*. This project will be a major focus for capital spend over the next three years; so far, we have borne the design and professional fees for the development of the planning application for the centre.

We are investing also in our IT strategy, including the server replacement programme, network upgrade, cyber improvements and replacement of many user devices. The re-roofing of our main operational base, Royal Terrace Pier, a listed structure, is underway.

Our Investment Plan has the twin aims of supporting delivery of the *Thames Vision* goal to increase river use and diversifying our income through river-related property acquisition. The 2022 purchase of Masthouse Terrace Pier, to be developed with dedicated light freight capabilities, alongside



<ul style="list-style-type: none"> ● PILOTAGE DUES 	40%
<ul style="list-style-type: none"> <ul style="list-style-type: none"> charged for providing a pilot who guides a ship into and out of the port (includes Pilots National Pension Fund Levy). 	
<ul style="list-style-type: none"> ● CONSERVANCY CHARGES 	27%
<ul style="list-style-type: none"> <ul style="list-style-type: none"> on ships and their cargoes entering and leaving the port for the maintenance of the channel and facilitating safe navigational access. 	
<ul style="list-style-type: none"> ● RENTS 	20%
<ul style="list-style-type: none"> <ul style="list-style-type: none"> for facilities on PLA land in, under or over the river. 	
<ul style="list-style-type: none"> ● OTHER 	13%
<ul style="list-style-type: none"> <ul style="list-style-type: none"> includes hydrographic surveying for third parties, marine services such as laying and renewing moorings, application fees, fees for events and filming on the Thames. 	

its continuing passenger operations, reflects this. Significant spend was made during the year on improving the river walls and strengthening the quayside at previous acquisitions, Plaistow Wharf and Primrose Wharf. With the works complete, Plaistow has now resumed cargo handling and river use. Acquiring and developing these sites takes time, but provides long-term income stream and capital appreciation.

The PLA's defined benefit pension scheme continues to be a large financial cost to the business, despite no longer being open to new members. Following the latest triennial valuation, the PLA had to increase deficit repair payments and agree a funding plan with the Trustee which would automatically trigger further payments if the funding plan goes off course. In 2022, the PLA paid £7.4 million in deficit repair payments (2021: £4 million). Future service costs of the scheme have increased also, with total contributions from both employer and employee rising to 29.9% (2021: 22.7%), of which the employer is responsible for two-thirds.

During 2022 our pension scheme, like many others, was impacted by the mini budget of 23 September. Subsequently, the value of the pound fell dramatically, and the cost of borrowing increased significantly. As a consequence, companies running liability driven investments made significant cash calls to maintain the hedge on the pension fund.

At the PLA we were able to meet all cash calls and maintain our hedged position through available cash and divesting some liquid assets. Like many schemes, we have since reviewed our pensions investment strategy, with a view to ensuring a higher level of liquidity and reducing the risk profile.

The pension liability, as valued under International Accounting Standard 19, increased to £25.0 million, compared to £11.0 million in 2021. The increase in the pension liability was driven by a change in the discount rate, moving from 2% in 2021 to 4.8% in 2022, reducing the liability on the scheme significantly but being more than offset by the loss suffered on the assets and the minimum funding adjustment.

We hold a number of pooled investments from gilts, equities and credit funds which have historically performed well. After the challenging year for the financial markets, we took a loss on these funds, which moved from £13.8 million to £11.9 million. This loss was booked in the income statement. We will monitor these funds into 2023, but as the investment strategy is long term, we are not expecting to take a reactionary position in response.

The overall outlook for the PLA is positive. We are well placed for increased river activity and demand for our services. Our healthy cash balance will underpin the Investment Plan, as we continue to look to diversify our income, albeit borrowing costs will make that more challenging. High inflation and energy prices are a concern as we go into 2023, as is the geopolitical environment which remains unsettled.

Julie Tankard
Chief Financial Officer
3 May 2023

CHIEF HARBOUR MASTER'S STATEMENT

BOB BAKER



Activity along the river last year was the closest we have seen to pre-pandemic levels. It was consequently pleasing to see safety performance continue in line with prior trends, with just one serious incident, by some margin below the three-year safety plan's trend target.

SEA PILOT ACTS SERVICE LEVEL

2020	99.5%
2021	99.1%
2022	98.5%

PILOTAGE ACTS (NO.)

2020	12,715
2021	14,037
2022	13,699

SERIOUS NAVIGATION INCIDENTS (NO.)

2020	0
2021	1
2022	1

This positive performance was underpinned by a wider range of activities, through our safety management system, patrols and enforcement action, where appropriate.

To help ensure continued focus on the minor accidents which can lead to more serious incidents in the long term, we focused on the promotion of near miss reporting. Our latest 'Look out for each other afloat' campaign ran from summer 2022 onwards.

The safety management system performance was assessed and reported to the Board by the PLA's designated person, as required by the Port Marine Safety Code.

Through the year we put plans in place for our first Safe Boarding Week, looking to prompt the use of appropriate equipment for embarking and disembarking vessels. The week was successfully delivered in March 2023, with 265 inspections of gangways, ladders from berths, piers and linkspans, along the tidal Thames.

Pilotage demand moderated a little compared to prior years, with 13,699 acts (2021: 14,037), and the service level remaining above 99%.

To keep pace with projected long-term demand, we are continuing to invest in both pilot recruitment and additional equipment for pilots.

Fourteen trainee pilots joined the PLA in the year, two more than we have been able to train in prior years. In addition, we invested more than £300,000 in portable pilot units, for pilots to use guiding the larger vessels into and out of the port.

Safety of navigation is the organisation's principal undertaking and is set to benefit from further investment to prepare for the projected long-term growth in port trade set out in the *Thames Vision*. The proposed Marine Control Centre at Gravesend will provide a single hub for overseeing safe operations in the UK's busiest port and increasingly complex waterway.

Bob Baker
Chief Harbour Master
3 May 2023



OPPORTUNITIES AND CHALLENGES

This section covers the key opportunities and challenges that the PLA manages and to which we respond. The Governance section of this report provides details of the full array of factors we address through our risk management process.

OPPORTUNITIES

Long-term port trade growth remains a major opportunity for the PLA. The Oxford Economics port trade forecast we commissioned for the review of the *Thames Vision* sets out a median growth expectation at 72 million tonnes by 2050 (2022: 54.9 million tonnes), with the upper limit around 90 million tonnes.

Short- and medium-term investments and developments underline this growth expectation. Major operators in the port, including DPWorld at London Gateway and Forth Ports at Tilbury, continue to make and plan significant investments in their operations. Other operators, including Stolt, Stema, Tarmac, CEMEX and Hanson are shaping their businesses for the long-term, bringing new vessels into their fleets and developing land side facilities.

Thames Freeport is a further boost to prospects. The lead operators – DP World London Gateway, Forth Ports, Ford Motor Company and the PLA – project that Freeport status will underpin the creation of more than £1 billion of investment in new port infrastructure and 21,000 new direct and indirect jobs on its estate.

The emergence of unprecedented levels of interest in the river for moving light freight is a major opportunity for the PLA.

We are working with logistics companies, their customers and others to turn their aspirations into operational reality.

The Thames Tideway Tunnel, the largest project on the river in central London for over a century, will be completed within the next three years. Once operational, its principal long-term benefit will be a cleaner river. During construction, use of the river underpinned investment in vessels, tugs and barges. The scheme's contractor requirements embedded higher standards on the river, a legacy for the future.

The expected long-term growth in activity on the river will result in demand for more skilled people. As the nature of vessel technology and river operations changes, existing workers will need to maintain and upgrade their skills. The establishment of the UK's first Continuing Professional Development programme for inland waterways, developed with the Thames Skills Academy, the Company of Watermen & Lightermen and Thames operators, will help to address this.

The river framework, the *Thames Vision 2050*, sets a clear path for the development of the river and the PLA. The masterplanning process on which we are now embarked will give the broad scope of ambition spatial interpretation at local level. We expect this greater certainty to underpin investment and development of the river as trading hub, destination and natural haven.

As the UK's biggest port by tonnage of goods handled and the largest inland waterways for internal freight movements, on the doorstep of the country's largest concentration of population, there is a major opportunity for the Thames to be central to the development of a decarbonised economy. Operationally, we have a commitment and route to achieve Net Zero by 2040, or earlier.

More broadly, our leading role in the Hydrogen Highway project places us at the forefront of development thinking around hydrogen in the marine environment and we will support the development of alternative fuels infrastructure on the Thames.

CHALLENGES

The challenges for the PLA encompass environmental, economic, technological and social factors.

Climate change is a significant issue facing all ports. In our response we will be mitigating the impacts of climate change, such as sea level rise and increasing extreme weather events. In adapting to climate change we will be working with key partners, including the Environment Agency who are looking at long term flood defence management on the river through their TE2100 programme.

We are recruiting actively to meet the increasing service demands of the growing port. In common with many UK employers, we have found recruitment to be increasingly difficult for specific skills and we remain concerned about the availability of quality candidates over the long-term. So far this has not proved to be problematic in the recruitment of trainee pilots, a major priority for the business.

The business is adjusting to technological change that is expected to advance at pace through the development of new propulsion and other ship technologies, for example. Managing safety in this more complex environment could prove increasingly challenging. Our principal response is scoping the development of a new Marine Control Centre at Gravesend, with flexibility designed in to respond to the changing demands of ship automation over the next 30 years.



Our IT systems are benefiting from significant review and upgrade to ensure robust operations. Cyber security is a major focus, with shipping lines and ports targets for IT system attacks. We are further strengthening the security of our systems and educating users as part of our precautions in this area.

Trade patterns and the make-up of cargo passing through the port is expected to change markedly between now and 2050. The import of fossil fuels for use in transport is a major part of port trade and is expected to reduce significantly; lower volumes of low/zero carbon alternatives are expected to replace them. We will pay close attention to the safety needs for transit and handling of any new fuels.

The PLA has an interest in a number of pension schemes, which provide an exposure to the movement in value of stocks, shares and other investment markets. Following the most recent triennial valuation of the main PLA pension scheme a new, more costly recovery plan has been agreed with the trustees. The scheme is very expensive, although the introduction of a new defined contribution scheme in January 2021 for new joiners has mitigated some of the long-term liability.

Demand for our pilotage service remains strong. To continue meeting the 'on demand' requirements of our customers, we are investing in new pilot recruitment and supporting infrastructure.

The Tideway scheme has presented a navigational safety challenge linked to the operation of 12 construction sites in and alongside the river. As the construction starts to ramp down, we are managing the continuing high level of consenting and other demands with a dedicated major projects statutory consenting team.

In an increasingly busy port and river, use of the finite space available has to be carefully managed. We work to balance the competing demands from trade, travel and recreation. Developments with potential to encroach on usable river space include new crossings and new or expanded windfarms.

In seeking to develop increased renewable energy generation capacity, the UK windfarm sector is expanding. A busy route for navigation to the UK's largest port, the Thames estuary is already home to a number of large windfarm developments.

To ensure unimpeded safe navigational access to the port, all windfarm proposals are subject to careful consideration. We work actively on this with scheme developers, shipping lines, service providers and terminal operators who would be affected.



PLA STRATEGY

Thames Vision 2050 is built around three interconnected themes, centred on the role the river plays for people and the environment.

 <h2>Trading Thames</h2>  <p>The No. 1 Net Zero UK trading hub</p> <p>The country's largest and most competitive port, closest to the UK's biggest market, producing Net Zero emissions. Improved connectivity to road and rail infrastructure. Technologically innovative, expanding the transportation of light freight into central London as urban logistics transform.</p>	 <h2>Destination Thames</h2>  <p>A place to live, visit, play and enjoy</p> <p>Accessible to all, a national and international icon for the city and the country. More visitors, drawn to the river as the best way to enjoy London and the Thames Estuary, and its many cultural attractions. More people from diverse backgrounds enjoying sport and leisure opportunities on the Thames.</p>	 <h2>Natural Thames</h2>  <p>Clean air, water and land supporting diverse wildlife</p> <p>A clean river, free of sewage, waste and other pollution, supporting greater biodiversity and recreational use. Valued for its clean air, natural flood defence, wildlife and as a carbon sink.</p>
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A RESPONSIVE RIVER

The next 25 to 30 years will see substantial change across the economy and society as we transition to a Net Zero society, and deal with the effects of climate change, alongside other opportunities and challenges. With stakeholders, we have agreed five cross cutting priorities for action:

Net Zero	Safety	Resilience	Access & inclusion	Technological change
Transforming the Thames economy	The essential foundation	Robust systems, infrastructure and habitats	An inclusive river, accessible to all	Improving all aspects of performance

STAKEHOLDER BENEFITS

As a Trust Port we provide stakeholders with a range of benefits, alongside discharging our specific duties.

STAKEHOLDERS IDENTIFY OUR MAIN CONTRIBUTIONS ARE IN



THESE ARE UNDERPINNED BY OUR CORE ROLES WORKING WITH



ENGAGING WITH STAKEHOLDERS

As a Trust Port we work closely with our stakeholders in maintaining a safe river, caring for the environment, and promoting use of the Thames.

Department for Transport guidance describes a Trust Port as:

'a valuable asset presently safeguarded by the existing Board, whose duty it is to hand it on in the same or better condition to succeeding generations. This remains the ultimate responsibility of the Board, and future generations remain the ultimate stakeholder.'

In considering the long-term development of the river, the Board has regard to factors including: long-term consequences; how decisions affect our customers, employees and the wider community; minimising environmental impacts and improving the environment wherever possible; reputational implications; and fairly balancing different stakeholder needs.

In running the PLA, the broad stakeholder groups the Board considers are:

- Customers: river users (including operators of seagoing cargo vessels, inland freight vessels, passenger vessels and recreational users), commercial port operators (including the operators of cargo handling facilities) and others (including our licensees, tenants and those to whom we provide third party services)
- Employees
- Local communities and NGOs
- Government, elected representatives, regulators and local authorities

Board members remain in touch with stakeholders' views through engagement, studies and visits including:

- Annual employee engagement study
- Annual stakeholder audit
- Annual stakeholder meeting
- Public meetings
- Site visits
- Customer meetings and feedback

The following tables set out the main types of stakeholders, their areas of interest, our engagement channels and how different Board Committees and the Board of Directors address stakeholder interests.



Areas of interest	Engagement channels	Committee/Board Agenda
CUSTOMERS		
<ul style="list-style-type: none"> Safety performance Financial and operating performance Pricing River masterplanning Business strategy Sustainability 	<ul style="list-style-type: none"> Annual Stakeholder Forum Public meetings Topic specific events – <i>Thames Vision 2050</i> development; environment conference Corporate website (www.pla.co.uk) Annual Report Annual Environment Report Annual stakeholder audit, including Net Promoter Score gauges customers' views Key customer briefings Weekly newsletter: Tidal Thames News Social media Port Infrastructure Group 	<ul style="list-style-type: none"> The Annual Stakeholder Forum provides an opportunity for Board members and customers to meet and have discussions; questions can also be posed in the formal proceedings of the Forum. The Board reviews the findings of the annual stakeholder audit to assess how the organisation is relating to its stakeholders. The broad detail of the audit is bolstered with insights from Board members' one-to-one discussions with key customers. <i>Thames Vision 2050</i> reflects insights from intense stakeholder engagement.
EMPLOYEES		
<ul style="list-style-type: none"> Health, safety and wellbeing Workforce management Career planning Remuneration and pensions provision Training and career development Sustainability 	<ul style="list-style-type: none"> Regular ExCo/staff briefings Line management Corporate website (www.pla.co.uk) Corporate Intranet and SharePoint Monthly staff bulletin Corporate events (eg: Mental Health Day) and corporate competitions Annual employee engagement survey Whistle-blowers' hotline Weekly newsletter: Tidal Thames News Yammer Sports and social activities 	<ul style="list-style-type: none"> The Board considers results of the annual employee engagement survey and/or pulse surveys. The Remuneration Committee is regularly made aware of pay and employment conditions of employees, annually considering these and other factors when determining remuneration. The Board routinely meets staff members during site visits and 'meet the Board' lunches in 2022.
LOCAL COMMUNITIES AND NGOS		
<ul style="list-style-type: none"> Maintenance of river amenity River masterplanning River cleanliness Sustainability 	<ul style="list-style-type: none"> Annual Stakeholder Forum Public meetings Topic specific events – eg: environment conference Corporate website (www.pla.co.uk) Annual Report Annual Environment Report Annual stakeholder audit Weekly newsletter: Tidal Thames News News releases Community education programme partnerships Social media 	<ul style="list-style-type: none"> The Board values effective community engagement as important to our social licence to operate. The Annual Stakeholder Forum provides an opportunity for Board members and community members to meet and have discussions; questions can also be posed in the formal proceedings of the Forum. The Board reviews the findings of the annual stakeholder audit to assess how the organisation is relating to its stakeholders. <i>Thames Vision 2050</i> reflects insights from intense stakeholder engagement.
GOVERNMENT, ELECTED REPRESENTATIVES, REGULATORS AND LOCAL AUTHORITIES		
<ul style="list-style-type: none"> Resilient port operations Economic development Environmental protection Financial and operating performance Business strategy Sustainability 	<ul style="list-style-type: none"> Face-to-face meetings by leadership Periodic updates on key issues, including port performance and <i>Thames Vision</i> Annual Stakeholder Forum Corporate website (www.pla.co.uk) Annual Report Annual Environment Report Annual stakeholder audit Industry bodies Weekly newsletter: Tidal Thames News Social media 	<ul style="list-style-type: none"> As custodians of the tidal Thames, we engage actively with Government, elected representatives and others. The Annual Stakeholder Forum provides an opportunity for Board members and stakeholders to meet and have discussions; questions can also be posed in the formal proceedings of the Forum. The sample for the annual stakeholder audit includes stakeholders in this category. <i>Thames Vision</i> reflects the long-term ambitions for the river and is a key point of interaction with this stakeholder group.

The table below sets out four key Board decisions in 2022 and the manner in which stakeholder views were drawn into the decision-making process.

BOARD DECISIONS AND THEIR IMPACT ON STAKEHOLDERS		
Decision	How we took stakeholders into account	Long-term implications
Thames Vision 2050 development	<ul style="list-style-type: none"> The PLA started reviewing <i>Thames Vision 2035</i> in 2020 and continued stakeholder engagement through 2021 and 2022. Stakeholder engagement was through online webinars (due to the pandemic), complemented by in person events when circumstances allowed. An initial engagement survey generated substantial feedback which fed into the development. Bespoke events were held for specific groups including an evening event with senior representatives from key partners. A formal consultation on the proposed draft in early 2022. The Board discussed the evolving approach to the Vision at several meetings and reviewed feedback through to final publication. 	<ul style="list-style-type: none"> A clear, shared long-term plan for the development of the river. The plan enables partners to make the most of the tidal Thames' potential in the creation of a Net Zero economy. Allied PLA developments, including the development of a new Marine Control Centre, in the wider context of growing port and river operations.
Light freight	<ul style="list-style-type: none"> The PLA has been engaged with stakeholders over light freight prospects for a number of years. Infrastructure needs of light freight have been considered. Specialist reports have been completed into, for example, pier adaptation requirements for light freight. Specialist industry groups have been briefed and views gathered. Pier operators have been consulted. Discussions have been held with riverside residents. 	<ul style="list-style-type: none"> Reduced road congestion, through modal shift. Greater river use. Investment in river infrastructure to support river use. Encouraging more logistics operators to engage with the river as a credible option.
Masterplanning	<ul style="list-style-type: none"> From <i>Thames Vision 2050</i> development discussions, there was support for a local (borough) level articulation of <i>Thames Vision 2050</i>, across trading, destination and natural aspects of the river. A thoroughgoing process, to commence after the <i>Thames Vision 2050</i> launch, progressively along the river, in line with borough local plan development timings. 	<ul style="list-style-type: none"> Support to river users in what is possible in their part of the Thames. Clarity on how the needs of different stakeholders and regulators can be accommodated. Opportunity to embed the river fully in local planning and development processes.
Creation of a single Marine Control Centre	<ul style="list-style-type: none"> To support the growing and increasingly complex port operations projected through the <i>Thames Vision</i> trade forecasts, our Port Control systems need to be updated. Critical stakeholders' needs were central to discussions around development of an improved, resilient operational set-up, with long-term flexibility to adjust to foreseen changes in vessel automation, etc., Plans for the enhanced centre will be the subject of discussion with key internal stakeholders prior to being finalised. 	<ul style="list-style-type: none"> Development of a new Marine Control Centre will set the operation up to handle increasing demand on the busier river. 'Future proofing' the port/river operational and safety oversight for the long-term. Substantial investment in the PLA's core operations, benefiting stakeholders in line with the aspirations set out in <i>Thames Vision 2050</i>.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

WE WILL ACHIEVE OUR NET ZERO TARGET THROUGH A COMBINATION OF ACTIVITIES INCLUDING:



Using biofuel as a transitional solution until suitable zero emission vessels become available



Transitioning to low and zero emission vehicles



Increasing on-site generation of renewable energy



Continuing to identify efficiency measures across our operations



Increasing sequestration of carbon on our land

The PLA has committed to be net zero by 2040 at the latest. Our main emissions sources have been mapped and plans are in place to reduce emissions.

PROGRESS AGAINST TARGET

We made substantial progress on our journey towards net zero in 2022, reducing our Scope 1&2 emissions by 52% from our baseline year of 2014.

This was achieved principally by transitioning our vessel fleet to sustainable biofuels (Hydrotreated Vegetable Oil or HVO from sustainable sources), an interim measure to reduce our emissions, while we work with partners and suppliers on electrification.

We continue to invest in energy efficiency measures. Our marine operations site had all external lights switched from halogen to energy efficient LEDs at the end of 2021; total electricity use on site has fallen by 13% compared to last year. Renewable installations are being investigated on buildings, remote and marine assets for future applications.

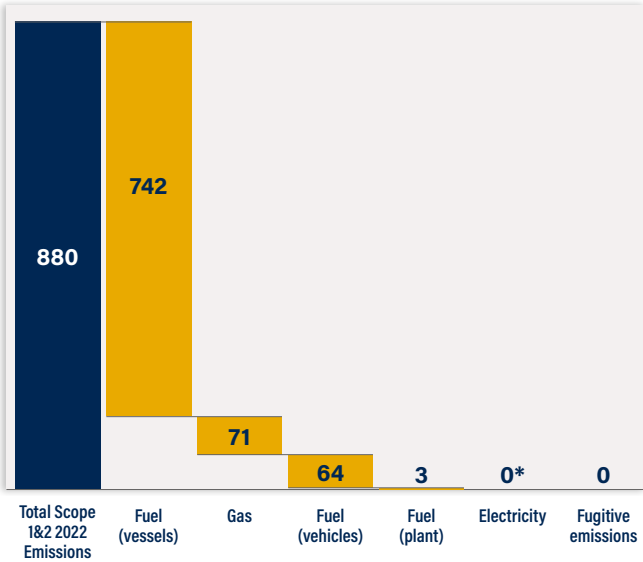
We continue to purchase electricity from a 100% renewable energy tariff, backed by Renewable Energy Guarantees of Origin (REGOs), which the supplier classifies as zero emission. Our solar PV panels at London River House continue to provide renewable energy.

NEXT STEPS

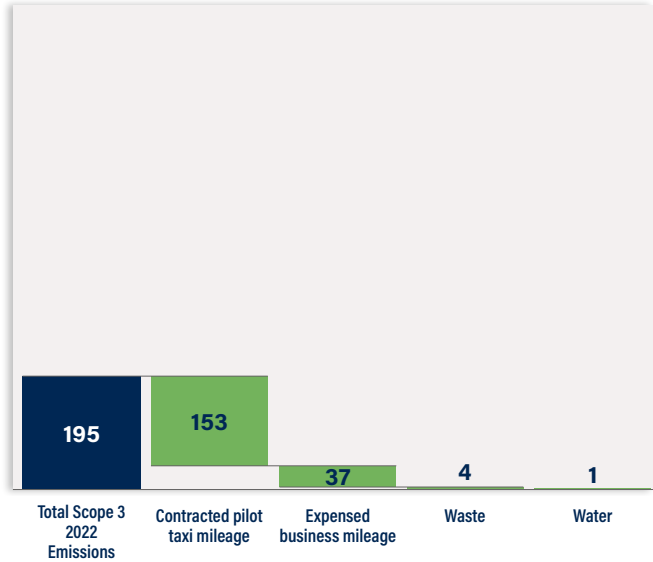
In 2023 we will be refining and expanding our approach to Scope 3 (value chain) emissions reporting and reduction. We are currently reporting on contracted taxi mileage, waste disposal, water consumption, electricity transmission and distribution, and expensed business mileage.

In 2023-24 we will work on understanding and reducing emissions associated with major capital projects, as well as our supply chain more generally. At the same time, we will continue to work with partners across the sector to promote innovation around zero-emissions vessels and explore opportunities to strengthen shore power potential.

TOTAL NET SCOPE 1&2 EMISSIONS (tCO₂e) 2022



TOTAL NET SCOPE 3 EMISSIONS (tCO₂e) 2022



Source of emissions	Consumption				Emissions			
	2014 (baseline year)	2020	2021	2022	2014 (baseline year)	2020	2021	2022
	(MWh)	(MWh)	(MWh)	(MWh)	(tCO ₂ e)	(tCO ₂ e)	(tCO ₂ e)	(tCO ₂ e)
Scope 1 & 2 emissions								
Fuel	7,168	4,945	5,456	5,586	1,747	1,148	1,243	810
Gas	531	441	395	391	98	81	72	71
Fugitive Emissions					-	-	-	-
Scope 1 Total	7,699	5,386	5,851	5,977	1,845	1,229	1,315	881
Electricity	1,949	1,650	1,619	1,703	901	369	344	329
Scope 2 Total	1,949	1,650	1,619	1,703	901	369	344	329
Scope 1 & 2 Total Gross					2,746	1,598	1,659	1,210
Electricity REGO*					-901	-369	-344	-329
Scope 1 & 2 Total Net					1,845	1,229	1,315	881
Scope 3 emissions								
Mileage					202	161	187	191
Water supply and treatment					5	1	2	1
Waste					2	4	2	4
Electricity transmission and distribution	1,949	1,650	1,619	1,703	-	32	30	0
Scope 3 Total					209	197	221	196
All Scopes Total (Net)					2,054	1,427	1,536	1,076

* electricity is rated at zero tonnes for carbon as it is certificated under the Renewable Energy Guarantees of Origin (REGO) scheme which demonstrates it was generated from renewable sources.

CARBON INTENSITY

We have used an intensity ratio based on millions of tonnes of cargo, an appropriate measure for a port as it is an indicator of activity levels. In 2022, 54.9 million tonnes of cargo were received in the port, 3.1 million tonnes more than 2021. This equates to a gross figure of 26.2 t CO₂e per million tonnes of cargo (2021: 36.3 t CO₂e) and a net figure of 19.6 t CO₂e per million tonnes of cargo (2021: 29.7 t CO₂e).

METHODOLOGY

We followed the UK Government Environmental Reporting Guidelines 2019 and the UK government 2022 conversion factors spreadsheet in calculating our 2022 emission figures. Carbon footprint is reported in terms of tonnes of carbon dioxide equivalent CO₂e. This is the tonnage of equivalent carbon emissions generated by the main greenhouse gasses (carbon dioxide, methane, nitrous oxide etc) each of which has a 'Global Warming Potential' factor that is included in the conversion factor.

$$\begin{array}{c} \text{Activity data} \\ \text{(units)} \end{array} \times \begin{array}{c} \text{Emission factor} \\ \text{(kg CO}_{2e} \text{ per unit)} \end{array} = \begin{array}{c} \text{Greenhouse gas} \\ \text{emissions} \\ \text{(kg CO}_{2e} \end{array}$$

PERFORMANCE



RIVER USE 2022

PORT TRADE



PERFORMANCE

Trade through the Port of London reached its highest level in more than two decades last year, with 54.9 million tonnes handled. Throughput was up by 6%, from the 51.8 million tonnes handled in 2021.

Almost half the trade was in containers and unitised cargo, which was up 4% to 24.4 million tonnes. London Gateway handled more than two million TEUs for the first time, consolidating its position as Britain's second biggest container terminal.

Building materials volumes fell by 5%, to 12.4 million tonnes as construction slowed. The largest increase was in oil products, up by 27% to 11.7 million tonnes as travel returned to more normal levels, post pandemic lockdowns.

Long-term growth in port trade is expected, underpinned by investment by terminal operators. Work is underway at DP World London Gateway, on the £300 million plus development of Berth 4.

At the Port of Tilbury, 40 new career positions were created as a result of new business growth working with a global brand in fast moving consumer goods and work continued on new silos and automated storage, consolidating the port's position as the UK's largest import and export grain handling facility.

Stolthaven's latest development project at Dagenham is focused on replacement of the jetty and installation of new, higher capacity lines.

CLdN, the most frequent operator of services from the Thames to the near continent, is adding further services to increase capacity and trialling new environmentally focused vessel technology. Rotor sails have been fitted to vessel, *Delphine*.

In the building materials trade, an important cargo on the Thames, 2022 saw the first call of new dredger, *Hanson Thames*. The vessel is part of wider Hanson investment in its Thames operations, at Dagenham and Victoria Deep Wharf.

Thames Freeport is engaged in active marketing which partners – Forth Ports, London Gateway and Ford Motor Company – expect to underpin ongoing growth.

CARGO HANDLED, MILLION TONNES

2020	47.4
2021	51.8
2022	54.9

RIVER USE 2022

INLAND WATERWAYS FREIGHT



Inland freight movements between terminals on the Thames fell to 2.8 million tonnes, in 2022, down from 3.7 million tonnes in 2021. Volumes declined due to the combined effects of Tideway related traffic slowing and a reduction in the movement of aggregates for construction. Waste volumes moved increased slightly.

Traditional bulk cargoes on the river include waste and construction products. An emerging 'light freight' sector is developing on the river too, around the movement of small packets and parcels. The number of packages moved on the river in 2022 was 87,500 up from 52,300 in 2021.

The longest established river user, Cory, is taking forward plans for Riverside 2, a second Energy from Waste facility at Belvedere. This is allied to an industry-leading decarbonisation project located at the site which has potential to deliver 1.4 million tonnes of CO₂ savings per annum by 2030. At the same time, the company's fleet renewal programme for both tugs and barges continues.

The Tideway project developed at pace through the year. The tunnelling phase concluded in Spring 2022, when a boring machine broke through into the shaft at Chambers Wharf. The tunnel is projected to be operational by 2025. So far, the project's use of the river has saved more than 650,000 heavy goods vehicle trips and around 27,000 tonnes of carbon dioxide emissions.

The £2.6 million programme of essential improvement works at Plaistow and Royal Primrose wharves in Newham was completed. The wharves are now ready for river use again, with Keltbray operational on Plaistow Wharf.

As part of its investment plan, backing river use, the PLA has spent £20 million in site acquisition and improvements readying them for operations. Royal Primrose Wharf is being marketed to operators.

The PLA Investment Strategy is key to the development of light freight potential on the river too. Dartford International Terminal, acquired by the PLA in 2021, has been the downriver base for several light freight trials, the latest with Cross River Partnership (CRP) and GPS Marine, making multiple drop deliveries of stationery and cleaning products, ending at Woods Quay, next to Waterloo Bridge.

Further PLA investment was made acquiring Masthouse Terrace Pier from Canal & River Trust for development as the first pier in the capital with space dedicated to the transportation by river of parcels and other light freight, alongside existing passenger operations. The Isle of Dogs location offers excellent connections to nearby Canary Wharf.

The development of light freight on the Thames is being taken forward with partners, including Cross River Partnership and the Thames Estuary Growth Board.

INLAND WATERWAYS FREIGHT, MILLION TONNES

2020	3.4
2021	3.7
2022	2.8

PASSENGER TRAVEL



The recovery of passenger operations on the Thames continued in 2022, with the number of trips almost doubling to 8.3 million, from 4.5 million trips in 2021.

The new Barking Riverside Pier opened in Spring 2022 as the site developers realise the potential of their Thames-side site. This is the latest pier in the network, extending it further east, and has already welcomed more than 100,000 passengers. Uber Boat by Thames Clippers offered school holiday trial services from Gravesend into the capital, which continue to prove popular.

A number of operators are adopting clean diesel for their services and exploring other cleaner propulsion options. Thames Clippers is expected to take delivery of the UK's first hybrid high speed passenger ferries this year.

Wood's Silverfleet's new base, Woods Quay, won the London West RIBA Regional Award 2022.

PASSENGER JOURNEYS, MILLION

2020	2.7
2021	4.5
2022	8.3

SPORT AND RECREATION



2022 was an important year for Thames sport and recreation, as the Boat Race returned to the river for the first time since the pandemic and the number of club events and competitions returned to normal. The Head of the River races also returned, with some 17,000 competitors taking to the water. The Great River Race was set to return for the first time since 2019. Following the passing of Her Majesty the Queen, the race was replaced with a memorial row in Her Majesty's honour.

With many people who enjoy cruising on the river returning to the Thames after some two years enforced absence, our 2022 pre-season briefing for members of the Tidal Thames Navigators Club was held at the Museum of London Docklands with presentations from the Metropolitan Police Marine Unit, the RNLI, and the PLA.

Active Thames made a strong contribution, its annual grant programme seeing £150,000 contributed to 26 successful applicants; the value of grants offered increased from £90,000 in 2021. *Active Thames* encourages participation in watersports and walking, and the grants focused on groups identified as less likely to be active such as lower socio-economic groups and people with disabilities.

Among those benefiting in 2022 were SilverFit, which aims to promote happier, healthier aging through physical activity, and the South London Scouts, which works with 14-25 year olds and ensures that those from lower socio-economic backgrounds are able to take part in paddling and sailing.

MAJOR SPORTING EVENTS

2020	168
2021	137
2022	569



River navigation and safety



1

Marine incident (no.)

285

Surveys Completed (no.)

Our main responsibility is maintaining the navigation channels in the river and managing safe movement of vessels along 95 miles of the tidal Thames, downstream of Teddington Lock.

We put measures in place to assist safe navigation, including navigation lights and buoys, hydrographic services, pilotage and Vessel Traffic Services control centres at Woolwich and Gravesend, overseeing safe navigation over 400 square miles.

Highlights:

- Marine Safety Plan 2021 – 2024 on target for 10% reduction in serious navigational incidents.
- Significant increase in Near Miss reporting – 88 Near Miss Reports, 80% up on 2021.
- Fourteen pilot trainees joined as part of our continuing investment in the service.
- Sea pilotage service level 98.5% of all ship calls served as booked (2021: 99.1%).
- More than £300,000 was spent on new portable pilotage units, for use on the larger vessels entering the port.
- Continuous professional development (CPD) is set to become mandatory on the Thames from 2024.
- New, modern safety regulations for older Class V passenger vessels approved by Government.



Environmental stewardship



1,076

Carbon emissions
(CO₂ equivalent tonnes)

We conserve and enhance a range of diverse, thriving habitats for many different species of fish, birds, seals and other wildlife alongside the thriving commercial port and river activities.

Our environment team works across an environmental agenda encompassing air quality, carbon emissions, habitats and water quality.

Highlights:

- Carbon generation fell to 1,076 CO₂ equivalent tonnes (2021: 1,537 CO₂ equivalent tonnes).
- Air quality monitors re-located to capture a river-wide perspective, after a period of long-term monitoring at Greenwich to assess the air quality impacts of berthing cruise ships.
- PLA-led Hydrogen Highway project continued, assessing scope to establish a national hydrogen highway network, integrating land, sea and port.
- 274 commercially trading vessels calling on the Thames qualified for the 'green' discount by achieving the required Environmental Ships Index standard; benefitting vessels collectively visited the port 1,070 times.
- Towage operator, Svitzer, named as second Gold member of the Thames Green Scheme, established to encourage inland vessel operators adoption of more environmentally friendly practices.
- All five Environment Fund projects tackling litter and invasive species were completed, positively impacting on the environment and increasing community awareness of environmental issues.



Planning consultation and technical expertise



73

Permanent river works licences (no.)

140

Temporary river works licences (no.)

Our planning and technical expertise is at the heart of our work to promote and facilitate greater use of the river.

This expertise is widely drawn on as we make sure wharves are maintained and reactivated for port use; provide expert advice to people looking to use the river, whether for trade, travel or leisure; and oversee major events on the Thames.

Highlights:

- Work started on the Thames Masterplan, a major *Thames Vision 2050* commitment which will deliver certainty and clarity on opportunity for river users, regulators and local authorities.
- Development of plans for the Thames' first new boatyard in over a century continued to advance, with a prospective tenant secured.
- Applications for consent linked to major projects covered by Development Consent Orders (DCO) and other regimes, included the Thames Tideway Tunnel, the Silvertown Tunnel and DP World London Gateway's Berth 4.
- Two further light freight trials supported, with PLA jetties playing a key role.
- Further work on our Harbour Revision Order (HRO) with stakeholders and the Marine Management Organisation; we are seeking the HRO to modernise the Port of London Act, under which we operate.
- Issue of Thames foreshore permits suspended, after consultation with our partners at the Museum of London and English Heritage, in order to protect the foreshore, imperilled by the increasing level of searching.



Bringing people together and promoting the river



1,149

People attending public meetings (no.)

The river is a hub of activity, whether for trade, travel and sports, and a catalyst for investment.

At the PLA we are uniquely placed to act as the river's advocate and convener for those interested in its use and development. This role sees us continually initiating new partnerships, working to develop established ones and showcasing the river in its broadest sense.

Highlights:

- The final consultation on *Thames Vision 2050* was completed, feedback taken in and the document launched at City Hall in September.
- More than 25,000 people visited *London: Port City*, the major six-month exhibition we supported at the Museum of London Docklands.
- Port Infrastructure Group met three times, highlighting key projects for the ongoing development of the river.
- 120 people joined our sixth Environment Conference, which focused on climate adaptation, with speakers from the Wildlife Trusts, RPSB, British Ports Association and Lloyd's Register Maritime Decarbonisation Hub.
- The second year of the *Active Thames* grant programme saw more than £150,000 worth of support for 24 organisations, promoting access to the river across communities.



PLA in the community



£48.9 million

Stakeholder benefit (£m)

As a Trust Port, we look after the river for the benefit of many stakeholders and, ultimately, future generations.

We are active members of the river and wider communities, generating benefits well beyond those of our core operations. Activity on the river generates Gross Value Added of more than £6 billion annually and supports in excess of 140,000 jobs across port and other operations, tourism and recreation.

Highlights:

- Total value of stakeholder benefit for 2022 totalled £48.9 million in 2022 (2021: £46.1 million).
- More than £300,000 contributed in support for activities, projects and partnerships that directly support charitable and stakeholder goals.
- Thames Explorer Trust (TET) schools outreach reached over 5,000 school children, on 58 separate school visits; teachers consistently rated the sessions as excellent, specifically referring to the coverage of Key Stage 2 National Curriculum objectives in Geography.
- One off donation of £12,000 to support Tilbury Seafarers Centre with installing a playing surface in the centre's basketball court; the surface had fallen into disrepair during COVID lockdowns.
- PLA supported Thames Festival Trust providing admin support essential to delivery of the Reflections tribute to Her Majesty the Queen. The event raised more than £26,000 towards the construction of the new RNLI lifeboat station at Waterloo Bridge.



PLA people



2

Lost Time Incidents

148

Near miss reports and safety observations

The PLA team of more than 400 people provides a rare blend of seafaring and marine expertise, complemented by specialist electrical and marine engineers, planners, civil engineers, hydrographers, environmental and many other experts.

In combination this group supports the 24-hour-a-day operations in the UK's largest port and busiest inland waterway. They work closely with myriad stakeholders to support diverse uses of the river.

Highlights:

- Comprehensive Health, Safety & Wellbeing refresh completed: strategy created by a cross company team.
- 64 new joiners welcomed to the business, including 14 as trainee pilots.
- PLA received Department of Work & Pensions southeast employer 'above and beyond' award for work on the Kickstart programme.
- Two new apprentices joined to undertake Boatmasters qualifications: two upskillers are working through Level 4 engineering qualifications.
- In the annual JobCrowd survey, PLA ranked overall 25th in the top 50 UK employers, and 18th overall for graduates.
- Macmillan coffee morning fundraising supported, and monies raised matched by the PLA.
- *Thames Vision 2050* engagement sessions held within the business, engaging employees in the river development strategy.

STAKEHOLDER BENEFITS

PLA IN THE COMMUNITY	2022 (£)	2021 (£)
Major Charitable Donations		
Thames21	50,000	74,000
Thames Festival Trust	60,000	45,000
Tilbury Seafarers Centre	35,500	44,667
Other Charitable Donations	6,047	7,045
Museum of London Docklands	35,208	32,204
Museum of London Docklands - 2021 Exhibition	0	100,000
Active Thames grants	79,921	47,568
London International Shipping Week	5,000	5,000
Gravesend Rowing Club	0	100,000
British Antarctic survey vessel visit support	0	30,000
Thames Explorer Trust	36,000	0
Environmental Fund Awards	15,800	12,995
Diamond Jubilee <i>Reflections</i> event	10,000	0
Ukraine appeal	10,000	0
Gravesham Borough Council (Town Pier)	4,050	3,875
	347,526	502,354

ACTIVITIES REQUIRED FOR CORE PLA RESPONSIBILITIES WHICH GENERATE WIDER STAKEHOLDER BENEFIT

Archive at Museum of London Docklands	93,647	90,815
River bank maintenance	99,290	92,920
Richmond Lock and Weir	820,021	559,951
	1,012,958	743,686

GOVERNMENT BENEFIT*

Taxation – Pay As You Earn	10,887,698	9,910,292
National Insurance (employer's and employees' elements)	6,048,706	5,285,341
Corporate Taxation and Business Rates	718,665	1,003,868
Total stakeholder benefit to Government	17,655,069	16,199,500

BUSINESS COMMUNITY BENEFIT

Subscriptions to Business Organisations	125,276	104,027
Centre for London Partner forum membership	13,492	12,500
Centre for London conference and event support	0	32,500
Thames Continuous Professional Development scheme	50,000	0
Thames Skills Academy membership	50,000	50,000
	238,768	199,027

EMPLOYEES' BENEFIT

Employee remuneration, pensions costs and benefits	29,641,701	28,450,354
	29,641,701	28,450,354

TOTAL STAKEHOLDER BENEFIT	48,896,022	46,094,922
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* includes 50% Estuary services Limited (ESL) to end March 2021, and 100% on ESL becoming a wholly owned subsidiary and based on business rates plus the current tax charge.

PLA ACTIVITY INDICATORS

AS AT 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS £M	2022	2021	2020
Revenue	78.2	71.3	63.8
Operating surplus	12.2	8.7	4.4
Profit before tax	7.9	11.9	2.6
RIVER NAVIGATION AND SAFETY	2022	2021	2020
Navigational Safety			
Marine incidents	416	336	359
Pilotage Service			
No. of pilotage acts	13,699	14,037	12,715
No. of pilotage delays	165	126	49
Sea pilot acts service level	98.5%	99.1%	99.5%
Total no. of pilotage exemption certificates	135	124	130
New pilotage exemption certificates issued	18	5	3
Hydrographic Surveys			
Surveys Completed	285	338	305
Area surveyed (km ²)	141	186	200
Diving Operations			
Diving operations	19	10	22
Sporting events			
No. of sporting events held on river	569	137	168
ENVIRONMENTAL STEWARDSHIP	2022	2021	2020
Water use (litres)	2,951,000	4,665,000	1,880,000
Rainwater harvesting (Marine House)		144,000	159,000
PLA carbon footprint (CO₂ equivalent tonnes)			
Carbon emissions	1,076	1,537	1,426
PLA Energy Use (kilowatt hours)			
Electricity consumed (all sites)	1,133,217	1,151,301	974,048
Electricity generated	71,823	115,498	62,264
Gas consumed*	390,676	395,283	441,232
PLA waste generation and recycling (tonnes)			
Pre-segregated recyclable	66	50	131
General waste (energy from waste)	28	59	35
Hazardous waste (treatment)	61	5	41
Miscellaneous waste (landfill)	0	0	0
Driftwood recovered (tonnes)			
Tonnage of material recovered from the river	109	127	104
Thames Oil Spill Clearance Association (TOSCA)			
Call outs	19	21	14
Oil encountered (including sheen)	14	10	8
False alarms (nothing found)	5	11	4
Other call outs (safety of life, etc.,)	0	0	9
Harbour Service only call outs	17	18	1
CONVENING STAKEHOLDERS & RIVER ADVOCACY	2022	2021	2020
Stakeholder Meetings			
No. of public meetings held	4	3	1
No. of people attending public meetings	186	308	65
No. of people attending webinars	979	1,275	281
No. of stakeholder forums	1	1	0
No. of people attending stakeholder forums	162	167	0

* estimated

PLA PEOPLE	2022	2021	2020
Personal Health & Safety Statistics			
Lost Time Incidents	2	9	0
Near miss report and safety observations	148	76	146
Workforce Diversity			
% of workforce that are women	16.80	20.90	21.39
% of workforce who are women in senior positions	28.30	29.70	21.28
% total Black, Minority or Ethnic origin*	3.00	3.70	1.70
Customer Feedback			
Positive feedback	17	36	26
Complaints	37	50	37
PLANNING AND TECHNICAL EXPERTISE			
River Works Licences			
Permanent River Works	73	67	76
Temporary River Works	140	95	84
Dredging	42**	25	29
Total	255	187	189
Vessel Licences			
Vessel Licences	325	303	N/A
Permits			
Foreshore permits (including renewals)	1,981	1,751	1,363
Major Projects			
Thames Tideway Tunnel			
Discharges (water to river)	10	7	9
Tidal Works	168	107	123
Total	178	114	132
Tilbury2			
Tidal Works	1	6	14
London Gateway Berth 4			
Tidal Works	15	6	2
Silvertown Tunnel			
Tidal Works	12	14	8

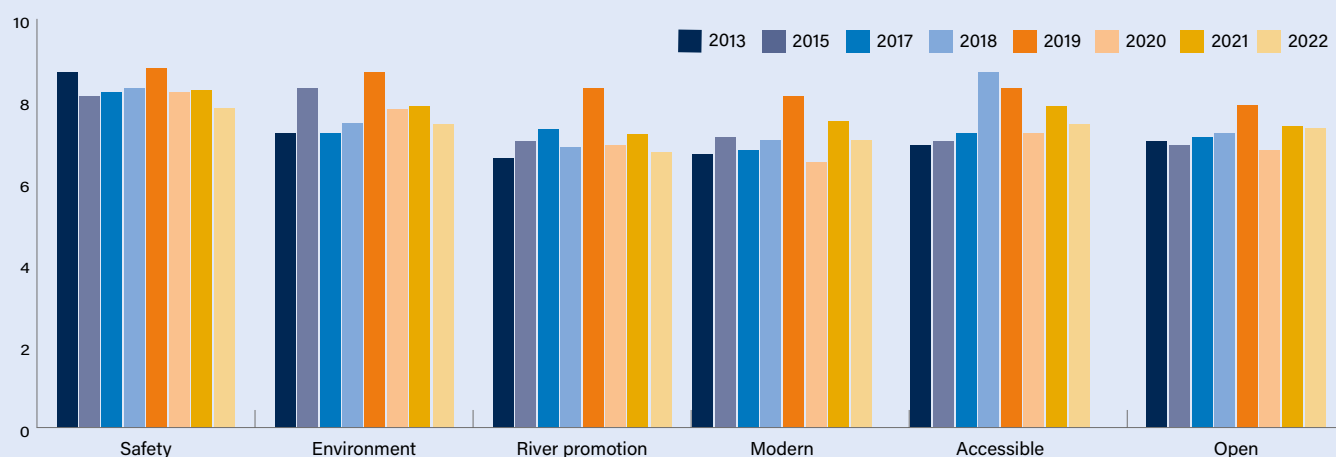
* figure reflects self-declaration in ERP system

**including 14 sample plan requests

ASSESSING OUR PERFORMANCE

Since 2007 we have periodically benchmarked stakeholder views of our performance. Since 2017, this has been completed annually. The graphs show the evolution of views over the last six surveys. In 2020, we appointed a new independent organisation to undertake the survey work, who reached a greater number of stakeholders. The views of this broader group acted to reduce the scores in the survey and generated greater insight on which we are acting.

Score out of 10, with 10 being most positive



PORT TRADE STATISTICS

AS AT 31 DECEMBER 2022

TRADE (million tonnes)	2022	2021
Imports	45.4	43.0
Exports	9.5	8.8
Total	54.9	51.8

UNITISED TRAFFIC '000 twenty-foot equivalent units - (included in above tonnages)	2022	2021
Imports	1,548	1,506
Exports	1,663	1,605
Total	3,211	3,111

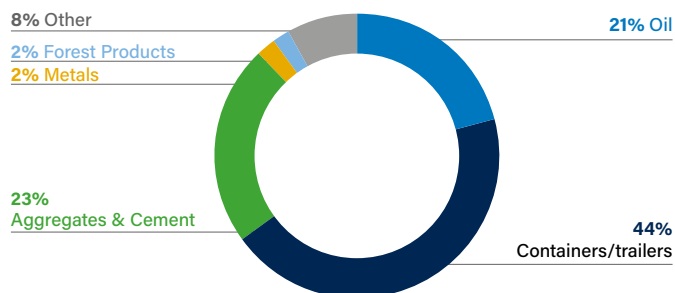
NUMBER OF CHARGEABLE VESSEL ARRIVALS TO THE PORT OF LONDON	2022	2021
Total	10,081	10,055

UNITED KINGDOM PORT TRAFFIC 2021* (MILLION TONNES)

Belfast	18.3
Dover	18.4
Forth	20.9
Felixstowe	22.0
Tees and Hartlepool	25.4
Southampton	31.4
Liverpool	32.6
Milford Haven	38.9
Grimsby and Immingham	49.9
London	54.9

Source: Department for Transport

PORT OF LONDON TRADE BY TYPE 2022



Port of London Total Traffic (Million tonnes)

2006	51.9
2007	52.7
2008	53.0
2009	45.4
2010	48.1
2011	48.8
2012	43.7
2013	43.2
2014	44.5
2015	45.4
2016	50.4
2017	49.9
2018	53.2
2019	54.0
2020	47.4
2021	51.8
2022	54.9

Port of London Fuel Traffic* (Million tonnes)

2006	20.2
2007	20.5
2008	21.7
2009	19.1
2010	19.9
2011	19.1
2012	15.4
2013	13.0
2014	11.9
2015	10.9
2016	13.3
2017	13.6
2018	14.1
2019	13.3
2020	8.9
2021	9.2
2022	11.7

PORT OF LONDON TOTAL TRAFFIC

	IMPORTS million tonnes		EXPORTS million tonnes		TOTAL million tonnes	
	2022	2021	2022	2021	2022	2021
Oil, crude & products	11.5	9.1	0.2	0.1	11.7	9.2
Aggregates & cement	12.4	13.1	0.0	0.0	12.4	13.1
Containers & trailers	16.7	16.3	7.5	6.9	24.2	23.2
Metals & ores	0.4	0.4	0.9	0.9	1.3	1.3
Forest products	1.1	0.9	0.0	0.0	1.1	0.9
Other cargo	3.3	3.2	0.9	0.9	4.2	4.1
TOTAL	45.4	43.0	9.5	8.8	54.9	51.8

The above figures exclude the transport of refuse and other internal port traffic

UNITISED TRAFFIC - (INCLUDED IN ABOVE TONNAGES)

	IMPORTS 000 20-foot equivalent units		EXPORTS 000 20-foot equivalent units		TOTAL 000 20-foot equivalent units	
	2022	2021	2022	2021	2022	2021
Ro/Ro terminals (trailers & containers)	490	493	500	502	990	995
Container terminals	1,058	1,013	1,163	1,103	2,221	2,116
Unitised Total (TEUs)	1,548	1,506	1,663	1,605	3,211	3,111

Port of London Non-fuel Traffic
(Million tonnes)

2006	31.7
2007	32.2
2008	31.3
2009	26.3
2010	28.2
2011	29.7
2012	28.3
2013	30.2
2014	32.6
2015	34.5
2016	37.1
2017	36.3
2018	39.1
2019	40.7
2020	38.5
2021	42.6
2022	43.2

Port of London Unitised Traffic
(Thousand TEUs)

2006	1,699
2007	2,027
2008	2,007
2009	1,672
2010	1,897
2011	1,932
2012	1,899
2013	1,953
2014	2,097
2015	2,378
2016	2,537
2017	2,431
2018	2,735
2019	2,790
2020	2,772
2021	3,111
2022	3,211

REVIEW OF PRINCIPAL RISKS

This statement captures the collective view of the PLA Board and Executive Committee of the principal risks that the business works to manage.

The key risks spread broadly, across safety, operational, economic aspects, cyber security, pandemic and climate change. Reputational risk is not given a separate listing; it is inherent in failing adequately to deal with the key risks identified here.

SAFETY

Numerous mitigation systems are in place on the river, including an effective navigational Safety Management System (SMS), risk assessment/hazard reviews, Vessel Traffic Services (VTS), pilotage, hydrography, Passenger Boat Code of Practice, Automatic Identification System (AIS), RNLI and London Coastguard, special signal lights and speed control byelaws. The PLA also hosts safety orientated initiatives, such as seminars and works closely with security services.

In the context of growing volumes of river traffic, the continued trading of historic passenger boats, with the risk of significant loss of life if one of these vessels was involved in a collision and foundered, has been a major concern. Government approval of Maritime & Coastguard Agency (MCA) technical requirements for older Domestic Passenger Vessels, more comparable with modern regulations, is very welcome. We are publicising the requirements of the new Regulations before they come into force in late 2024.

Personal Health & Safety is a core value of the business, managed through personal responsibility, our Golden Rules – Care, Challenge and Comply – and our safety management system. During 2022 we updated all risk assessments and implemented training for key personnel.

OPERATIONAL

The most significant operational risk to the business would be the closure or partial closure of the port, significantly disrupting or halting operations and trade. There are several possible causes including, but not limited, to:

- collision;
- grounding;
- foundering;
- deliberate terrorist / pressure group action; and
- significant cyber security incident.

Mitigations include effective navigational SMS, risk assessment/hazard review, VTS, pilotage, and hydrography. Historically, we have responded effectively to clearing navigational channels, if engaged to do so; our Marine Services team and the vessel *London Titan* are key to this capability. We also participate in the Thames Security Forum and resilience groups.

ECONOMIC

A fundamental shift in the micro or macro financial environment in which we operate has the greatest potential to impact the Port of London in general, and our finances in particular. This includes changes in trade such as business cessation of a major customer or change in the consumer market, through to national or international economic factors such as a change in global trading patterns, or the impact of climate control.

The global economy continues to adjust to the impacts of the Russian invasion of Ukraine, which started in Spring 2022. These include trade sanctions, with inflation rising rapidly as energy and other commodity prices increase. For the UK, reliance on Russian oil products, particularly diesel, is expected to result in further supply tightening in 2023.

This is a fundamental change in economic conditions, after more than

a decade of low inflation and low interest rates, rising costs along with Government policy to aid recovery from COVID-19 has created increased taxation for businesses.

Debt management protocols are in place and international exposure is minimised as far as is possible. Five-year business plans, as well as an annual forecast and budget exercise, are undertaken.

FINANCIAL

UK economic policy has the potential to reduce the financial performance of the PLA as the country enters recession in 2023. The port's mix of cargoes and diversity of income streams should help to cushion any impacts. We have agile financial plans to adjust our cost base swiftly, and customer communications to help anticipate significant change in sufficient time.

There continues to be a deficit on an actuarial basis on the PLA Pension Fund of £49 million. Updated actuarial assumptions have reduced this deficit; as interest rates rise, liabilities have fallen. We completed the triennial valuation of the scheme during 2022 and have increased the employer deficit repair payments to the satisfaction of the Trustees and employer and provided further contingency in the form of a negative pledge on an asset. The Defined Contribution scheme launched in 2021 has replaced the Defined Benefit scheme for new employees; the Defined Benefit scheme remains open to future accrual and this continues to be a financial liability for the PLA.

The PLA pension scheme had a proportion of its assets in liquidity driven investments (LDIs); the abortive economic plans announced in the UK September 2022 fiscal event created great volatility in the gilts markets which caused a significant cash call on the LDI's. We had sufficient cash to meet the demands and maintained our hedged position throughout this volatile

period. Following this, the pension trustees will be re-evaluating the pension investment strategy to ensure it is fit for purpose.

The Pilots National Pension Fund, a multi-employer scheme, also has a substantial deficit in which the PLA has a share, in the region of 6.8%.

It is a long-term open-ended industry-wide liability over which individual employers have little influence. An industry-wide repair plan is in place which, in common with many ports, is funded by way of a levy on pilotage charges.

We are working with industry bodies and stakeholders to understand the impact of the Seafarers Wages Bill, which will be enacted during 2023. Further guidance and detail on tariffs will be studied closely, to understand the practicalities of enforcement, which will be challenging.

SIGNIFICANT CYBER SECURITY INCIDENT

All businesses face the possibility of a successful cyber security breach. Threats vary in complexity and sophistication and can potentially negatively impact organisations of all sizes. We deploy a range of industry-standard security products, both internally and on our network perimeters. Formal security and IT 'conditions of use' policies are established, which define security standards and acceptable use.

Office-based staff receive security awareness training and guidance on detecting 'phishing' and other malicious emails, and we continue to enhance data governance processes including formalised data retention and classification policies. We continued to increase our technical cyber security measures in 2022 through both hardware and software upgrades.

CLIMATE CHANGE

Climate change is one of the principal risks to which we have to respond. As a port handling more than 10 million tonnes of cargo a year, we voluntarily complete and submit Climate Change Adaptation Reports to Defra, as required under the Climate Change Act 2011.

In responding to climate change, the UK Government has made a legally binding commitment to achieving a Net Zero Carbon economy by 2050. This will result in wholesale change across the economy, and the ports that serve it.

For the PLA major changes that are likely, or potentially likely, to result from this transition include: the long-term switch from oil related cargoes to other forms of energy (currently representing around a quarter of port trade and a major source of income); development of new cargoes; existing vessels' propulsion systems becoming obsolete; need to adopt new technologies; dealing with unforeseen legislative changes; and managing the impact of extreme weather on the business.

In managing this risk, we are implementing a detailed plan to become a Net Zero organisation by 2040. As an immediate measure, we are replacing the fuel in our vessels with bio-fuel, a change that requires few infrastructure adjustments. We are taking further steps to improve the energy efficiency of our buildings in planned refurbishment programmes and will be developing a detailed plan in 2023. The long-term view of the port, *Thames Vision 2050* incorporates themes of decarbonisation, patterns of resilience and developments in vessel autonomy. Oxford Economics produced a forecast for cargo flows into the Port of London, assuming various decarbonisation scenarios, to inform our long-term planning.

PANDEMIC

The outbreak of the coronavirus demonstrated the potential impact of pandemics on the global economy as a whole and operational resilience within transport and logistics. We demonstrated our operational and financial ability to respond to pandemic through 2020 and 2021.

LONG-TERM VIABILITY STATEMENT

The Board has assessed the viability of the company's business plan over a three-year period in detail, taking account of the company's current position and potential impact of the principal risks documented in the corporate risk register.

The Board has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2025.

In making this statement, the Board has considered the resilience of the company, taking account of its current position, the principal risks facing the business in severe, but realistic scenarios and the effectiveness of any mitigating actions. This assessment has considered the potential impacts of these risks on the business model, future performance, solvency and liquidity over the period.

GOVERNANCE



CORPORATE GOVERNANCE REPORT

OUR YEAR

During 2022, the Board focussed the organisation on the following priority areas: health, safety and wellbeing, pilotage, *Thames Vision*, the environment, light freight and Marine Centre transformation.

The Board met eight times in total.

- seven Board meetings (2023 budget meeting took place online)
- one away day

The substantive items we addressed together at the Board included:

- Pilotage
- *Thames Vision*
- Light freight
- Masterplanning
- Environment manifesto for the Thames
- Marine Centre transformation project
- Business plan and 2023 budget
- Priorities for 2023-25

OUR APPROACH

The PLA Board is the duty holder on health and safety and the accountable body for navigational safety under the Port Marine Safety Code (PMSC). Performance is reviewed regularly, with the guidance of our independent designated person, in order to ensure compliance.

The Board's role is to set the strategy for the PLA, ensure its long-term success and create stakeholder value. We have a duty to manage the tidal river Thames in trust for future generations and to pass it on to our successors in an improved condition. As a provider of essential navigational safety services, we must ensure that the organisation is efficient and provides customers with cost-effective services. With no shareholders, we are accountable to stakeholders and value their input in shaping the approach and decisions that we take.

We are committed to maintaining the highest standards of corporate governance and follow the Ports Good Governance Guidance and the UK Corporate Governance Code (where appropriate for a statutory organisation).

As the Board, we regularly receive detailed financial and operational information to allow us to monitor the key areas of the business. Senior managers regularly brief us on various aspects of the PLA's work.

OUR GOVERNANCE STRUCTURE

Eight scheduled Board meetings were held during the year. In addition, the committees of the Board overseeing specific elements of the business met and reported back, as needed. The committees are:

- **A** Audit and Risk Committee
- **L** Licensing Committee
- **N** Nominations Committee
- **P** People and Remuneration Committee
- **I** Investment Committee

A series of short reports on each of the committees starts on page 44.

OUR PEOPLE

The Board is made up of a chair together with six non-executive and three executive members. Jonson Cox CBE joined the board as chair on 4 April 2022, succeeding Christopher Rodrigues CBE.

OUR STAKEHOLDERS

Open communication with our stakeholder community is at the heart of our operations. Consistent with Ports Good Governance Guidance, we hold an Annual Stakeholders' Forum, where stakeholders have an opportunity to meet, hear from, and challenge the Executive and Board. A number of open Public Meetings and River User Consultative Forums are held, giving stakeholders further opportunity for dialogue with the PLA.

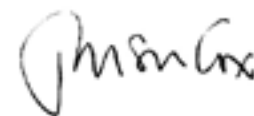
OUR APPROACH TO RISK

We adopt a prudent approach to the management of risk in the business. This is consistent with our prime role, providing an essential safety service to our customers. We are also a commercial organisation and accept some level of risk as a normal consequence of doing business. More details of our approach to risk identification and management can be found on page 36.

BOARD EFFECTIVENESS REVIEW

During December 2021/January 2022, an internal Board evaluation was undertaken as part of the Board's review cycle. A further pulse check review was undertaken in August 2022 in order to obtain interim feedback.

We welcome any comments you may have on this Annual Report – please email your thoughts to corporateaffairs@pla.co.uk



Jonson Cox CBE

Chair

3 May 2023

BOARD MEMBERS

AS AT 31 DECEMBER 2022

NON-EXECUTIVE MEMBERS



**JONSON COX CBE
(DFT)**

Chair

Qualifications: MA(Hons) Economics, Advanced Management Programme, Harvard Business School, USA

Appointed: April 2022

Committee membership:



Jonson has a wide background as CEO and chairman in regulated and commercial infrastructure. He completed a decade as chair of Ofwat in June 2022, after his term was extended three times.

After an early career with Shell, Jonson served as managing director of Yorkshire Water (1996 - 2000) to lead the company out of a significant crisis with its customers and restore Yorkshire Water's high-ranking status in the sector. He returned to the sector for over six years (2004 - 2010), as group CEO at troubled AWG plc. He led the successful turnarounds of underperforming Anglian Water Services and Morrison plc, while recovering the Group from its failed diversifications.

Jonson led the restructuring of UK Coal plc (UKC) as chairman, (2010 - 2012). He secured the value in UKC's property development business for the miners' pension funds and the PPF in creating and listing Harworth plc, where he served as chair from 2012 to 2018. He chaired Cory Group (2015 - 2018), owner of the UK's largest waste-to-energy plant, leading a restructuring and successful sale to infrastructure funds. He serves on the global policy council of I Squared Capital and as a non-executive Director at Energia, the Irish energy group, and at Ovo Energy in the UK. In 2022 he was appointed chair of the Port of London Authority.



**ALUN GRIFFITHS
(PLA)**

Vice Chair

Qualifications: BSc(Hons) Applied Economics

Appointed: September 2014

Committee membership:



Alun Griffiths joined the PLA on 1 September 2014 and was appointed vice chair/senior independent director in 2018.

Alun retired from the board of WS Atkins plc in 2014 and now sits on a number of boards as a non executive director. His portfolio currently includes Severfield plc (the UK's largest steelwork fabricator) where he is senior independent director and chair of the remuneration committee and Ramboll AS (an international engineering consultant headquartered in Copenhagen) where he is member of the board, chair of the transaction committee (overseeing M+A and major bids) and a member of the remuneration committee.

In 2022, he was appointed as an independent board member of the Remuneration Consultants Group, a body established after the Walker Review in 2009 to provide stewardship of the voluntary code of conduct which sets out the role and professional standards for executive remuneration consultants advising premium listed companies.

During his Atkins career, he worked in the UK and internationally in a variety of management consulting, business and corporate roles before becoming group HR director, joining the board in 2007. Alun is a fellow of the Chartered Institute of Personnel and Development.

He has worked extensively across the science and engineering sectors to improve gender diversity at all levels up to and including the boardroom.



**PAULA CARTER
(PLA)**

Non-Executive Director

Qualifications: MA Oxon, JP

Appointed: June 2018

Committee membership:



Paula Carter joined the PLA as a non executive director on 1 June 2018.

She worked for 30 years in broadcasting, most recently as director of planning and board secretary at Channel 4 where she was responsible for all corporate planning. Before joining Channel 4 in 2007 she held senior policy and management roles at the BBC and ITV and worked as an advisor to various government departments, regulators and agencies on communications matters, including the joint Parliamentary committee that scrutinised the Communications Bill in 2002. Before joining the BBC in 1989 she worked in advertising in the UK and New Zealand.

Paula is a non-executive director of the productivity movement "Be the Business", a magistrate on the South East London Bench, chair of Ofcom's Advisory Committee for England and a non-executive director of the RFU. She sits on the disciplinary panel for the Lawn Tennis Association.



**TORIL EIDESVIK
(DFT)**

Non-Executive Director

Qualifications: MA Law

Appointed: September 2020

Committee membership:



Toril Eidesvik was appointed non-executive director of the PLA in September 2020.

She has worked within the shipping industry in various positions since 2006 where she was elected executive chair of the reefer shipping company Green Reefers. She later served as CEO from 2008 to 2012. Toril served as CEO for the general ship supply company Seven Seas and more recently for the cargo handling equipment supplier TTS Group (now Nekkar).

Toril has extensive board experience from several shipping related companies and is presently chair of Munck Cranes and non-executive director of Edda Wind, Eksportfinans and Evoy.

She holds a Master of Law from the University of Oslo, worked as a lawyer for the first nine years of her career, firstly within a private law firm and later within the legal department of a bank.



**SUE MACKENZIE
(PLA)**

Non-Executive Director

Qualifications: BSc (Hons) Agricultural Science (Animal), MSc Emergency Planning Management

Appointed: December 2020

Committee membership:

A

Sue Mackenzie was appointed non-executive member of the Port of London Authority board in December 2020.

Sue brings a wealth of international, commercial shipping operational experience, having served in senior management and advisory roles for both public and private companies for more than 20 years. She held a variety of roles during nearly 13 years at P&O Ferries most recently as operations and business transformation director. Prior to that she was operations director of London Luton Airport at a time of unprecedented growth following the launch of EasyJet.

Sue's early career was spent in military service and not-for-profit sectors both within and outside the UK. After leaving the Army, Sue spent time as chief executive of the charity Cities in Schools, which ran partnership programmes between business and the community to provide education, training and support to disadvantaged young people. Sue currently serves as a non executive director of BMT Group Ltd and Medway NHS Foundation Trust and is also on the board of the Logistics UK.

She has degrees in agricultural science and emergency planning management and has completed the general management programme at Harvard Business School. She is a council member of the National Army Museum and continues to work voluntarily in support of her fellow servicemen and women and is involved as a trustee and / or volunteer of several charities in the UK.



**ADMIRAL SIR PHILIP JONES
GCB DL (DFT)**

Non-Executive Director

Qualifications: BA(Hons), MA (Geography), Mansfield, College, Oxford, Higher Command and Staff Course, Graduate, Joint Service Defence College

Appointed: March 2022

Committee membership:

L

Admiral Sir Philip Jones GCB DL was appointed a non-executive member of the PLA Board in March 2022.

He served as chief of naval staff and First Sea Lord, the professional head of the Royal Navy, from 2016-19. He joined the Royal Navy in 1978, read for a degree in Geography at the University of Oxford, saw active service in the South Atlantic in 1982, qualified as a surface warfare officer and then served in *HM Yacht Britannia*, in three frigates and on the Maritime Battle Staff. His sea commands included the Type 22 frigates *Beaver* (as a commander), and *Coventry* (as a captain), the UK's Amphibious Task Group (as a commodore), UK Maritime Forces and EU Naval Forces for Counter Piracy off Somalia (as a rear admiral), and the Fleet (as a vice admiral).

He also served four times in the Ministry of Defence. He is now a trustee of the Royal United Services Institute for Defence and Security Studies (RUSI) and chair of trustees at the National Museum of the Royal Navy (NMRN). He is a military advisor at BAE Systems and a member of their Maritime and Land sector board.



**JUDITH ARMITT
(DFT)**

Non-Executive Director

Qualifications: MA Philosophy, Politics and Economics, Chartered Institute of Public Finance and Accountancy (CCAB qualified)

Appointed: December 2016

Committee membership:

A (chair)

Judith Armitt was appointed a non-executive member of the Port of London Authority on 1 December 2016.

She retired as chief executive of Local Partnerships LLP in April 2016. Prior to this she worked in the Cabinet Office, was managing director of Ashford's Future Company, Thames Gateway chief executive and chief executive of Medway Council.

Judith is a trustee of the Centre for Engineering and Manufacturing Excellence (CEME), Design: South East, and Pro-chancellor of Canterbury Christ Church University.



**DARREN JAMES
(PLA)**

Non-Executive Director

Qualifications: B Eng(Hons) Civil Engineering; C Eng Chartered Engineer, Member of the Engineering Council, Fellow of the Institution of Civil Engineers, Fellow of the Chartered Institution of Highways and Transportation, Fellow of the Institute of Directors

Appointed: December 2016

Committee membership:

I (chair) **L** **P**

Darren James joined the PLA Board as a non-executive director in December 2016.

Darren James was appointed chief executive of Keltbray Group in April 2020. Prior to this, he spent 30 years at Costain Group PLC starting on their graduate development programme and rising through the ranks to chief operating officer.

An honours graduate in civil engineering from the University of Surrey, Darren has undertaken further postgraduate executive programmes at Harvard, Wharton and London business schools.

A Chartered Civil Engineer, Darren is a Fellow of the Institute of Directors, the Institution of Civil Engineers and Chartered Institution of Highways and Transportation.

Darren is a director of the Rail Industry Association, a member of the Rail Supply Group Council.

EXECUTIVE MEMBERS



ROBIN MORTIMER

Chief Executive

Qualifications: BA(Hons), Modern History, Oxford MA; MSc, Development Studies, School of Oriental and African Studies

Appointed: March 2014

Committee membership:



Robin Mortimer joined the Port of London Authority as chief executive officer on 31 March 2014.

Prior to joining the PLA, Robin had 20 years' experience in the UK Government civil service across a range of Government departments. He was private secretary to the Environment Secretary from 1996-97, Deputy Prime Minister from 1997-98 and to the Transport Secretary from 2001-03. He led the work on the UK Climate Change Bill in 2006 and in 2007, became a director in Defra where he set up the UK's Adapting to Climate Change programme, oversaw the creation of the Canal & River Trust and directed policy on air quality and the natural environment.

Robin is chair of Maritime UK, the umbrella and representative body for the UK maritime industries. He is also chair of Estuary Services Ltd (a PLA subsidiary), a Board Member of the UK Major Ports Group, the Thames Skills Academy and a trustee of Thames 21.

Robin is a director of the Thames Freeport, Thames Estuary Growth Board and has recently been appointed a non-executive director of Red One Ltd, a fire and safety organisation operating in the industrial and maritime sectors



JULIE TANKARD

Chief Financial Officer

Qualifications: FCMA (Fellow Chartered Institute of Management Accountants), GCMA (Global Chartered Management Accountant)

Appointed: October 2017

Committee membership:

Julie Tankard, chief financial officer was appointed in October 2017. Julie is a fellow of the Chartered Institute of Management Accountants and has over 30 years' experience in finance and commercial roles. Her current role covers finance, commercial, IT, estates and legal.

Prior to joining the PLA, Julie was a vice president at BT plc and has held a number of senior finance positions in other organisations. Julie has also been a non-executive director of a mental health trust in Leeds and York.

Julie is a non-executive director and chairman of the audit committee for F&C Investment Trust plc, is a FTSE 100 company. She is also a member of the Industrial Development Advisory Board (IDAB), a statutory body which advises the Secretary of State on large business and industrial investment and or intervention decisions being considered by Government.



ROBERT BAKER

Chief Harbour Master

Qualifications: MBA and Master Mariner

Appointed: May 2016

Committee membership:



Bob Baker became PLA chief harbour master in May 2016.

He is responsible for all operational and navigational matters including vessel traffic management, pilotage, harbour services and port security. Bob joined the PLA from Forth Ports, where he was chief harbour master and a director of Forth Estuary Towage from 2001. Bob's seagoing career lasted from 1975 to 1991, before he came ashore to work at the Port of Tilbury, latterly as general manager, conventional operations and harbour master.

Bob chairs the UKMPG/BPA Marine Pilot Working Group, he was the UK's representative on the Marine Affairs Committee of the European Sea Ports organisation (ESPO) and is a past president of the UK Harbour Masters Association. He holds an MBA from Henley Management College.

MANAGEMENT EXECUTIVE COMMITTEE

Chief Executive
ROBIN MORTIMER

Chief Financial Officer
JULIE TANKARD

Chief Harbour Master
ROBERT BAKER

Director of Corporate Affairs
ALISTAIR GALE

Director of Sustainable Marine Operations
STEVEN CLAPPERTON

Director of Planning & Development
JAMES TRIMMER

Director of Human Resources
KAREN FULLER
(Glenn Witham retired on 30 September 2022)

SUMMARY STATISTICS

AS AT 31 DECEMBER 2022

The Board is made up of a chair together with six non-executive and three executive members. There were ten members of the PLA Board as at 30 March 2023.

Attendance at the eight meetings of the PLA Board in 2022 (including away day and approval of the 2023 budget via video conference) was as follows:

CHRISTOPHER RODRIGUES CBE (term expired on 31 March 2022)	2
JONSON COX CBE (term commenced on 4 April 2022)	5
ROBIN MORTIMER	8
JULIE TANKARD	7
ROBERT BAKER	8
ALUN GRIFFITHS	8
ADMIRAL SIR PHILIP JONES GCB DL (term commenced on 7 March 2022)	6
DARREN JAMES (term expired on 31 December 2022)	7
JUDITH ARMITT (term expired on 31 December 2022)	8
PAULA CARTER	8
TORIL EIDESVIK	8
SUE MACKENZIE	8

The following committees of the Board also met during 2022:

Audit and Risk	3
Nominations	2
Licensing	3
People and Remuneration	5
Investment	1

Committee memberships are listed in the Board members' biographies and in the following short reports on each committee.

COMMITTEES

AS AT 31 DECEMBER 2022

	A	L
COMMITTEE:	AUDIT AND RISK	LICENSING
TIMES MET:	Three	Three
CURRENT MEMBERSHIP:	Judith Armitt (chair) Paula Carter Sue Mackenzie	Alun Griffiths (chair) Robin Mortimer Robert Baker Philip Jones
THE COMMITTEE'S ROLE IS TO:	<ul style="list-style-type: none">• advise on the appointment/re-appointment/removal of auditors, their terms of engagement and their level of remuneration• review the scope and the results of the annual audit and report to the Board on the effectiveness of the audit process• review and recommend the annual report and accounts to the Board• monitor the internal and external audit programme and consider the conclusions of audits undertaken• review the effectiveness of the risk management system• review the arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other matters• review the slavery and human trafficking statement and policy annually.	<ul style="list-style-type: none">• approve the processes for administration of the licensing of works• determine any application considered contentious or significant• determine any proposal to suspend or revoke a licence, take enforcement action or impose a condition contentious or significant• approve the granting and appropriate terms, excluding financial, of any leases of PLA land• approve the use of powers under the Town & Country Planning (General Permitted Development) Order.
PRINCIPAL ITEMS DISCUSSED DURING 2022:	<ul style="list-style-type: none">• Willis Towers Watson report• annual report and accounts• Ernst & Young's audit and planning report• slavery and human trafficking policy and statement – annual review• risk management• KPMG audit – finance and procurement internal controls• annual review of historic investments• Estuary Services Limited review – performance and governance• bad debt write-off – annual review• GDPR – annual review of protection measures• Pilots National Pensions Fund (PNPF)• tax• whistleblowing• London Gateway dredge update.	<ul style="list-style-type: none">• licence applications• IDOX• Thames Tideway Tunnel• Piers.

N

NOMINATIONS

Two

Jonson Cox (chair)
Alun Griffiths
additional non-executive director, if required

- recommend to the Board the appointment and reappointment of non-executive directors considering the need for diversity
- advise on the expertise required when a vacancy arises
- recommend to the Board the appointment of a vice chair/senior independent director.

- non-executive director recruitment – Audit and Risk Committee chair
- Board skills matrix
- non-executive director succession 2022/23.

P

PEOPLE & REMUNERATION

Five

Alun Griffiths (chair)
Jonson Cox
Toril Eidesvik

- consider and recommend to the Board the remuneration terms for the organisation, including executive and non-executive directors
- succession planning of directors and the senior management team
- oversight of staff development, talent management and organisation culture.

- pay review
- pay negotiations
- Board fees
- succession planning
- review of ExCo and management group performance
- terms of reference.

I

INVESTMENT

One

Darren James (chair)
Jonson Cox
Toril Eidesvik
Robin Mortimer

- review investment proposals and make recommendations to the Board
- carry out post implementation reviews.

- existing projects update
- opportunities
- update on projects in development.

FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Revenue	3	78,241	71,378
Operating expenditure	3	(66,040)	(62,648)
Operating profit	3, 5	12,201	8,730
Share of profit from joint venture	14	0	219
Gain from investment property revaluation	7	126	8,284
Negative goodwill on purchase of ESL	15	0	141
Finance income	8	576	527
Finance expense	8	(2,250)	(178)
Interest on defined benefits pension scheme	8	(86)	(879)
Profit before taxation		10,567	16,844
Income tax expense	9	(2,702)	(4,906)
Profit for the financial year		7,865	11,938

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

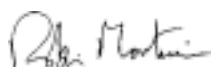
	Note	2022 £000	2021 £000
Profit for the year		7,865	11,938
Other comprehensive income			
Other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit plans	27	(19,659)	55,705
Deferred tax	9	4,915	(13,355)
Share of joint venture's other comprehensive income (net of tax)	14	0	103
Other comprehensive (expense) / income not to be reclassified to profit or loss in subsequent periods		(14,744)	42,453
Total comprehensive income for the year		(6,879)	54,391

CONSOLIDATED AND COMPANY BALANCE SHEETS

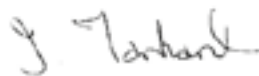
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 £000	2021 £000	2022 £000	2021 £000
Non-current assets					
Intangible assets	10	1,038	1,325	943	1,223
Leased assets	11	1,616	1,760	1,420	1,556
Property, plant and equipment	12	50,788	50,165	47,359	46,746
Investment property	13	97,157	96,343	97,157	96,343
Subsidiary companies	15	0	0	1,553	1,553
Loans	20	527	0	527	0
Deferred tax asset	9	6,606	3,106	6,580	3,075
		157,732	152,699	155,539	150,496
Current assets					
Inventories		441	396	441	396
Corporation & other tax		101	0	101	0
Trade and other receivables	16	11,213	8,112	11,028	7,953
Prepayments and other current assets		1,938	1,757	1,826	1,683
Cash	18	11,047	12,013	8,719	10,005
Short-term cash investments	18	10,000	11,000	10,000	11,000
Pooled investments	19	11,890	13,782	11,890	13,782
Loans	20	0	48	0	48
		46,630	47,108	44,005	44,867
Total assets		204,362	199,807	199,544	195,363
Current liabilities					
Trade and other payables	21	7,389	7,456	7,391	7,550
Corporation & other tax	21	280	965	0	652
Deferred revenue	23	2,053	2,711	2,053	2,711
Lease liabilities	24	252	233	232	214
Provisions	25	726	693	726	693
		10,700	12,058	10,402	11,820
Non-current liabilities					
Deferred revenue	23	1,410	1,517	1,410	1,517
Lease liabilities	24	1,547	1,751	1,356	1,559
Provisions	25	6,025	7,603	6,025	7,603
Deferred tax liability	9	20,717	20,010	20,195	19,485
Net defined benefit pension liabilities	27	25,016	11,042	24,917	10,917
		54,715	41,923	53,903	41,081
Total liabilities		65,651	53,981	64,541	52,901
Equity					
Profit and loss reserve		138,947	145,826	135,239	142,462
Total liabilities and equity		204,362	199,807	199,544	195,363

These financial statements, which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes were approved by the Board of members on 18 April 2023 and were signed on its behalf on 3 May 2023.



R J D MORTIMER
Chief Executive



J TANKARD
Chief Financial Officer

CONSOLIDATED AND COMPANY STATEMENTS OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 £000	2021 £000	2022 £000	2021 £000
Operating activities					
Profit before tax		10,567	16,844	9,825	15,508
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant & equipment and leased assets	5	3,445	3,306	3,142	3,079
Amortisation and impairment of intangible assets	5	365	427	358	388
(Gain) / (loss) on disposal of intangible assets, property, plant and equipment	5	(31)	(119)	(31)	27
Investment property	7	(126)	(8,284)	(126)	(8,284)
Gain finance income	8	(576)	(527)	(576)	(527)
Finance costs	8	2,336	1,057	2,330	1,029
Share of profit from joint venture	14	0	(219)	0	0
Provisions movements	25	(1,829)	(1,641)	(1,829)	(1,641)
Movements in net defined benefit pension liabilities	27	(5,772)	(1,917)	(5,436)	(1,649)
Contract asset	17	0	802	0	802
Goodwill	15	0	(141)	0	0
Working capital adjustments:					
(Increase) / Decrease in prepayments, trade and other receivables	16	(3,282)	389	(3,218)	328
(Increase) / Decrease in inventories		(45)	18	(45)	18
(Decrease) / Increase in deferred revenue, trade and other payables	21 / 23	(829)	870	(924)	866
		4,223	10,865	3,470	9,944
Net interest received		648	422	640	422
Net income tax (paid)		(1,370)	(127)	(1,250)	(99)
Net cash flows from operating activities		3,501	11,160	2,860	10,267
Investing activities					
Proceeds from sales of intangible assets, property, plant and equipment		84	146	84	0
Proceeds from sales of investment property	13	340	0	340	0
Purchase of intangible assets, property, plant and equipment		(4,000)	(3,593)	(3,712)	(3,530)
Purchase of investment property	13	(1,028)	(9,580)	(1,028)	(9,580)
Purchase of subsidiary	15	0	(1,550)	0	(1,550)
Loans	20	(479)	(48)	(479)	(48)
Net cash flows used in investing activities		(5,083)	(14,625)	(4,795)	(14,708)
Financing activities					
Principal payments for leases	24	(312)	(293)	(287)	(270)
Lease interest payments		(72)	(67)	(64)	(67)
		(384)	(360)	(351)	(337)
Net (decrease) in cash and cash short term investments	18	(1,966)	(3,825)	(2,286)	(4,778)
Cash and cash short term investments at 1 January		23,013	25,783	21,005	25,783
ESL cash at 30 March 2021	14	0	1,055	0	0
Cash and cash short term investments at 31 December	18	21,047	23,013	18,719	21,005

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Group	Profit and loss reserve £000
At 1 January 2021	91,435
Total comprehensive income	54,391
At 31 December 2021	145,826
Total comprehensive income	(6,879)
At 31 December 2022	138,947

Company	Profit and loss reserve £000
At 1 January 2021	90,136
Total comprehensive income	52,326
At 31 December 2021	142,462
Total comprehensive income	(7,223)
At 31 December 2022	135,239

Profit and loss reserves represent the cumulative total comprehensive income attributable to the Group and Company to the end of the year.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

CORPORATE INFORMATION

The consolidated financial statements of the Port of London Authority (PLA) and its subsidiaries (collectively, the Group) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of members on 18 April 2023. PLA (the Company and the parent) is constituted under the Port of London Act 1968 as subsequently amended by other Acts and Harbour Revision Orders. It is controlled by a Board of members domiciled in the United Kingdom including a Chairman who is appointed by the Secretary of State for Transport. The main trading address of the PLA is located at London River House, Royal Pier Road, Gravesend in Kent.

The Group was established for the purpose of administering, preserving and improving the Port of London as set forth in the Port of London Act 1968 as amended. Information on the Group's structure is provided below. Information on other related party relationships of the Group and Company is provided in Note 29.

The consolidated financial statements of the Group include:

Name	Principal activities	% equity interest	
		2022	2021
PORT OF LONDON AUTHORITY (PLA)		100	100
Country of incorporation: United Kingdom			
Registered Office: London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG			
Principal activities			
– Providing Pilotage services;			
– Operating a Vessel Traffic Service;			
– River works licenses, Rentals;			
– Moorings;			
– Hydrographic surveying;			
– Dredging; and			
– Providing aids to navigation.			
Estuary Services Ltd (ESL)		100	100
Country of incorporation: United Kingdom			
Registered Office: London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG			
Principal activities			
– Boarding & landing of pilots			
PORT OF LONDON PROPERTIES LIMITED (POLP)		100	100
Country of incorporation: United Kingdom			
Registered Office: London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG			
Principal activities			
– Management of property interests - non trading in 2022/2021. Dissolved 7 March 2023.			

The Group held a 50% interest in Estuary Services Limited (ESL) until 30 March 2021 when following a buy out it became a 100% subsidiary of the PLA. Until 30 March 2021 the financial statements reflected this interest in the accounts in accordance with the equity method as further described below and in Note 14. From 30th March 2021 ESL has been fully consolidated in the financial statements.

BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with UK adopted International Accounting Standards.

The Group and Company financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£000), except where otherwise indicated.

The company has taken advantage of Section 408 of the Companies Act 2006 exemption from presenting its own Income Statement and Statement of Other Comprehensive Income. The Company profit for the year amounted to £7,288,000 (2021 £10,969,000).

GOING CONCERN BASIS OF PREPARATION

The Board has a reasonable expectation that the company has adequate resources for a period of 12 months from the date of approval of the financial statements and has therefore assessed that the going concern basis of accounting is appropriate in preparing the financial statements and that there are no material uncertainties to disclose. This conclusion is based on a review of the resources available to the company, taking account of the company's financial projections, together with available cash and commitments as well as consideration of the company's capital adequacy and any material uncertainties. In reaching this conclusion, the Board has considered the magnitude of potential impacts resulting from uncertain future events or changes in conditions, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the Board would consider undertaking. The challenging economic climate and global challenge of the continuing war in the Ukraine have been considered in our assessment of the level of business disruption and the sensitivity of our trading numbers. We have prepared a cashflow analysis over the period to 31 December 2024 for scenarios of 10% and 20% reduction in income. The PLA management are reviewing the situation regularly and ready to put in place actions to reduce costs and delay capital projects to conserve cash if necessary.

BASIS OF CONSOLIDATION

The Group financial statements comprise the financial statements of the Company and its wholly owned subsidiaries as at 31 December 2022.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the going concern basis. A summary of the more important accounting policies, which have been applied consistently unless indicated to the contrary, is set out below.

(a) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of property

Revenue from the sale of property is recognised when control has passed to the buyer.

The Group regularly makes sales of parts of the foreshore, river bed and airspace above it. These sales are considered by the Board to be a core part of the Group's operational activities. The Group recognises these sales within revenue, typically upon completion of a contract.

Lease income

Operating lease income is recognised on a straight line basis over the period covered by the lease or licence. Contingent rents are recognised as revenue in the period in which they are earned.

Rendering of services and recognition of royalties

Conservancy charges on vessels are recognised as revenue in accordance with the date that the vessel enters or leaves the Port limits. Pilotage income is recognised as revenue on the commencement of a Pilotage act. Services provided such as diving, salvage, hydrographic is recognised as revenue as the service is provided. Landfill royalties are recognised as revenue in accordance with the date the material is deposited. All other income is recognised as the service is provided.

(c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended and borrowing costs for long-term construction projects if the borrowing costs are directly attributable to the acquisition, construction or production of an asset. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection or overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the Income Statement as incurred. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided on all assets except land. Depreciation is on a straight line basis over their estimated useful economic lives. Buildings, dredging and river structures have a life up to a maximum of 50 years while floating craft and plant and equipment have a life up to 30 years. Depreciation commences when the assets are completed and available for their intended use.

The estimated useful lives, residual values and depreciation methods of property, plant and equipment are reviewed annually. Changes made are accounted for prospectively as changes in estimates.

(e) Investment Property

Property is classified as investment property if:

- it is not occupied by the Group or used by the Group for operational purposes.
- it is held to earn rental income, capital appreciation or both

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. We obtain an independent valuation at least every 5 years, with a management valuation for all other years. Both management and internal valuations are based on Red Book valuation principles. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Property is transferred between categories when there is evidence of a change of use. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(f) Leases

The group has a number of lease contracts for property and vehicles. At the commencement date of the lease, the group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term using a discount rate of 3.5%. The lease payments include fixed payments less any incentives receivable. Depreciation and the interest for these leases are charged to the Income Statement and the asset and liability included on the balance sheet.

(g) Intangible Assets

Intangible assets are initially measured at cost. Subsequently, the intangible assets are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for the intangible assets are reviewed at least at the end of each reporting period. Lives range up to a maximum of 10 years for software and 50 years for a licence to deposit dredging materials. Amortisation commences when the assets are completed and available for their intended use.

(h) Goodwill

Negative goodwill relating to a bargain purchase is recognised in the income statement.

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value.

Loans and receivables

Loans are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Trade Receivables

The PLA has a specific debt provision for debts deemed unlikely to be repaid but are still being chased. This also includes debts related to companies that are in administration. In addition the IFRS9 simplified approach has been used to calculate the expected credit loss in 2022 (2021 was immaterial).

Financial liabilities

Initial recognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Inventory consists of spare parts and consumable items.

(k) Cash, cash investments and pooled investments

Cash includes short term investments which mature in less than 3 months. Cash investments are for between three and twelve months and are available immediately but with penalty. Pooled investments are recognised at fair value and can be sold without notice and penalty.

(l) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

(m) Pensions and other post-employment benefits

Defined Benefit Schemes

The Group operates defined benefit plans in the UK, which require contributions to be made to separately administered funds. The costs of providing benefits under the defined benefit plans are determined separately for each plan using the projected unit credit method and are based on actuarial advice.

Re-measurements, comprising of actuarial gains, the effect of the asset ceiling and losses and the return on plan assets (excluding net interest) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to the Consolidated Income Statement in subsequent periods. Past service costs are recognised in the Consolidated Income Statement at the date of the plan amendment or curtailment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined obligation under 'operating expenditure' in the Consolidated Income Statement:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

The defined benefit pension asset or liability in the Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

Defined Contribution Schemes

Contributions to defined contribution schemes are recognised in the Consolidated Income Statement in the period in which they become payable.

(n) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(o) Government Grants

Government grants received are accounted for as a deduction in the reported related expense. Income received in advance of the related expenditure is included in deferred revenue in the balance sheet.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. The following summarises the significant judgements and estimates.

(a) Defined benefit plans (pension benefits) – estimates

The costs of the defined benefit pension plans and the present value of the pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 27 for principal assumptions.

(b) Claims related to time operating docks Provision – estimates

The provision is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ to actual developments in the future. These include the determination of the discount rate, the number of future claims, the amount of future claims and the timing of future claims. Due to the complexities

5. GROUP OPERATING PROFIT

Operating profit is stated after charging:

		2022 £000	2021 £000
Auditors' remuneration	– audit of the financial statements	147	128
	– audit of the Group pension schemes	38	29
		185	157
Gain on disposal of intangible assets, property, plant and equipment	– owned assets	(31)	(119)
Amortisation and impairment of leased assets	– leased assets	251	247
Depreciation and impairment of property, plant and equipment	– owned assets	3,194	3,064
Amortisation and impairment of intangible assets	– owned assets	365	388

6. GROUP EMPLOYEE BENEFITS EXPENSE

Group Employee Benefits Expense

		2022 £000	2021 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:			
Wages and salaries		31,688	29,312
Social security costs		3,823	3,489
Pensions costs		8,466	8,084
		43,977	40,885
Staff severance		80	204
		44,057	41,089

Group

	Number	Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations	333	348
Administration	120	103
	453	451

Company Employee Benefits Expense

		2022 £000	2021 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:			
Wages and salaries		30,174	28,261
Social security costs		3,675	3,383
Pensions costs		8,283	8,026
		42,132	39,670
Staff severance		80	204
		42,212	39,874

Company

	Number	Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations	300	313
Administration	115	99
	415	412

A Government grant of £7,735 was received in 2022 (2021 £73,966) to fund the employment of 13 young people for 6 months (Kickstart Scheme). This income was offset against the payroll costs including the associated payroll administration costs.

Company Pay ratio reporting

All listed companies are required to disclose the pay ratio between the CEO and the median pay of other employees. Although we are not a listed company, in line with best practice, we are publishing the ratio of CEO pay, using the single figure for total CEO remuneration. The ratios of CEO pay, compared to the total remuneration of full-time equivalent employees are: 8:1 for the 25th percentile; 5:1 for the median and 2:1 for the 75th percentile. By comparison, the CEO to median pay ratio for FTSE100 companies in 2021 was reported as 67:1.*

We have a generic "spot salary" system applying to all staff, under which either one-off or consolidated payments can be awarded, up to 10% based on performance, job weight and skills and that this extends to senior managers. Under the senior managers group bonus system it is possible to receive a bonus of up to 10% of salary, for exceptional performance, over and above meeting their objectives for the year. All senior manager bonuses are subject to a formal appraisal process measured against smart objectives which are reviewed and assessed by the Executive Team and approved by the Remuneration Committee. Executive team performance and pay is approved by the Remuneration Committee which is a sub committee of the Board.

*CIPD report: Executive pay 2021: review of FTSE 100 executive pay packages

Company Board members' remuneration

There is a Remuneration Committee of the Board which operates within agreed terms of reference. It is comprised entirely of Non-Executive Board members. The Committee determines the remuneration and other conditions of service of the executive members of the Board. From time to time it also considers proposals regarding senior management remuneration which may be referred to the Committee by the Chairman. The Committee may, and on occasion does, seek advice from independent consultants. The executive members of the Board make recommendations to the Board in respect of the non-executive members' remuneration. The remuneration Committee decide the remuneration. The following table shows a breakdown of the remuneration for individual Board members:

	Salary and fees		Bonuses For Period		Taxable benefits		Total	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Executive members:								
R J D Mortimer	247,419	236,113	25,242	24,111	5,332	3,879	277,993	264,103
J Tankard	172,538	164,745	17,866	17,086	4,073	3,879	194,477	185,710
R Baker	159,242	152,082	13,529	15,820	3,258	3,103	176,029	171,005
Non-executive members:								
J Cox (Chair - appointed 4/4/2022)	63,042	0	0	0	0	0	63,042	0
C J Rodrigues (Chairman - resigned 4/4/2022)	23,500	94,000	0	0	0	0	23,500	94,000
A H Griffiths (Vice Chairman)	36,600	36,600	0	0	0	0	36,600	36,600
I Moncrieff (Resigned 31/12/2021)	0	30,800	0	0	0	0	0	30,800
J J Armit	30,800	30,800	0	0	0	0	30,800	30,800
D G James	30,800	30,800	0	0	0	0	30,800	30,800
P Carter	30,800	30,800	0	0	0	0	30,800	30,800
T Eidesvik	26,800	26,800	0	0	0	0	26,800	26,800
S Mackenzie	26,800	26,800	0	0	0	0	26,800	26,800
P Jones (Appointed 7/3/2022)	25,170	0	0	0	0	0	25,170	0
	873,511	860,340	56,637	57,017	12,663	10,861	942,811	928,218

Pension entitlement

All executive Board members participate in the PLA's funded defined benefit pension scheme. Under the scheme, members are entitled to a pension based on their service and final pensionable salary subject to HMRC limits. The accrued pension of the highest paid Board member under the funded defined benefit scheme at 31 December 2022 was £21,567 per annum (2021 £19,229). The total pension for the Board members under the funded defined benefit scheme at 31 December 2022 was £49,641 (2021 £38,305).

No pension contributions were made in respect of the non-executive Board members and no pension benefits accrue to them.

7. GROUP & COMPANY INVESTMENT PROPERTY REVALUATION

	Note	2022 £000	2021 £000
Increase on fair value of investment properties in income statement		1,660	8,354
Decrease on fair value of investment properties in income statement		(1,534)	(70)
Gain from investment property revaluation in Income Statement	13	126	8,284

All investment properties were revalued with the gain included in the income statement.

8. FINANCE INCOME AND EXPENSE

Group

Finance income

	2022 £000	2021 £000
Interest income on short-term deposits	172	16
Interest on pooled investments	378	327
Pooled investments gains	0	169
Other interest	26	15
Total finance income	576	527

Finance expense

	2022 £000	2021 £000
Interest on loans and borrowings	0	4
Lease liability interest	(72)	(75)
Net interest on defined benefit pension schemes (see note 27)	(86)	(879)
Unwinding of discount and effect of changes in discount rate on provisions (see note 25)	(286)	(107)
Pooled investments losses	(1,892)	0
Total finance expense	(2,336)	(1,057)

Company

Finance income

	2022 £000	2021 £000
Interest income on short-term deposits	172	16
Interest on pooled investments	378	327
Pooled investments gains	0	169
Other interest	26	15
Total finance income	576	527

Finance expense

	2022 £000	2021 £000
Interest on loans and borrowings	0	4
Lease liability interest	(64)	(75)
Net interest on defined benefit pension schemes (see note 27)	(87)	(879)
Unwinding of discount and effect of changes in discount rate on provisions (see note 25)	(286)	(107)
Pooled investments losses	(1,892)	0
Total finance expense	(2,329)	(1,057)

9. GROUP INCOME TAX

(a) Tax on profit

	2022 £000	2021 £000
Current income tax:		
Current income tax charge on profit for the year	755	1,216
Current tax prior year adjustment	(176)	(203)
Total current tax	579	1,013
Deferred tax:		
Current year deferred tax	1,439	2,343
Deferred tax prior year adjustment	226	274
Effect of changes in tax rates	458	1,276
Total deferred tax	2,123	3,893
Income tax expense reported in the Consolidated Income Statement	2,702	4,906
Deferred tax related to items recognised in Other Comprehensive Income during the year	(4,915)	13,355
Income tax expense charged to the Consolidated Statement of Other Comprehensive Income	(4,915)	13,355

(b) Reconciliation of tax expense:

	2022 £000	2021 £000
Profit before income tax	10,567	16,844
At the UK's statutory corporate income tax rate of 19%	2,019	3,200
Adjustments in respect of current income tax of previous years	44	71
Effects of:		
Share of profit of joint venture (to 30 March 2021)	0	(42)
Non-deductible expenses for tax purposes	114	161
Effect of changes in tax rates	437	1,276
Other	88	240
Income tax expense reported in the Consolidated Income Statement for the year	2,702	4,906

(c) Deferred tax

Group	Balance Sheet	
	2022 £000	2021 £000
Deferred tax assets relating to net defined benefit pension liabilities	6,269	2,761
Accelerated depreciation for tax purposes	(4,206)	(3,531)
Revaluation of Land	(16,511)	(16,479)
Other temporary differences	337	345
Net deferred tax (liability)	(14,111)	(16,904)
Reflected in the Balance Sheet as follows:		
Deferred tax assets	6,606	3,106
Deferred tax liabilities	(20,717)	(20,010)
Net deferred tax (liability)	(14,111)	(16,904)

	2022	2021
	£000	£000
Reconciliation of net deferred tax (Liability)		
At 1 January	(16,904)	301
Tax expense during the year recognised in the Consolidated Income Statement	(2,123)	(3,874)
Recognised in Other Comprehensive Income	4,915	(13,331)
At 31 December	(14,111)	(16,904)

Company	Balance Sheet	
	2022	2021
	£000	£000
Deferred tax assets relating to net defined benefit pension liabilities	6,243	2,730
Accelerated depreciation for tax purposes	(3,684)	(3,006)
Revaluation of Land	(16,511)	(16,479)
Other temporary differences	337	345
Net deferred tax (liability)	(13,615)	(16,410)

Reflected in the Balance Sheet as follows:

Deferred tax assets	6,580	3,075
Deferred tax liabilities	(20,195)	(19,485)
Net deferred tax (liability)	(13,615)	(16,410)

	2022	2021
	£000	£000
Reconciliation of net deferred tax (Liability)		
At 1 January	(16,410)	301
Tax expense during the year recognised in the Consolidated Income Statement	(2,041)	(3,645)
Recognised in Other Comprehensive Income	4,837	(13,066)
At 31 December	(13,615)	(16,410)

The Group has calculated the deferred tax at a rate of 19% until 1 April 2023 when tax rate increases to 25%. The deferred tax has been fully recognised based on forecasted profits for the next 10 years. There is no unrecognised deferred tax (2021 £0).

The Group has gross capital losses carried forward of £992,000 (2021 £992,000) that may be available for offset against future capital gains that arise in the Group.

10. INTANGIBLE ASSETS

Group	Software £000	Licences £000	Other £000	Total £000
Cost				
At 1 January 2021	4,449	508	0	4,957
Additions	94	0	107	201
Disposals	(96)	0	0	(96)
At 31 December 2021	4,447	508	107	5,062
Additions	78	0	0	78
Disposals	(285)	0	0	(285)
At 31 December 2022	4,240	508	107	4,855
Amortisation				
At 1 January 2021	3,279	158	0	3,437
Charge for year	373	15	5	393
Eliminated on disposals	(93)	0	0	(93)
At 31 December 2021	3,559	173	5	3,737
Charge for year	343	15	7	365
Eliminated on disposals	(285)	0	0	(285)
At 31 December 2022	3,617	188	12	3,817
Net book value at 31 December 2022	623	320	95	1,038
Net book value at 31 December 2021	888	335	102	1,325
Company				
Cost				
At 1 January 2021	4,449	508	0	4,957
Additions	94	0	0	94
Disposals	(96)	0	0	(96)
At 31 December 2021	4,447	508	0	4,955
Additions	78	0	0	78
Disposals	(285)	0	0	(285)
At 31 December 2022	4,240	508	0	4,748
Amortisation				
At 1 January 2021	3,279	158	0	3,437
Charge for year	373	15	0	388
Eliminated on disposals	(93)	0	0	(93)
At 31 December 2021	3,559	173	0	3,732
Charge for year	343	15	0	358
Eliminated on disposals	(285)	0	0	(285)
At 31 December 2022	3,617	188	0	3,805
Net book value at 31 December 2022	623	320	0	943
Net book value at 31 December 2021	888	335	0	1,223

The Group has a 50 year licence with effect from 3 July 2000, granted by the Royal Society for the Protection of Birds, to deposit dredging materials on land at Rainham, Essex.

Assets under development not yet being amortised amounted to £233,000 (2021 £278,000).

11. LEASED ASSETS

Group	Property £000	Equipment £000	Total £000
Cost			
At 1 January 2021	2,109	60	2,169
Remeasurement of index linked leases	30	0	30
Additions	210	30	240
Disposals	(5)	0	(5)
At 1 January 2022	2,344	90	2,434
Remeasurement of index linked leases	14	0	14
Additions	52	41	93
At 31 December 2022	2,410	131	2,541
Amortisation			
Net book value at 1 January 2021	392	35	427
Charge for year	226	21	247
At 1 January 2021	618	56	674
Charge for year	226	25	251
At 31 December 2022	844	81	925
Net book value at 31 December 2022	1,566	50	1,616
At 31 December 2021	1,726	34	1,760
Company	Property £000	Equipment £000	Total £000
Cost			
At 1 January 2021	2,109	60	2,169
Remeasurement of index linked leases	30	0	30
Additions	0	12	12
Disposals	(5)	0	(5)
At 1 January 2022	2,134	72	2,206
Remeasurement of index linked leases	(3)	0	(3)
Additions	52	41	93
At 31 December 2022	2,183	113	2,296
Amortisation			
Net book value at 1 January 2021	392	35	427
Charge for year	206	17	223
At 1 January 2022	598	52	650
Charge for year	206	20	226
At 31 December 2022	804	72	876
Net book value at 31 December 2022	1,379	41	1,420
At 31 December 2021	1,536	20	1,556

12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings £000	Dredging £000	River structures £000	Floating craft £000	Plant and equipment £000	Total £000
Cost						
At 1 January 2021	17,898	20,692	11,501	15,982	26,284	92,357
Assets acquire with ESL at fair value	0	0	0	3,291	74	3,365
Additions	137	0	1,804	383	1,374	3,698
Disposals	(293)	0	(75)	(836)	(2,247)	(3,451)
At 31 December 2021	17,742	20,692	13,230	18,820	25,485	95,969
Additions	502	0	921	445	2,054	3,922
Disposals	(70)	0	0	(265)	(1,303)	(1,638)
At 31 December 2022	18,174	20,692	14,151	19,000	26,236	98,253
Depreciation						
At 1 January 2021	8,426	5,660	8,823	7,248	16,009	46,166
Charge for year	527	370	390	705	1,072	3,064
Eliminated on disposals	(283)	0	(62)	(836)	(2,245)	(3,426)
At 31 December 2021	8,670	6,030	9,151	7,117	14,836	45,804
Charge for year	432	370	419	807	1,166	3,194
Eliminated on disposals	(18)	0	0	(212)	(1,303)	(1,533)
At 31 December 2022	9,084	6,400	9,570	7,712	14,699	47,465
Net book value at 31 December 2022	9,090	14,292	4,581	11,288	11,537	50,788
Net book value at 31 December 2021	9,072	14,662	4,079	11,703	10,649	50,165

Company	Land and buildings £000	Dredging £000	River structures £000	Floating craft £000	Plant and equipment £000	Total £000
Cost						
At 1 January 2021	17,898	20,692	11,501	15,982	26,284	92,357
Additions	137	0	1,804	128	1,367	3,436
Disposals	(293)	0	(75)	(6)	(2,236)	(2,610)
At 31 December 2021	17,742	20,692	13,230	16,104	25,415	93,183
Additions	502	0	921	158	2,053	3,634
Disposals	(70)	0	0	(265)	(1,303)	(1,633)
At 31 December 2022	18,174	20,692	14,151	15,997	26,165	95,179
Depreciation						
At 1 January 2021	8,426	5,660	8,823	7,248	16,009	46,166
Charge for year	527	370	390	543	1,026	2,856
Eliminated on disposals	(283)	0	(62)	(6)	(2,234)	(2,585)
At 31 December 2021	8,670	6,030	9,151	7,785	14,801	46,437
Charge for year	432	370	419	539	1,156	2,916
Eliminated on disposals	(18)	0	0	(212)	(1,303)	(1,533)
At 31 December 2022	9,084	6,400	9,570	8,112	14,654	47,820
Net book value at 31 December 2022	9,090	14,292	4,581	7,885	11,511	47,359
Net book value at 31 December 2021	9,072	14,662	4,079	8,319	10,614	46,746

Assets under construction not yet being depreciated amounted to £2,734,000 (2021 £4,198,000). Assets under construction include Land & buildings of £0.6 million (2021 £0.4m), floating crafts £0.1 million (2021 £0.3m) and plant & equipment £1.1 million (2021 £1.6m) and river structures of £0.9 million (2021 £1.9m).

Assets under construction for ESL of £240,000 (2021 £50,000).

13. INVESTMENT PROPERTY

Group and Company	£000
At 1 January 2021	78,480
Additions	9,580
Fair value movement to income statement	8,283
At 31 December 2021	96,343
Additions	1,028
Disposals	(340)
Fair value movement to income statement	126
At 31 December 2022	97,157

One investment property was disposed off in 2022. No new investment properties were purchased during 2022 (one in 2021), the additions relate to capital work undertaken on two of the properties.

14. INTEREST IN JOINT VENTURE

Until the 30th March 2021, the Group had a 50% interest in Estuary Services Limited, a jointly controlled entity involved in launch services, together with shore support services, for the boarding and landing of pilots. The Group's interest in Estuary Services Limited for 1st January to 30 March 2021 was accounted for using the equity method in the consolidated income statements. Summarised income statement, comprehensive income statement and balance sheet of the joint venture is set out below.

	30 Mar 2021 Joint Venture £000
Summarised Balance Sheet of Estuary Services Limited (joint venture)	
Non-current assets	4,103
Current assets:	
Cash and cash equivalents	1,054
Prepayments	127
Trade and other receivables	464
	5,748
Current liabilities	(421)
Non-current liabilities	(2,086)
Equity	3,241
Proportion of the Group's ownership	50%
Carrying amount of the investment	1,620

	1 Jan to 30 Mar 2021 £000
Summarised Income Statement of Estuary Services Limited (joint venture)	
Revenue	968
Cost of sales	(832)
Finance costs	(7)
Fair value gains recognised prior to acquisition	356
Profit on ordinary activities before taxation	485
Income tax expense	(47)
Profit for the year	438
Group's share of profit	219

	1 Jan to 30 Mar 2021 £000
Summarised Statement of Other Comprehensive Income of Estuary Services Limited	
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>	
Remeasurement of defined benefit scheme	255
Movement in deferred tax relating to defined benefit pension scheme	(48)
Total other comprehensive income	207
Group's share of Other Comprehensive Income	103

On 30th March 2021, PLA acquired 100% of ESL. IFRS 3 states that when a business combination is achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In line with IFRS3 the equity interest previously held in the joint venture ESL was treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly it was remeasured to its acquisition-date fair value, and the resulting gain compared to its carrying amount was recognised in the income statement and comprehensive income within share of joint venture profit.

15. SUBSIDIARY COMPANIES

Company	£000
At 31 December 2020	3
Acquisition 30th March 2021	1,550
At 31 December 2021 & 31 December 2022	1,553

The Company previously held a 50% interest in the joint venture Estuary Services Limited (ESL) with the Port of Sheerness Ltd. On 30th March 2021 the Company acquired the Port of Sheerness's 50% equity in ESL for £1 consideration together with a conditional dividend of £1,550,000 paid out of ESL to the Port of Sheerness on the same date. ESL is a pilot boarding and landing service with 71% of its revenue from business with the PLA. 100% acquisition of ESL was viewed as needed to control a key part of the PLA's essential function of providing pilotage services.

The ESL balance sheet at 30 March 2021 gives details of major classes of assets acquired and liabilities assumed as well as and the fair value of receivables, see note 14. The ESL Income statement and other Comprehensive income statement at 30 March 2021, give the fair value of the equity held by PLA immediately before acquisition, see Note 14. The remeasurement to fair value at 30th March 2021 resulted in negative goodwill of £141,000 which was recognised in the group income statement. The negative goodwill pertains to the bargain purchase nature of the transaction. The structure of ESL before acquisition and the value of services that ESL provided to PLA, enabled PLA to transact at a favourable price.

	£000
Carrying value of ESL at 30 March 2021	2,643
Fair value adjustments	598
ESL fair value of net assets at 30 March 2021	3,241
Equity Value	3,100
(Negative goodwill) in 2021 income statement	(141)

Included in 2021 statements for ESL since acquisition date	2021 £000
Revenue	1,077
Profit after tax in Income Statement	610
Profit after tax in Comprehensive Income Statement	1,602

Group revenue and profit in 2021 if ESL had been acquired at 1st January 2021	2021 £000
Revenue	71,862
Profit after tax in Income Statement	12,157
Profit after tax in Comprehensive Income Statement	54,713

Port of London Properties Limited (POLP)

POLP was non trading in 2021 & 2022. POLP was dissolved 7 March 2023.

16. TRADE RECEIVABLES

(a) Receivables (current)

Group	2022 £000	2021 £000
Trade receivables	11,213	8,112
	11,213	8,112

Company	2022 £000	2021 £000
Trade receivables	11,028	7,953
	11,028	7,953

For terms and conditions relating to related party receivables, refer to Note 29.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

As at 31 December 2022, trade receivables of £846,000 (2021 £830,000) were provided for. See below for the movements in the provision for impairment of receivables.

Group	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2021	945	121	1,066
(Released) during the year	(115)	(121)	(236)
At 31 December 2021 and 1 January 2022	830	0	830
(Released) / arising during the year	(21)	37	16
At 31 December 2022	809	37	846

As at 31 December, the ageing analysis of trade receivables is, as follows:

Group	Neither past due		Past due but not impaired				
	Total £000	nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91-120 days £000	>120 days £000
2022	11,213	5,201	3,567	1,460	657	240	88
2021	8,112	3,075	3,573	1,207	254	1	2

As at 31 December 2022, total trade receivables of £846,000 (2021 £830,000) were provided for. Trade receivables collectively impaired in 2022 were derived using IFRS9 simplified approach to calculate the expected credit loss (2022 trade receivables were not collectively repaired as was not material).

Company	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2021	945	121	1,066
(Released) during the year	(115)	(121)	(236)
At 31 December 2021 and 1 January 2022	830	0	830
(Released) / arising during the year	(21)	37	16
At 31 December 2022	809	37	846

As at 31 December, the ageing analysis of trade receivables is, as follows:

Company	Neither past due		Past due but not impaired				
	Total £000	nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91-120 days £000	>120 days £000
2022	11,028	5,034	3,559	1,454	656	237	88
2021	7,953	2,921	3,570	1,205	254	1	2

See Note 22 on the credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither part due nor impaired. Trade receivables collectively impaired in 2022 were derived using IFRS9 simplified approach to calculate the expected credit loss (2022 trade receivables were not collectively repaired as was not material).

(b) Other receivables - group

There are no other receivables in 2022 (nil in 2021).

17. CONTRACT ASSETS

Group and Company	2022 £000	2021 £000
At 1 January	0	802
Additions during the year	0	467
Invoiced during the year	0	(1,269)
At 31 December	0	0

In 2020 PLA entered into a Maintenance Dredge service agreement with London Gateway. The contract asset at 1 January 2021 related to work undertaken not invoiced to London Gateway. At 31 December 2021 London Gateway had fully paid for the asset.

18. CASH

For the purpose of the statement of cash flows, cash comprise the following at 31 December:

Group	2022 £000	2021 £000
Cash	11,047	12,013
Cash short-term investments	10,000	11,000
	21,047	23,013

Company	2022 £000	2021 £000
Cash	8,719	10,005
Cash short-term investments	10,000	11,000
	18,719	21,005

Cash short-term investments are with various banks for varying periods between three and twelve months. As the short-term investments are available immediately without penalty they have been included as cash and cash short term investments in the cash flow statement.

19. POOLED INVESTMENTS

The group and company have the following pooled investments. These are valued at fair value as at 31 December 2022. Any gain or loss in the year on these investments is recognised in the income statement, see note 7.

Group and Company	2022 £000	2021 £000
Gilts with Insight Investments	1,440	1,968
Equities with Invesco	1,699	1,817
Multi-asset credit funds with M&G and PIMCO	8,751	9,997
	11,890	13,782

20. LOANS

Group and Company	2022	2021
	£000	£000
At 1 January	48	0
Additions during the year	479	48
At 31 December	527	48
Receivable:		
Within one year	0	48
In the second to fifth year inclusive	0	0
After five years	527	0
	527	48

During the year a loan was made to a third party which was an addition to the amount loaned to the same third party in 2021. Repayment of the loan is 20 years from November 2021.

21. TRADE AND OTHER PAYABLES

Group	Note	2022	2021
		£000	£000
Trade payables		2,075	1,807
Corporation tax		82	771
Other taxation and social security		198	194
Other creditors		1,093	1,946
Accruals		4,221	3,703
Total		7,669	8,421
Company	Note	2022	2021
		£000	£000
Trade payables		2,215	2,016
Corporation tax		0	652
Other creditors		1,020	1,884
Accruals		4,156	3,650
Total		7,391	8,202

Group and Company trade payables are non-interest bearing and are normally settled within 30-day terms.

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group has a structured approach to risk management, which involves a broad cross-section of employees. Risk awareness and control are paramount and the Board reviews the risk register periodically. The PLA Board receives assurance from the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The PLA Board reviews and agrees policies for managing each of these risks, which are summarised below.

The Group's financial liabilities relate to trade and other payables (Note 21). The main purpose of these financial liabilities is to support the Group's operations and objectives. The Group's principal financial assets include trade and other receivables, loans and cash and short-term deposits that derive directly from its operations.

Categories of financial instruments:

Group	Fair value		Book value	
	2022 £000	2021 £000	2022 £000	2021 £000
Financial Assets				
<i>Loans and receivables:</i>				
Loans	527	48	527	48
Trade and other receivables	11,213	8,112	11,213	8,112
<i>At fair value through profit and loss:</i>				
Cash and short-term deposits	21,047	23,013	21,047	23,013
Pooled Investments	11,890	13,782	11,890	13,782
Total	44,677	44,955	44,677	44,955
Financial Liabilities				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	(7,389)	(7,456)	(7,389)	(7,456)
Leases	(1,799)	(1,984)	(1,799)	(1,984)
Total	35,489	35,515	35,489	35,515

Company	Fair value		Book value	
	2022 £000	2021 £000	2022 £000	2021 £000
Financial Assets				
<i>Loans and receivables:</i>				
Loans	527	48	527	48
Trade and other receivables	11,028	7,953	11,028	7,953
<i>At fair value through profit and loss:</i>				
Cash and short-term deposits	18,719	21,005	18,719	21,005
Pooled Investments	11,890	13,782	11,890	13,782
Total	42,164	42,788	42,164	42,788
Financial Liabilities				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	(7,391)	(7,550)	(7,391)	(7,550)
Leases	(1,588)	(1,773)	(1,588)	(1,773)
Total	33,185	33,465	33,185	33,465

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market is limited to changes in interest receivable on short term deposits as it does not hold any long-term debt obligations. The Group's exposure to interest rate risk is as follows:

	Group and Company		Company	
	Increase/decrease in basis points	Effect on profit before tax £000	Increase/decrease in basis points	Effect on profit before tax £000
2022	+/- 1%	210	+/- 1%	187
2021	+/- 1%	230	+/- 1%	210

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (trade receivables), cash and investments.

Loan

Repayment of the loan is 20 years from November 2021. Risk of default is small as this is part of a much bigger project with guarantees in place.

Trade receivables (current)

Outstanding customer receivables are regularly monitored. At 31 December 2022, the Company had 20 customers (2021 13 customers) that owed the Company more than £100,000 each and accounted for approximately 49% (2021 55%) of all the receivables outstanding. There were 0 customers (2021 0 customers) with balances greater than £1 million.

ESL's customer receivables other than PLA, are mostly one company Port of Sheerness Ltd. At 31 December 2022 the Port of Sheerness owed ESL £147,000 (2021 £104,000) which was 30% of all receivables (2021 26%). At 31 December 2022 the Port of London owed ESL £301,000 (2021 £296,000) which was 62% of all receivables (2021 74%). Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in Note 22. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Customers are continually monitored to ensure invoices are settled within terms.

Cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's senior management. Investments of surplus funds are made only with approved counterparties with a minimum short term rating published by Standard and Poor's of A1 and by Moody's of P1 and with a maximum of no more than £5m with any single institution. Management does not seek to invest surplus funds for greater than a year and only invests in highly liquid investments (money-market deposits).

Pooled investments

The Company has invested in a mixture of pooled investment funds which were approved by the Board. They are reasonably liquid, requiring a maximum of 6 months notice and targeting a 4% return. The Company has utilised the existing governance from the pension advisory committee who have oversight and scrutiny of the funds.

Liquidity Risk

The Group's objective is use of its cash to self-fund its projects and initiatives. As such, it strives to protect its cash and is risk adverse when investing its cash.

The tables below summarise the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments.

Group	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Year ended 31 December 2022						
Lease payments	0	71	242	691	1,162	2,166
Trade and other payables	0	7,389	0	0	0	7,389
	0	7,460	242	691	1,162	9,555
Year ended 31 December 2021						
Lease payments	0	66	230	843	1,291	2,430
Trade and other payables	0	7,456	0	0	0	7,456
	0	7,522	230	843	1,291	9,886
Company						
Company	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Year ended 31 December 2022						
Lease payments	0	64	222	598	1,046	1,930
Trade and other payables	0	7,391	0	0	0	7,391
	0	7,455	222	598	1,046	9,321
Year ended 31 December 2021						
Lease payments	0	60	210	739	1,159	2,168
Trade and other payables	0	7,550	0	0	0	7,550
	0	7,610	210	739	1,159	9,718

23. DEFERRED REVENUE

Group and Company	2022 £000	2021 £000
At 1 January	4,228	5,071
Amortisation released to the consolidated income statement	(107)	(107)
Movement in other deferred revenue during the year	(658)	(736)
At 31 December	3,463	4,228
Current	2,053	2,711
Non-current	1,410	1,517
	3,463	4,228

Deferred revenue includes lump sum payments received in relation to the London Array windfarm and Royal Terrace Pier which are being recognised over the contract term.

24. LEASED LIABILITIES

Group	2022 £000	2021 £000
At 1 January	1,984	1,940
Additions during year	41	236
Disposals during year	0	(5)
Revaluation	14	30
Undiscounted lease payments	(312)	(292)
Interest	72	75
	1,799	1,984
Payable:		
Within one year	252	233
In the second to fifth year inclusive	504	637
After five years	1,043	1,114
	1,799	1,984

Company	2022 £000	2021 £000
At 1 January	1,773	1,938
Additions during year	41	12
Disposals during year	0	(5)
Revaluation	(3)	31
Undiscounted lease payments	(287)	(270)
Interest	64	67
	1,588	1,773
Payable:		
Within one year	232	214
In the second to fifth year inclusive	430	559
After five years	926	1,000
	1,588	1,773

25. PROVISIONS

Total Provisions

Group and Company	2022 £000	2021 £000
At 1 January	8,296	9,847
Utilised during the year	(296)	(500)
Unwinding of discount	286	108
(Released) / arising during the year	(1,535)	(1,159)
At 31 December	6,751	8,296
Payable:		
Within one year	726	693
In the second to fifth year inclusive	2,178	3,008
After five years	3,847	4,595
	6,751	8,296

Claims related to time operating docks Group and Company	2022 £000	2021 £000
At 1 January	7,324	8,819
Utilised during the year	(296)	(289)
Unwinding of discount	286	108
(Released) during the year	(813)	(1,314)
At 31 December	6,501	7,324
Payable:		
Within one year	476	493
In the second to fifth year inclusive	2,178	2,236
After five years	3,847	4,595
	6,501	7,324

The Group continues to receive claims which relate to the time during which it operated docks and was involved in cargo handling. An actuarial estimate as at 31 December 2022 of the duration, number and value of these claims has been made and provided for in the financial statements using risk-free yield curves published by the Bank of England to discount the results. It is expected that the provision will be utilised over a period of around 30 years.

A quantitative summary analysis for significant assumptions at 31 December 2022 is shown below:

Assumptions

Total provision basis:	£000
Undiscounted	7,994
Discounted @ risk free rate - 2% *	7,642
Discounted @ risk free rate	6,501
Discounted @ risk free rate + 2%	5,626

* Discount rates are subject to a floor of 0%.

Other Provisions

	Property Related Provision Group and Company		HMRC Provision Group and Company	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 January	772	772	0	256
Utilised during the year	0	(150)	0	(61)
Arising / (released) during the year	(772)	150	0	(195)
At 31 December	0	772	0	0
Payable:				
In the second to fifth year inclusive	0	772	0	0
	0	772	0	0

Other Provisions

	Legal Provision Group and Company	
	2022 £000	2021 £000
At 1 January	200	0
Arising during the year	50	200
At 31 December	250	200
Payable:		
Within one year	250	200
	250	200

The property related provision was based on external advice regarding the next business rates review. It was released in 2022 following agreement of the rateable value upon which cumulo rates are charged.

The HMRC provision in 2021 related to an HMRC investigation which was closed in 2021.

The legal provision relates to two outstanding cases against the PLA.

26. COMMITMENTS AND CONTINGENCIES

Operating lease and licence commitments - Group and Company as lessor

The Group and Company act as lessors for certain areas of land and equipment. The majority are licences which have an average life of 1 to 6 months. The minimum future lease rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 are as follows:

	2022			2021		
	Land and buildings £000	Equipment £000	Total £000	Land and buildings £000	Equipment £000	Total £000
Total commitments under non-cancellable operating leases expiring:						
Within one year	4,898	300	5,198	4,291	300	4,591
In the second to fifth year inclusive	3,730	0	3,730	3,544	0	3,544
Over five years	25,146	0	25,146	25,848	0	25,848
	33,774	300	34,074	33,683	300	33,983

Capital commitments Group and Company

	2022 £000	2021 £000
Capital expenditure which has been contracted for but which has not been provided for in the accounts	2,078	2,191

Capital commitments Company

	2022 £000	2021 £000
Capital expenditure which has been contracted for but which has not been provided for in the accounts	719	2,191

Contingent liabilities Group and Company

The Company has contingent Liabilities of £140,000 at 31 December 2022 (2021 £0) which relates to the London Gateway dredge agreement (£72k) and the Land, Sea and Port Integration of a Smart Hydrogen Highway Research Project (£68k).

Contingent assets Group and Company

The group had no contingent asset at 31 December 2022 (2021 £0.4 million) which relates to the London Gateway dredge agreement.

27. PENSIONS

Group

The Group participates in the following funded defined benefits schemes:

Scheme	Date of latest triannual actuarial valuation
Port of London Authority Pension Fund (PLAPF)	31 March 2021
Port of London Authority (Upper Division Staff) Widows', Widowers' and Orphans' Pension Fund (PLAWWOPF)	31 March 2019
Port of London Authority Retirement Benefits Scheme (PLARBS)	31 March 2019
The Pilots' National Pension Fund (PNPF)	31 December 2019
Estuary Services Ltd Pension Scheme (ESLPS)	6 April 2021

The pension contributions are assessed in accordance with the advice of an independent, qualified actuary using the projected unit method and based on the assumptions summarised below.

The WWOPF has an annuity policy where the asset value is set equal to the corresponding liability. The value of a net pension benefit asset may be limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

PLAPF

The principal scheme in which the PLA participates is the PLAPF.

The latest triannual actuarial assessment was at 31 March 2021. At the date of the latest actuarial valuation, the market value of the assets of the PLAPF was £379.4 million which represented 89% of the value of the benefits that had accrued to members on the basis of the assumptions summarised below. Following discussions with the Committee of Management, it was agreed that the PLA would pay £7.4 million to the Pension scheme in 2022 and thereafter fund the deficit at the rate of £4.25 million plus CPI per annum until 31 October 2028 and pay contributions at the rates shown in the table set out later in this note.

PLAWWOPF

The PLAWWOPF has a surplus which is recognised in accordance with International Accounting Standards.

PLARBS

The PLARBS has a surplus which is recognised in accordance with International Accounting Standards.

PNPF

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement. The PNPF is administered by a separate Trustee Company which is legally separate from the PLA. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the PNPF's investment policy and day-to-day administration. The PLA is responsible for its own share of the total liabilities in the PNPF, together with a proportionate share of the 'orphan' liabilities of the PNPF, i.e. those liabilities that cannot be attributed to another participating company. Following the 2019 revaluation, PLA's share of PNPF of additional deficit is 3.5563% (6.1587% previous deficit). PLA has agreed to fund the deficit of the PNPF with a total payment of £8,255,956 due between 2023 and 2028.

ESLPS

ESLPS is a defined benefit scheme for ESL employees. At the date of the latest actuarial valuation of 6 April 2021, the market value of the assets of the ESLPS was £10,381,000 which represents 80% of the value of the benefits that had accrued to members on the basis of the assumptions summarised below. Following discussions between the Trustees and the ESL, it was agreed that ESL will make deficit contributions of £265,000 pa in respect of the past service deficit over the period 6 April 2015 to 5 July 2019 and the Employer will make deficit contributions of £435,000 pa in respect of the past service deficit over the period 6 July 2019 to 6 February 2029.

All Schemes

The results of the latest formal actuarial valuations have been updated to 31 December 2022 by a qualified independent actuary. The principal assumptions used in determining pension benefit obligations for these plans are shown below:

PLA Schemes - Principal assumptions	2022 %	2021 %
Discount rate	4.8	2.0
RPI price inflation	3.3	3.3
CPI price inflation	2.6	2.6
Future salary increases	3.8	3.8
Future pension increases (RPI, min 3%, max 5%)	3.7	3.6
Future pension increases (RPI, max 5%)	3.0	3.2
Future pension increases (CPI, max 2.5%)	1.8	2.0
Life expectation for pensioners at the age of 65 retiring today:	Years	Years
Male	86.6	86.6
Female	89.0	89.0

PNPF - Principal assumptions	2022 %	2021 %
Discount rate	4.9	2.0
RPI price inflation	3.2	3.1
CPI price inflation	2.3	2.4
Future salary increases	2.3	2.4
Future pension increases (RPI, min 0%, max 5%)	3.0	3.0
Future pension increases (RPI, min 3%, max 5%)	3.7	3.6
Life expectation for pensioners at the age of 65 retiring today:	Years	Years
Male	86.6	86.4
Female	89.0	88.4

ESLPS - Principal assumptions	2022 %	2021 %
Discount rate	4.8	2.0
RPI price inflation	3.3	3.3
CPI price inflation	2.6	2.6
Future salary increases	3.8	3.8
Future pension increases (RPI, min 3%, max 5%)	3.7	3.6
Life expectation for pensioners at the age of 65 retiring today:	Years	Years
Male	85.3	85.3
Female	87.8	87.7

ESLPS - Contribution rates	2022 %	2021 %
	Up to 10%	Up to 10%

PLAPF – Contribution rates	From 1st Sept 2022	1st Jan 2022 - 31 Aug 2022 %	2021 %
For members who have entered into a salary sacrifice agreement with the PLA:			
Higher rate members	29.90	22.70	22.70
Lower rate members	22.43	17.03	17.03
For members who have not entered into a salary sacrifice agreement with the PLA:			
Higher rate members	19.93	15.13	15.13
Lower rate members	14.95	11.35	11.35

The company does not disclose contribution rates for PLARBS and PLAWWOPF as there are no active members, only deferred members and pensioners.

	2022 £m	2021 £m
In respect of the shortfall in funding:		
Amount payable per annum until 31 October 2028 as agreed recovery plan	4.2	4.0
Additional agreed amount paid by the PLA	3.2	0.0
Total deficit repairs during the year	7.4	4.0

All Schemes

The fair value of the major categories of plan assets are as follows:

At 31 December 2022	PLAPF £m	PLAWWOPF £m	PLARBS £m	PNPF £m	Company Total £m	ESLPS £m	Group Total £m
Multi assets credit	101.1	0.0	0.0	0.0	101.1	2.1	103.2
Equities	37.6	0.0	0.0	0.0	37.6	1.8	39.4
Hedge funds	0.5	0.0	0.0	0.0	0.5	0.0	0.5
Liability driven investments	75.0	0.0	0.0	1.9	76.9	2.1	79.0
Corporate bonds	0.0	4.2	1.2	1.3	6.7	1.2	7.9
Gilts	0.0	4.5	0.1	0.0	4.6	0.0	4.6
Diversified growth funds	20.4	6.5	0.0	3.4	30.3	0.0	30.3
Insurance policies	0.0	3.8	0.0	0.0	3.8	0.0	3.8
Infrastructure	53.6	0.0	0.0	0.0	53.6	0.0	53.6
Cash	8.7	0.2	0.4	0.1	9.4	0.5	9.9
Liquidity fund	0.0	0.0	0.0	2.1	2.1	0.0	2.1
Total	296.9	19.2	1.7	8.8	326.6	7.7	334.3

At 31 December 2021	PLAPF £m	PLAWWOPF £m	PLARBS £m	PNPF £m	Company Total £m	ESLPS £m	Group Total £m
Multi assets credit	136.1	0.0	0.0	0.0	136.1	2.5	138.6
Equities	91.4	0.0	0.0	0.0	91.4	2.5	93.9
Hedge funds	0.4	0.0	0.0	0.0	0.4	0.0	0.4
Liability driven investments	87.3	0.0	0.0	3.4	90.7	2.5	93.2
Corporate bonds	0.0	6.3	2.0	1.2	9.5	1.6	11.1
Gilts	0.0	7.4	0.0	0.0	7.4	0.0	7.4
Diversified growth funds	61.4	7.7	0.0	4.9	74.0	2.2	76.2
Infrastructure	28.8	0.0	0.0	0.0	28.8	0.0	28.8
Cash	1.8	0.2	0.2	0.4	2.6	0.0	2.6
Liquidity fund	0.0	0.0	0.0	2.1	2.1	0.0	2.1
Total	407.2	26.6	2.2	12.0	448.0	11.3	459.3

Amounts to be recognised in the Balance Sheet

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 31 December 2022							
Fair value of scheme assets	296,884	19,186	1,675	8,756	326,501	7,710	334,211
Present value of scheme liabilities	(322,284)	(16,076)	(1,559)	(11,499)	(351,418)	(7,809)	(359,227)
Defined benefit pension scheme (deficit) / surplus	(25,400)	3,110	116	(2,743)	(24,917)	(99)	(25,016)

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 31 December 2021							
Fair value of scheme assets	407,197	26,587	2,163	12,022	447,969	11,350	459,319
Present value of scheme liabilities	(421,559)	(19,056)	(1,920)	(16,351)	(458,886)	(11,475)	(470,361)
Defined benefit pension scheme (deficit) / surplus	(14,362)	7,531	243	(4,329)	(10,917)	(125)	(11,042)

Amounts to be recognised in the Income Statement

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
Year ended 31 December 2022							
Current service cost	(7,925)	0	0	0	(7,925)	0	(7,925)
Administrative expenses	207	10	17	(33)	201	(99)	102
Recognised in arriving at the operating profit	(7,718)	10	17	(33)	(7,724)	(99)	(7,823)
Expected return on scheme assets	8,063	519	41	242	8,865	227	9,092
Interest cost on scheme liabilities	(8,231)	(369)	(36)	(316)	(8,952)	(226)	(9,178)
Finance (costs) / income	(168)	150	5	(74)	(87)	1	(86)
Total recognised in the Income Statement	(7,886)	160	22	(107)	(7,811)	(98)	(7,909)

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
Year ended 31 December 2021							
Current service cost	(8,470)	0	0	0	(8,470)	0	(8,470)
Administrative expenses	387	66	33	(42)	444	(58)	386
Recognised in arriving at the operating profit	(8,083)	66	33	(42)	(8,026)	(58)	(8,084)
Expected return on scheme assets	5,460	374	32	170	6,036	153	6,189
Interest cost on scheme liabilities	(6,340)	(283)	(30)	(242)	(6,895)	(172)	(7,067)
Finance (costs) / income	(880)	91	2	(72)	(859)	(19)	(878)
Total recognised in the Income Statement	(8,963)	157	35	(114)	(8,885)	(77)	(8,962)

* from 30th March 2021

Amounts to be recognised in the Statement of Other Comprehensive Income

Year ended 31 December 2022	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
Return on scheme assets below that is recognised net interest	(110,283)	(6,638)	(259)	(3,608)	(120,788)	(3,874)	(124,662)
Other actuarial gains	134,897	2,057	110	4,079	141,143	3,563	144,706
Adjustment in respect of minimum funding requirements	(39,703)	0	0	0	(39,703)	0	(39,703)
Actuarial (loss)/gain recognised in the Statement of Other Comprehensive Income	(15,089)	(4,581)	(149)	471	(19,348)	(311)	(19,659)

Year ended 31 December 2021	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
Return on scheme assets below that is recognised net interest	17,731	153	1	(329)	17,556	163	17,719
Other actuarial gains	35,444	749	66	609	36,868	1,118	37,986
Actuarial gains recognised in the Statement of Other Comprehensive Income	53,175	902	67	280	54,424	1,281	55,705

* from 30th March 2021

Changes in the present value of the defined benefits obligations are as follows:

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2021	(463,094)	(20,857)	(2,278)	(17,801)	(504,030)	0	(504,030)
ESL						(12,949)	(12,949)
Movement in the administrative reserve balance	387	110	33	0	530	0	530
Current service cost	(8,470)	0	0	0	(8,470)	0	(8,470)
Interest expense on defined benefits obligations	(6,340)	(283)	(30)	(242)	(6,895)	(179)	(7,074)
Member's contributions	(119)	0	0	0	(119)		(119)
Actuarial gains on scheme liabilities	35,444	749	66	609	36,868	1,318	38,186
Benefits paid	20,633	1,225	289	1,083	23,230	335	23,565
At 31 December 2021	(421,559)	(19,056)	(1,920)	(16,351)	(458,886)	(11,475)	(470,361)

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2022	(421,559)	(19,056)	(1,920)	(16,351)	(458,886)	(11,475)	(470,361)
Movement in the administrative reserve balance	207	59	17	0	283	0	283
Current service cost	(7,925)	0	0	0	(7,925)	0	(7,925)
Interest expense on defined benefits obligations	(8,231)	(369)	(36)	(316)	(8,952)	(226)	(9,178)
Member's contributions	(106)	0	0	0	(106)	0	(106)
Actuarial gains on scheme liabilities	134,897	2,057	110	4,079	141,143	3,563	144,706
Benefits paid	20,136	1,233	270	1,089	22,728	329	23,057
Adjustment in respect of minimum funding requirements	(39,703)	0	0	0	(39,703)	0	(39,703)
At 31 December 2022	(322,284)	(16,076)	(1,559)	(11,499)	(351,418)	(7,809)	(359,227)

Changes in the fair value of plan assets are as follows:

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2021	396,062	27,329	2,384	12,124	437,899		437,899
ESL						10,957	10,957
Administration expenses	0	(44)	0	(42)	(86)	(78)	(164)
Interest income on scheme assets	5,460	374	32	170	6,036	153	6,189
Actuarial gain / (losses) on scheme assets	17,731	153	1	(329)	17,556	218	17,774
Company contributions	8,458	0	35	1,182	9,675	435	10,110
Member's contributions	119	0	0	0	119	0	119
Benefits paid	(20,633)	(1,225)	(289)	(1,083)	(23,230)	(335)	(23,565)
At 31 December 2021	407,197	26,587	2,163	12,022	447,969	11,350	459,319

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2022	407,197	26,587	2,163	12,022	447,969	11,350	459,319
Administration expenses	0	(49)	0	(33)	(82)	(99)	(181)
Interest income on scheme assets	8,063	519	41	242	8,865	227	9,092
Actuarial (losses) on scheme assets	(110,283)	(6,638)	(259)	(3,608)	(120,788)	(3,874)	(124,662)
Company contributions	11,937	0	0	1,222	13,159	435	13,594
Member's contributions	106	0	0	0	106	0	106
Benefits paid	(20,136)	(1,233)	(270)	(1,089)	(22,728)	(329)	(23,057)
At 31 December 2022	296,884	19,186	1,675	8,756	326,501	7,710	334,211

A quantitative summary analysis for significant assumptions at 31 December 2022 is shown below:

Assumptions	Discount rate		RPI inflation		Mortality	
	0.25% increase £000	0.25% decrease £000	0.25% increase £000	0.25% decrease £000	1.5% improvement £000	1.5% worsening £000
Sensitivity level						
Impact on defined benefit obligation:						
PLAPF	(4,691)	4,691	10,015	(10,015)	12,662	(12,662)
PLAWWOPF	(2,859)	2,859	3,028	(3,028)	3,045	(3,045)
PLARBS	(98)	98	108	(108)	112	(112)
ESLPS	354	(354)	(192)	192	(151)	151
Surplus/(deficit) before irrecoverable adjustment	(7,294)	7,294	12,959	(12,959)	15,668	(15,668)

Impact on share of defined benefit obligation:

Assumptions	Discount rate		RPI inflation		Mortality	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	1 year decrease	1 year increase
Sensitivity level						
PNPF	600	(600)	(300)	300	(500)	500

A 1% increase in PLA's share of the PNPf would increase the deficit by £1,590,000 (2021 £1,590,000).

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected deficit repair contributions to these defined benefit plan obligations in future years:

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	ESLPS £000	Total £000
Within the next 12 months (next annual reporting period)	4,679	0	0	1,264	435	6,378
Between 2 and 5 years	20,232	0	0	5,498	1,740	27,470
Between 6 and 10 years	4,094	0	0	1,494	471	6,059
Total expected payments	29,005	0	0	8,256	2,646	39,907

Historical pension information

	All Company Schemes				
	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Fair value of scheme assets	326,501	447,969	437,899	418,335	375,845
Present value of scheme liabilities	(351,418)	(458,886)	(504,030)	(480,372)	(452,215)
Defined benefit pension scheme deficit	(24,917)	(10,917)	(66,131)	(62,037)	(76,370)

Historical pension information

	All Group Schemes	
	2022 £000	2021 £000
Fair value of scheme assets	334,211	459,319
Present value of scheme liabilities	(359,227)	(470,361)
Defined benefit pension scheme deficit	(25,016)	(11,042)

28. CAPITAL MANAGEMENT

For the purpose of the Group and Company's capital management, capital includes the net assets of the Group and Company.

The primary objective of the Company's capital management is to effectively use its capital to fulfil its charter in ensuring 1) safe navigation on the river, 2) conserving the environment of the river, 3) supporting the development of the use of the river for commercial, leisure and passenger use. The Company has a significant liability relating to the PLA pension fund with an agreed long-term programme to reduce the pension deficit. Cashflow forecasts show we can accommodate the capital commitments to maintain the business, maintain adequate working capital and make the deficit repayments.

In order to meet its overall objectives, the Company's capital management has been relatively risk adverse with the aim to protect its capital. This means that PLA has kept its cash to self fund its projects, initiatives and long term liabilities. In doing so the Company has not had to take on any debt to date.

The Company currently has net assets of £135,239,000 (2021 net assets of £142,462,000).

The 100% subsidiary ESL, in order to meet its overall objectives, is risk adverse and aims to protect its cash as much as possible. The aim is to have as little debt as possible and to use its cash to fund the future purchase of vessels and to meet long term liabilities. ESL has a significant liability relating to the ESL pension fund with an agreed long-term programme to reduce the pension deficit. Forecasts indicate ESL can maintain the business, maintain adequate working capital and make deficit repayments.

The Group currently has net assets of £138,947,000 (2021 net assets of £145,826,000). The Group and Company do not have any financial covenants that they are required to comply with.

29. RELATED PARTY TRANSACTIONS

Note 1 above provides the information about the Group's structure including the details of the subsidiaries and joint venture (to 30 March 2021). The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Group & Company	Sales to related parties £000	Purchases from related parties £000	Board members remuneration £000	Amounts owed by related parties £000	Amounts owed to related parties £000
Subsidiaries					
2022	(124)	3,154	251	0	301
2021	(143)	2,620	262	0	296
Joint venture - ESL					
1st Jan to 30th March 2021	(46)	433	0	n/a	n/a
Key management personnel of the Group					
2022	0	0	1,193	0	0
2021	0	0	1,190	0	0

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021 £Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year the PLA provided administration, management and services to Estuary Services Limited for which it charged £111,000 (2021 £189,000) and was charged £3,152,000 (2021 £3,050,000) for boarding and landing services. At 31 December 2022 the PLA owed £301,000 (2021 £296,000) to Estuary Services Limited for unpaid boarding and landing services received.

Key management personnel of the Group are the PLA board. See page 57.

STATEMENT OF MEMBERS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The board members are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

The members of the PLA are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PLA and of the profit or loss of the PLA for that period. In preparing those financial statements, the members are required to:

- present fairly the financial position, financial performance and cash flows of the group and company;
- select suitable accounting policies in accordance with IAS8: Accounting policies, changes in accounting estimates and errors, and then apply them consistently;
- make judgements that are reasonable;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in the UK adopted International Accounting Standards, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company's financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the PLA will continue in business, in which case there should be supporting assumptions or qualifications as necessary; and
- state that the group and company has complied with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements.

The members confirm that they have complied with the above requirements in preparing the financial statements.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the PLA and enable them to ensure that the financial statements comply with Section 42 of the Harbours Act 1964. They are also responsible for safeguarding the assets of the PLA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the integrity of the audited corporate and financial information included on the PLA'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 TO THE MEMBERS OF PORT OF LONDON AUTHORITY

FOR THE YEAR ENDED 31 DECEMBER 2022

We have audited the financial statements of Port of London Authority and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise consolidated income statement, consolidated statement of other comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated and company statements of cash flows and the related notes 1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the group's and of the Port of London Authority's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards
- the Port of London Authority's parent financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Harbours Act 1964.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF THE MEMBERS

As explained more fully in the Statement of Members Responsibilities set out on page 84, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the Port of London Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the Port of London Authority's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

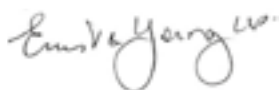
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant is Harbours Act 1964.
- We understood how Port of London Authority is complying with this framework by understanding the oversight of those charged with governance (i.e. considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings), the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by challenging the company's policies and procedures on fraud risks. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - Consideration of fraud risks during the planning of and throughout our audit.
 - Inquiring of Management as to the risks of fraud and the controls in place.
 - Understanding the oversight by those charged with governance of Management's controls over fraud risk including the whistleblowing processes.
 - Consideration of the effectiveness of Management's controls designed to address the risk of fraud.
 - Determining an appropriate strategy to address those identified risks of fraud.
 - Considering the key management estimates in respect of pensions, investment property and industrial illness provisions for possible manipulation or evidence of possible Management bias or excessive optimism.
 - Use of data analysis tools to analyse and sample journal entries for testing, outside of the identified fraud risks, to detect other unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with the Harbours Act 1964. Our audit work has been undertaken so that we might state to the company'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 company and the Port of London Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP,
Statutory Auditor
London

3 May 2023