



ABOUT THE PLA

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The Port of London Authority works with the port community to create a safe, sustainable and competitive environment for the benefit of its commercial customers and the enjoyment of leisure users of the tidal Thames

THE PORT OF LONDON AUTHORITY'S MISSION IS TO:

- Facilitate the safety of navigation on the tidal Thames
- Deliver value for money services to our commercial customers and promote the potential of the Port of London
- Respect the environment of the tidal Thames and pursue principles of sustainable development
- Provide an efficient, professional and equitable service to commercial and leisure users and riparian owners on issues affecting the River
- Safeguard the navigational access to and the viability of the Port of London and its infrastructure



THE PORT OF LONDON INTRODUCTION

The huge diversity of cargo handled in the Port of London added up to a total of 53.3 million tonnes in 2004, up from 51 million tonnes in the previous year and re-affirming London's place as one of the UK's top three ports.

The Port of London Authority (PLA) is a Public Trust, which works in the interests of all its stakeholders in the community. Run on a commercial basis with any surplus invested back into the Port, the PLA does not itself operate cargo handling facilities but supports the operations of others.



There are more than 70 independently owned wharves, terminals and port facilities along the tidal River Thames. Vessels sailing to and from these port facilities – and all other craft on the tidal Thames - operate under the jurisdiction of the PLA, which is the statutory harbour, pilotage, navigation and conservancy authority for the tidal Thames from Teddington in west London out to the sea - a distance of 150 kilometres (95 miles).

As well as providing pilotage, hydrographic and vessel traffic services to commercial shipping, we also work to meet the needs of leisure users and all those who have an interest in the tidal Thames.

The PLA employed a total of 370 staff in 2004. This included 86 pilots, 27 officers in Vessel Traffic Services (VTS) and 92 personnel afloat in marine and harbour services. The remainder of the workforce comprises engineering, technical support and administrative staff.

Perfectly placed at the very heart of the prosperous markets of London and south-east England, more than 21 million people live within a two-hour journey of the Port of London.

The Port of London contributes more than £3.4 billion to the region's economy each year and supports over 35,200 full-time jobs. These figures are certain to rise as the crucial role played by the London's port facilities continues in support of regional and national expansion.

The agenda for future growth of the Port will be further fuelled as Government plans for the Thames Gateway regeneration gather pace. During the next five years, a series of investment projects totalling some £770 million investment is planned at Port of London terminals.



In this climate of expansion and growth, the PLA is determined to make the very best use of existing port facilities on the Thames. Central to this is the 'safeguarding' of wharves for port operations. We are also very closely involved with moves to re-activate a number of currently unused wharves in central London.

As we moved into 2005, Richard Everitt joined as the new Chief Executive, bringing with him experience as Chief Executive of National Air Traffic Services (NATS). Richard took over from Steve Cuthbert, who retired after a very successful five and a half years leading the PLA.

MESSAGE FROM THE CHAIRMAN



GROWTH IN TONNAGE THROUGH THE PORT OF 4.5%
TO A TOTAL OF 53.3 MILLION TONNES

POST TAX PROFIT OF £960,000 (2003: £810,000)

SIGNIFICANT UPGRADE TO VESSEL TRAFFIC
SERVICES SYSTEM WITH AN INVESTMENT
OF ALMOST £1,000,000

MAYOR OF LONDON ANNOUNCES POLICY TO
SAFEGUARD 52 WHARVES FOR PORT USE

CUSTOMER AND STAKEHOLDER SURVEY CONFIRMS PLA
PROVIDES A WHOLLY SATISFACTORY LEVEL OF SERVICE



TRADE

London is one of the UK's largest ports and I am pleased to report that 2004 saw the growth of throughput return, due to a mixture of increases to existing trade, the attraction of new services to the port and an end to the decline in those sectors hit by a downturn in general trading patterns. The throughput of 53.3 million tonnes keeps London in the vanguard of UK ports and we anticipate that this rate of growth will continue in 2005 as we see the benefits of the many improvements and investments made by terminals.

FINANCIAL RESULTS

During 2004 the PLA achieved an operating profit of £479,000 (2003: £626,000), which included £3,000,000 income from landfill royalties (£789,000) and an exceptional pension fund payment of £1,396,000 (Enil). The overall surplus for the year on ordinary activities after taxation was £960,000, £150,000 better than 2003.

We generated £4,188,000 from operations (£3,893,000) and received a dividend of £60,000 from Estuary Services Ltd. (Enil). After investment in maintaining and enhancing port infra-structure, tax, interest and payments on loans and leases, a net cash inflow of £1,127,000 was achieved (£264,000).

CAPITAL PROJECTS

We have continued to invest in those projects which enhance safety, efficiency and use of the port. Throughout the late summer and autumn, we undertook a major upgrade of the vessel traffic display system, the VHF radio systems and the port control centre itself – the project was completed to schedule and budget and continues to keep London's Vessel Traffic Services fit for purpose. We were very pleased to welcome Mrs Gwyneth Dunwoody MP, Chairman of the Commons Select Committee on Transport, to re-open the refurbished Port Control Centre in November 2004.

Following on from our investment in the new Denton Jetty in 2003, we have added a further extension to provide better facilities for the Adsteam tugs, formerly based at Royal Terrace Pier. In turn, this provided the opportunity to bring the facilities at Royal Terrace Pier up to date which provides safer, more efficient and effective berthing arrangements for our own vessels at Royal Pier Road.



Accommodating a greater number of cruise ship calls in central London, particularly in the ISPS era, has provided a continuing challenge for the PLA over a number of years. Following the disappointing abandonment of the proposed cruise ship terminal at Greenwich, PLA Officers designed and supervised the building of an innovative, mobile, floating, terminal facility which can be secured alongside visiting cruise ships that are moored mid-stream in the river. The project was devised, researched, designed, approved, and delivered in a period of 28 weeks against an immovable target date of the first cruise ship visit of the season to London. The system worked and, in July with the "The World" alongside, the Terminal was formally opened by the Rt Hon Keith Hill MP, Minister for London.



LONDON GATEWAY PORT

I have little to add to the report of last year, except to say that I did not expect to be in the position of announcing again that we still await a decision by the Government on P&O's applications to build a container and RoRo terminal on the former Shell Haven refinery site. Whilst I recognise that these matters must be considered with care, the public inquiry closed some 18 months before the publication of this report and investors cannot be expected to continue to make commitments on such important infrastructure projects in the face of such delays in the approval process.

SAFEGUARDED WHARVES

I have previously given an account of our work with the Mayor of London and the London Development Agency in our shared objectives of extending the safeguarding provisions further downstream and of bringing wharves back into port use. I am pleased to report considerable progress on both fronts. The Mayor's report endorsing the provisions in relation to 26 of the wharves already safeguarded and adding a further 26 to the list is with the government for approval and we await a favourable response from the Office of the Deputy Prime Minister. In the meantime, operators have been selected from the large number who expressed keen interest to bring three unused wharves in the upper river back into port use and we are working with them, the LDA, the GLA, the local planning authorities and the current owners to achieve this objective.

REGULATION

Last year I reported success with the defeat of the proposed European Directive on Port Services and cautioned on the potential difficulty we faced in relation to Windfarms. I now report that the former has been put back onto the agenda by the European Commission, in a more potentially damaging form, whilst we continue to work with the developers of the latter in our effort to ensure that the building of renewable energy schemes is not to the detriment of the commercial interests nor the safety of the port. In the meantime we are continually forced to monitor the increasing volume of regulation and legislation relating to the protection of the environment which has the potential to impact on port operations. The Water Framework Directive, in particular, is likely to have very significant effects on port management in the future and the PLA is taking a lead with other agencies and government departments in ensuring that the possible interplay between this and other conservation measures as applied to estuaries and working ports is properly understood. The Members of the PLA take their responsibilities with regard to environmental protection seriously and we are committed to achieving certification to ISO14001 in 2006. It is important that the economic case is also heard if the public interest is to be served and we will continue to make the case that sustainable development can only be achieved if these issues are considered together.

MESSAGE FROM THE CHAIRMAN

CUSTOMER AND STAKEHOLDER SURVEY

A survey of customer and stakeholder attitudes was undertaken during the late summer and early autumn. The sample of those surveyed included commercial customers, leisure users, the general public and opinion formers. Overall, the results indicated strongly that those with the greatest exposure to and knowledge of the PLA were wholly satisfied with our services and our performance. Our challenge is therefore to extend the awareness of what we do to those who see less of us but whose activities we still influence. This is work which has been put in train.

LEISURE AND TOURISM

Whilst much of the commercial port has gravitated eastwards over the decades as ships have become larger, we remain acutely aware that the PLA has responsibility for the entire tidal Thames, reaching as far as Teddington Lock. We are keen to see the vibrant leisure and tourist activities flourish over the whole of the tideway while maintaining the highest standards of safe navigation that users are entitled to expect on the River. To this end, the PLA is working closely with relevant organisations.



THE BOARD

There have been no changes this year in the composition of the non-executive membership. I am pleased that Pamela Castle was appointed an Officer of the Order of the British Empire for services to the environment in the New Year's Honours list at the end of the year.

Steve Cuthbert, Chief Executive since August 1999, retired at the end of the year after 5½ years of distinguished service. Steve came to the PLA at what was a challenging time and he was successful in implementing the restructuring made necessary by the closure of the Shell Haven refinery as well as providing the leadership that has enabled the PLA to become a more customer responsive service organisation as evidenced by the findings of the Customer and Stakeholder Survey. More recently, as Chairman of the UK Major Ports Group, he ensured that the voice of the UK ports industry in general was heard in the political sphere. We were highly honoured that he was appointed a Commander of the Order of the British Empire in the New Years Honours List.

I am delighted to welcome Richard Everitt to the Board, which he joined as Chief Executive, with effect from 1 January 2005. Richard comes with a legal training and a background in civil aviation, skills and experience which we believe will enable him to make an important contribution to the PLA.

PLA STAFF

Finally, I can report that the Board members have again been impressed throughout the year by the thorough and enthusiastic manner in which Officers of the PLA carry out their diverse and sometimes difficult duties which span a very wide spectrum of activity. On the Board's behalf, I thank them most warmly and congratulate them on a job well done.

SIMON P SHERRARD
CHAIRMAN



FACTS & FIGURES

THE PORT OF LONDON:

- handles over 53 million tonnes of cargo, carried in 12,500 commercial vessels that visit the port each year
- comprises over 70 operational wharves and encompasses the entire tidal Thames, from Margate/Clacton-on-Sea to Teddington, some 150 kilometres
- generates over 35,200 full time equivalent jobs and contributes more than £3.4 billion per annum to the London and South East regional economy

THE RIVER:

- has a tidal range of over 7 metres and flows at speeds of up to 3 knots in either direction
- attracts approximately 2 million visitors a year, in pleasure boats, cruise ships and private boats
- carries over two million tonnes of domestic trade a year within Port limits, including over half a million tonnes of domestic refuse for disposal, keeping 160,000 lorries off London's roads



- supports over 30 piers between the Thames Barrier and Richmond for use by passenger vessels and private boats and has 37 launching sites between Canvey Island and Twickenham
- has of 6 marinas between Woolwich and Kew, over 55 river-based rowing, sailing and canoe clubs and 8 watersports centres
- is a site of importance for nature conservation containing nine Sites of Special Scientific Interest, three of which are designated European Marine Sites

THE PLA:

- regulates navigation through its river byelaws, general directions, other associated byelaws and in accordance with the Port Marine Safety Code
- operates Vessel Traffic Service Centres at the Port Control Centre, Gravesend and the Thames Barrier Navigation Centre, Woolwich (call signs "VTS London")
- provides the pilotage service for the Port
- owns 90 percent of the riverbed up to mean high water between Teddington and Southend
- licenses commercial vessels trading within the port, structures and moorings placed in the River, and dredging
- employs almost 370 staff, of which 90 are marine pilots
- provides around the clock launch patrols between Southend and Teddington.
- participates with Government, advisory bodies, regional and local authorities to secure the best interests of the Thames in the planning framework
- approves and monitors almost 300 events each year, including major sporting occasions, regattas, club and other river events

TRADE & TRENDS

The Port of London saw strong growth in trade during 2004, making it the most successful year for six years. Volumes increased to 53.3 million tonnes, 4.5 per cent higher than in the previous year.

Unitised traffic led the way with container and roll-on/roll-off traffic up by 17 per cent compared to 2003, to 14.4 million tonnes. On top of that, the number of vehicles handled through the port increased by five per cent.

Chemicals, forest products and fuel cargoes all showed significant increases too. With London's construction sector less busy, aggregates were down by five per cent and steel throughput fell by eight per cent - but overall, business in 2004 reflected the port's continuing importance in serving the whole region.

KEY DEVELOPMENTS

The port is seeing a number of multi-million pound developments which will handle new and increased cargo volumes through facilities on the Thames.

During the year, Tilbury Container Services (TCS) took delivery of two further Paceco ship-to-shore twin-lift gantry cranes of 60 tonnes capacity and 50 metre outreach. In 2005 TCS expect to spend a further £7 million on new straddle carriers and other equipment to meet the demands of increased business.

TCS gained the Eurosal west coast South America service and the New Caribbean Service during the year, both operated by the partnership of Hapag-Lloyd, Hamburg Sud, P&O Nedlloyd, CMA CGM and CSAV. The beginning of 2005 saw two more new services confirmed, Hamburg Sud's River Plate Service and CSAV's Euro Andes Service.

Throughout the year under review, a new automated paper terminal for Stora Enso took shape at the Port of Tilbury. Due to begin operations in July 2005, the terminal will handle over 700,000 tonnes annually.

Forth Ports is investing £34 million in "Project Enterprise", which includes the Stora Enso facility and a series of relocations within the port estate. It is also considering a series of reclamation and infilling projects to create up to 86 acres of new operational space and provide additional river berths at Tilbury.

At Tilbury Power Station, RWE npower's new £11.5 million jetty came on-stream, enabling panamax-size vessels to berth at the facility, with the first large vessel calling in May when 63,000 tonnes of coal were unloaded in four days.

Included amongst other investments were the introduction of straddle carriers and an improved terminal layout at Dart Terminal, and the installation of a new scrap metal shredder by Van Dalen at Dagenham Dock.

CRUISING CAPABILITY

London's position as a high-profile cruise destination was boosted by the introduction of the "Welcome", our innovative mobile floating cruise terminal, in July 2004.

Designed and purpose-built by our in-house Engineering team at a cost of £700,000, "Welcome" is a key step in attracting more international cruise callers into the capital. Measuring 50 metres by 14 metres, it has full facilities for turn-round and transit calls and is used at the central London Cruise moorings adjacent to Tower Bridge and Greenwich.

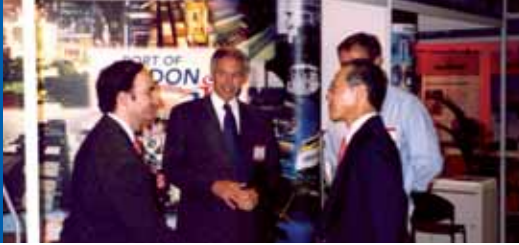
First used for the visit of ResidenSea's "The World" in July, it went on to handle seven more vessels in 2004. To date, sixteen calls are booked for 2005.

SAFEGUARDING

Our determination to protect future port operations on the Thames and to drive home the importance of the port's operations is reflected in our policy for safeguarding wharves – both active and those currently not in use.

Plans to extend safeguarding to 25 wharves downstream of the Thames Barrier will bring to 50 the total number of wharves safeguarded within the London boundary.

These proposals have been backed by the Mayor of London and will help to strengthen further the role of the Thames in the movement of cargo. Safeguarding is crucial to the continuing development of freight on water and recognises the importance of the Thames as a sustainable and environmentally friendly route into and through the heart of London, helping to reduce the number of heavy goods vehicles on the capital's roads.



The policy has gone further, as the PLA presses forward with a "reactivation strategy" to bring unused wharves back into operation. We anticipate that three wharves will be reactivated: Hurlingham Wharf in Hammersmith and Fulham, Orchard Wharf in Tower Hamlets and Peruvian Wharf in Newham.

Brett Group, Foster Yeoman and Cory Environmental have been selected as preferred operators and work is under way to prepare planning applications and plans for re-activation. The wharves are expected to handle aggregates, waste and recycled products.

This strategy sends a clear message to the owners of currently unused wharves - however long they wait, planning permission for residential development will not be forthcoming.

PROMOTING THE PORT

Within its role of promoting the Port of London as a single entity, the PLA provides global "umbrella marketing" on behalf of, or in conjunction with, the independent terminal operations that make up the port.

Directly serving the UK's largest single market of London and south-east England, the PLA's promotion focuses on London as the natural first choice gateway for commodities.

The PLA marketing team, in association with various terminals, attended a total of nine exhibitions in Europe and further afield.

This included supporting the increase in Russian trade with a trade reception at the British Embassy in Moscow, building on the success of a similar event two years ago. We also took advantage of government-backed trade missions, and spoke at international trade conferences in Europe, Asia and South Africa.

In London, the PLA co-operated with the Shanghai International Ports Group (SIPG) to organise a media reception and marketing reception during SIPG's first European promotional tour.

In support of the introduction of the "Welcome" and to promote Tilbury's cruise facility, specific cruise marketing was undertaken in the United States and Europe.

Continuous development of the Port of London website (www.portoflondon.co.uk) as a key source of communicating the commercial message to the widest audience possible is essential to our promotional activities.

Early in the year we launched the "Connections Atlas", an interactive shipping service search facility that identifies deep-sea and short-sea transshipment possibilities in the port. This has resulted in regular enquiries from a wide range of potential customers.

In addition, greater emphasis is being put on the use of the website for leisure users, with a new interactive Leisure Map. There was a series of other improvements, including the creation of simpler links and a new "What's Happening" box.

Preparations were also made for the launch of "PortLine" at the start of 2005 - a monthly commercial e-newsletter which is accessible from the website and also sent to subscribers by e-mail. The new e-newsletter coincided with a redesign of the bi-monthly Port of London newspaper as a single eight-page publication.

All trade enquiries generated from our marketing activities are initially followed up by the PLA before being handed over to the appropriate terminal or port service provider to close the deal.

LONDON GATEWAY

P&O Ports' proposed £700 million port facility at Shell Haven could double tonnages through the Port of London in the space of a few years.

However, at the time of writing a decision from the Secretary of State is still awaited.

A public inquiry into this crucial development was completed in 2003 and the PLA and P&O Ports continue to press the government for a decision as a matter of urgency.

Congestion at the UK's coastal ports remained a high-profile issue throughout the year as the urgent need for more deepwater container berths became ever more obvious. P&O's proposals for the former Shell refinery site include 2.3 kilometres of container berths, Ro-Ro and supporting logistics facility, and will be ideal to meet the UK's needs for many years.

COMMUNITY & LEISURE

The PLA continues to provide support and assistance to community groups and leisure activities and events on and around the Thames.

During 2004, PLA staff assisted in planning and providing for all the annual major events on the tideway, including the University Boat Race, the TOW barge race and the Great River Race. For the first time we provided the crews for the stake boats at the start of the University Boat Race as well as the boats themselves.

Throughout the year the PLA supported a number of filming and TV events involving action on or alongside the river and foreshore. Amongst the feature films which used the Thames as a location and which required liaison with the PLA were: 'Bridget Jones 2 – The Edge of Reason'; 'Closer'; and 'Alfie'.

Television dramas with which we were involved included: 'The Grid'; 'Spooks'; 'The Bill'; 'Colditz'; 'Silent Witness'; 'Doctor Who'; 'Judge John Deed'; and 'The Return of Sherlock Holmes'.

EVENTS

Planes and trains made the headlines on the Thames during 2004. In April, one of the remaining Concorde fuselages was loaded on the semi-submersible barge "Terra Marique" and carried from Isleworth to the lower reaches, attracting thousands of spectators along the river banks and on the bridges. Later in the year, "Terra Marique" was back to carry a Eurostar power car from Tilbury into the Upper Pool as part of the tenth anniversary celebrations of the cross-channel train service. These operations demonstrated the benefit of using water to transport abnormal indivisible loads.

The "Ocean Ady", owned by Danish company A2SEA, sailed into the Thames carrying two 45-metre turbine blades. The vessel, purpose-built for installing wind turbines offshore, moored in the Pool of London as a showcase for a gathering of wind energy experts from around the world.

Another high-profile visitor was the aircraft carrier "HMS Ark Royal", on a visit to London to launch a two-year recruitment campaign for the Sea Cadets.

A full-scale tennis court - with match in progress - was towed to Tower Bridge, where American Express sponsored its own "mini-Wimbledon" ahead of the main event. Tennis players John McEnroe and Monica Seles kept play going as the court made its way through the bridges on board General Marine's pontoon barge "Mercator".



VISITORS

We had the honour of conveying The Queen and The Duke of Edinburgh on the "Royal Nore" from St Katharine's Pier to Millbank Pier after they had officiated at the opening of the Tower Hill environs improvement scheme. Throughout the voyage, the "Royal Nore" was escorted by other PLA launches.

The royal party was accompanied on the river by PLA Chairman Simon Sherrard, Chief Executive Steve Cuthbert, Chief Harbour Master Bruce Richardson and Harbour Master (Upper) Christopher Mendoza.

Marking the inauguration of the world's first floating cruise terminal, the Rt Hon Keith Hill MP, Minister for London, officially opened the new facility, which was christened "Welcome" by Sara Sherrard, the wife of our Chairman. Later in the year, Mr Hill made a further visit to the PLA where he saw the Port Control Centre at Gravesend and the ship simulator.

In November, Gwyneth Dunwoody, Chairman of the House of Commons transport select committee, was our official guest and reopened our newly upgraded Port Control Centre at Gravesend.



RIVERSIDE CODE

While the PLA encourages and supports leisure users of the Thames, it also continues to press home the message that the river can be an unpredictable and challenging environment.

Through the medium of a "virtual" emergency created within our 'Riverside Code' Trailer, we educate children about the hazards of the river, how to stay safe and how to help others in trouble.

The trailer was fully refurbished during 2004, with the graphics and artwork comprehensively refreshed and modernised.

During 2004, the Trailer attended nine "Junior Citizen" events and was also used at various weekend events, when a giant "snakes and ladders" floor game, particularly aimed at families, is used to explain the hazards of the river.

Since its introduction in 1999, well over 70,000 schoolchildren have visited the Trailer and learned its lessons. The PLA makes the Trailer available free of charge to schools and for other educational and community events.

WEBSITE

The PLA website (www.portoflondon.co.uk) offers facts, figures and vital information to anyone and everyone with an interest in the river and port.

Improvements during 2004 included making more information available to leisure users. This included the creation of an interactive Leisure Map, which identifies facilities and services relevant to regular and casual visiting boat owners, giving details of the various leisure outlets, clubs and societies along the tidal Thames.

The PLA's Riverside Code features prominently on the website, including pages from the supporting book created for five to seven-year-olds and notes for teachers.

MEDIA ACTIVITY

There was a very high level of interest in the PLA during the year. The opening of the upgraded Port Control Centre; our successful recovery of the Elizabethan-era wreck from the Estuary; and the opening of our new floating cruise terminal all featured prominently on regional television and radio news programmes.

The move of the last Concorde from Heathrow in April necessitated a journey along almost the entire length of the tidal Thames – from Isleworth in the west of London; through central London and out to the Estuary. This generated an exceptionally high level of media enquiries. The successful move led to good coverage in the media – with photos of Concorde on the Thames outside Parliament featuring on many newspaper front pages.

In addition, BBC London chose the PLA as the focus for a series of feature items on the River Thames which were broadcast during the summer. Amongst the areas of PLA activity shown were cruise ship visits to London; the role of PLA pilots; and of the Harbour Service.



ITV also showed renewed interest in the River and the work of the PLA with the broadcast of a major documentary series entitled 'The Thames through Time'. This began transmission on ITV1 in the autumn of 2004. A further new documentary series 'Working the Thames' was also screened by the 'Discovery Channel'. This involved extensive filming with the PLA including on the 'Driftwood' vessels; in the Port Control Centre at Gravesend; and at the PLA's ship manoeuvring simulator.

A number of media releases were issued during the year, covering items as diverse as the expansion of trade within the port to the lifting of the 16th century wreck from the Princes Channel.

ENVIRONMENT

ISO 14001

The Port of London Authority takes its responsibility for protection of the river and estuary environment of the Thames very seriously, including European Marine Sites designated by the EU for their importance for certain species of bird.

Several key activities, such as dredging, hydrographic surveys and data gathering operations of the river and river-bed, have a potential impact on the environment.



In addition to our statutory obligations we are acutely aware of our wider environmental responsibilities and are committed to continuous improvement in our environmental performance. A decision has now been taken to seek ISO 14001 certification, the internationally accepted standard for environmental monitoring and management systems.

Audited by Lloyd's Register, the PLA has had the quality certification ISO 9001 across all of its departments and activities since 1997. Now we are aiming for the same across-the-board success for ISO 14001, with a target for achieving this by mid 2006. The work required to enhance the PLA's internal systems has already been put in hand and additional resources, including more staff, are being devoted to achieving the necessary results.

An extensive Environmental section has been added to PLA's website (www.portoflondon.co.uk).

ELIZABETHAN WRECK RECOVERY

The wreck of a 16th century sailing ship was discovered during a dredging project to deepen the Princes Channel access into the Port.

Working with specialist divers from Wessex Archaeology, the PLA's own diving team spent several months towards the end of the year lifting the remains of the vessel, which has been dated to 1574.

Altogether, more than 150 parts of the structure, loose timbers and small items were successfully recovered, including four cannon. The timbers and other artefacts were temporarily stored at Denton Wharf, where they were made available to media outlets, before being transported to their designated homes.

The wreck recovery project led to another job for the PLA's salvage vessel, which was subsequently called on to assist the Royal Armouries with moving two six-tonne display cannon from the foreshore at Woolwich to Gravesend, for onward transport to Portsmouth by road.





TOSCA

Other efforts to protect the environment include the operation of the Thames Oil Spill Clearance Association (TOSCA) service.

This service provides a round-the-clock instant response to any incident likely to lead to pollution from oil or other hazardous and noxious substances. The service is supported by the oil industry and other operators within the Port and is equipped to provide Tier 1 (initial) response to an incident, with guaranteed arrival on site within 30 minutes throughout the area of the Port which is judged to be highest risk.



During 2004, the TOSCA crews were called out 20 times, including seven false alarms. On 13 occasions some oil (mostly sheen) was found but only one incident was considered reportable. All responses were within the 30 minute target time. Practical pollution exercises were carried out with TOSCA members and local councils on the foreshore at Mucking Creek, on the jetties at the BP oil refinery and at the oil-fired RWE Littlebrook Power Station.

RICHMOND LOCK AND FOOTBRIDGE

Amongst the PLA's responsibilities is the safe operation and upkeep of Richmond Lock and Weir, including its footbridge, a Grade II* listed building. The footbridge had to be closed to the public, from May until July 2004 for a programme of essential preservation and redecoration.

When the footbridge reopened to the public, on completion of the work, new night time closure arrangements were introduced. This gave additional security for our lock staff and

for the structure of the bridge which had sustained criminal damage in recent times. The new opening times were introduced following discussion with the local authority, local residents and other key parties. The new arrangements have successfully reduced the problems of anti-social behaviour and vandalism at Richmond Lock at night.

KEEPING THE THAMES CLEAN

A variety of help, including the PLA's "Driftwood" craft, personnel, skips, rubbish baskets and waste disposal was provided at 43 clean-up events throughout the year, most of which were organised by Thames21.

Altogether, 478 tonnes of rubbish was removed from the river surface and foreshore and taken to landfill. Thames21 volunteers and local councils removed more from the canals, tributaries and foreshores and another 19 tonnes of scrap recovered from moorings, cars, old boats and other river obstructions were sent for recycling.

Thames21 began as a small project ten years ago with the PLA as one of its founding members. It is now a free-standing charity employing 17 staff and the PLA remains its largest contributor. Other funding comes from EnCams, the Environment Agency, Thames Water, British Waterways London, the Corporation of London, the Bridge House Trust, and many of the London Boroughs.



OPERATIONS

PORT CONTROL UPGRADE

Almost £1 million has been invested in the modernisation of our Vessel Traffic Services (VTS) systems during 2004.

The package of improvements included an upgrade of the SOFRELOG computer network - the heart of the VTS operation; software modifications to integrate Automatic Identification System (AIS) information; and replacement of the VHF radio communications system with a new Frequentis touch-screen, fully integrated VHF radio and telephone Voice Communications System.

We also enhanced the estuary sector VHF radio capability with the installation of additional transmitter/receiving stations and changed the port working VHF frequency from Channel 12 to VHF Channel 69 to avoid interference from continental stations. To conform with international guidelines a new "London VTS" call sign was introduced to replace the old call signs of Port Control London and Woolwich Radio.

The upgrade of the Port Control Centre at Gravesend has delivered a more co-ordinated work-space for pilotage and VTS operations. The security and emergency back-up requirements were also enhanced so that we now have the capacity to switch all functions between the two control centres at Gravesend and Woolwich. The final part of this investment was the updating of the port's management information system, POLARIS.



PLA SHIP SIMULATOR

The PLA's ship manoeuvring simulator, installed at Gravesend in 2003, is playing an increasingly important part in planning for the port's future.

Capable of replicating exactly the varying tide, wind and visibility conditions of the Thames, it is the ideal tool for investigating the viability of proposed new berths and for training our pilots prior to them using new or altered facilities.

The simulator also enables us to assess future development projects planned for the river and their effect on navigation. The system was used successfully in planning for Tilbury Power Station's extended jetty, and has informed our work in relation to the proposed Thames Gateway Bridge.

In its more conventional role, it made possible a "practice run" before the aircraft carrier "HMS Ark Royal" visited London and passed through the Thames Barrier.

MAINTENANCE DREDGING

"Maintenance Dredging in the Port of London" was published by the PLA in co-operation with the Thames Estuary Partnership (TEP).

This new 26-page booklet sets out the current approach to maintenance dredging within the Port of London and provides a regulatory framework for making strategic decisions on maintenance dredging within the Port, explaining the purpose of the Dredging Liaison Group which has been established in partnership with other regulators, operators and stakeholders.

PORT MARINE SAFETY CODE

We continue to be guided by the code and we work continually to enhance and update our Navigational Safety Management System (SMS), adapting as necessary to the operational profile of the port. The Board takes a close interest through twice yearly reports and specific matters brought to its attention by the designated person as they arise.



During 2004:

- we published a new Code of Practice for the Safe Mooring of Vessels on the Thames to a favourable response from the port community
- independent consultants were appointed to carry out a risk assessment into the current regulation of rowing in the upper reaches of the tidal Thames
- work commenced on a comprehensive review of the Code of Practice for Tug Utilisation, the new Code will complement the PLA's other Codes of Practice – Safe Mooring and Pilot Boarding and Landing
- we sought the views of a wide range port and river users, in support of the ongoing development of the SMS and issued 8 safety of navigation Consultation Notices

ROYAL TERRACE PIER

During the summer of 2004 we agreed with towage operator Adsteam to purchase Royal Terrace Pier. Since its acquisition, a number of improvements have been carried out at the pier, which is the base for our pilot, harbour service and survey launches. These have included the installation of a new pontoon to provide dedicated, direct access for PLA crews, a substantial upgrade of berthing and fuelling facilities.

SECURITY

The International Ship and Port Facility Security (ISPS) Code came into force in July 2004, which required a number of investments at designated facilities and terminals throughout the port. As the appointed Strategic Authority, the PLA oversaw the introduction of the Code, and is now responsible for advising and co-ordinating the 57 London port facilities which are required to comply with its provisions. The PLA is also a participant in the Thames Counter Terrorism Partnership set up to contribute to the overall security of London.

The integration of the Automatic Identification System (AIS) within the VTS at Port Control met the requirements of the ISPS Code, which requires all ships over 300 gt and trading internationally to be equipped with AIS by the end of 2004.

PRINCES CHANNEL

The project to deepen the Princes Channel, the main southern route into the Port of London, continues.

The PLA dredged the channel to 6.5 metres on a trial basis in mid 2003, to establish whether the new depth would be maintained. The trial was successful with little loss of depth and it has now been agreed to dredge to eight metres, which will allow ships of up to 12 metres draft to use the southern route.

The project includes beneficial use for most of the dredged material, and the newly dredged channel is expected to be largely self-maintaining.

WESTMINSTER BRIDGE

A number of specialist PLA craft were involved in the Westminster Bridge Scour protection works carried out by Mowlem on behalf of Transport for London. Operations included the close manoeuvring of piling rigs into position under Westminster Bridge and assisting in specialist diving operations.

DENTON WHARF

The maintenance operation for the PLA's fleet of about 40 craft, including survey, salvage, driftwood and workboats, continues to work well at Denton Wharf which was rebuilt in 2003 - the boatlift was used for 70 lifts during the year. Further additions to the facilities have been made to accommodate the relocated Adsteam towage operation.

WINDFARMS

The PLA remains in detailed discussions with the Department of Trade and Industry and other bodies with regard to the proposed Round 2 windfarms and their possible locations in the Thames Estuary.

While we understand the drive to develop alternative power sources as part of a balanced energy policy, the PLA is working to ensure these windfarms do not impact on navigational safety or operational efficiency, either directly or by interference with marine navigation and communication systems.

STAKEHOLDER & CUSTOMER SURVEY

Since the privatisation of the Port of Tilbury in the early 1990s, the Port of London Authority (PLA) has focused primarily on its regulatory role. However, with increased competition in the ports industry over more recent times, the PLA has responded to the need for greater involvement in the commercial activities of the port, becoming more customer aware by engaging with all its commercial stakeholders, and responding to the needs of the leisure user.

Given the time elapsed since this change of emphasis, the Board and Executive wanted to obtain some reliable feedback from our stakeholders on the standard of our services, to see how the PLA is perceived and to determine where we need to improve our performance to benefit river users.

During the latter part of 2004, the first phase of a two part (qualitative and quantitative) customer and stakeholder attitude survey was undertaken on our behalf by Continental Research, an accredited independent external research company.

Four target groups were identified: opinion formers; commercial customers; leisure users; and the general public. In total, 75 in-depth interviews (mostly face to face) were undertaken with senior personnel within the first three groups, with a further 184 "in street" interviews with the general public at selected locations along the river between Teddington and Tilbury.

The objectives of the survey were to:

- Establish a benchmark of awareness of the PLA
- Assess the level of understanding of the PLA's responsibilities
- Evaluate how customers and stakeholders consider the performance of the PLA
- Identify improvements to customer service and stakeholder communications

Overall, the results of the qualitative survey showed that the PLA was "doing a good job", indicating that those with the greatest exposure to and knowledge of the PLA were the most satisfied with our services and our performance. This was particularly evident amongst the larger commercial customers.



The perception of the opinion formers and the general public was that the river and the regulations of its activities were well run. Leisure users and smaller commercial customers, however, said they had less exposure to and knowledge of the PLA and, therefore, less involvement.

The challenge, through greater communication and involvement by the PLA, is to explain to those whose activities we influence but who see less of us, what we do

A second "quantitative" survey – specifically for commercial and leisure users – is due to be undertaken during 2005, through which we will establish benchmarks against which we can assess our performance in future years.



PUBLIC ACCOUNTABILITY

We are conscious of the need to be open and accountable. We have established a number of policies through which all aspects of our work are undertaken and these are kept under review by the Board. The policies are available in hard copy, and are published on our website. We continue to make a considerable investment in the website which is increasingly important as a means of further communication with all our stakeholders. In particular, we hold ourselves accountable for the primary duty that we have to the public interest under the provisions of the Port Marine Safety Code and in this we also rely on all river users recognising that they share a general duty to ensure the safety of the harbour.



The Secretary of State for Transport appoints the Chairman for a period of three years, strictly in accordance with Government policy applying to non-executive directors and board members of all public bodies that are regulated by the Office of the Commissioner for Public Appointments (the Nolan rules). In consultation with the Chairman, he also appoints under the same rules, not less than four and no more than seven further members. Currently there are six other members. The PLA Board also appoints at least one and no more than four Officers as members. Currently there are three. When vacancies arise they are publicly advertised and applications invited from applicants with appropriate skills.

The committee structure of the Board encompasses the Licensing Committee, which independently scrutinises applications for the licensing of river works and dredging and sets any appropriate conditions in such licenses. The committee also authorises pilots and pilot exemption certificates.

As part of our achieving openness and transparency with river users, we have established or participate in a number of consultative and liaison committees and we also play an active role in other partnership organisations, all of which are listed on the inside of the back cover. This list grows year by year.



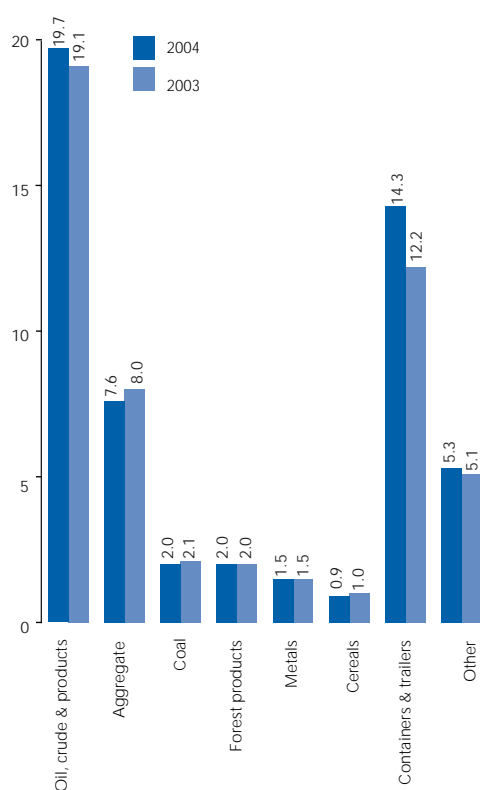
Our certification to ISO 9001:2000 relies in part on our commitment to record and report upon customer satisfaction, on positive and negative feedback and on complaints. As reported elsewhere in the review, we have made a specific effort to obtain feedback in 2004. Complaints and feedback can be made via the website, by telephone, or in writing. Our procedures will ensure that if you are not satisfied with a response then the matter will be automatically referred to higher authority. Our own staff and contractors have access to our internal whistle blowing procedure.

The Port of London Authority's annual report and accounts are the subject of independent audit are provided to the Secretary of State for Transport and laid before Parliament. They can be downloaded and printed via the website and are also available in printed form from PLA offices.

TRADE & FINANCIAL HIGHLIGHTS

TRADE

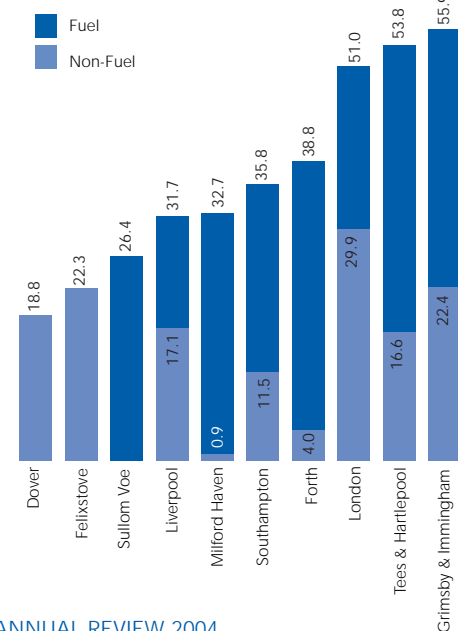
million tonnes



UNITED KINGDOM PORT TRAFFIC 2003

million tonnes

Source: Department of Transport



TRADE

	2004	2003
	million tonnes	million tonnes
Imports	43.9	41.7
Exports	9.4	9.3
Total	53.3	51.0

UNITISED TRAFFIC

(included in above tonneages)

	000 twenty-foot equivalent units	000 twenty-foot equivalent units
Imports	939	885
Exports	734	672
Total	1,673	1,557
Number of chargeable vessel arrivals to the Port of London	12,372	13,291

FINANCIAL HIGHLIGHTS

	2004	2003
	£m	£m
Turnover	37.8	32.8
Operating profit/(loss)	0.5	0.7
Profit/(loss) before taxation	1.4	1.3
Net cash flow from operating activities	4.2	3.9

ANNUAL REPORT & ACCOUNTS

The following pages contain the statutory financial statements for the financial year ending 31 December 2004. The Annual Report and Accounts are available in full via the PLA website (www.portoflondon.co.uk).

STATEMENT OF THE RESPONSIBILITIES OF MEMBERS OF THE PORT OF LONDON AUTHORITY

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis.

The members confirm that the financial statements comply with the above requirements. The members accept responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements have been properly prepared in accordance with Section 42 of the Harbours Act, 1964 as amended by the Transport Act, 1981. They also accept responsibility for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

If the Authority's annual report and financial statements are published on the Authority's website, the members will be responsible for the maintenance and integrity of the website and any uncertainty arising as a result of the financial statements being available via the website in different legal and accounting jurisdictions.

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004		2003	
		£000	£000	£000	£000
Turnover including share of Estuary Services Ltd			37,800		32,806
Less: share of Estuary Services Ltd			487		537
PLA turnover			37,313		32,269
PLA operating expenditure					
– Normal		35,438		31,643	
– Exceptional	5	1,396		0	
			36,834		31,643
PLA operating profit	2		479		626
Share of operating profit of Estuary Services Ltd			109		76
Operating profit including Estuary Services Ltd			588		702
Net interest	7		786		592
Profit on ordinary activities before taxation			1,374		1,294
Taxation	8		(414)		(484)
Profit for the year			960		810

All results are in respect of continuing activities.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above, and their historical cost equivalents.

There are no recognised gains and losses other than those included in the results above and therefore no statement of total recognised gains and losses has been presented.

BALANCE SHEET

AT 31 DECEMBER 2004

	Notes	2004 £000	2003 (As restated) £000
Fixed assets			
Intangible assets	9	300	307
Tangible assets	10	25,102	24,014
Investments:-	11	25	25
Estuary Services Ltd:-	12		
Share of gross assets		842	891
Share of gross liabilities		(358)	(395)
		25,911	24,842
Current assets			
Deferred tax	15	1,623	1,777
Stocks		267	312
Debtors	16	5,886	5,945
Investments		12,886	18,419
Cash and bank balances		7,703	1,315
		28,365	27,768
Current liabilities			
Creditors: amounts falling due within one year	17	5,345	4,359
Net current assets		23,020	23,409
Total assets less current liabilities		48,931	48,251
Creditors: amounts falling due after more than one year			
Loans	18	2,890	3,060
Other amounts	19	130	240
Reserves			
Profit and loss account	21	45,911	44,951
		48,931	48,251

Details of the restatement are given in Note 1(m).

These financial statements, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes were approved by the Board of Members on 5 April 2005 and were signed on its behalf by:-

S P SHERRARD
Chairman

R L EVERITT
Chief Executive

B CHAPMAN
Chief Financial Officer

CASH FLOW STATEMENT

AT 31 DECEMBER 2004

	Notes	2004		2003	
		£000	£000	£000	£000
Net cash inflow from operating activities	22		4,188		3,893
Dividends received from Estuary Services Ltd			60		0
Returns on investment and servicing of finance					
Interest received		968		682	
Interest paid		(174)		(90)	
Interest paid on finance leases		(34)		(57)	
Net cash inflow from returns on investments and servicing of finance			760		535
Taxation					
Group relief received from Port of London Properties Limited Group		58		0	
U.K. Corporation tax paid		(219)		(209)	
			(161)		(209)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(3,796)		(3,939)	
Purchase of unsecured loan notes		0		(25)	
Sale of tangible fixed assets		76		9	
Net cash outflow from capital expenditure and financial investment			(3,720)		(3,955)
Net cash inflow before use of liquid resources and financing			1,127		264
Management of liquid resources					
Decrease/(increase) in short term investments			5,533		(10,497)
Net cash inflow/(outflow) before financing			6,660		(10,233)
Financing					
Bank loan		0		3,400	
Bank loan principal repayments		(170)		(170)	
Principal repayments under finance leases		(245)		(248)	
Net cash (outflow)/inflow from financing			(415)		2,982
Increase/(decrease) in cash	23		6,245		(7,251)

WORKING IN PARTNERSHIPS

To achieve maximum effectiveness, openness and transparency we have set up a number of consultative and liaison committees with customers and stakeholders and also actively participate in a large number of partnership organisations which are listed below

PLA CONSULTATIVE AND LIAISON COMMITTEES

Major Customers Forum
PLA/BP Marine Liaison Group
PLA/Environment Agency (EA) Liaison
PLA/London River Services (LRS) Liaison
PLA/Maritime and Coastguard Agency (MCA) Liaison
PLA/Medway/Harwich Tripartite Group
PLA/Metropolitan Police Liaison
PLA/London Port Health Authority Liaison
PLA/Watermen and Lightermen's Company Liaison
Port of London Health and Safety Liaison Group
Port Security Committee
Regional & Local Emergency Planning Groups
River Users Consultative Forum (Estuary)
River Users Consultative Forum (Lower)
River Users Consultative Forum (Upper)
River Users Strategic Advisory Panel
Search and Rescue (SAR) Committee (Tidal Thames)
Thames Oil Spill Clearance Association (TOSCA)
Thames Strategy Group

PLA REPRESENTATION ON OUTSIDE BODIES

All Hallows Business Houses Council
Association of Diving Contractors
Association of Inland Navigation Authorities
British Section Committee Central Dredging Association (CEDA)
Cleanaway Havering Riverside Trust
Committee on Shipping Hydrography (MCA)
Cory Environmental Trust in Thurrock
Cross River Partnership
Defra/DfT Marine Consents Liaison Group
Defra Water Framework Directive Stakeholder Groups
Defra Ports Liaison Group
District Marine Safety Committee
Gravesham Chamber of Commerce
Greater London Authority (GLA) Working Groups
Health and Safety Executive and Statutory Harbour Authorities Committee (HESHA)

Integrated Coastal Hydrography Steering Group (UKHO)
International Association of Lighthouse Authorities
International Association of Ports & Harbors
International Harbour Masters Association
Legislative sub-Group of the Government's Review of Marine Nature Conservation
Local Search & Rescue (SAR) Committees
London Chamber of Commerce and Industry
London District Marine Safety Committee
London Emergency Services Liaison Panel (LESLEP)
London Home and Water Safety Council
London Resilience
London & SE Port Welfare Committee
Maritime London
Mayor's Thames and Waterways Steering Group
MCA Seagoing and Inland Waterways Commercial Vessel Regulatory Working Parties
MCA Sunk Users Group
National Marine Safety Co-ordinating Committee
National Maritime Security Committee
National Offshore Renewable Energy Liaison Group
National Sea Training Trust
North Kent Chamber of Commerce
NW Kent College Corporate Board
Parliamentary Maritime Group
Pool of London Partnership
Port Skills and Safety Limited
Radiocommunications Agency Local Customer Liaison
Radiocommunications Agency UK Ports Liaison
River Users Health & Safety Forum
SITPRO Port Procedures Policy Group
South Essex Environmental Protection Group
Thames21
Thames Counter Terrorism Partnership
Thames Dredging Liaison Group
Thames Estuary Partnership
Thames Estuary Research Forum
Thames Landscape Strategy Hampton – Kew Officers Working Groups
Thames Strategy Kew – Chelsea Officers Working Groups
Thames Traditional Rowing Association
Thurrock District Association of Industries
UK Delegation to International Maritime Organisation (IMO)
UK Harbour Masters Association
United Kingdom Major Ports Group
UKMPG/BPA Environment Working Group
University College London Geomatics Faculty

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