

ANNUAL REPORT & ACCOUNTS

The following pages contain the statutory financial statements for the financial year ending 31 December 2005.
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 2005

	Note	2005		2004 As restated	
		£000	£000	£000	£000
Turnover including share of joint venture			40,761		37,800
Less: share of joint venture			597		487
PLA turnover			40,164		37,313
PLA operating expenditure					
Before exceptional items		37,494		36,244	
Exceptional items	4	1,432		0	
Total			38,926		36,244
PLA operating profit	2		1,238		1,069
Share of operating profit of joint venture			194		153
Operating profit including joint venture			1,432		1,222
Net interest	8		958		786
Other financial income	27		798		493
Profit on ordinary activities before taxation			3,188		2,501
Taxation	9		(1,037)		(748)
Profit for the year	22		2,151		1,753

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.

Details of the restatement are given in note 1(c).

Statement of Recognised Gains and Losses (STRGL)

		2005 £000	2004 £000
Profit for the financial year		2,151	1,753
Actuarial gain/(loss) on pension scheme	27	4,900	(1,300)
Movement on deferred tax relating to pensions		(1,470)	390
Total recognised gains and losses relating to the year attributable to the PLA		5,581	843
Share of STRGL of joint venture		(110)	14
Total recognised gains and losses relating to the year		5,471	857
Prior year adjustment		4,730	
Total gains and losses recognised since the last annual report		741	

The PLA also has unrecognised gains of £445,000 for the year ended 31 December 2005 (2004: £3,206,000) in relation to two pension schemes which have irrecoverable surpluses (see note 27).

BALANCE SHEET

AT 31 DECEMBER 2005

	Note	2005 £000	2004 (As restated) £000
Fixed assets			
Intangible assets	10	294	300
Tangible assets	11	24,111	25,102
Investments	12	25	25
Joint venture:-	13		
Share of gross assets		846	842
Share of gross liabilities		(294)	(358)
Share of pension deficit		(414)	(334)
		24,568	25,577
Current assets			
Deferred tax	16	958	1,623
Stocks		246	267
Debtors	17	6,459	5,886
Investments		13,002	12,886
Cash and bank balances		12,410	7,703
		33,075	28,365
Current liabilities			
Creditors: amounts falling due within one year	18	6,208	5,345
Net current assets		26,867	23,020
Total assets less current liabilities		51,435	48,597
Creditors: amounts falling due after more than one year			
Loans	19	2,720	2,890
Other amounts	20	1,090	130
		3,810	3,020
Net assets excluding pension deficit		47,625	45,577
Pension deficit	27	(973)	(4,396)
Net assets including pension deficit		46,652	41,181
Reserves			
Profit and loss account	22	46,652	41,181

Details of the restatement are given in note 1(c).

These financial statements, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow flow statement and the related notes were approved by the Board of Members on 4 April 2006 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 2005

	Note	2005		2004	
		£000	£000	£000	£000
Net cash inflow from operating activities	23		6,649		4,188
Dividends received from joint venture			92		60
Returns on investment and servicing of finance					
Interest received		1,191		968	
Interest paid		(172)		(174)	
Interest paid on finance leases		(28)		(34)	
Net cash inflow from returns on investments and servicing of finance			991		760
Taxation					
Group relief received from Port of London Properties Limited Group		0		58	
U.K. Corporation tax paid		(284)		(219)	
			(284)		(161)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(2,162)		(3,796)	
Sale of tangible fixed assets		25		76	
Net cash outflow from capital expenditure and financial investment			(2,137)		(3,720)
Net cash inflow before use of liquid resources and financing			5,311		1,127
Management of liquid resources					
(Increase)/decrease in short term investments			(116)		5,533
Net cash inflow before financing			5,195		6,660
Financing					
Bank loan principal repayments		(170)		(170)	
Principal repayments under finance leases		(107)		(245)	
Net cash outflow from financing			(277)		(415)
Increase in cash in the year	25		4,918		6,245