ANNUAL REPORT 2023

PORT OF LONDON AUTHORITY

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.

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2023 AT A GLANCE

In March, the PLA held the first ever Safe Boarding Week, a seven-day safety initiative aimed at increasing safe access to and from vessels along the tidal Thames.

Refurbishment of the Grade II listed Royal Terrace Pier in Gravesend got underway; it was completed in late 2023.

Planning permissions were secured for construction of a new Port Control Centre which, using new vessel traffic system technology procured later in 2023, will future-proof the port's next 25 years of growth.

The Clean Thames Manifesto, a collaborative plan to reduce the amount of sewage and other pollutants in the river, was launched in June with robust commitments from three local water companies.

Also in June, and coinciding with World Hydrography Day, the Maritime Minister, Baroness Vere of Norbiton, officially named the first fully electric, remotely operated survey vessel of any UK port, *UCL Tamesis*.

A new purpose-built passive debris collector, designed by a PLA colleague, was launched in the Thames Estuary between Essex and Kent.

In September, we welcomed the world's first methanol-fuelled container vessel, *Laura Maersk*, to the Port of London on its maiden call to the UK.

In October, the PLA hosted the British Ports Association's annual conference, bringing together sector leaders from across the UK.

In December, Bexley became the first subject of borough-by-borough analysis by the PLA, when its Masterplan was published, highlighting opportunities to increase use of the tidal Thames for communities, businesses and recreation, and enhance the natural environment.

The PLA also published, with Thames Estuary Growth Board, the case for three zero emission river crossings in East London, connecting businesses and communities at a third of the costs of pedestrian bridges. The next step is to engage with partners and stakeholders to consider how they might take this idea forwards.

In December, the PLA hosted its first Active Thames Hub, attended by over 100 people from 60 different sports clubs. The highlight of the event was the panel of participants talking about what inclusion means to them.

RIVER USE

51.6m Tonnes of goods handled

9m Passenger journeys (estimated)

3.06m Tonnes of inland waterways freight

55,400 Light freight packages

645 Sporting events

ENVIRONMENTAL STEWARDSHIP

29 Tonnes of driftwood recovered

2,521 CO_2 emissions (equivalent tonnes)

111,787 Kilowatt hours generated

102 Foreshore clean-ups supported

NAVIGATION & SAFETY

0 Serious navigational incident

13,728 Pilotage Acts

FINANCE

£90.8m Turnover

£52.8m Stakeholder benefit

£6.0m PLA and ESL cash capital investment

£16.9m Operating surplus

HEALTH & SAFETY

112 Near miss reports

3 Lost Time Incidents

STAKEHOLDER ENGAGEMENT

1,062 People attending public and online forums

STRATEGIC REPORT

CHAIR'S STATEMENT

JONSON COX CBE

I am pleased to present PLA's Annual Report for 2023. We have made a great start in delivering our Thames Vision 2050 strategy to secure the future of the tidal Thames as a trading hub, destination, and natural haven.

Our single biggest priority is ensuring the continued safety of all who use and enjoy the 95 miles of river under our responsibility. Our Marine Safety Plan 2021-23 helped us achieve a significant reduction in navigational safety incidents during the plan period. We have since published our targets to 2026, which will drive further improvement through ambitious goals.

Despite a reduction in port trade in 2023, reflecting the wider economy, we maintained our status as the largest port in the UK by volume of cargo. Additionally, we delivered an operating surplus of £16.9 million, which exceeded our budget expectations.

As a port Trust, we are dedicated to reinvesting our operating surplus to stimulate growth in our port operations and foster a positive environmental and community impact. The PLA's Thames Masterplan seeks to identify and cultivate opportunities to enhance trade and destination activities along the Thames.

As part of this, we have investment commitments toward our people, vessels, infrastructure capacity, and marine control. Supported by our robust financial performance, and enabled by a strong surplus position, these investments are aimed at meeting the growing demand for pilotage and ensuring that we continue to provide an unparalleled service to our stakeholders.

A cornerstone of our mandate is to encourage and support communities in their enjoyment of the river. We achieve this by facilitating access through a variety of events, clubs, and activities. This effort is bolstered by our collaborations with vessel operators, water companies, landowners, local authorities, and the public to preserve and enhance the Thames for generations to come.

Our commitment is crystallised in the Clean Thames Manifesto, which aims for a river that is free from sewage, waste, and other pollutants. This initiative advocates for a cleaner river and strives to promote greater biodiversity and recreational opportunities. In tandem with these endeavours, we eagerly anticipate the commissioning of the initial phases of the Thames Tideway Tunnel, expected to go into full operation in 2025.

We entered 2024 having made substantial progress in our Thames Vision action plan in 2023 and have a clear direction for future investment and wider priorities. Since the year end, we launched our Net Zero River Plan following a consultation with our coalition partners to work together to accelerate the decarbonisation of the Thames.

I would like to formally welcome the four Board members who joined us in 2023. Their addition enhances the diversity of our leadership and brings considerable experience in their respective fields.

Finally, I would like to extend my sincere thanks to the PLA's hardworking staff and all our stakeholders for their dedication in making the tidal Thames a safer, cleaner, and more accessible river.

Jonson Cox

Jonson Cox CBE
Chair

20 May 2024

CHIEF EXECUTIVE'S STATEMENT

ROBIN MORTIMER

The PLA has delivered a strong performance on safety, services, and financial results. During 2023, we launched strategic initiatives in pursuit of the long-term outcomes of Thames Vision 2050, notably: the Thames Masterplan, the Clean Thames Manifesto and the Net Zero Coalition.

SAFETY

We place safety at the heart of our business, and we are committed to the health, safety, and wellbeing of all our employees, contractors, and river users. The PLA's proactive safety culture is reinforced through targeted safety education and awareness campaigns directed at all river users.

Our three-year Marine Safety Plan (2021-23) saw an 87% reduction in serious navigational safety incidents compared to the previous plan period, with two incidents compared to 15. I am pleased to report that there were no serious incidents reported in 2023.

In relation to workplace health, safety, and wellbeing, there were three lost time injuries reported which were all, thankfully, minor injuries.

Near miss reporting continues to be a priority for the PLA, working with operators and river users. 112 near misses were reported in 2023, an increase of 23% on the previous year. To further improve safety in the years ahead, we have mandated Thames Continuing Professional Development from 1 January 2024. By the end of 2023, 390 intra-port Masters, crew, apprentices, specialists and other river users had enrolled in the scheme.

PORT AND RIVER OPERATIONS

London remains the UK's largest port by volume of goods, reflecting the wider economic situation, port trade in 2023 decreased 6% to 51.6 million tonnes (2022: 54.9 million tonnes).

Pilotage acts in the year were almost unchanged at 13,728 (2022: 13,699). These were delivered to an exceptional service level of 99.6% (2022: 98.5%) and ahead of our 98% target.

Demand for pilotage services is expected to grow over the coming years, in line with operators' planned terminal developments, and in anticipation of DP World's new fourth berth at London Gateway, which is due to be completed in early summer 2024. As a result, we continue to invest in appointing and training new pilots, with 10 joining our 127-strong team in 2023.

Trials in a light freight service, which involves daily shuttle services from the former Dartford International Ferry Terminal to Bankside Pier and Trinity Buoy Wharf, progressed. As part of our commitment to making the river a Net Zero trading hub, the service links to ultra-low emissions last-mile logistics for customers across the capital. Although overall volumes of light freight carried on the river decreased in 2023 when compared with 2022 (a one-off trial in 2022 contributed significantly to this higher figure) it remains a priority. The PLA continues to engage with a number of current and potential partners to explore opportunities.

FINANCIAL PERFORMANCE

The PLA delivered an operating surplus of £16.9m – a 39% increase on the prior year (2022: £12.2m) on turnover of £90.8m (2022: £78.2m). Our performance strengthens our plans to manage principal liabilities and enhances our capacity to invest in the delivery of our Thames Vision 2050 goals.

INVESTMENT

In 2023, we invested £6m in capital projects, including completing the £800,000 refurbishment at the historic Gravesend pier.

Our single most significant investment – the £10m Marine Centre Transformation Programme – remains on track and within budget. The investment will see a new, state-of-the-art Port Operations Centre at Gravesend able to handle up to 80 million tonnes of cargo a year. In addition to securing planning permission for the new centre in 2023, we selected a new Vessel Traffic Services system to be provided by Kongsberg, supporting the next quarter century of growth for the port.

To achieve the lasting goals of Thames Vision 2050, we launched the Thames Masterplan to set out how different parts of the river and riparian hinterland can be used to support the Trading, Destination and Natural Thames.

First amongst the borough-by-borough consultations was the London Borough of Bexley which identified river-side travel and leisure infrastructure opportunities to support the expected population growth, as well as the potential for environmental improvements as part of wider commercial development. Consultations have since expanded to the London Boroughs of Newham and Tower Hamlets. Once complete, the masterplan will provide clarity in decision making for future investment and will become a key tool for partners and all 22 local authorities along the Thames.

SUSTAINABILITY

Ahead of the highly anticipated commissioning of the Tideway Tunnel, we launched the Clean Thames Manifesto in June 2023. The manifesto promises greater collaboration with water companies to fast-track the elimination of sewage and stormwater discharges, as well as combatting plastic wet wipes and other refuse entering the river through London.

We added a tenth passive debris collector to our network between London Gateway and Gravesend which can withstand the more challenging conditions downriver.

As part of our commitment to decarbonising the Thames by 2050, in 2023 we convened the Thames Net Zero Coalition. This coalition brings together river operators to identify the actions that the PLA will take in the next three years to reduce river-based emissions. While the focus is primarily on vessel movements for which the PLA is not responsible directly, we recognise this as a crucial first step in understanding the challenges and opportunities that we and river operators face in achieving wider long-term emission reduction targets.

ESTUARY SERVICES LIMITED (ESL)

In its second year as a wholly owned subsidiary of the PLA, ESL completed 10,235 pilot transfers to and from vessels transiting the Thames and Medway (2022: 10,445), with an impressive 99% service level. A key focus for us in 2023 was to implement actions in response to an independent designated person safety audit in the prior year. I am pleased to report that all safety audit findings have been addressed and closed.

OUTLOOK

We have much to look forward to in 2024 and beyond and are making real strides in securing the long-term future of the tidal Thames.

We recently launched our Marine Safety Plan (2024-2026) which sets out our targets for continuous improvement in navigational safety. Our focus on safety will become ever more important as trade, events and leisure activity on the river increase over the coming years.

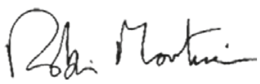
The completion of DP World's £350m investment into London Gateway's fourth berth in the summer of 2024 is going to make the port even busier. Connecting to sites in Dagenham and Tilbury, London Gateway forms part of the wider Thames Freeport economic zone. In 2023, the Government gave formal approval for the Freeport to constitute a board on which the PLA sits, and begin operations.

With 1,700 acres of development land, the zone is expected to attract over £4.6 billion in public and private investment over the next ten years, creating jobs, attracting business, and increasing trade.

Together with our masterplan, we are working with the Freeport to realise growth opportunities and are building the resources needed to service the expected growth in port activity.

The first three phases of the Tideway Tunnel are due to be operational later this year, with the entire project scheduled for completion in 2025. Once finished, the tunnel will prevent around 95% of existing sewage discharges, marking a pivotal shift in improving the cleanliness of the river Thames.

Over the past year, our Executive Committee has undergone significant changes, welcoming fresh perspectives into our 450-member team. I would like to finish by thanking our entire team for their passion and commitment to improving the safety, accessibility, and enjoyment of the 95 miles that make up the tidal Thames.



Robin Mortimer
Chief Executive
20 May 2024

CHIEF HARBOUR MASTER'S STATEMENT

JAMES STRIDE

It has been another busy year on the tidal Thames, with activity marginally up from 2022.

SEA PILOT ACTS SERVICE LEVEL

2021	99.1%
2022	98.5%
2023	**99.6%**

PILOTAGE ACTS (NO.)

2021	14,037
2022	13,699
2023	**13,728**

SERIOUS NAVIGATION INCIDENTS (NO.)

2021	1
2022	1
2023	**0**

This is my first report since taking over as Chief Harbour Master in November 2023. I am delighted to be with the PLA and continue the great work achieved under my predecessor's leadership.

We concluded the last three-year Marine Safety Plan on 31 December 2023 with a significant improvement in the number of Serious Incidents on the Thames, dropping from 15 events in the previous three-year period to two events in the most recent period. This signifies an 87% reduction in serious or very serious incidents, with none in 2023. This is testament to a committed focus to safety by the PLA and river operators.

Ensuring the safety of all users of the tidal Thames remains our utmost priority. I am pleased to highlight our new Marine Safety Plan, which places a strong emphasis on enhancing navigational safety. We are continuing our Safe Boarding Week initiative, promoting our Watch Your Wash campaigns, and supporting the implementation of the Thames Continuous Personal Development programme. This programme, developed in partnership with the Thames Skills Academy, is designed for all Masters in command of an Intra-Port Commercial Vessel.

Our pilotage service levels have once again shown improvement, with a 99.6% result for 2023 for over 13,728 pilotage acts completed during the year. This achievement is the result of our commitment to ensuring vessels are not delayed due to pilot allocation or transfer issues. To further bolster our operations at the Gravesend Pilot Station, we placed an order for a new pilot vessel in December 2023. This investment underscores our commitment to providing a highly reliable and efficient pilotage service.

We carefully monitor the recruitment, training, and retention of pilots to ensure we have sufficient resources to match the predicted future demand.

Additionally, we are planning upgrades to our simulator so that this important asset remains fit-for-purpose for our pilot training programme.

Work is underway on the Marine Centre Transformation programme, with the goal of consolidating both VTS centres (Gravesend and Thames Barrier) into a new purpose-built centre by the end of 2026. The contract for the VTS software with Kongsberg has been signed, marking an important step in this process. We are progressing towards moving into an interim centre in 2025, which will facilitate the construction of the new centre. As part of these plans, we have recruited additional watch manager staff and benchmarked our plans against those of other UK and European ports to ensure we will have a class-leading facility.

Our Safety Management System continues to be a key focus, and throughout 2023, we implemented several initiatives to ensure it remains fit for purpose. Aligned with this, our compliance with the Port Marine Safety Code remains externally assured by our Designated Person.

All of the above these activities will ensure that the PLA continues to provide a safe, compliant, reliable, and efficient marine operation to all our stakeholders and customers into the future to match expected growth in traffic.

James Stride
Chief Harbour Master
20 May 2024

STRATEGY:
OUR VISION FOR THE THAMES IN 2050

The next 25 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.

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

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

Trading Thames

The No. 1 Net Zero UK trading hub

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.

Destination Thames

A place to live, visit, play and enjoy

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.

Natural Thames

Clean air, water and land supporting diverse wildlife

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.

THAMES VISION ACTION PLAN: 2023 PROGRESS REPORT

Our 2030 Action Plan sets out short- and medium-term deliverables which all contribute towards the long-term goals of the Thames Vision 2050. In 2023, significant progress was made against a number of these deliverables, as well as identifying areas where additional focus will be made in 2024.

Full details of our progress are available on our website.

TRADING

Lead	Action	Update: 2023	Progress
PLA	Consistent pilotage service reliability (98%+)	99.6%+ pilotage service reliability achieved in 2023	🟢
PLA	Reactivate three safeguarded wharves and intensify use of already operational sites	Two reactivated; planning permission sought for third. Proposals for reactivation of additional wharves in planning stages.	🟢
PLA	Lead development of light freight market on the Thames	Trials undertaken, discussions underway with potential customers.	🟡
PLA, TfL, TEGB, CRP, pier owners	Develop and implement pier adaptation plans to support light freight operations	Thames Freight Infrastructure – Design Guidelines for Piers – published in August	🟢

DESTINATION

Lead	Action	Update: 2023	Progress
PLA	Safe and appropriate public use of the tidal Thames foreshore – improved foreshore access guidance programme	While there has been a continued focus on safety, we have not yet developed or taken forward a specific programme to encourage access by the general public. This will be a focus in 2024.	🟡
PLA	Publish study on the public and business benefit case for electric ferry river crossings	Report, published in December and supported by a number of stakeholders, identifies three feasible zero emission ferry crossings.	🟢
Active Thames Partners	Award Active Thames funding, focusing on improved access, diversity and inclusion	£150,000 funding awarded to 23 projects in London, Kent and Essex; focus on people with disabilities and long-term health conditions.	🟢

NATURAL

Lead	Action	Update: 2023	Progress
PLA	Biodiversity Net Gain: improve status and quantum of high quality, resilient Thames habitats – Defra-funded assessment	Assessment submitted to Defra. Outputs for Tower Hamlets and Newham included in masterplan consultations published December.	🟢
Tideway, Thames Water, PLA	Tideway Tunnel – complete by 2025	Tideway Tunnel on track for commissioning in 2024. Key PLA role in licensing, safety case, environmental benefits.	🟢
PLA	Advocate for further reduction in untreated sewage releases in Thames including upstream of Teddington	Clean Thames Manifesto launched in June; includes commitments from water companies to work towards reductions in sewage and storm water affecting the river between Teddington and the North Sea, faster than previously planned.	🟢

Progress key: 🟢 Met/On track 🟡 In progress 🔴 Not met/Behind schedule

TRADING (OVERARCHING)

Lead	Action	Update: 2023	Progress
PLA	Develop Thames masterplan, matching Vision actions and goals to wider planning and other policy guidance	Bexley Masterplan published September; consultation launched on draft Masterplans for Newham and Tower Hamlets in December.	

SAFETY

Lead	Action	Update: 2023	Progress
Trading (Safety): PLA, Thames Skills Academy, Company of Watermen & Lightermen	Continuous Professional Development for masters and unsupervised watchkeepers on intraport vessels – by 2024	CPD scheme introduced in 2023; good levels of sign-up. Ongoing campaign to encourage continued engagement.	
Destination (Safety): PLA and partners	Deliver actions in the Tidal Thames Water Safety Drowning Prevention Strategy	Continued active engagement in the Forum; progress report published 2023.	

NET ZERO

Lead	Action	Update: 2023	Progress
PLA and partners	Convene the Thames Net Zero coalition	Net Zero coalition established and produced Net Zero River Plan setting out how decarbonisation will be accelerated.	

ACCESS

Lead	Action	Update: 2023	Progress
Active Thames Partners, led by PLA	Active Thames partnership focus supporting improved access and opportunity	23 grants awarded in 2023, with most of the funding directed towards projects engaging people who are less likely to be active, including people with disabilities and long-term health conditions.	

TECHNOLOGY

Lead	Action	Update: 2023	Progress
Thames Clippers, Cory	Completed clean maritime demonstrator projects, including self-propelled autonomous barge feasibility assessment	Completed. Report published.	

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 our risks and risk management process.

The general outlook for the PLA is positive; we are a growing port anticipating an increase in cargo volumes over the next few years. We have investment and recruitment plans in place to make sure we are able to meet an increase in demand while maintaining consistently high safety standards and service levels while building resilience.

OPPORTUNITIES

Over the next five years, the PLA will invest significantly in capital projects to ensure we can keep pace with increased demand from our customers, make the most of technological improvements and maintain our core asset base. These investments include:

- The Marine Centre Transformation Programme which will deliver a state-of-the-art Port Control Centre, equipped with the latest VTS system
- New pilot cutters as well as response vessels and workboats replacements for end-of-life assets
- Simulator replacement – investment in our ship handling and tug simulator, to ensure it remains fit-for-purpose for training pilots, applicants for pilotage exemption certificates (PECs) and others
- Radar replacement – upgrade of 17 radar sensors along the length of the tidal Thames

In 2023 the PLA delivered a 99.6% service level for pilotage customers, against a target of 98%, even higher than the 98.5% achieved in 2022.

The masterplanning process is working borough-by-borough with partners, including local authorities, to identify all potential strategic opportunities on the river, act as a tool for investment decisions and to facilitate greater use of the river. The work supports the PLA's Thames Vision 2050, focusing on growing trade, environmental protection and attracting more people to the river for sport and leisure.

Fuelled by changed shopping habits, there is growing interest in using the river for transporting light freight and parcels, a trend helping keep lorries off the roads. We're working with partners to explore this potential and to consider necessary infrastructure.

In collaboration with SEA-KIT International, the PLA is to play a leading role in the development and use of a hydrogen-fuelled, uncrewed surface vessel (USV), a world first, made possible by the ZEVI (Zero Emissions & Vessel infrastructure) competition. Our Hydrography team will operate the Zero Emissions Ports Hydrogen Refilling Survey Vessel (ZEPHR).

We will progress work on the Clean Thames Manifesto, bringing together Anglian Water, Southern Water and Thames Water to fast-track work to reduce sewage and storm water discharges from overflow points and treatment works. We will also work with Thames Water to address wet wipes in the river. The Thames Tideway Tunnel, the largest project on the river in Central London for over a century, is due to become fully operational in 2025, with long-term benefits in terms of a cleaner river.

CHALLENGES

ENVIRONMENTAL

In common with all ports, climate change and associated sea level changes and increased risks of floods, is a significant issue.

The PLA remains committed to becoming the UK's leading Net Zero port by 2040. The Net Zero coalition has been established and through 2024 we will work with stakeholders on plans for decarbonising the river. The PLA continues to offer incentives to vessels supporting our Net Zero ambitions, including discounts on conservancy charges and/or port dues.

We are also working with the Environment Agency and other partners on the Government's Thames Estuary 2100 plan, outlining how the risk of flooding from the Thames will be addressed as sea levels rise.

PEOPLE

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, came into effect on 1 January 2024. While engagement has been good, with a large number of intra-port masters signing up for the scheme, continued outreach will be needed to maximise coverage and associated safety benefits. This will be a priority in 2024.

The PLA continues to recruit actively to ensure we are resourced to meet the increasing demands of a growing port, with a particular focus on specialist roles such as our pilotage service. In 2023 we took on 10 trainee pilots, with a further 14 recruits planned for 2024. The new-build pilot vessel will enter service in 2024 supporting operational resilience.

TRADE

Following engagement with major Thames terminal operators about their expectations for trade volumes in 2024, we are anticipating flat or modest increases compared with 2023. This is in line with a wider low-growth phase for the UK as a whole. Looking further ahead, we expect a slow but steady increase in overall trade volumes, including a significant contribution from the new London Gateways berths coming online.

Overall, we continue to track broadly in line with the trade forecast produced by Oxford Economics in 2021 for the Thames Vision 2050.

TECHNOLOGY

Cyber security remains an area of focus; we continue to prioritise initiatives which will strengthen the security of our systems and have rolled out mandatory cyber security e-learning for staff.

RIVER USE PERFORMANCE AND STATISTICS

FOR THE YEAR ENDED 31 DECEMBER 2023

PORT TRADE

Following a peak in 2022 of 54.9 million tonnes of trade through the port, in 2023 the Port of London followed UK-wide trends with an overall decrease in value and volume of imports coming through the port and a total of 51.6 million tonnes. The Port of London remains the UK's largest port by volume of cargo.

Volumes of oil, crude and related products increased slightly year on year, from 11.7 million tonnes to 12.0 million tonnes, whereas containers and trailers decreased from 24.2 million tonnes to 22.1 million tonnes. Aggregates and cement decreased 10% from 12.4 to 11.2 million tonnes, reflecting a reduction in construction activity across London and the South East.

Trade (millon tonnes)

	2023	2022
Imports	43.0	45.4
Exports	8.6	9.5
Total	**51.6**	**54.9**

Unitised traffic ('000 twenty-foot equivalent units)

	2023	2022
Imports	1,390	1,548
Exports	1,503	1,663
Total	**2,893**	**3,211**

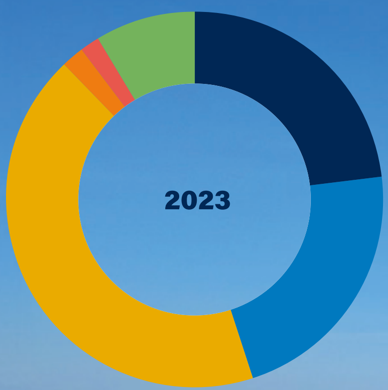
Number of chargeable vessel arrivals to the Port of London

	2023	2022
Total	**10,047**	**10,081**

Fuel traffic (millon tonnes)

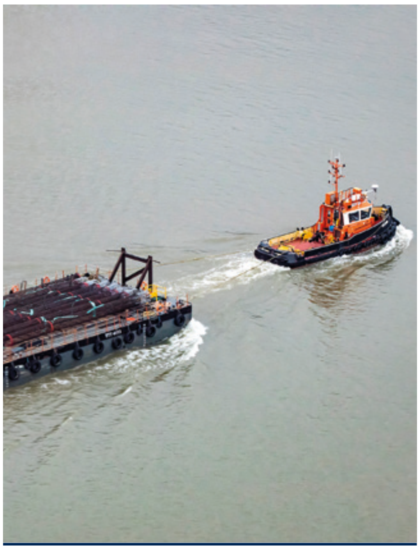
	2023	2022
Total	**11.7**	**12.0**

PORT OF LONDON TRADE BY TYPE



Oil, crude & products	23.3%
Aggregates & cement	21.7%
Containers & trailers	42.8%
Metals & ores	1.9%
Forest products	1.7%
Other	8.5%

INLAND WATERWAYS FREIGHT



INLAND WATERWAYS FREIGHT
millon tonnes

2021	3.7
2022	2.8
2023	**3.1**

In 2023, 3.06 million tonnes of freight was moved inland between terminals on the Thames. As well as the movement of domestic and commercial waste, this comprises aggregates for, and waste arising from, construction projects in Greater London. We continue to work with the construction sector to encourage the use of the river for their logistics requirements. Fuelled by changed shopping habits, there is growing interest in using the river for transporting light freight and parcels, a trend helping keep lorries off the roads. We continue to work with partners on this, with 55,400 small packets and parcels moved on the river in 2023, compared with 87,500 in 2022 when a one-off trial contributed to a significantly higher volume. The PLA is working with partners to explore this potential and to consider necessary infrastructure.

PASSENGER TRAVEL

PASSENGER JOURNEYS
millon

2021	4.5
2022	8.3
2023	**9.0**

The post pandemic recovery of passenger operations on the Thames continues, with the number of passenger trips (leisure, commuter and tourist) increasing to 9 million (estimated) in 2023.

During the course of the year, Uber Boat by Thames Clippers launched the first of four hybrid vessels.

Passenger numbers are estimated for 2023, based on feedback from operators.

SPORT AND RECREATION

MAJOR SPORTING EVENTS
number

2021	137
2022	569
2023	**645**

Active Thames, the partnership programme led by the Port of London Authority (PLA) to encourage physical activity on the tidal Thames and inland waterways, awarded £150,000 in grants to 23 projects across London, Kent and Essex. This brings the total to £390,000 of Active Thames funding across 50 community clubs in the last three years. The programme particularly focused on organisations that are connecting communities with the river, encouraging more people to enjoy it safely.

RIVER NAVIGATION AND SAFETY

SAFETY OF NAVIGATION

The PLA's main responsibility is maintaining the navigation channels in the river and managing safe movement of vessels along 95 miles of the tidal Thames. We put in place measures to assist safe navigation, navigation lights and buoys, hydrographic services, pilotage and vessel traffic services (VTS) control centres at Woolwich and Gravesend, overseeing safe navigation across 400 square miles.

The Marine Safety Plan (2021-23) closed out in December 2023 with an 87% reduction in serious or very serious navigational safety incidents compared with the previous plan period (2 incidents compared with 15), and no serious incidents in 2023.

The new Marine Safety Plan (2024-26) was published, following a thorough review of safety policies and procedures, as well as consultations with stakeholders in the marine industry, including PLA staff.

Continuing Professional Development (CPD) for the river launched in 2023, with 390 intra-port Masters, crew, apprentices, specialists and other river users enrolling by the end of December.

PILOTAGE

In 2023, the PLA achieved a 99.6% service level for pilotage customers, even higher than the 98.5% achieved in 2022. We continue to focus on our pilotage service, taking on 10 trainee pilots in 2023 with a further 14 recruits planned for 2024. A new-build pilot vessel will enter service in 2024.

Pilotage acts in the year were constant at 13,728 (2022: 13,699).

	2023	2022
Navigational safety		
Marine incidents	450	416
Serious navigational incidents	0	1
Pilotage service		
No. of pilotage acts	13,728	13,699
No. of pilotage delays	46	165
Sea pilot acts service level	99.6%	98.5%
Total no. of pilotage exemption certificates	142	135
New pilotage exemption certificates issued	21	18
Hydrographic surveys		
Surveys completed	311	285
Area surveyed (km^2)	139	141
Diving operations	17	19

STAKEHOLDER ENGAGEMENT: ENGAGING WITH STAKEHOLDERS

As a Trust Port, our stakeholders are key to our ability to protect and improve the tidal Thames for all.

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 PLA Board.

The PLA has an active programme of engagement, organised around four core stakeholder groups: customers, employees, local communities and NGOs, and government, elected representatives, regulators and local authorities. The PLA uses a range of channels to inform, educate and foster dialogue with its stakeholders including:

- The corporate website (www.pla.co.uk)
- Social media channels
- A weekly newsletter: Tidal Thames News
- Public meetings
- The Annual Stakeholder Forum
- The Annual Report
- The Annual Environment Report
- The annual stakeholder audit

The Board welcomes feedback and is committed to responding and taking appropriate action to issues raised. 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 Board also reviews the findings of the annual stakeholder audit to assess how the organisation is relating to its stakeholders.

In addition, the PLA engages through dedicated forums that are designed to address areas of interest specific to each stakeholder group as detailed below.

Areas of interest	Additional engagement channels
CUSTOMER	
River users (including operators of seagoing cargo vessels, inland freight vessels, passenger vessels and recreational users), commercial port operators (including operators of cargo handling facilities) and others (including licensees, tenants and those to whom we provide third party services).	
• Navigational safety; pilotage • Financial and operating performance • Charges • River masterplanning • Business strategy • Thames Vision	• Bilateral meetings and regular updates on key issues • Annual Port reception • Topic and group specific events • Customer briefings and visits
EMPLOYEES	
• Health, safety and wellbeing • Operating and financial performance; business priorities • Careers, learning and development • Remuneration and pensions • Diversity and inclusion • Thames Vision	• Regular ExCo/all-staff briefings • Line management • PLA Sharepoint and departmental sites • Staff newsletters and emails • Screens and posters • Programme of leadership site visits • Meet the Board lunches • The Remuneration Committee considers pay and employment conditions of employees
LOCAL COMMUNITIES AND NGOs	
• Protection of and access to the river; natural environment • River masterplanning • Thames Vision • Communities and inclusion • Active use of the Thames "blue space"	• Bilateral meetings and regular updates on key issues, including port performance and Thames Vision • Public meetings (Upper, Middle, Lower Districts) • Topic specific events
GOVERNMENT, ELECTED REPRESENTATIVES, REGULATORS AND LOCAL AUTHORITIES	
• Resilient port operations and international trade • Economic development • Environmental protection and natural environment • Communities and inclusion • River masterplanning • Financial and operating performance • Thames Vision	• Face-to-face meetings by leadership with Government, elected representatives and others • Periodic updates on key issues, including port performance and Thames Vision; the latter reflects the long-term ambitions for the river and is a key point of interaction with this stakeholder group • Industry bodies

The table below sets out key Board decisions in 2023 and how stakeholder views were considered within the decision-making process.

BOARD DECISIONS AND THEIR IMPACT ON STAKEHOLDERS

Decision	How we took stakeholders into account	Long-term implications
The PLA Marine Safety Plan: 2024-2026 is the PLA's commitment to ensuring continued safety of all those who navigate within our port and its surrounding waters.	• Work with stakeholders, including shipping companies, tug and barge operators, and recreational users, to develop the plan including to promote a culture of safety and responsibility on the tidal Thames. • A review of safety policy and procedures, as well as consultations with stakeholders in the marine industry, the PLA has gathered data on current safety practices and analysed areas where safety could be enhanced. • Ongoing commitment to working closely with colleagues, river users and other stakeholders throughout the implementation process. This includes ongoing communication, regular updates, and consultations.	• Collective commitment to, and continuous improvement of, the navigational safety of the Thames. • The Plan covers a range of initiatives that address the diverse risks associated with marine operations, including the implementation of advanced technology, the improvement of operational procedures, and the promotion of a culture of safety amongst all stakeholders. • Over the next three years, the PLA will prioritise investment in technology, infrastructure, and personnel – including through the Marine Centre Transformation Programme – to improve our ability to respond to emergency situations and prevent incidents from occurring.
The "Clean Thames Manifesto", published in 2023, is a collaborative plan to reduce the amount of sewage and other pollutants like chemicals and plastic rubbish in the river.	• Work with a wide range of stakeholders and communities to understand the sources and solutions for all major pollutants in the Thames. • Ongoing work with the water companies and regulators that discharge into the Thames to develop a strategic partnership on sewage pollution. • Partnerships with NGOs such as Thames21 and Thames Estuary Partnership, and community groups to clean up the foreshore of the Thames.	• Our Thames Vision 2050 sets out our goal of being the UK's largest port, central to the economy, with Net Zero emissions. As part of this vision, we want a river that is clean, free from pollution, and with a healthy ecosystem. We have a right and a responsibility to insist that the river is not damaged by the actions of others. • Thames, Southern and Anglian Water and their regulators have agreed to participate in a strategic working group with the PLA on sewage discharges in the tidal Thames. • Thames Water have agreed to work with us to find solutions to the wet wipe accumulations on the foreshore. • Thames, Southern and Anglian Water have agreed to work with us to provide near real time information on sewage discharges around all their CSOs, and storm overflows from treatment works by 2024. • The Environment Agency support water companies to bring forward delivery of planned projects from their 25-year plans in the next WINEP.
Investment strategy	• Under the Trust Ports Good Governance Guidance, Trust Ports are expected to generate a commercial return on their operations. After making allowance for strategic investments and contingencies, we reinvest surpluses to support the continuing and long-term success of a port for the benefit of stakeholders.	Over the next five years, the PLA will invest significantly in capital projects to ensure we can keep pace with increased demand from our customers, make the most of technological improvements and maintain our core asset base. These investments include: • The Marine Centre Transformation Programme which will deliver a state-of-the-art Port Control Centre, equipped with the latest VTS system. • New pilot cutters as well as response vessels and workboats replacements for end-of-life assets. • Simulator replacement – investment in our ship handling and tug simulator, to ensure it remains fit-for-purpose for training pilots, applicants for pilotage exemption certificates (PECs) and others.

STAKEHOLDER BENEFITS

Our total stakeholder benefit for 2023

£52.8m

2022: £48.9m

Stakeholder benefit breakdown

	2023	2022
Employees' benefit	£29.8m	£29.6m
Charitable donations and sponsorship	£0.5m	£0.4m
Core PLA responsibilities	£0.9m	£1.0m
Business and community	£0.3m	£0.2m
Economic benefit to government	£21.3m	£17.7m
Total	**£52.8m**	**£48.9m**

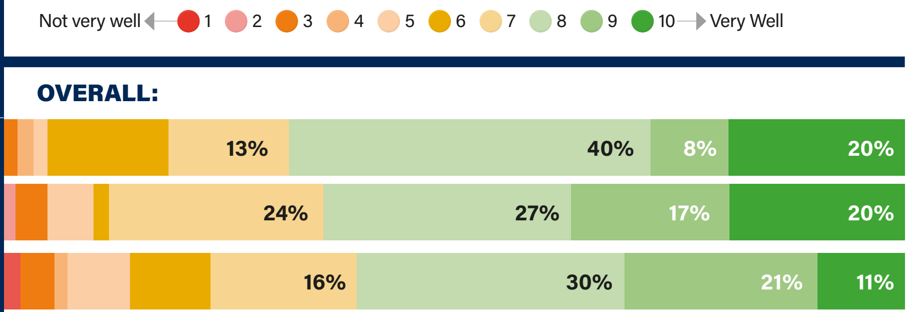
Stakeholders' assessment of our performance

Each year we commission a survey of our stakeholders, asking them if they are satisfied with our performance on key priorities such as safety of navigation, environmental responsibilities and promoting the economic contribution of the river.

2023 average

7.9

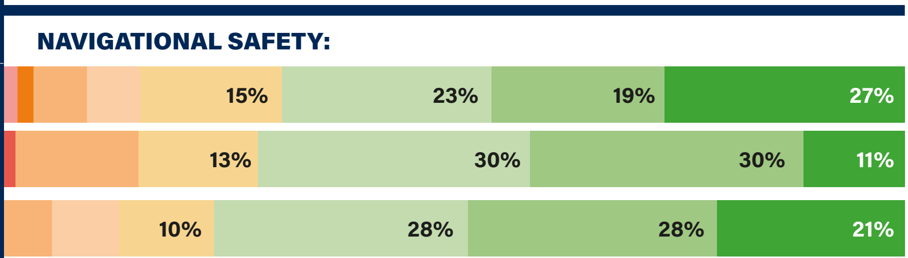
vs **7.8** average across previous years



2023 average

8.1

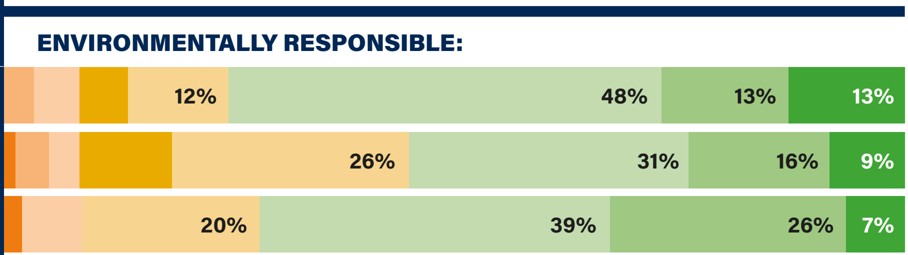
vs **8.1** average across previous years



2023 average

7.9

vs **7.8** average across previous years



PLA people

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.

The team 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.

The PLA is committed to equal opportunities and supports diversity and inclusion across all stages of the employment life cycle including at recruitment. Short listing, interviewing, and selection is carried out without regard to gender, sexual orientation, marital status, colour, disability, race, nationality, ethnic or national origins, religion or belief, age or trade union membership, unless lawfully allowed for certain specific posts. All employees have equal access to training and development opportunities and if an employee, due to disability or a long-term medical condition, became unable to perform the requirements of a role, then reasonable adjustments would be made.

	2023	2022
Employees' Benefit		
Employee remuneration, pensions costs and benefits	£29,746,625	£29,641,701
Personal Health & Safety Statistics		
Lost Time Incidents	3	2
Near miss report and safety observations	326	148
Workforce Diversity		
% of workforce that are women	24.80%	16.80
% of workforce who are women in senior positions	36.80%	28.30
% total Black, Minority or Ethnic origin	4.60%	3.00
Customer Feedback		
Positive feedback	11	17
Complaints	62	37

PLA in the community

As a Trust Port, we look after the river for the benefit of our stakeholders – now and in the future.

Under the Trust Ports Good Governance Guidance, Trust Ports are expected to generate a commercial return on their operations. After making allowance for strategic investments and contingencies, we should reinvest surpluses to support the continuing and long-term success of a port for the benefit of stakeholders. At the PLA, this means that we aim to make a sound return on our operations, holding sufficient surplus to fund strategic investments and contingency, with up to 10% of our pre-tax surplus spent on charitable donations and business community benefits.

	2023	2022
Charitable donations and sponsorships		
Thames21 Ltd, Thames Festival Trust, Tilbury Seafarer Centre, Museum of London Docklands	£226,986	£211,755
Active Thames Grants	£131,746	£79,921
Contributions to sports activities	£79,685	£71,630
Thames Explorer Trust	£36,000	£36,000
Environmental Fund Awards	£45,735	£15,800
	£520,152	£415,106
Core PLA responsibilities with wider stakeholder benefit		
Archive at Museum of London Docklands	£96,578	£93,647
River bank maintenance	£195,624	£99,290
Richmond Lock and Weir	£631,371	£820,020
	£923,573	£1,012,957
Business & Community Benefit		
Subscriptions to business organisations and other groups	£127,388	£138,768
Thames Continuous Professional Development Scheme	£76,500	£50,000
Zero emission river crossing study	£85,596	£0
Gravesham Borough Council (Town Pier)	£4,455	£4,050
Thames Skills Academy membership	£50,000	£50,000
	£343,939	£242,818

Masterplanning, planning and development

The masterplanning process is working borough-by-borough with partners, including local authorities, to identify all potential strategic opportunities on the river, act as a tool for investment decisions and to facilitate greater use of the river.

The work supports the PLA's Thames Vision 2050, launched last year, focusing on growing trade, environmental protection and attracting more people to the river for sport and leisure. The masterplan for Bexley was published in 2023, and consultations launched for masterplans for Newham and Tower Hamlets.

	2023	2022
River Works Licences		
Permanent River Works	50	73
Temporary River Works	179	140
Dredging	35	42
	264	255
Vessel Licences		
Vessel Licences	335	325
Permits		
Foreshore permits (renewals only)	595*	1,981
Major Projects		
Thames Tideway Tunnel		
Discharges (water to river)	15	10
Tidal Works	202	168
	217	178
Tilbury2:		
Tidal Works	4	1
London Gateway Berth 4		
Tidal Works	28	15
Silvertown Tunnel		
Tidal Works	5	12

* The issuance of foreshore permits has been paused during a review. A new approach is due to be launched in summer 2024.

Bringing people together and promoting the river

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.

	2023	2022
Stakeholder Meetings		
No. of public meetings held	3	4
No. of people attending public meetings	108	186
No. of people attending webinars	779	979
No. of stakeholder forums	1	1
No. of people attending stakeholder forums	175	162

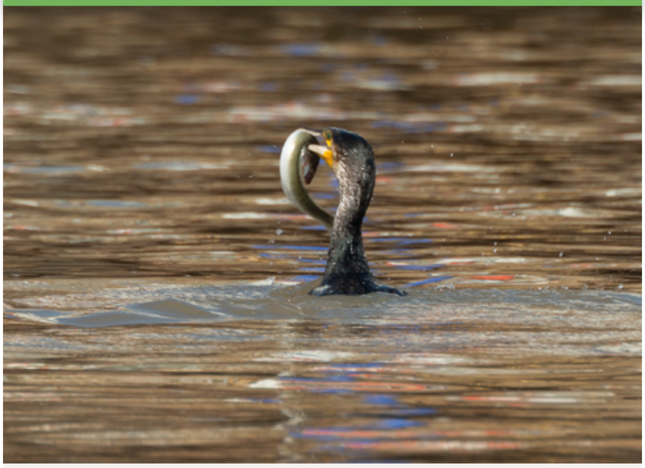
Economic benefit to government

As custodians of the tidal Thames, we engage actively with Government, elected representatives and others.

Our wider economic contribution through PAYE and taxation on commercial activities is vital to the broader economy.

	2023	2022
Taxation – Pay As You Earn	£12,471,894	£10,887,698
National Insurance (employer's and employees elements)	£6,452,874	£6,048,706
Corporate Taxation and Business Rates	£2,388,663	£718,665
Total stakeholder benefit to Government	**£21,313,431**	**£17,655,069**

Environmental stewardship



As a Trust Port, we look after the river for the benefit of our stakeholders – now and in the future.

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

Please see pages 22 and 23 for more detailed environmental reporting.

	2023	2022
Water use (litres)	4,485,000	2,951,000
Rainwater harvesting (Marine House)	12,000	–
Scopes 1 & 2 emissions* (tCO_2e)	2,939	2,521
PLA Energy Use (MWh)		
Electricity consumed (all sites)	1,824	1,765
Electricity generated	111	71
Gas consumed	317	434
PLA waste generation and recycling (tonnes)		
Pre-segregated recyclable	46	66
General waste (energy from waste)	30	28
Hazardous waste (treatment)	83	61
Miscellaneous waste (landfill)	0	0
Driftwood recovered (tonnes)		
Tonnage of material recovered from the river	29	109
Thames Oil Spill Clearance Association (TOSCA)		
Oil spill reports	19	19
Oil encountered (including sheen)	14	14
No oil found	5	6
Harbour Service Launch only	18	17
TOSCA and Harbour Service Launch response	1	2

* Reporting is for PLA and subsidiary Estuary Services Limited (ESL).

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

PROGRESS AGAINST NET ZERO TARGET

The PLA has committed to be Net Zero by 2040 or sooner. We have measured our carbon footprint annually since 2014 in support of this goal, focusing on the PLA's Scope 1 (direct) and Scope 2 (indirect) emissions. Our Scope 1 emissions are mainly made up of vessel and vehicle fuel and on-site gas consumption, and Scope 2 emissions are from purchased electricity. This year, we have expanded our reporting to include our subsidiary, Estuary Services Limited (ESL). Overall, our emissions for Scope 1&2 for the Group (PLA & ESL) in 2023 are 2,521tCO_2e, which represents a 14% decrease from 2022.

In 2023, the emissions for the PLA (excluding ESL) were 307tCo_2e which represents an 83% decrease from 2014 (1,845tCo_2e). This was ahead of target against our goal of reaching 488tCo_2e by 2023. We achieved this reduction by transitioning our diesel vessel fleet to sustainable biofuels (Hydrotreated Vegetable Oil from sustainable sources) and our vehicle fleet to electric. 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. We also installed a 170kWh solar array at our Denton site in December 2023 demonstrating our commitment to using renewable energy across our operations.

CHANGES TO OUR CARBON FOOTPRINT

In 2021, we purchased ESL as a fully owned subsidiary of the PLA. We worked with our colleagues at ESL to measure their carbon footprint across Scope 1&2 for 2022 and 2023. We have now included these emissions as part of our own Scope 1&2 footprint for 2022 and 2023 represented in our Group emissions (Table 2).

Including ESL has meant an increase to our overall Scope 1&2 carbon footprint by 70% in 2022 (ESL: 2,058tCO_2e, PLA: 881tCO_2e) and 88% in 2023 (ESL: 2,214tCO_2e, PLA: 307tCO_2e) compared to 2014. This is mainly driven by the use of diesel fuels in the ESL vessel fleet. Unfortunately, we have been unable to secure a sustainable supply of HVO or other alternative fuel for the ESL operations at the present time. We will continue to work on ways to reduce the carbon footprint of ESL alongside that of the PLA.

We have also increased the accuracy of our reporting on Fugitive Emissions and the energy used in our operational sites in 2023.

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 2023, the carbon intensity was 48.9tCO_2e/mt cargo. This represents a decrease from 2022 (53.6tCO_2e/mt cargo) which has been driven by the reduction in carbon emissions from our operations.

NEXT STEPS

In 2023 we started a major review of our approach to measuring carbon emissions at the PLA, to ensure that our Scope 1&2 emissions are as accurate as possible, and to expand our Scope 3 reporting. We also intend to track and measure emissions from vessel operators in our port jurisdiction. Using our Maritime Emissions Portal developed in 2023, we can identify hotspots of emissions and work with vessel operators or terminals to reduce them.

In 2024 we will be publishing a Net Zero report to share details of our revised approach to measuring carbon emissions. The report will highlight our approach to Scope 3 reporting, set a new baseline which we will report against going forward, a new intensity metric and an updated plan to ensure that we remain on track to reach our 2040 target.

Our actions to reduce emissions in 2024 will focus on the PLA's most significant Scope 3 categories (purchased goods and services, commuting and homeworking) and working closely with Estuary Services Limited to address the Scope 1&2 emissions that make up most of their footprint.

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

Table 1: Assessment summary

Date of assessment	February 2024
Consolidation approach	Operational control
Boundary summary	All entities either owned or under operational control of the PLA were included
Emissions factors	UK Government Environmental Reporting Guidelines 2019, UK Government conversion factors 2022, 2023
Assessment methodology	Greenhouse Gas Protocol (2004)
Intensity ratio	tCO_2e per million tonnes of cargo (tCO_2e/Mt cargo)

Table 2: Group emissions (PLA and ESL)

Source of emissions	2022 consumption[1] (MWh)	2022 emissions[1] (tCO_2e)	2023 consumption (MWh)	2023 emissions (tCO_2e)
Liquid Fuel	13,433	2,838	13,365	2,387
Gas	434	79	317	58
Fugitive Emissions	–	–	–	45
Scope 1 Total	**13,867**	**2,917**	**13,682**	**2,490**
Electricity	1,765	22	1,824	31
Scope 2 Total	**1,765**	**22**	**1,824**	**31**
Scopes 1+2 Total	**15,632**	**2,939**	**15,506**	**2,521**
Carbon intensity (tCO_2e/mt cargo)		**53.6 (54.9mt cargo)**		**48.9 (51.6mt cargo)**

* **Emissions breakdown per company:** 2022 ESL: 2,058tCO_2e (70%), PLA: 881tCO_2e (30%) and 2023 ESL: 2,214tCO_2e (88%), PLA: 307tCO_2e (14%).

[1] These figures have been restated since AAR 2022 to include ESL.

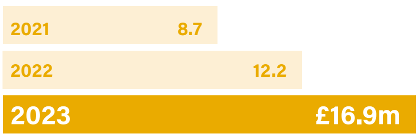
CHIEF FINANCIAL OFFICER'S STATEMENT

STEVEN LOCKWOOD

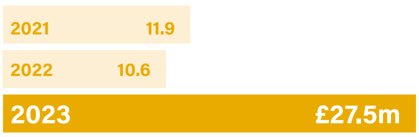
PLA delivered strong financial results in 2023, generating an operating surplus of £16.9m (2022: £12.2m). This surplus will be reinvested to support our Thames Vision goals.

REVENUE

OPERATING SURPLUS



PROFIT BEFORE TAX



FINANCIAL PERFORMANCE

We achieved a turnover of £90.8m marking a 16.1% growth year on year (2022: £78.2m). This increase was supported by a 23.0% rise in pilotage income – a result of our decision to implement charges for a second pilot on larger vessels and a practice consistent with other ports. Additionally, our vessel and cargo conservancy income saw an 11.8% increase, while property and investment-related income rose by 8.8%. These positive trends contributed to an operating profit of £16.9m, up from £12.2m in 2022.

The profit before taxation increased to £27.5m in 2023 (2022: £10.6m), driven by several factors. In addition to operating profits increasing by £4.7m, we saw gains from the revaluation of our investment properties (of which we have six) which contributed £9.5m, while interest received and gains on both our cash balance and pooled investments amounted to £2.3m.

Maintaining a solid financial position, we continue to hold sufficient cash reserves to support our long-term goals and business investments, enabling and supporting future growth in port trade. Our cash, together with short-term and pooled investments, at the end of the year stood at £38.7m, up from £32.9m in 2022.

INVESTMENTS

Made possible through a robust surplus position, capital investment in 2023 increased to £6.0m (2022: £5.1m). Our capital investment strategy is focused on enhancing resilience through a well-maintained asset base, diversifying our income streams, and driving productivity improvements throughout our operations. This strategy strengthens our resource, capability, and capacity in preparation for anticipated growth in port trade and river use, and delivers value for our customers.

In 2023, we welcomed a new cohort of trainee pilots, bolstering our existing pilotage team and enhancing our capacity to provide exceptional service to our customers. This strategic investment ensures our ability to meet expanding customer demands over the mid to long term.

Our commitment to modernisation continued with ongoing investments in radar, microwave, and server replacement programmes. Additionally, we made a key decision to partner with Kongsberg for our VTS (Vessel Traffic Services), a crucial system for efficiently managing vessel traffic within our ports. We also completed the re-roofing of our main operational base, Royal Terrace Pier.

In alignment with our carbon reduction goals, we transitioned more of our on-road vehicle fleet to electric. Furthermore, we invested £0.2m in installing solar panels at our Denton site.

Over the next five years, we plan to double our capital investment expenditure to £58.0m compared to the previous five years. These investments are centred on the development of a new Marine Control Centre at Gravesend, a replacement Pontoon at our Marine Services operations in Denton, introducing new and upgraded IT and replacing some of our vessels.

Our three-year investment programme in the new Marine Control Centre highlights our commitment to support growth in port trade. Furthermore, the new centre will consolidate our operations from two centres (Thames Barrier and Gravesend) allowing us to introduce further efficiencies into our operations.

We continue to seek opportunities to diversify our income streams through acquisitions of river-related property. While our pipeline of opportunities remains robust, we have experienced a slowdown in closing these opportunities due to current economic conditions.

PENSIONS

The PLA's defined benefit pension scheme continues to pose a significant financial burden to the business, despite being closed to new members. In 2023, we made deficit repair payments totalling £4.7m (2022: £7.4m). Looking ahead, we anticipate future payments to exceed £30m as per the agreed funding plan from the last triennial valuation. The future service cost has also risen, with total contributions from both employer and employee now at 35.6% (2022: 29.9%), of which the employer bears two-thirds of the responsibility. The pension liability was valued at £23.1m in 2023 under International Accounting Standard 19, down from £25.0m in 2022.

OUTLOOK

The overall outlook for PLA remains optimistic as we possess the necessary cash resources to strengthen our asset base in preparation for increased port trade and continue our investment programme. We are actively pursuing opportunities to support our Thames Vision goals, by promoting greater river use and diversifying our income through river-related property acquisitions.

We are closely monitoring developments surrounding the geopolitical environment, particularly its potential impacts on inflation and shipping routes.

Steven Lockwood
Chief Financial Officer
20 May 2024

RISK MANAGEMENT AND PRINCIPAL RISKS

The PLA Board is committed to maintaining an integrated framework for risk governance, compliance and assurance.

The PLA Board is responsible for ensuring that the business has robust systems for risk management, approving risk appetite, determining the adequacy of systems for internal control, and of assurance mechanisms. As the highest governing body, the Board has overall responsibility for ensuring that the Risk Management Policy is established and for approving the functional strategy.

The Risk Management Policy sets out the PLA's approach and alignment to industry best practice standards. The PLA maintains a proportionate control environment to the risk environment with assurance provided via a "three lines of defence" operating model.

The PLA promotes a risk aware culture across the organisation where risk management is a shared responsibility. The Executive Committee, Directors, departments and functional committees actively engage, collaborate, and participate in risk management with responsibilities for each clearly defined. Risk is evaluated at strategic, operational, contracting, project and programme level to ensure that risk management actively supports the achievement of objectives.

PRINCIPAL RISKS

Each year the Board and Executive Committee undertakes a strategic review of the PLA's principal risks. To arrive at a settled position, the Committee considers long list of potential risks drawn from the internal risk management process and from the national risk register.

Members bring their own knowledge, experience, and sector specific insights from participation in trade bodies and other organisations, throughout the year.

Here, we describe the principal risks as they are currently understood and how they are mitigated. The number of principal risks has remained the same year on year, with "Covid-19 pandemic" replaced with "Major pollution event" as a principal risk. This is not an entirely new risk, but its inclusion reflects a renewed acknowledgment of its potential significance.

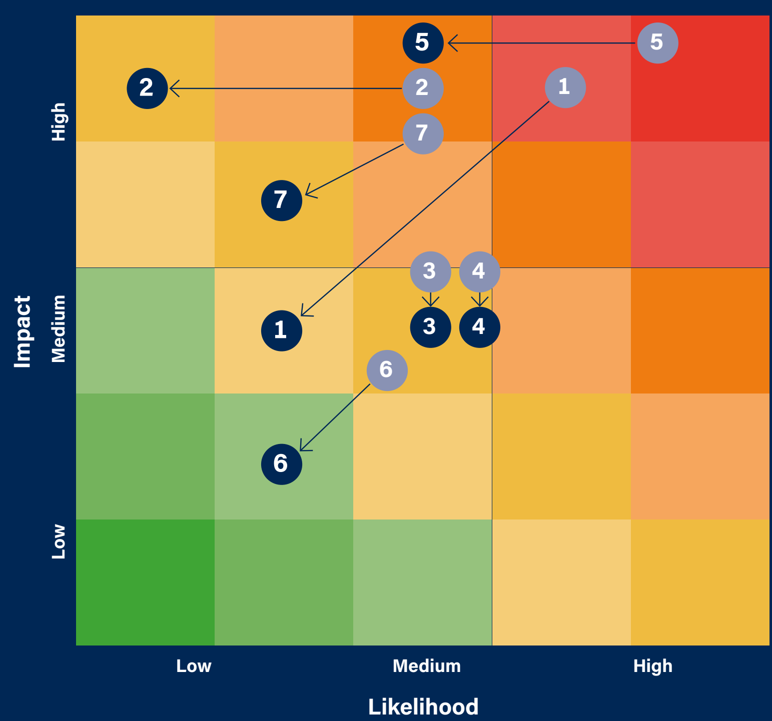
To aid visualisation, we have produced a heat map displaying quantified gross and net scores for each principal risk before and after mitigating actions.

GOING CONCERN

The Board considers that the Company will continue to operate on a going concern basis for a period of at least 12 months from the date of approval of the financial statements. In reaching this conclusion we have looked at resources available to the Company, its financial projections, the available cash and commitments as well as consideration of the Company's capital adequacy and material uncertainties.

Risk matrix

1 Navigational safety
2 Health & safety
3 Economic
4 Financial
5 Cyber security
6 Climate change
7 Major pollution event



Key:

Light blue/grey circle: "gross", i.e. inherent level of risk

Dark blue circle: "net" risk, i.e. post mitigation

Arrows: denote move from "gross" to "net", post mitigation

Description	Mitigation
1 NAVIGATIONAL SAFETY	
While there is a low likelihood, navigational safety is a key operational risk associated within the PLA's jurisdiction. The reasonable worst-case scenario is based on a large passenger vessel (for example, cruise ship or ferry) capsizing or sinking, potentially caused by a collision with another vessel, fire, or grounding.	The PLA manages navigational safety risk through a Marine Safety Management System (Marine SMS). The Marine SMS ensures compliance with the UK's Port Marine Safety Code (PMSC) and includes operational risk assessments, Vessel Traffic Services (VTS), vessel licensing, hydrographic surveys, pilotage, and security assessments. Assurance activity is provided by ABPmer, an independent marine consultancy.
2 OCCUPATIONAL HEALTH & SAFETY	
The PLA operates assets, infrastructure and provides services which are inherently higher risk, such as pilotage. The risk of a serious health and safety incident is ever present, and the outcome is less predictable than measures to limit the likelihood of an event.	In 2023, the PLA implemented a refreshed Occupational Health, Safety, and Wellbeing strategy. The objectives and targets included a focus on operational risk assessment and safe systems of work, supported by an ISO internal audit programme. The business continues to be certified to ISO 45001.
3 ECONOMIC	
The general economy is influenced by geopolitical unrest, uncertainty over government policy, including potential changes from central government and the forthcoming general election, interest rate volatility, commodity prices, and supply chain shortages. Mergers, acquisitions, and changes in the shipping line alliances in the container industry are also topical.	While these are risks that the PLA has little or no control over, our ongoing investment and growth strategy has resulted in a more diversified income stream. This limits our dependence on vessels and cargo volume, especially during business downturns. This diversification will continue over a number of years.
4 FINANCIAL	
Economic conditions affect the finances of the PLA. More specifically, the proposed change from RPI to CPI will directly influence revenues from charges and to the cost base. Volatility in energy prices and large capital requirements to replace, upgrade, and maintain assets and infrastructure require fiscal planning.	Our mitigations include diversified revenue streams, a diverse mix of cargo sectors, actuarial assessments on pension liabilities, and the agility to scale costs proportionally at pace. We are committed to ensuring the pension schemes are fully funded by contributing significant sums of money towards a multi-year deficit repair scheme in conjunction with The Pension Regulator. We are building resilience in our asset base and continue to drive increased equity within the business. A key financial risk for 2024 is our transition from RPI to CPI and the adoption of a consistent approach to indexation for both customer charges and employee pay.
5 CYBER SECURITY	
Cyber security is an ever-present risk due to increased threats and vulnerabilities, the pace of technological change, and compliance with regulations. A cyber attack has the potential to cause widespread disruption, resulting in an immediate outage to services and systems, and potentially requiring multiple days to return services to normal. This disruption could result in economic and reputational damage, as well as present an increased threat to passenger safety.	We continue to improve our defences against cyber attacks by implementing new cyber systems (improved network monitoring, logging, asset discovery, remote access protections), new network boundary protection including endpoints, servers, storage, and sensors. We are also replacing aging systems that cannot be patched and improving governance (such as starters/leavers, data storage, and transmission).
6 CLIMATE CHANGE	
Climate change impacts, such as more extreme weather and irreversible changes to sea levels, may cause flooding, heat stress on our assets, changes to water availability, and alterations to habitats.	This risk is mitigated by our Climate Adaptation Plan, which is part of the voluntary National Adaptation Programme, and through our involvement in the TE2100 London Flood Task Force to drive forward river-wide flood protection for the future. However, climate change also provides an opportunity through positioning and future-proofing the PLA for a low carbon future. We capitalise on the opportunity side of the climate risk through initiatives such as stakeholder engagement, the Net Zero River Plan actions, and monitoring emissions across the river through our Maritime Emission Portal.
7 MAJOR POLLUTION EVENT	
Given our new focus on river water quality, we have elevated the risk of a major pollution incident. A major pollution event could include accidental spillage from tankers or pipelines on the Thames, potentially resulting in irreversible damage to key habitats through a reduction in air or water quality, and direct harm to flora and fauna.	Our emergency planning procedures, environmental response procedures for pollution events, and pollution spill resources (Tier 2 responder contract, Thames Oil Spill Clearance Association, increased provision of local spill kits in the middle district) are in place. Tabletop exercises and live simulations are conducted each year to ensure that the PLA can appropriately respond to a major pollution event.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

OUR YEAR

During 2023, the Board focused the organisation on the following priority areas: health, safety and wellbeing, Marine Safety Plan, Clean Thames Manifesto and investment strategy (including the Marine Centre Transformation Programme), London Gateway contract, IT strategy including cyber security and Net Zero Plan.

The Board met nine times in total:

- Seven Board meetings (2024 budget meeting took place online)
- One extraordinary meeting
- One away day

The substantive items, including the priority areas above, we addressed together at the Board included:

- Clean Thames Manifesto
- Investment strategy
- Technology landscape
- Three-year marine safety plan
- Three-year business plan and 2024 budget
- Going concern assessment
- Stakeholder audit results
- Bexley Masterplan
- Corporate affairs including the Thames Vision
- PLA values and culture
- Vessel/fleet review
- Pilot boat procurement
- Asset management
- Staff survey results
- Strategic objectives
- 2024 charges increase
- Annual risk review including the PLA's most strategic risks
- Full Board evaluation

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

Nine 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 32.

OUR PEOPLE

The Board is made up of a chair together with six Non-Executive and three Executive members.

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 26.

BOARD EFFECTIVENESS REVIEW

During 2023 a full Board evaluation was undertaken. Gould Consulting were engaged to carry out the process and the results were discussed in December 2023. Recommendations and actions have been incorporated into the Board's 2024 plan.

The members of the Board at the time of approving the governance report are listed on page 30. Having made inquiries of fellow Directors and of the Company's Auditor, each of these Directors confirms that:

- To the best of each member's knowledge and belief, there is no information (that is, information needed by the Company's Auditor in connection with preparing their report) of which the Company's Auditor is unaware
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditor is aware of that information

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

Jonson Cox

Jonson Cox CBE
Chair

20 May 2024

BOARD MEMBERS

AS AT 31 DECEMBER 2023

NON-EXECUTIVE MEMBERS

JONSON COX CBE (DFT)

Chair

Appointed: April 2022

Committee membership:
N (Chair) P I

PAULA CARTER (PLA)

Vice Chair/Senior Independent Director (SID)

Appointed: June 2018

Committee membership:
A N L (Chair)

TORIL EIDESVIK (DFT)

Non-Executive Director

Appointed: September 2020

Committee membership:
P I

VANESSA HOWLISON (PLA)

Non-Executive Director

Appointed: January 2023

Committee membership:
A (Chair) I

ADMIRAL SIR PHILIP JONES GCB DL (DFT)

Non-Executive Director

Appointed: March 2022

Committee membership:
L

SUE MACKENZIE (PLA)

Non-Executive Director

Appointed: January 2021

Committee membership:
A P (Chair)

PRIYA NAIR (PLA)

Non-Executive Director

Appointed: June 2023

Committee membership:
L I (Chair)

EXECUTIVE MEMBERS

ROBIN MORTIMER

Chief Executive

Appointed: March 2014

Committee membership:
L I

STEVEN LOCKWOOD

Chief Financial Officer

Appointed: July 2023

Committee membership:

JAMES STRIDE

Chief Harbour Master

Appointed: 6 November 2023

Committee membership:
L

For full Board biographies see our website.

SUMMARY STATISTICS

AS AT 31 DECEMBER 2023

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 31 December 2023.

Attendance at the nine meetings of the PLA Board in 2023 (including away day, approval of the 2024 budget via Teams and an extraordinary meeting) was as follows:

JONSON COX CBE	9/9
PAULA CARTER	9/9
ROBIN MORTIMER	9/9
JULIE TANKARD (Retired July 2023)	5/5
STEVEN LOCKWOOD (Joined July 2023)	6/6
ROBERT BAKER (Retired October 2023)	6/6
JAMES STRIDE (Joined November 2023)	3/3
ALUN GRIFFITHS (Term expired end April 2023)	2/2
SUE MACKENZIE	9/9
TORIL EIDESVIK	9/9
VANESSA HOWLISON	9/9
ADMIRAL SIR PHILIP JONES GCB DL	8/9
PRIYA NAIR (Joined June 2023)	5/6

The following committees of the Board also met during 2023:

A Audit and Risk	3
N Nominations	2
L Licensing	4
P People and Remuneration	3
I Investment	2

MANAGEMENT EXECUTIVE COMMITTEE

Chief Executive
ROBIN MORTIMER

Chief Financial Officer
STEVEN LOCKWOOD
(Julie Tankard retired on 31 July 2023)

Chief Harbour Master
JAMES STRIDE
(Robert Baker retired on 17 October 2023)

Director of Corporate Affairs
SIÂN FOSTER
(Alistair Gale left on 31 May 2023)

Director of Marine Operations
STEVEN CLAPPERTON

Director of Planning and Development
JAMES TRIMMER

Director of Human Resources
KAREN FULLER

Director of Sustainability and Net Zero Transition
GRACE RAWNSLEY

Secretary to the Authority
SUSAN GRUNDY

COMMITTEES

AS AT 31 DECEMBER 2023

AUDIT AND RISK

A

Times met: Three

Current Membership:
Vanessa Howlison (Chair); Paula Carter; Sue Mackenzie

The committee's role is to:

- Advise on the appointment/reappointment/removal of Auditor, 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

Principal items discussed during 2023:

- Annual legal update
- 2022 Annual Report and Accounts
- External audit outcome – Ernst & Young report
- Slavery and human trafficking policy and statement – annual review
- Pilot vessel Leader – lessons learned
- Bad debt write-off – annual review
- Tax
- Budget 2024 assumptions
- Pilots National Pension Fund (PNPF)
- GDPR update – annual review of protection measures
- Risk and assurance update (including outcomes of internal audits)
- Internal audit programme and risk appetite
- 2024/25 audit plan and appointment of internal Auditor
- Going concern
- Whistleblowing – annual review
- Cyber risk deep dive
- Ports Good Governance Guidance

LICENSING

L

Times met: Four

Current Membership:
Paula Carter (Chair); Robin Mortimer; James Stride; Philip Jones; Priya Nair

The committee's role is to:

- 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 2023:

- Licence applications
- Enforcement action
- Piers, wharves and jetties
- Major projects (London Gateway berth 4, Silvertown Tunnel, Tilbury 2 and Thames Tideway Tunnel)
- Biodiversity net gain

NOMINATIONS

N

Times met: Twice

Current Membership:
Jonson Cox (Chair); Paula Carter; Additional NED if required

The committee's role is to:

- 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/SID
- To note and consider the recruitment process for the Executive Team taking into account the need for inclusion and diversity

Principal items discussed during 2023:

- Executive recruitment (chief financial officer, recruitment process managed by Boyden, director of corporate affairs, recruitment process managed by Ellwood Atfield and chief harbour master, recruitment process managed by Odgers Berndtson)
- Board succession planning

During 2023 two new Non-Executive members joined the Board, the recruitment process was managed by search firm Odgers Berndtson.

PEOPLE AND REMUNERATION

P

Times met: Three

Current Membership:
Sue Mackenzie (Chair); Jonson Cox; Toril Eidesvik

The committee's role is to:

- 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

Principal items discussed during 2023:

- Pay review
- Pay negotiations
- 2023 ExCo objectives
- Inflation measures
- Board fees

INVESTMENT

I

Times met: Twice

Current Membership:
Priya Nair (Chair); Jonson Cox; Vanessa Howlison; Toril Eidesvik; Robin Mortimer

The committee's role is to:

- Review investment proposals and make recommendations to the Board
- Carry out post implementation review

Principal items discussed during 2023:

- Marine Centre Transformation Project
- Investment opportunities
- Committee's terms of reference

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Revenue	3	90,775	78,241
Operating expenditure	3	(73,858)	(66,040)
Operating profit	3, 5	16,917	12,201
Gain from investment property revaluation	7	9,502	126
Finance income	8	2,276	576
Finance expense	8	(291)	(2,250)
Interest on defined benefits pension scheme	8	(923)	(86)
Profit before taxation		27,481	10,567
Income tax expense	9	(7,066)	(2,702)
Profit for the financial year		**20,415**	**7,865**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Profit for the year		20,415	7,865
Other comprehensive income			
Other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit plans	24	(4,701)	(19,659)
Deferred tax	9	1,176	4,915
Other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods		(3,525)	(14,744)
Total comprehensive income for the year		**16,890**	**(6,879)**

CONSOLIDATED AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Non-current assets					
Intangible assets	10	946	1,038	858	943
Leased assets	11	1,353	1,616	1,194	1,420
Property, plant and equipment	12	52,981	50,788	49,107	47,359
Investment property	13	106,659	97,157	106,659	97,157
Subsidiary companies		—	—	1,553	1,553
Loans	17	599	527	599	527
Deferred tax asset	9	6,182	6,606	6,182	6,580
		168,720	157,732	166,152	155,539
Current assets					
Inventories		408	441	408	441
Corporation & other tax		—	101	—	101
Trade and other receivables	14	11,653	11,213	11,493	11,028
Prepayments and other current assets		3,098	1,938	2,941	1,826
Cash	15	5,056	11,047	3,039	8,719
Short-term cash investments	15	21,000	10,000	21,000	10,000
Pooled investments	16	12,633	11,890	12,633	11,890
		53,848	46,630	51,514	44,005
Total assets		**222,568**	**204,362**	**217,666**	**199,544**
Current liabilities					
Trade and other payables	18	7,171	7,389	7,266	7,391
Corporation & other tax	18	1,046	280	756	—
Deferred revenue	20	2,257	2,053	2,257	2,053
Lease liabilities	21	233	252	210	232
Provisions	22	729	726	729	726
		11,436	10,700	11,218	10,402
Non-current liabilities					
Deferred revenue	20	1,020	1,410	1,020	1,410
Lease liabilities	21	1,298	1,547	1,146	1,356
Provisions	22	5,515	6,025	5,515	6,025
Deferred tax liability	9	24,348	20,717	23,719	20,195
Net defined benefit pension liabilities	24	23,114	25,016	23,575	24,917
		55,295	54,715	54,975	53,903
Total liabilities		**66,731**	**65,415**	**66,193**	**64,305**
Equity					
Profit and loss reserve		**155,837**	**138,947**	**151,473**	**135,239**
Total liabilities and equity		**222,568**	**204,362**	**217,666**	**199,544**

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 29 April 2024 and were signed on its behalf on 20 May 2024.

R J D MORTIMER
Chief Executive

S R LOCKWOOD
Chief Financial Officer

FINANCIAL STATEMENTS

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Operating activities					
Profit before tax		27,481	10,567	26,848	9,825
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant, and equipment and leased assets	5	3,868	3,445	3,550	3,142
Amortisation and impairment of intangible assets	5	249	365	242	358
(Gain)/(loss) on disposal of intangible assets, property, plant and equipment	5	(14)	(31)	(14)	(31)
Investment property	7	(9,502)	(126)	(9,502)	(126)
Gain finance income	8	(2,276)	(576)	(2,275)	(576)
Finance costs	8	1,214	2,336	1,210	2,330
Provisions movements	22	(736)	(1,829)	(736)	(1,829)
Movements in net defined benefit pension liabilities	24	(7,518)	(5,772)	(7,210)	(5,436)
Working capital adjustments:					
(Increase)/Decrease in prepayments, trade and other receivables	14	(1,600)	(3,282)	(1,580)	(3,218)
(Increase)/Decrease in inventories		33	(45)	33	(45)
(Decrease)/Increase in deferred revenue, trade and other payables	18 / 20	(404)	(829)	(311)	(924)
		10,795	4,223	10,255	3,470
Net interest received		1,594	648	1,587	640
Net income tax (paid)		(975)	(1,370)	(893)	(1,250)
Net cash flows from operating activities		11,414	3,501	10,949	2,860
Investing activities					
Proceeds from sales of intangible assets, property, plant and equipment		22	84	22	84
Proceeds from sales of investment property	13	—	340	—	340
Purchase of intangible assets, property, plant and equipment		(5,975)	(4,000)	(5,237)	(3,712)
Purchase of investment property	13	—	(1,028)	—	(1,028)
Loans	17	(72)	(479)	(72)	(479)
Net cash flows used in investing activities		(6,025)	(5,083)	(5,287)	(4,795)
Financing activities					
Principal payments for leases	21	(318)	(312)	(287)	(287)
Lease interest payments		(62)	(72)	(55)	(64)
		(380)	(384)	(342)	(351)
Net (decrease) in cash and cash short-term investments	15	5,009	(1,966)	5,320	(2,286)
Cash and cash short-term investments at 1 January		21,047	23,013	18,719	21,005
Cash and cash short-term investments at 31 December	15	**26,056**	**21,047**	**24,039**	**18,719**

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Profit and loss reserve £000
At 1 January 2022	145,826
Total comprehensive income	(6,879)
At 31 December 2022	**138,947**
Total comprehensive income	16,890
At 31 December 2023	**155,837**

Company	Profit and loss reserve £000
At 1 January 2022	142,462
Total comprehensive income	(7,223)
At 31 December 2022	**135,239**
Total comprehensive income	16,234
At 31 December 2023	**151,473**

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 2023

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 2023 were authorised for issue in accordance with a resolution of the Board of members on 23 April 2024. 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 26.

The consolidated financial statements of the Group include:

Name	Principal activities	% equity interest 2023	% equity interest 2022
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 licences, Rentals – Moorings – Hydrographic surveying – Dredging – 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)		n/a	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 2022/2023 and dissolved 7 March 2023.			

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 £19,941,000 (2022: £7,288,000).

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 main short-term financial risk is the impact of a business downturn as the economy endures political instability, high interest rates, changing global and UK inflation, and the war in parts of the Middle East & Ukraine. These economic climate and global challenges have been considered in our assessment of the level of business disruption and the sensitivity of our trading numbers. We have prepared a cash flow analysis over the period to 31 December 2025 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 2023.

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) 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 provides 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.

(b) 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 if required.

(c) 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.

(d) 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 five 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.

(e) 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 the interest rate implicit in the lease or our incremental borrowing rate. 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.

(f) 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.

(g) 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.

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.

(h) Inventories

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

(i) Cash, cash investments and pooled investments

Cash includes short-term investments which mature in less than three 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.

(j) 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.

(k) 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
– 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.

(l) 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

– Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(m) 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 24 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 involved in the valuation and its long-term nature, the provision is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 22 for principal assumptions.

(c) Deferred tax assets – estimates

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax is recognised on pension liabilities capped at management's best estimate of available future taxable profits if required.

(d) Investment property

The valuation of investment properties use both investment and comparable methods of valuations following RICS valuation methods. They consider recent transactions of similar properties and adjusted these to reflect differences in size, condition and location. Where income is receivable by way of a lease the investment method is used capitalising the income streams at an appropriate yield and then discounting back to the present day giving the net present value (NPV). This method involves reflecting risk, return and expectations of growth through the yield.

2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and Company's financial statements are disclosed below. The Group, intends to adopt these standards, if applicable, when they become effective. The Group is assessing the impact of these standards.

		Effective for accounting periods beginning on or after
Amendment to IFRS16	Lease Liability in a sale and leaseback	01/01/2024
Amendment to IAS1	Classification of Liabilities as Current or Non-Current	01/01/2024
Amendment to IFRS7 and IAS7	Supplier Finance Arrangements	01/01/2024
Amendment to IAS21	Lack of Exchangeability	01/01/2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	UK enforcement decision by July 2024
IFRS S2	Climate Related Disclosures	UK enforcement decision by July 2024

Those coming into force 1/1/2024 and 1/1/2025 have been considered and are not expected to have a material impact on the Group or Company. IFRS S1 and S2 are to be considered in detail with current energy and carbon reporting modified as required and detailed climate risk related disclosures to be included in the Annual Report.

3. GROUP REVENUE AND OPERATING EXPENDITURE

Group		2023 £000	2022 £000
Revenue from services			
Conservancy charges on cargo		8,511	8,029
Conservancy charges on vessels		14,840	12,859
		23,351	20,888
Pilotage		40,034	32,540
River works licences, rents & investment income		16,499	15,164
Services provided (e.g. diving, salvage, moorings, hydrographic)		6,720	5,444
Landfill royalties		1,466	1,924
Other revenue		2,705	2,281
		90,775	78,241
Operating expenditure			
Operating payroll		(39,773)	(38,479)
Supplies and services		(19,879)	(15,539)
Depreciation and amortisation		(3,866)	(3,558)
Administration:	payroll	(6,798)	(5,906)
	other	(3,542)	(2,558)
		(73,858)	(66,040)
Operating profit		**16,917**	**12,201**

All revenue relates to activities within the United Kingdom.

Company		2023 £000	2022 £000
Revenue from services			
Conservancy charges on cargo		8,511	8,029
Conservancy charges on vessels		14,840	12,859
		23,351	20,888
Pilotage		38,642	31,045
River works licences, rents & investment income		16,499	15,164
Services provided (e.g. diving, salvage, moorings, hydrographic)		6,720	5,444
Landfill royalties		1,466	1,924
Other revenue		2,823	2,381
		89,501	76,846
Operating expenditure			
Operating payroll		(37,992)	(36,949)
Supplies and services		(21,877)	(17,196)
Depreciation and amortisation		(3,566)	(3,274)
Administration:	payroll	(6,404)	(5,590)
	other	(3,380)	(2,385)
		(73,219)	(65,394)
Operating profit		**16,282**	**11,452**

All revenue relates to activities within the United Kingdom. Government grants of £101,489 were received in 2023 (2022: £68,002) for the Land, Sea and Port Integration of a Smart Hydrogen Highway Research Project and the Thames Natural Habit Bank (2023 only). This income was offset against the professional services costs for the project.

4. COMPANY PILOTAGE – OPERATING SURPLUS/DEFICIT

The Consolidated Income Statement includes the following relating to Pilotage:

	2023 £000	2022 £000
Revenue from services		
Providing Pilotage services	37,322	29,775
	37,322	29,775
Operating expenditure		
Providing the services of Pilots	(28,670)	(25,082)
Providing, maintaining and operating Pilot boats	(1,144)	(1,027)
Administration and other costs	(4,302)	(3,603)
	(34,116)	(29,712)
Operating surplus relating to Pilotage	**3,206**	**63**

The operating deficit shown above excludes £1,264,000 (2022: £1,222,000) income from a levy charged to fund deficit repairs to the PNPF. In addition net interest costs in the PNPF of £105,000 (2022: £74,000) are also excluded from the amounts shown above. See note 24. Excludes past pension deficit payments.

5. GROUP OPERATING PROFIT

Operating profit is stated after charging:

		2023 £000	2022 £000
Auditor's remuneration	– audit of the financial statements	187	147
	– audit of the Group pension schemes	50	38
		237	185
Gain on disposal of intangible assets, property, plant and equipment	– owned assets	(14)	(31)
Amortisation and impairment of leased assets	– leased assets	251	251
Depreciation and impairment of property, plant and equipment	– owned assets	3,617	3,194
Amortisation and impairment of intangible assets	– owned assets	249	365

6. GROUP EMPLOYEE BENEFITS EXPENSE

Group Employee Benefits Expense	2023 £000	2022 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:		
Wages and salaries	36,343	31,688
Social security costs	4,320	3,823
Pensions costs	5,549	8,466
	46,212	43,977
Staff severance	13	80
	46,225	**44,057**

Group	2023 Number	2022 Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations	337	333
Administration	133	120
	470	**453**

Company Employee Benefits Expense	2023 £000	2022 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:		
Wages and salaries	34,575	30,174
Social security costs	4,145	3,675
Pensions costs	5,327	8,283
	44,047	42,132
Staff severance	13	80
	44,060	**42,212**

Company	2023 Number	2022 Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations	300	300
Administration	127	115
	427	**415**

A Government grant of £7,735 was received in 2022 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. No Kickstart grants were received in 2023.

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: 12:1 for the 25th percentile; 4:1 for the median and 2:1 for the 75th percentile. By comparison, the CEO to median pay ratio for FTSE100 companies in 2022 was reported as 118:1.*

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 2022: review of FTSE100 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		Long term Incentive for period		Taxable benefits		Total	
	2023 £	2022 £	**2023 £**	2022 £	**2023 £**	2022 £	**2023 £**	2022 £	**2023 £**	2022 £
Executive members:										
R J D Mortimer**	266,650	247,419	34,598	25,242	8,215	-	5,584	5,332	306,832	277,993
S R Lockwood (appointed 1/08/2023)	97,133	-	748	-	6,002	-	816	-	98,697	-
J A Stride (appointed 6/11/2023)	26,565	-	230	-	5,282	-	252	-	27,047	-
J Tankard (resigned 31/07/2023)	111,185	172,538	-	17,866	-	-	2,130	4,073	113,315	194,477
R Baker (resigned 17/10/2023)	136,951	159,242	4,741	13,529	-	-	2,624	3,258	144,316	176,029
Non-executive members:										
J Cox (Chair - appointed 4/04/2022)	90,737	63,042	-	-	-	-	-	-	90,737	63,042
C J Rodrigues (Chair - resigned 31/01/2022)	-	23,500	-	-	-	-	-	-	-	23,500
A H Griffiths (Vice Chair - resigned 31/04/2023)	12,694	36,600	-	-	-	-	-	-	12,694	36,600
J J Armitt (resigned 31/12/2022)	-	30,800	-	-	-	-	-	-	-	30,800
D G James (resigned 31/07/2023)	17,967	30,800	-	-	-	-	-	-	17,967	30,800
P H Carter (Vice Chair from 1/05/2023)	37,059	30,800	-	-	-	-	-	-	37,059	30,800
T Eidesvik	28,609	26,800	-	-	-	-	-	-	28,609	26,800
S Mackenzie	31,492	26,800	-	-	-	-	-	-	31,492	26,800
P Jones (appointed 7/03/2022)	32,879	25,170	-	-	-	-	-	-	32,879	25,170
V J Howlison (appointed 1/01/2023)	32,879	-	-	-	-	-	-	-	32,879	-
P Nair (appointed 1/06/2023)	19,422	-	-	-	-	-	-	-	19,422	-
	942,222	**873,511**	**40,317**	**56,637**	**19,499**	**-**	**11,406**	**12,663**	**993,945**	**942,811**

* *In order to reflect practice elsewhere in the commercial market, including schemes in other Trust Ports, the Remuneration Committee decided in 2023 to introduce a Long-Term Incentive (LTI) scheme for members of the executive team. Under the scheme, up to a total of 10% of base salary will be available for the achievement of longer-term stretch goals, with a provision being applied across 2023 (and 2024) and any payments made in 2025 based on performance. Reflecting this additional element of performance related pay, base salaries increases for executive team members were lower in 2023 than for all other staff. (This is typically referred to as a "base pay swap" for performance related pay). Total executive team member LTI provision for 2023 totals £19,499. This is based on the assessment of current and anticipated performance against the objectives, which is estimated at 60% of the total available at the end of the LTI period.*

** *Taking over as Chair of Estuary Services Limited (ESL) from 1st January 2023, the Remuneration Committee offered the CEO a one off (i.e. non-recurring) bonus opportunity of £10,000 in relation to delivering a set of performance objectives for the organisation.*

Pension entitlement

Some of 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 2023 was £25,440 per annum (2022: £21,567). The total pension for the Board members under the funded defined benefit scheme at 31 December 2023 was £57,012 (2022: £49,641). All of executive Board members participate in the PLA's funded defined contribution pension scheme. The PLA contributed £18,354 (2022: £1,307) to the defined contribution pensions held by the Executive Directors.

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	2023 £000	2022 £000
Increase on fair value of investment properties in Income Statement		10,598	1,660
Decrease on fair value of investment properties in Income Statement		(1,096)	(1,534)
Gain from investment property revaluation in Income Statement	13	**9,502**	**126**

All investment properties were revalued with the gain included in the Income Statement. Valuations at 31 December 2023 were prepared by the inhouse charted surveyor team. Although 2023 has seen continuing demand from potential tenants, there has been a lack of direct comparable evidence of transactions for open storage sites due to the lack of supply. Accordingly, the PLA's in-house valuations have also been largely informed by published market reports undertaken by commercial property agencies, discussions with individual commercial property agents active in the market and general market sentiment.

8. FINANCE INCOME AND EXPENSE

Group

Finance income

	2023 £000	2022 £000
Interest income on short-term deposits	975	172
Interest on pooled investments	503	378
Pooled investments gains	743	—
Other interest	55	26
Total finance income	**2,276**	**576**

Finance expense

	2023 £000	2022 £000
Lease liability interest	(63)	(72)
Net interest on defined benefit pension schemes (see note 24)	(923)	(86)
Unwinding of discount and effect of changes in discount rate on provisions (see note 22)	(228)	(286)
Pooled investments losses	—	(1,892)
Total finance expense	**(1,214)**	**(2,336)**

Company

Finance income

	2023 £000	2022 £000
Interest income on short-term deposits	975	172
Interest on pooled investments	503	378
Pooled investments gains	743	—
Other interest	54	26
Total finance income	**2,275**	**576**

Finance expense

	2023 £000	2022 £000
Lease liability interest	(56)	(64)
Net interest on defined benefit pension schemes (see note 24)	(926)	(87)
Unwinding of discount and effect of changes in discount rate on provisions (see note 22)	(228)	(286)
Pooled investments losses	—	(1,892)
Total finance expense	**(1,210)**	**(2,329)**

9. INCOME TAX

(a) Tax on group profit

	2023 £000	2022 £000
Current income tax:		
Current income tax charge on profit for the year	2,037	755
Current tax prior year adjustment	(201)	(176)
Total current tax	**1,836**	**579**
Deferred tax:		
Current year deferred tax	5,238	1,439
Deferred tax prior year adjustment	(13)	226
Effect of changes in tax rates	5	458
Total deferred tax	**5,230**	**2,123**
Income tax expense reported in the Consolidated Income Statement	**7,066**	**2,702**
Deferred tax related to items recognised in Other Comprehensive Income during the year	(1,176)	(4,915)
Income tax expense charged to the Consolidated Statement of Other Comprehensive Income	**(1,176)**	**(4,915)**

(b) Reconciliation of tax expense

	2023 £000	2022 £000
Profit before income tax	**27,481**	**10,567**
At the UK's statutory corporate income tax rate of 23.52% (2022: 19%)	6,477	2,019
Adjustments in respect of current income tax of previous years	(160)	44
Effects of:		
Non-deductible expenses for tax purposes	133	114
Effect of changes in tax rates	303	437
Other	313	88
Income tax expense reported in the Consolidated Income Statement for the year	**7,066**	**2,702**

(c) Deferred tax

	Balance Sheet	
Group	**2023 £000**	2022 £000
Deferred tax assets relating to net defined benefit pension liabilities	5,908	6,269
Accelerated depreciation for tax purposes	(5,347)	(4,206)
Revaluation of Land	(18,887)	(16,511)
Other temporary differences	160	337
Net deferred tax (liability)	**(18,166)**	**(14,111)**

Reflected in the Balance Sheet as follows:		
Deferred tax assets	6,182	6,606
Deferred tax liabilities	(24,348)	(20,717)
Net deferred tax (liability)	**(18,166)**	**(14,111)**

	2023 £000	2022 £000
Reconciliation of net deferred tax (Liability)		
At 1 January	(14,111)	(16,904)
Tax expense during the year recognised in the Consolidated Income Statement	(5,230)	(2,123)
Recognised in Other Comprehensive Income	1,176	4,915
At 31 December	**(18,166)**	**(14,111)**

FINANCIAL STATEMENTS

	Balance Sheet	
Company	**2023 £000**	2022 £000
Deferred tax assets relating to net defined benefit pension liabilities	5,908	6,243
Accelerated depreciation for tax purposes	(4,832)	(3,684)
Revaluation of Land	(18,887)	(16,511)
Other temporary differences	274	337
Net deferred tax (liability)	**(17,537)**	**(13,615)**
Reflected in the Balance Sheet as follows:		
Deferred tax assets	6,182	6,580
Deferred tax liabilities	(23,719)	(20,195)
Net deferred tax (liability)	**(17,537)**	**(13,615)**

	2023 £000	2022 £000
Reconciliation of net deferred tax (Liability)		
At 1 January	(13,615)	(16,410)
Tax expense during the year recognised in the Consolidated Income Statement	(5,158)	(2,041)
Recognised in Other Comprehensive Income	1,236	4,837
At 31 December	**(17,537)**	**(13,615)**

The Group has calculated the deferred tax at a rate of 23.5% (2022: 19%). The deferred tax has been fully recognised based on forecasted profits for the next ten years. There is no unrecognised deferred tax (2022: £nil).

The Group has gross capital losses carried forward of £992,000 (2022: £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 2022	4,447	508	107	5,062
Additions	78	—	—	78
Disposals	(285)	—	—	(285)
At 31 December 2022	4,240	508	107	4,855
Additions	157	—	—	157
Disposals	(231)	—	—	(231)
At 31 December 2023	**4,166**	**508**	**107**	**4,781**
Amortisation				
At 1 January 2022	3,559	173	5	3,737
Charge for year	343	15	7	365
Eliminated on disposals	(285)	—	—	(285)
At 31 December 2022	3,617	188	12	3,817
Charge for year	227	15	7	249
Eliminated on disposals	(231)	—	—	(231)
At 31 December 2023	**3,613**	**203**	**19**	**3,835**
Net book value at 31 December 2023	**553**	**305**	**88**	**946**
Net book value at 31 December 2022	623	320	95	1,038

Company	Software £000	Licences £000	Other £000	Total £000
Cost				
At 1 January 2022	4,447	508	—	4,955
Additions	78	—	—	78
Disposals	(285)	—	—	(285)
At 31 December 2022	4,240	508	—	4,748
Additions	157	—	—	157
Disposals	(231)	—	—	(231)
At 31 December 2023	**4,166**	**508**	**—**	**4,674**
Amortisation				
At 1 January 2022	3,559	173	—	3,732
Charge for year	343	15	—	358
Eliminated on disposals	(285)	—	—	(285)
At 31 December 2022	3,617	188	—	3,805
Charge for year	227	15	—	242
Eliminated on disposals	(231)	—	—	(231)
At 31 December 2023	**3,613**	**203**	**—**	**3,816**
Net book value at 31 December 2023	**553**	**305**	**—**	**858**
Net book value at 31 December 2022	623	320	—	943

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 £390,000 (2022: £233,000).

11. LEASED ASSETS

Group	Property £000	Equipment £000	Total £000
Cost			
At 1 January 2022	2,344	90	2,434
Remeasurement of index linked leases	14	—	14
Additions	52	41	93
At 1 January 2023	2,410	131	2,541
Remeasurement of index linked leases	(30)	—	(30)
Additions	—	18	18
At 31 December 2023	**2,380**	**149**	**2,529**
Amortisation			
Net book value at 1 January 2022	618	56	674
Charge for year	226	25	251
At 1 January 2023	844	81	925
Charge for year	227	24	251
At 31 December 2023	**1,071**	**105**	**1,176**
Net book value at 31 December 2023	**1,309**	**44**	**1,353**
At 31 December 2022	1,566	50	1,616

Company	Property £000	Equipment £000	Total £000
Cost			
At 1 January 2022	2,134	72	2,206
Remeasurement of index linked leases	(3)	—	(3)
Additions	52	41	93
At 1 January 2023	2,183	113	2,296
At 31 December 2023	**2,183**	**113**	**2,296**
Amortisation			
Net book value at 1 January 2022	598	52	650
Charge for year	206	20	226
At 1 January 2023	804	72	876
Charge for year	208	18	226
At 31 December 2023	**1,012**	**90**	**1,102**
Net book value at 31 December 2023	**1,171**	**23**	**1,194**
At 31 December 2022	1,379	41	1,420

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 2022	17,742	20,692	13,230	18,820	25,485	95,969
Additions	502	—	921	445	2,054	3,922
Disposals	(70)	—	—	(265)	(1,303)	(1,638)
At 31 December 2022	18,174	20,692	14,151	19,000	26,236	98,253
Additions	2,411	—	330	1,185	1,892	5,818
Disposals	(86)	—	(20)	(61)	(1,695)	(1,862)
At 31 December 2023	**20,499**	**20,692**	**14,461**	**20,124**	**26,433**	**102,209**
Depreciation						
At 1 January 2022	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)	—	—	(212)	(1,303)	(1,533)
At 31 December 2022	9,084	6,400	9,570	7,712	14,699	47,465
Charge for year	508	370	450	834	1,455	3,617
Eliminated on disposals	(86)	—	(16)	(61)	(1,691)	(1,854)
At 31 December 2023	**9,506**	**6,770**	**10,004**	**8,485**	**14,463**	**49,228**
Net book value at 31 December 2023	**10,993**	**13,922**	**4,457**	**11,639**	**11,970**	**52,981**
Net book value at 31 December 2022	9,090	14,292	4,581	11,288	11,537	50,788

Company	Land and buildings £000	Dredging £000	River structures £000	Floating craft £000	Plant and equipment £000	Total £000
Cost						
At 1 January 2022	17,742	20,692	13,230	16,104	25,415	93,183
Additions	502	—	921	158	2,053	3,634
Disposals	(70)	—	—	(265)	(1,303)	(1,638)
At 31 December 2022	18,174	20,692	14,151	15,997	26,165	95,179
Additions	2,411	—	330	447	1,892	5,080
Disposals	(86)	—	(20)	(61)	(1,695)	(1,862)
At 31 December 2023	**20,499**	**20,692**	**14,461**	**16,383**	**26,362**	**98,397**
Depreciation						
At 1 January 2022	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)	—	—	(212)	(1,303)	(1,533)
At 31 December 2022	9,084	6,400	9,570	8,112	14,654	47,820
Charge for year	508	370	450	550	1,446	3,324
Eliminated on disposals	(86)	—	(16)	(61)	(1,691)	(1,854)
At 31 December 2023	**9,506**	**6,770**	**10,004**	**8,601**	**14,409**	**49,290**
Net book value at 31 December 2023	**10,993**	**13,922**	**4,457**	**7,782**	**11,953**	**49,107**
Net book value at 31 December 2022	9,090	14,292	4,581	7,885	11,511	47,359

Assets under construction not yet being depreciated amounted to £3.9m (2022: £2.7m). Assets under construction include land & buildings of £1.5m (2022: £0.6m), floating crafts £0.4m (2022: £0.1m) and property, plant, and equipment £0.8m (2022: £1.1m) and river structures of £1.1m (2022: £0.9m).

Assets under construction for ESL of £918,000 (2022: £240,000).

13. INVESTMENT PROPERTY

Group and Company	£000
At 1 January 2022	96,343
Additions	1,028
Disposals	(340)
Fair value movement to income statement	126
At 31 December 2022	97,157
Fair value movement to income statement	9,502
At 31 December 2023	**106,659**

One investment property was disposed off in 2022. No new investment properties were purchased during 2023 (none in 2022, the additions in 2022 relate to capital work undertaken on two of the properties).

Sensitivity - Investment property valuations

The investment property valuation is sensitive to the yield used to discount the expected cashflows and the estimated reversionary market rental value. The table below sets out the sensitivity of the investment property valuation to changes in these key estimates.

	Value £000	Change £000	Change %
Base	106,659		
Increase in yield - 0.5%	92,362	(14,297)	-13.4%
Decrease in yield - 0.5%	120,492	13,833	13.0%
Increase in reversionary rent - 10%	116,859	10,200	9.6%
Decrease in reversionary rent - 10%	96,453	(10,206)	-9.6%

14. TRADE RECEIVABLES

(a) Receivables (current)

Group	2023 £000	2022 £000
Trade receivables	11,653	11,213
	11,653	**11,213**

Company	2023 £000	2022 £000
Trade receivables	11,493	11,028
	11,493	**11,028**

For terms and conditions relating to related party receivables, refer to note 26.

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

As at 31 December 2023, trade receivables of £793,000 (2022: £846,000) 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 2022	830	—	830
(Released) during the year	(21)	37	16
At 31 December 2022 and 1 January 2023	809	37	846
(Released)/arising during the year	(54)	1	(53)
At 31 December 2023	**755**	**38**	**793**

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

			Past due but not impaired				
Group	Total £000	Neither past due nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91-120 days £000	>120 days £000
2023	**11,653**	**5,306**	**4,559**	**1,474**	**247**	**7**	**60**
2022	11,213	5,201	3,567	1,460	657	240	88

As at 31 December 2022, total trade receivables of £793,000 (2022: £846,000) were provided for. Trade receivables collectively impaired were derived using IFRS9 simplified approach to calculate the expected credit loss.

Company	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2022	830	—	830
(Released) during the year	(21)	37	16
At 31 December 2022 and 1 January 2023	809	37	846
(Released)/arising during the year	(54)	1	(53)
At 31 December 2023	**755**	**38**	**793**

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

			Past due but not impaired				
Company	Total £000	Neither past due nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91-120 days £000	>120 days £000
2023	**11,493**	**5,152**	**4,554**	**1,473**	**247**	**7**	**60**
2022	11,028	5,034	3,559	1,454	656	237	88

See note 19 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 were derived using IFRS9 simplified approach to calculate the expected credit loss.

(b) Other receivables – Group
There are no other receivables in 2023 (nil in 2022).

15. CASH

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

Group	2023 £000	2022 £000
Cash	5,056	11,047
Cash short-term investments	21,000	10,000
	26,056	**21,047**

Company	2023 £000	2022 £000
Cash	3,039	8,719
Cash short-term investments	21,000	10,000
	24,039	**18,719**

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.

16. POOLED INVESTMENTS

The Group and Company have the following pooled investments. These are valued at fair value as at 31 December 2023. Any gain or loss in the year on these investments is recognised in the Income Statement, see note 8.

Group and Company	2023 £000	2022 £000
Gilts with Insight Investments	1,496	1,440
Equities with Invesco	2,028	1,699
Multi-asset credit funds with M&G and PIMCO	9,109	8,751
	12,633	**11,890**

17. LOANS

Group and Company	2023 £000	2022 £000
At 1 January	527	48
Additions during the year	72	479
At 31 December	**599**	**527**
Receivable:		
After five years	599	527
	599	**527**

An initial loan was made to a third party in 2021, with additional amounts being loaned to the same third party in 2022 and 2023. Repayment of the loan is due 20 years from November 2021.

18. TRADE AND OTHER PAYABLES

Group	2023 £000	2022 £000
Trade payables	2,069	2,075
Corporation tax	841	82
Other taxation and social security	205	198
Other creditors	902	1,093
Accruals	4,200	4,221
Total	**8,217**	**7,669**

Company	2023 £000	2022 £000
Trade payables	2,327	2,215
Corporation tax	756	—
Other taxation and social security	—	—
Other creditors	799	1,020
Accruals	4,140	4,156
Total	**8,022**	**7,391**

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

19. 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 18). 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:

	Fair value		Book value	
Group	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Financial Assets				
Loans and receivables:				
Loans	599	527	599	527
Trade and other receivables	11,653	11,213	11,653	11,213
At fair value through profit and loss:				
Cash and short-term deposits	26,056	21,047	26,056	21,047
Pooled Investments	12,633	11,890	12,633	11,890
Total	**50,941**	**44,677**	**50,941**	**44,677**
Financial Liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	(7,171)	(7,389)	(7,171)	(7,389)
Leases	(1,531)	(1,799)	(1,531)	(1,799)
Total	**42,239**	**35,489**	**42,239**	**35,489**

	Fair value		Book value	
Company	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Financial Assets				
Loans and receivables:				
Loans	599	527	599	527
Trade and other receivables	11,493	11,028	11,493	11,028
At fair value through profit and loss:				
Cash and short-term deposits	24,039	18,719	24,039	18,719
Pooled Investments	12,633	11,890	12,633	11,890
Total	**48,764**	**42,164**	**48,764**	**42,164**
Financial Liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	(7,266)	(7,391)	(7,266)	(7,391)
Leases	(1,356)	(1,588)	(1,356)	(1,588)
Total	**40,142**	**33,185**	**40,142**	**33,185**

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**
2023	+/- 1%	261	+/- 1%	240
2022	+/- 1%	210	+/- 1%	187

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 loans, operating activities (trade receivables), cash and investments.

Loan
Repayment of the loan is due 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 2023, the Company had 23 customers (2022: 20 customers) that owed the Company more than £100,000 each and accounted for approximately 40% (2022: 49%) of all the receivables outstanding. There were 0 customers (2022: 0 customers) with balances greater than £1m.

ESL's customer receivables other than the PLA, are mostly one company Port of Sheerness Ltd. At 31 December 2023 the Port of Sheerness owed ESL £121,000 (2022: £147,000) which was 23% of all receivables (2022: 30%). At 31 December 2023 the Port of London owed ESL £371,000 (2022: £301,000) which was 70% of all receivables (2022: 62%). 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 19. 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 six 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 2023						
Lease payments	—	47	232	551	1,018	1,848
Trade and other payables	—	7,171	—	—	—	7,171
	—	7,218	232	551	1,018	9,019
Year ended 31 December 2022						
Lease payments	—	71	242	691	1,162	2,166
Trade and other payables	—	7,389	—	—	—	7,389
	—	7,460	242	691	1,162	9,555

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 2023						
Lease payments	—	40	210	462	927	1,639
Trade and other payables	—	7,266	—	—	—	7,266
	—	7,306	210	462	927	8,905
Year ended 31 December 2022						
Lease payments	—	64	222	598	1,046	1,930
Trade and other payables	—	7,391	—	—	—	7,391
	—	7,455	222	598	1,046	9,321

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20. DEFERRED REVENUE

Group and Company	2023 £000	2022 £000
At 1 January	3,463	4,228
Amortisation released to the consolidated income statement	(107)	(107)
Movement in other deferred revenue during the year	(79)	(658)
At 31 December	**3,277**	**3,463**
Current	2,257	2,053
Non-current	1,020	1,410
	3,277	**3,463**

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.

21. LEASED LIABILITIES

Group	2023 £000	2022 £000
At 1 January	1,799	1,984
Additions during year	18	41
Revaluation	(30)	14
Undiscounted lease payments	(318)	(312)
Interest	62	72
	1,531	**1,799**
Payable:		
Within one year	233	252
In the second to fifth year inclusive	376	504
After five years	922	1,043
	1,531	**1,799**

Company	2023 £000	2022 £000
At 1 January	1,588	1,773
Additions during year	—	41
Revaluation	—	(3)
Undiscounted lease payments	(287)	(287)
Interest	55	64
	1,356	**1,588**
Payable:		
Within one year	210	232
In the second to fifth year inclusive	303	430
After five years	843	926
	1,356	**1,588**

22. PROVISIONS

Total provisions

Group and Company	2023 £000	2022 £000
At 1 January	6,751	8,296
Utilised during the year	(349)	(296)
Unwinding of discount	228	286
(Released)/arising during the year	(386)	(1,535)
At 31 December	**6,244**	**6,751**
Payable:		
Within one year	729	726
In the second to fifth year inclusive	2,175	2,178
After five years	3,340	3,847
	6,244	**6,751**

Claims related to time operating docks Group and Company	2023 £000	2022 £000
At 1 January	6,501	7,324
Utilised during the year	(299)	(296)
Unwinding of discount	228	286
(Released) during the year	(386)	(813)
At 31 December	**6,044**	**6,501**
Payable:		
Within one year	529	476
In the second to fifth year inclusive	2,175	2,178
After five years	3,340	3,847
	6,044	**6,501**

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 2023 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 2023 is shown below:

Assumptions

Total provision basis:	£000
Undiscounted	7,795
Discounted @ risk free rate - 2%*	6,995
Discounted @ risk free rate	6,044
Discounted @ risk free rate + 2%	5,300

Sensitivity – Projected future claim amounts

	High Inflation £000	Low Inflation £000
Undiscounted	8,412	7,384
Discounted @ risk free rate - 2%*	7,549	6,626
Discounted @ risk free rate	6,522	5,725
Discounted @ risk free rate + 2%	5,720	5,021

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

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Other provisions

	Property Related Provision Group and Company	
	2023 £000	2022 £000
At 1 January	—	772
Arising/(released) during the year	—	(772)
At 31 December	—	—

Other provisions

	Legal Provision Group and Company	
	2023 £000	2022 £000
At 1 January	250	200
Utilised during the year	(50)	—
Arising during the year	—	50
At 31 December	**200**	**250**
Payable:		
Within one year	200	250
	200	**250**

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 legal provision relates one outstanding cases against the PLA.

23. 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 one to six months. The minimum future lease rentals receivable under non-cancellable operating leases as at 31 December 2023 and 2022 are as follows:

	2023			2022		
	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	4,936	300	5,236	4,898	300	5,198
In the second to fifth year inclusive	3,311	—	3,311	3,730	—	3,730
Over five years	25,253	—	25,253	25,146	—	25,146
	33,500	**300**	**33,800**	**33,774**	**300**	**34,074**

Capital commitments Group and Company

	2023 £000	2022 £000
Capital expenditure which has been contracted for but which has not been provided for in the accounts	**2,799**	**2,078**

Capital commitments Company

	2023 £000	2022 £000
Capital expenditure which has been contracted for but which has not been provided for in the accounts	**2,079**	**719**

Contingent liabilities Group and Company
The Company has a contingent liability of £112k (2022: £68k) related to the Land, Sea and Port Integration of a Smart Hydrogen Research project.

Commitments Group and Company
The Company has a commitment related to ZEPHR Project Zero Emissions Ports Hydrogen Refilling Survey Vessel amounting to £365k (2022: £0k).

Contingent assets Group and Company
The Group had no contingent asset at 31 December 2023 (2022: £nil).

24. 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 2022
Port of London Authority Retirement Benefits Scheme (PLARBS)	31 March 2022
The Pilots' National Pension Fund (PNPF)	31 December 2022
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 £379.4m 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 £7.4m to the Pension scheme in 2022 and thereafter fund the deficit at the rate of £4.25m plus CPI per annum until 31 October 2028 and increase contributions rates in September 2022 and again in September 2023.

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 2022 revaluation, the PLA's share of PNPF of additional deficit is 3.1676% (3.5563% previous share). The PLA has agreed to fund the deficit of the PNPF with a total payment of £7,751,000 due between 2024 and 2029.

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 2023 by a qualified independent actuary. The principal assumptions used in determining pension benefit obligations for these plans are shown below:

PLA Schemes – Principal assumptions	2023 %	2022 %
Discount rate	4.5	4.8
RPI price inflation	3.0	3.3
CPI price inflation	2.5	2.6
Future salary increases	3.5	3.8
Future pension increases (RPI, min 3%, max 5%)	3.6	3.7
Future pension increases (RPI, max 5%)	2.8	3.0
Future pension increases (CPI, max 2.5%)	1.8	1.8
Life expectation for pensioners at the age of 65 retiring today:	Years	Years
Male	86.1	86.6
Female	88.6	89.0

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PNPF – Principal assumptions	2023 %	2022 %
Discount rate	4.5	4.9
RPI price inflation	3.0	3.2
CPI price inflation	2.2	2.3
Future salary increases	2.2	2.3
Future pension increases (RPI, min 0%, max 5%)	2.9	3.0
Future pension increases (RPI, min 3%, max 5%)	3.6	3.7
Life expectation for pensioners at the age of 65 retiring today:	**Years**	**Years**
Male	87.5	86.6
Female	89.5	89.0

ESLPS – Principal assumptions	2023 %	2022 %
Discount rate	4.5	4.8
RPI price inflation	3.0	3.3
CPI price inflation	2.5	2.6
Future salary increases	3.5	3.8
Future pension increases (RPI, min 3%, max 5%)	3.6	3.7
Life expectation for pensioners at the age of 65 retiring today:	**Years**	**Years**
Male	84.8	85.3
Female	87.8	87.8

ESLPS – Contribution rates	2023 %	2022 %
	Up to 10%	Up to 10%

PLAPF – Contribution rates	From 1st Sept 2023	From 1st Sept 2022 %	1st Jan 2022 – 31 Aug 2022 %
For members who have entered into a salary sacrifice agreement with the PLA:			
Higher rate members	35.60	29.90	22.70
Lower rate members	26.70	22.43	17.03
For members who have not entered into a salary sacrifice agreement with the PLA:			
Higher rate members	23.73	19.93	15.13
Lower rate members	17.80	14.95	11.35

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

	2023 £m	2022 £m
In respect of the shortfall in funding:		
Amount payable per annum until 31 October 2028 as agreed recovery plan	4.7	4.2
Additional agreed amount paid by the PLA	—	3.2
Total deficit repairs during the year	**4.7**	**7.4**

All Schemes

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

At 31 December 2023	PLAPF £m	PLAWWOPF £m	PLARBS £m	PNPF £m	Company Total £m	ESLPS £m	Group Total £m
Multi assets credit	40.5	—	—	—	40.5	1.3	41.8
Equities	45.6	—	—	—	45.6	1.5	47.1
Hedge funds	0.6	—	—	—	0.6	—	0.6
Liability driven investments	94.9	—	—	1.5	96.4	3.7	100.1
Corporate bonds	—	4.7	1.3	1.6	7.6	1.5	9.1
Gilts	—	5.2	—	—	5.2	—	5.2
Diversified growth funds	19.1	5.2	—	3.1	27.4	—	27.4
Insurance policies	—	3.2	—	—	3.2	—	3.2
Infrastructure	55.6	—	—	—	55.6	—	55.6
Cash	20.1	0.3	0.2	0.1	20.7	0.1	20.8
Liquidity fund	—	—	—	1.5	1.5	—	1.5
Other	28.2	—	—	—	28.2	—	28.2
Total	**304.6**	**18.6**	**1.5**	**7.8**	**332.5**	**8.1**	**340.6**

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	—	—	—	101.1	2.1	103.2
Equities	37.6	—	—	—	37.6	1.8	39.4
Hedge funds	0.5	—	—	—	0.5	—	0.5
Liability driven investments	75.0	—	—	1.9	76.9	2.1	79.0
Corporate bonds	—	4.2	1.2	1.3	6.7	1.2	7.9
Gilts	—	4.5	0.1	—	4.6	—	4.6
Diversified growth funds	20.4	6.5	—	3.4	30.3	—	30.3
Insurance policies	—	3.8	—	—	3.8	—	3.8
Infrastructure	53.6	—	—	—	53.6	—	53.6
Cash	8.7	0.2	—	0.1	9.4	0.5	9.9
Liquidity fund	—	—	—	2.1	2.1	—	2.1
Total	**296.9**	**19.2**	**1.7**	**8.8**	**326.6**	**7.7**	**334.3**

Amounts to be recognised in the Balance Sheet

At 31 December 2023	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
Fair value of scheme assets	304,586	18,557	1,514	7,801	332,458	8,074	340,532
Present value of scheme liabilities	(327,386)	(15,973)	(1,322)	(11,352)	(356,033)	(7,613)	(363,646)
Defined benefit pension scheme (deficit)/surplus	**(22,800)**	**2,584**	**192**	**(3,551)**	**(23,575)**	**461**	**(23,114)**

At 31 December 2022	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
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)**

Amounts to be recognised in the Income Statement

Year ended 31 December 2023	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
Current service cost	(3,874)	—	—	—	(3,874)	—	(3,874)
Administrative expenses	(212)	(99)	(18)	(36)	(365)	(119)	(484)
Recognised in arriving at the operating profit	(4,086)	(99)	(18)	(36)	(4,239)	(119)	(4,358)
Expected return on scheme assets	14,013	889	74	434	15,410	364	15,774
Interest cost on scheme liabilities	(13,079)	(740)	(69)	(539)	(14,427)	(361)	(14,788)
Finance (costs)/income	934	149	5	(105)	983	3	986
Finance cost of minimum funding requirements	(1,909)	—	—	—	(1,909)	—	(1,909)
Total recognised in the Income Statement	**(5,061)**	**50**	**(13)**	**(141)**	**(5,165)**	**(116)**	**(5,281)**

Year ended 31 December 2022	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
Current service cost	(7,925)	—	—	—	(7,925)	—	(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)**

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Amounts to be recognised in the Statement of Other Comprehensive Income

Year ended 31 December 2023	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	3,713	(179)	25	(1,611)	1,948	266	2,214
Other actuarial gains	161	(397)	64	(320)	(492)	(25)	(517)
Adjustment in respect of minimum funding requirements	(6,398)	—	—	—	(6,398)	—	(6,398)
Actuarial (loss)/gain recognised in the Statement of Other Comprehensive Income	**(2,524)**	**(576)**	**89**	**(1,931)**	**(4,942)**	**241**	**(4,701)**

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)	—	—	—	(39,703)	—	(39,703)
Actuarial gains recognised in the Statement of Other Comprehensive Income	**(15,089)**	**(4,581)**	**(149)**	**471**	**(19,348)**	**(311)**	**(19,659)**

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 2022	(421,559)	(19,056)	(1,920)	(16,351)	(458,886)	(11,475)	(470,361)
Movement in the administrative reserve balance	207	59	17	—	283	—	283
Current service cost	(7,925)	—	—	—	(7,925)	—	(7,925)
Interest expense on defined benefits obligations	(8,231)	(369)	(36)	(316)	(8,952)	(226)	(9,178)
Members' contributions	(106)	—	—	—	(106)	—	(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)	—	—	—	(39,703)	—	(39,703)
At 31 December 2022	**(322,284)**	**(16,076)**	**(1,559)**	**(11,499)**	**(351,418)**	**(7,809)**	**(359,227)**

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2023	(322,284)	(16,076)	(1,559)	(11,499)	(351,418)	(7,809)	(359,227)
Movement in the administrative reserve balance	(212)	(60)	(18)	—	(290)	—	(290)
Current service cost	(3,874)	—	—	—	(3,874)	—	(3,874)
Interest expense on defined benefits obligations	(13,079)	(740)	(69)	(539)	(14,427)	(361)	(14,788)
Members' contributions	(108)	—	—	—	(108)	—	(108)
Actuarial gains on scheme liabilities	161	(397)	64	(320)	(492)	(25)	(517)
Benefits paid	20,317	1,300	260	1,006	22,883	582	23,465
Adjustment in respect of minimum funding requirements	(8,307)	—	—		(8,307)	—	(8,307)
At 31 December 2023	**(327,386)**	**(15,973)**	**(1,322)**	**(11,352)**	**(356,033)**	**(7,613)**	**(363,646)**

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 2022	407,197	26,587	2,163	12,022	447,969	11,350	459,319
Administration expenses	—	(49)	—	(33)	(82)	(99)	(181)
Interest income on scheme assets	8,063	519	41	242	8,865	227	9,092
Actuarial gain/(losses) on scheme assets	(110,283)	(6,638)	(259)	(3,608)	(120,788)	(3,874)	(124,662)
Company contributions	11,937	—	—	1,222	13,159	435	13,594
Members' contributions	106	—	—	—	106	—	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**

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS £000	Group Total £000
At 1 January 2023	296,884	19,186	1,675	8,756	326,501	7,710	334,211
Administration expenses	—	(39)	—	(36)	(75)	(119)	(194)
Interest income on scheme assets	14,013	889	74	434	15,410	364	15,774
Actuarial (losses) on scheme assets	3,713	(179)	25	(1,611)	1,948	266	2,214
Company contributions	10,185	—	—	1,264	11,449	435	11,884
Members' contributions	108	(1,300)	—	(1,006)	(2,198)	—	(2,198)
Benefits paid	(20,317)	—	(260)	—	(20,577)	(582)	(21,159)
At 31 December 2023	**304,586**	**18,557**	**1,514**	**7,801**	**332,458**	**8,074**	**340,532**

A quantitative summary analysis for significant assumptions at 31 December 2023 is shown below:

Assumptions	**Discount rate**		**RPI inflation**		**Mortality**	
Sensitivity level	0.25% increase £000	0.25% decrease £000	0.25% increase £000	0.25% decrease £000	1.5% improvement £000	1.5% worsening £000
Impact on defined benefit obligation:						
PLAPF	(15,156)	15,156	20,563	(20,563)	23,215	(23,215)
PLAWWOPF	(2,340)	2,340	2,491	(2,491)	2,520	(2,520)
PLARBS	(179)	179	186	(186)	188	(188)
ESLPS	(207)	207	357	(357)	407	(407)
Surplus/(deficit) before irrecoverable adjustment	**(17,882)**	**17,882**	**23,597**	**(23,597)**	**26,330**	**(26,330)**

Impact on share of defined benefit obligation:

Assumptions	**Discount rate**		**RPI inflation**		**Mortality**	
Sensitivity level	0.5% increase £000	0.5% decrease £000	0.5% increase £000	0.5% decrease £000	1 year decrease £000	1 year increase £000
PNPF	(600)	600	300	(300)	(800)	800

A 1% increase in the PLA's share of the PNPF would increase the deficit by £1,239,000 (2022: £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)	4,993	—	—	1,307	435	6,735
Between 2 and 5 years	25,561	—	—	5,686	1,740	32,987
Between 6 and 10 years	—	—	—	758	36	794
Total expected payments	**30,554**	**—**	**—**	**7,751**	**2,211**	**40,516**

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Historical pension information

	All Company Schemes				
	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Fair value of scheme assets	332,458	326,501	447,969	437,899	418,335
Present value of scheme liabilities	(356,033)	(351,418)	(458,886)	(504,030)	(480,372)
Defined benefit pension scheme deficit	**(23,575)**	**(24,917)**	**(10,917)**	**(66,131)**	**(62,037)**

Historical pension information

	All Group Schemes	
	2023 £000	2022 £000
Fair value of scheme assets	340,532	334,211
Present value of scheme liabilities	(363,646)	(359,227)
Defined benefit pension scheme deficit	**(23,114)**	**(25,016)**

Virgin Media case

The Pension Funds legal advisers, have provided information about the decision on 16 June 2023 in the High Court in the case of Virgin Media v NTL Pension Trustees II Limited (and others), on the correct interpretation of historic legislation governing the amendment of contracted-out defined benefit schemes. Any changes that related to "reference scheme test" benefits would be void if the scheme had not obtained actuarial confirmation that the scheme would continue to meet the reference scheme test after the change had been made. "Reference scheme test" benefits being the minimum level of benefits a scheme is required to provide to those of its members who were contracted out in relation to a scheme in the period from 6 April 1997 to 6 April 2016. The difficulty for all schemes is whether it will always be crystal clear from the records that the actuarial confirmation was given. The legislation did not require confirmation to be given in any particular form. The question of whether a section 37 confirmation was given is part of the wider question about whether all formalities have been followed when executing changes to a scheme (e.g. were all the signatories properly authorised, was a section 67 certificate obtained). The RBS & WWO pension funds would not be impacted as they were not contracted out. The ruling in this case potentially could impact the PLA, PNPF and ESL pension schemes as they were contracted out on a salary related basis. The rule changes that have taken place during the period have been assessed and the changes in rules suggest there could be an impact on the pension funds. Following consultation with the actuaries, it is viewed as too premature to commit a considerable amount of resources in calculating the value of the potential liability and until more analysis is undertaken it is not possible to reliably estimate any potential additional liability. An appeal of the case is taking place in the summer of 2024 and following clarity of the ruling from the appeal hearing the impact will be assessed fully. With regard to the PNPF, this is a multi-employer scheme and the PLA is just one of the participating bodies. Under the rules of the PNPF we are consulted on rule changes but agreement is by the Trustees.

25. 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 the 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 £151,473,000 (2022: net assets of £135,239,000).

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 £155,837,000 (2022: net assets of £138,947,000). The Group and Company do not have any financial covenants that they are required to comply with.

26. 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					
2023	(127)	3,459	481	—	371
2022	(124)	3,154	251	—	301
Key management personnel of the Group					
2023	—	—	1,469	—	—
2022	—	—	1,193	—	—

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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2022: £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 £123,000 (2022: £111,000) and was charged £3,457,000 (2022: £3,152,000) for boarding and landing services. At 31 December 2023 the PLA owed £371,000 (2022: £301,000) to Estuary Services Limited for unpaid boarding and landing services received.

Key management personnel of the Group are the PLA Board. See page 30.

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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 International Accounting Standards in conformity with the requirements of the Companies Act 2006, 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
- State that the Group and Company has complied with International Accounting Standards in conformity with the requirements of the Companies Act 2006, 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, as amended by the Transport Act 1981. 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 2023

We have audited the financial statements of Port of London Authority and its subsidiaries (the 'group') for the year ended 31 December 2023 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 26, 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 2023 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 Responsibility set out on page 64, 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

Ernst & Young LLP,
Statutory Auditor
London

20 May 2024

Designed and
printed by:

perivan

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PORT OF LONDON AUTHORITY