

2013



PORT OF LONDON AUTHORITY



ANNUAL REVIEW 2013

2013

PLA Highlights 2013

London Gateway Port



London Gateway Port, the £1.5 billion container terminal developed by DP World, officially opened on 7 November, with the arrival from South Africa of *MOL Caledon*

Passenger travel



Record year for passenger journeys on the river, realising the Olympic legacy benefits of improved piers, new vessels and greater awareness of the service

Inland waterways freight



Inland waterways freight on the Thames grew by a further two million tonnes (60%) in 2013 to 5.3 million tonnes

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New vessels



Construction of new PLA mooring maintenance vessel, *London Titan* progressed; two new pilot launches introduced by PLA joint venture, Estuary Services Limited

Environment

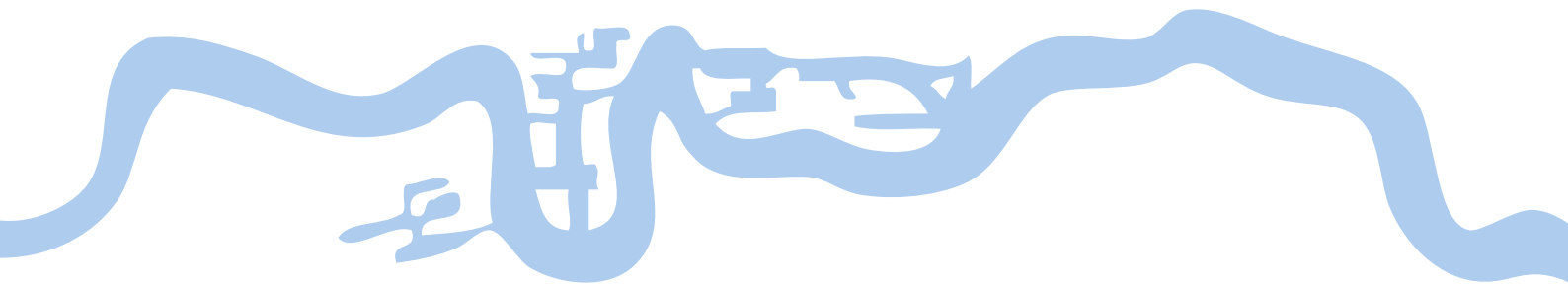


Zoological Society of London survey spotted 708 seals in the first-ever Thames seal count carried out by air, land and sea

People



More than 1,000 people attended the PLA-hosted Thames Careers Open Day in Gravesend and the PLA took on three apprentices





Chairman's statement

Dame Helen Alexander



The tidal Thames is the UK's most diverse and busy waterway: and it's getting busier. 2013 saw the official opening on the Thames of the UK's first brand new container terminal in over 20 years. More people than ever before are taking to the river, to commute, to enjoy the sights or to enjoy time together. And the river is being used more intensively to service major infrastructure schemes. In summary, the Thames is playing a key and important part in delivering the growth agenda, not only for London, but also the country more widely.

River use

In 2013, passenger journeys on the river reached a new high and the movement of freight within the port passed five million tonnes. Both achievements are the result of concerted partnership work between the PLA, the Mayor, the Greater London Authority, Transport for London, river operators, borough councils, developers and other stakeholders.

More than eight million passenger journeys were taken on the river during 2013, an increase of two million on 2012 – a true Olympic legacy. Improved piers, new vessels and better services drove growth across leisure, commuter and charter passenger numbers. This is the first success for the Mayor's River Action Plan that aims to double the annual number of Thames passenger journeys to 12 million by 2020. As part of the River Concordat Steering Group, we are advising the Mayor, Transport for London and London River Services on work to achieve this goal.

The volume of inland waterways freight being moved on the river grew by a further two million tonnes in 2013 to 5.3 million tonnes. This follows long-term work in support of projects such as Crossrail, which is now using the Thames to take tunnelling spoil out of London and to bring concrete tunnel linings to site. Similarly, Thames Water has now moved more than one million

tonnes of spoil by river from the Lea Tunnel scheme at Beckton. In the longer term, the river is fundamental to the environmentally-sustainable delivery of the Thames Tideway Tunnel scheme.

Port trade during the year was stable at 43 million tonnes. This was a robust performance in the face of continued economic uncertainty, though the end of the year was markedly stronger than expected. The biggest increase in trade was in building materials (aggregates and cement), with volumes up by 1.3 million tonnes. There were also significant increases in throughput of containers and roll-on/roll-off (unitised) goods, biomass, vegetable oils/oil seed and general cargo. The most significant decline was in fuel trades, as this was the first full year after the closure of the Coryton oil refinery, which imported large volumes of crude oil.

After years of planning, approvals and development, London Gateway container port opened to its first call on 7 November 2013. This major milestone followed Marks & Spencer's announcement earlier in the year of plans to build a major new distribution centre at the site.

The London Gateway team drew extensively on PLA expertise in the project's development, as did RWE for its trial using biomass fuel at Tilbury power station. Our expertise is the key element we bring to support the growth agenda. It comes in many forms, connecting people with others, counselling, advising, managing risk, modelling proposed operations, approving plans and providing services when the planning is done and work on site has started.

A busy, diverse river demands the highest standards of navigational safety and this is our main focus. Through the year we continued our work to improve river safety with innovations in technology and standards. Portable



Chairman's statement

Financial Highlights £m

2013

£48.7 million

Turnover

£7.3 million

Operating Profit

£3.4 million

Net cash inflow from operating activities

pilot unit technology is now established on the Thames, assisting with navigating the largest vessels to and from terminals on the river. We also adopted new vessel and operational standards to address the burgeoning operations on the river through London, after extensive work with river operators and the Maritime Coastguard Agency.

The health of the Thames is essential to its long-term use and enjoyment by river users and wider communities. We work with partners to protect and improve the Thames environment, with activities spanning the licensing of dredging and river works to the conservation and improvement work we carried out on the Thames island, Oliver's Ait. The Zoological Society of London (ZSL) Thames survey, which found 708 seals in the first-ever estuary count by air, land and sea, is an indication of the river's health.

Finances

The profit for the financial year was £6.1 million, an increase of 5%. Turnover, excluding the PLA share of Estuary Services Ltd, a joint venture with Port of Sheerness Limited, rose 5% to £48.1 million. The increase reflects the effect on revenue of a transaction completed in December to sell reclaimed land to London Gateway Port Ltd. The PLA entered into an agreement in 2010 to transfer the title to the land, formerly part of the foreshore, as and when the new London Gateway berths became operational.

Costs, including the financial effects of the various pension funds the PLA is concerned with, rose 3.1% so that operating profit for 2013 was £7.3 million, an increase of 12.5%.

The total recognised gain in the year was £17.1 million after accounting for actuarial gains in the various pension schemes in which the PLA participates. The group was able to cover from operations all its cash requirements, including contributions to the repair programme agreed with the trustees of two schemes: the main PLA Pension

Scheme; and the PLA's share of the liability in the Pilots' National Pension Fund. The net cash position was in balance.

Governance

The PLA's governance is consistent with best practice and the requirements of the Department for Transport's guidance, Modernising Trust Ports II. The Board sets the direction and tone for the organisation, in conjunction with the executive committee. The river and the PLA have a diverse and engaged stakeholder community. Open communication is a cornerstone of our approach and ensures consistent accountability to stakeholders.

Compliance with the Port Marine Safety Code is critical for the PLA, and we review performance regularly with the guidance of the 'Designated Person', as set out in the Code.

I am particularly keen to see good succession planning in the organisation. So I am delighted that we identified Robin Mortimer, a director at DEFRA, to succeed Richard Everitt as PLA chief executive from April.

During his nine years at the PLA, Richard has been influential within the organisation, on the Thames and in the wider ports industry. He was instrumental in making the PLA easier to deal with, oversaw the development of Marine House as a purpose-built base for our Marine Services operation and led us through the river pageant and Olympic-related events of 2012.

On the river, his tenure saw the dredging of Prince's Channel, improving the southern access to the port. And at industry level he worked tirelessly, notably as chairman of the United Kingdom Major Ports Group, playing an instrumental role in securing an agreement on the Pilots' National Pension Fund deficit settlement. He will leave with our deep thanks for a job well done.



Chairman's statement

Outlook

Long-term prospects for the river and the PLA look positive. In the short to medium term port trade, particularly in the energy sector, will continue to rebalance. The level of port trade is linked to the health of the UK economy, which is recovering from recession. A wider spreading of this recovery beyond the UK and US will support growth in port trade.

Investment, a key indicator of the health of the port, remains strong, underpinned by the Thames's role as gateway to the largest consumer market in the UK. We look forward to London Gateway, a development that has drawn heavily on PLA expertise and services during its development, attracting new services to the Thames.

Forth Ports is investing across the Port of Tilbury, in London International Cruise Terminal and London Distribution Park on land adjacent to the port. At Greenwich, West Properties' planned development of London City Cruise Port, the first alongside cruise facility within Greater London, will be a welcome addition to river facilities.

Changes in the energy sector continue to impact the river. In 2014 we will see the return to operation of the former Coryton oil refinery site, as Thames Oilport. Against this positive news, is the disappointment of RWE being unable to find financial support for its plans to develop long-term biomass-fuelled operations at Tilbury Power Station. This was particularly disappointing for the PLA as the marine element of their extended biomass fuel trial proved successful.

On the Thames there are proposals to designate 58 miles as a Marine Conservation Zone (MCZ), an area encompassing all the operational terminals. Given the work already underway to sustain a thriving port and

a thriving environment within existing designations, this seems a potentially burdensome step that could impact further economic growth. We shall be maintaining our concern over this with DEFRA as they seek to balance between the economic, social, and environmental spheres.

Thames Water's Thames Tideway Tunnel is set to be the biggest single project on the river over the next ten years and one of the dominant projects for the PLA. It will involve numerous construction and other sites affecting the river and substantial numbers of additional barge movements carrying tunnelling spoil from, and building materials to, sites.

We will run operations on a river busier with Thames Tideway Tunnel traffic, increased passenger vessel movements and existing river traffic. More use of the river is creating demand for greater numbers of skilled navigators. We support the operators' Thames Training Alliance as a way to create this pool of skilled labour.

Our people

Ensuring the safety of Thames river users falls to our dedicated staff of 345 people. Every day our teams are sharing their marine and Thames expertise to help people make the most of the river safely. In addition to 'business as usual' they also provide the essential support for planned national events like the University Boat Race, and for the exceptional, such as running extra patrols when the Thames Barrier is closed.

Without their hard work and dedication we could not deliver our essential safety service. On behalf of the Board I extend my thanks and appreciation to them all.

Dame Helen Alexander
Chairman
27 March 2014



Chief Executive's operational review

Richard Everitt



The year 2013 was one of contrasts for the Thames and the PLA. The highlights were undoubtedly the opening of the long-awaited London Gateway container port on the site of the former Shellhaven Refinery and the significant growth in barge trades within the port and in passenger numbers in central London. These developments are in contrast to the closure of the Coryton oil refinery and the Tilbury power station, both of which were significant users of PLA services.

We saw the familiar diverse mix of vessels and events. This included warships and cruise liners, container ships on short notice diversions to London Gateway, barges carrying spoil and supplies for the Crossrail project and facilitating the University Boat Race. We ended the year with the New Year's Eve fireworks on the river.

The changing nature of the river over the 95 miles of tidal waterway that we look after, and the diverse vessel types it attracts, are just some of the challenges in our core job of overseeing safety of navigation. These waters are home to one of the UK's leading ports, the busiest inland waterway for freight, a growing centre for passenger services and a variety of water-borne sporting activities.

In 2013, port trade, a key driver of our work on the river, and important for our income too, remained flat. This was in line with our expectations as we continue to see riverside activities rebalance, particularly in the energy sector. However, investment at Thames-side facilities augurs well for the future. The first berths at London Gateway Port are now open, Thames Oilport is set to begin operations this year and the Port of Tilbury continues to invest across its port and distribution operations.

The PLA's financial performance last year was robust, reflecting actions taken on both costs and income. On costs, we had restructured large parts of the organisation at the end of 2012, rebasing our costs to match the conservancy and other fees lost when the Coryton oil refinery closed. Through 2013 we generated additional income from our property and the provision of hydrographic and marine services. In combination, the cost control and additional income generated a surplus sufficient for us to make a further payment into the main PLA Pension Scheme, additional to the normal recovery plan payments.

The lack of growth in port trade meant that we had, for the second year in a row, to raise our core charges for 2014 in line with the increase in September's Retail Price Index. During 2013 we applied, for the first time, a levy on pilotage fees to generate the funds needed to address the annual contribution for our share of the deficit in the Pilots National Pension Fund; the levy was suspended in May when it had raised funds sufficient to cover the year's deficit payment.

In addition to covering our costs and meeting pensions' deficit payments we also maintained our investment in the business to ensure that we are equipped with modern, efficient equipment to do our job well. Two new pilot launches were introduced to the fleet of Estuary Services Limited, our joint venture with Port of Sheerness Limited, and work continued on *London Titan*, our new mooring maintenance vessel. *London Titan* will arrive on the Thames in 2014, markedly stepping up our marine services capabilities.



Chief Executive's operational review

We expect our investment to continue in the medium term, with its scope broadening to include the acquisition of riverside wharves. During 2013 we advanced the purchase of Peruvian Wharf, a site safeguarded for waterborne cargo-handling in the London Plan. We also participated in the public inquiry into Orchard Wharf, in partnership with Aggregate Industries, and will acquire this safeguarded wharf too, subject to a favourable decision by the Secretary of State. Our acquisition of these strategically important sites is consistent with our priority of promoting use of the river and our statutory duty. Financially their acquisition is prudent as they will generate a reliable income for reinvestment in the business.

The safety of our employees is a concern for us equivalent to that of keeping river users safe on the river. At the start of the year, one of our employees suffered a very serious accident. We were pleased to welcome him back to work before the end of the year and will be supporting him as he continues his recovery. The accident underlined the importance to all employees of working safely. Safety in the workplace continues to be the highest priority for everyone in the PLA.

After nine years with the PLA, this is my last operational review as chief executive. The Thames is a beguiling place that, sooner or later, steals part of your heart. It has consequently been an extremely enjoyable and rewarding job to do. It has been a great privilege to be a part of the PLA team and to see the expertise and professionalism that it brings to its work.

I extend to all of my colleagues my heartfelt thanks as well as to the many river users and others passionate about the river who I have come to know in my time here.

To my successor, Robin Mortimer, I extend best wishes and I look forward to seeing the PLA go from strength to strength as it serves its diverse river and ever-widening stakeholder community.

Richard Everitt
Chief Executive
27 March 2014

2013

Main developments



Port trade

Port trade stable at 43 million tonnes

Significant increase in throughputs of aggregates and cement, up 1.3 million tonnes

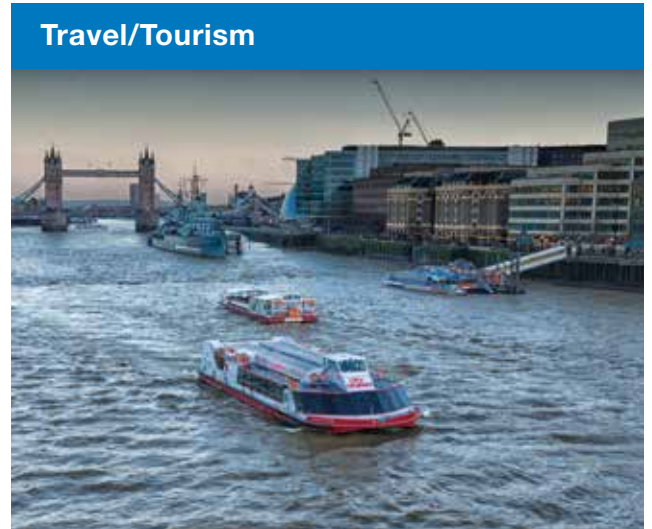
Increases in throughput of unitised goods, biomass, vegetable oils/oil seed and general cargo

The largest decline was in the fuel trade, following the closure in 2012 of Coryton oil refinery

London Gateway Port officially opened on 7 November

Investment in facilities continues at the Port of Tilbury, including cruise terminal and London Distribution Park

Port of Tilbury's grain terminal handled its largest-ever ship



Travel/Tourism

More than eight million people travelled on the river

Mayor's River Action plan announced, aiming to double river passenger journeys by 2020

Thames Clippers commuter service extended to west London (Putney)

Three Royal Navy vessels visited the capital to mark 70th anniversary of Battle of the Atlantic

Thames became first river in Europe to be mapped by Google's Street View technology in a joint project with the PLA

Plans were announced to develop the 'Garden Bridge' designed by Thomas Heatherwick to link Temple and the South Bank

Inland waterways freight



5.3 million tonnes moved in 2013, up by 2 million tonnes (60%), equates to 265,000 lorry journeys

Crossrail's river operations in full flow: new tunnel segment manufacturing facility at Chatham in Kent shipping 110,000 concrete segments for route's eastern tunnels

One-millionth tonne of materials from Thames Water's Lea Tunnel project moved on Bow Creek

Formal planning process for Thames Water's Thames Tideway Tunnel scheme started

PLA crews' essential local river traffic control work helped ensure safety during work on Blackfriars and Battersea bridges

Sport/Leisure



Nine major sporting events on the river, with 35 other regular sporting events

Successful trial run for powerboat race starting on the Thames; full event to be run in 2014 from London to Monaco

159th annual University Boat Race ran on the Thames, with PLA providing driftwood clearance, laying moorings and providing river traffic control

PLA received a Special Award at Lloyd's List Global Awards for its work overseeing the planning and safe delivery of the 2012 Queen's Diamond Jubilee river pageant

Royal Borough of Greenwich announced plans for London's largest Tall Ship event in 25 years to take place in September 2014



Safety of navigation

| Navigational Safety Statistics | |
|--------------------------------|------|
| 2013 | 2012 |
| Navigational incidents* | |
| 36 | 36 |
| Marine hazards* | |
| 0 | 2 |

* Navigational incidents and marine hazards above specified severity level in the Safety Management System

Our main responsibility is to maintain the safety of navigation along 95 miles of the tidal Thames, downstream of Teddington Lock. To achieve this, consistent with the Port Marine Safety Code, we review regularly the hazards and risks presented to safe navigation. We put in place safety measures including navigation lights and buoys, charting services, pilotage and our Vessel Traffic Services (VTS) control centres at Woolwich and Gravesend oversee safe navigation over 400 square miles, the largest VTS area in the UK.

Main developments during 2013

- o Planning for November's official opening of London Gateway paid off with September's short-notice safe arrival and departure of the container ship, *Zim Rotterdam*
- o Introduced new Thames Freight Standard, developed by the PLA in conjunction with the Maritime & Coastguard Agency (MCA) and local operators
- o New Code of Practice for the Management and Operation of Commercial Vessels on the Thames also introduced, complementing Thames Freight Standard
- o First MCA-accredited advanced Vessel Traffic Services (VTS) training course ran at Gravesend, offering training by active practitioners familiar with the latest practices, procedures and equipment
- o Close liaison with Crossrail and Thames Water as they plan to maximise use of the river for their projects and keep lorries off London's roads
- o New congestion-planning tool developed for the lower river, essential as river traffic increases with the opening of London Gateway and Thames Oilport, identifying pinch points and preventing very large vessels meeting in confined waters
- o Thames version of the Pilot Portable Unit tested and in use, assisting the safe handling of larger vessels to and from berths at London Gateway and in the Canvey Island area
- o Engagement with the recreational community on the river improved, following creation of a dedicated assistant harbour master role
- o Navigation systems team replaced two of 18 radars with new, more robust and efficient 'solid state' units

Port Marine Safety Code

The PLA meets the standards set out in the Port Marine Safety Code and continues to maintain an effective Navigational Safety Management System, relevant to the current trade and wide range of marine operations and activities within the port. This is achieved through effective risk management and demonstrated by a continuing downward trend in incident numbers over the last five years.



Chief Harbour Master's Statement

David Phillips



The Thames is the UK's busiest and most diverse tidal river. Its strong tides and other vagaries, such as the plethora of bridges, moorings and wharves, added to growing freight and passenger traffic, make it a challenging environment that needs careful and diligent management. Our job at the PLA is to enable all masters, professional or recreational, to navigate their vessels safely on the river.

My chief harbour master's team comprises expert mariners well-versed and experienced in all the different vessels that use the river. The team will readily provide the information you need to navigate on the Thames. My message to navigators is simple: if you need assistance, all you need do is ask, we are available around the clock.

My team also has the expertise to advise on how to complete your project, or stage your event, without impacting on the safety of vessels sailing on the river; an early call is advised to ensure a successful and smoothly-administered project or event.

Through 2013, we made progress across a range of priorities and projects. While the opening of London Gateway was understandably a focus, so too was planning for the Thames Tideway Tunnel, rowing safety up-river of Putney and our everyday job of keeping the Thames safe.

This year our work will continue as we prepare to welcome new visitors – large container ships to Tilbury and London Gateway, tankers to Thames Oilport and, among many others, the 50-vessel Tall Ship flotilla expected on the Thames in September.

David Phillips
Chief Harbour Master



Conserving the environment

| Environmental statistics | |
|------------------------------------|---------------------|
| 2013 | 2012 |
| Carbon footprint* | |
| 1,753 tonnes | 2,583 tonnes |
| Driftwood recovered | |
| 256 tonnes | 240 tonnes |
| Thames21 clean-ups | |
| 20 | 25 |
| *CO ₂ equivalent tonnes | |

We aim to sustain a thriving environment for the fish, birds, seals and other species for which the Thames is home, alongside the thriving commercial port. We protect and conserve the unique marine environment of the tidal Thames by assessing the potential environmental impact of new river developments, licensing them with necessary conditions. We also work to improve the environmental performance of our own operation.

Main developments during 2013

- o More than two years' improvement works on Oliver's Ait were completed, concluding the initial phase of the management plan developed by London Wildlife Trust and the local community
- o Further tree management works were completed as part of the long-term management programme on the river bank around Beverley Brook
- o A Zoological Society of London (ZSL) survey spotted 708 seals in the Thames Estuary in the first-ever count by air, land and sea
- o New solar panel system installed at Marine House, Denton, generated 51,447kWh of electricity in its first full year of operation, 8.1% of our total consumption, reducing carbon emissions and costs
- o Carbon emissions were lower as use of PLA vessels returned to normal operations after the heightened 2012 activity for the River Pageant and London Olympics; we also adopted a 'green' electricity tariff, further cutting attributable emissions
- o Engagement continued with DEFRA around the proposed designation of the Thames as a Marine Conservation Zone and with the Marine Management Organisation on marine licensing
- o Higher level stewardship agreements were concluded with DEFRA and Natural England for PLA land holdings on North Kent Marshes



Thames Oil Spill Clearance Association

| TOSCA statistics | |
|-------------------|----------|
| 2013 | 2012 |
| Call-outs | |
| 7 | 7 |
| Reportable spills | |
| 3 | 0 |
| False alarms | |
| 2 | 3 |

The PLA runs the Thames Oil Spill Clearance Association (TOSCA) on behalf of all the river's oil terminal operators. TOSCA provides an immediate response to any incidents or spill in the Thames of either mineral or vegetable oil. The Association is funded through a charge on all oil transshipments in the port.

Main developments during 2013

- o There were seven call-outs and three reportable spills
- o The principal incidents TOSCA deployed for were when:
 - Three oil drums full of bitumen and leaking were reported afloat in St Clements Reach
 - Tanker, *Apollo* collided with the London Container Terminal jetty (precautionary call-out)
 - Dredger, *Arco Axe* went aground off Southend (precautionary call-out)
 - Oil was spilt from a burst pipeline when Beringzee was alongside at Oikos
- o Exercises were completed at Higham Bight (July 2013) and London Gateway (August 2013)



Partnership & Accountability

| Community Activity Statistics | |
|---|---------|
| 2013 | 2012 |
| Children who visited Riverside Code trailer | |
| +9,000 | +12,000 |
| Sporting events held on the river | |
| 84 | 84 |

We work with a range of partners and stakeholders along the river; from rowers to passenger boat skippers; developers to local councils. We are committed to helping people make the most of the river in safety and aim to be open and accessible to everyone. Our open public meetings, held at venues along the length of the river, give people an opportunity to raise any questions or concerns with us.

Main developments during 2013

- o Our support for the Thames Training Alliance, formed with river users to provide a structured training path for new entrants to the industry, continued with the appointment of the Alliance's training provider
- o Working with the charity Thames21, we supported 25 foreshore clear-ups along the river
- o Vesta Rowing Club won the annual PLA Rowing Code Prize for the second time; the runners-up were Tideway Scullers Rowing Club and University of London Rowing Club
- o During the year we held our annual stakeholder forum, three public meetings, four river user consultative forums and participated with our exhibition and safety code units at the Mayor's Thames Festival
- o More than 3,000 school children learnt about the port and the river through our education programme, run by Thames Explorer Trust
- o More than 9,000 school children learnt about personal safety in our Riverside Code trailer through six Junior Citizen events organised by local borough councils; the trailer was also taken to seven weekend public events



PLA People

A core workforce of 345 people delivers the PLA's essential services. A large number of our employees have been seafarers and their marine expertise is complemented by that of skilled electrical and marine engineers, planners, civil engineers, hydrographers and environmental experts. We invest continuously in developing our employees' knowledge and skills to ensure that they can maximise their contribution to the organisation.

Main developments during 2013

- o We hosted a Thames Careers Open Day at our Gravesend base with other Thames operators, which attracted more than 1,000 visitors

- o The core PLA workforce was supplemented with suitably-qualified temporary workers enabling us to meet demand for local river traffic control for essential bridge works

- o Staff 'well-being' days, flu jabs and consultations attracted more than 100 staff members

- o We started actively to monitor diversity and completed diversity training across the management group

- o PLA teams competed in river events, including the Admiral of the Port Challenge, Great River Race and Thames Sailing Barge race



Health & Safety

| Health & Safety Statistics | |
|----------------------------|-----------|
| 2013 | 2012 |
| Lost time accidents | |
| 1 | 5 |
| Near miss reports | |
| 24 | 16 |

Providing for the personal health and safety of our employees, and those who work on our sites, is at the heart of the way we work. We systematically identify the risks associated with the range of activities we undertake in order that we can, as far as it is practicable, manage and mitigate them.

Our stated goal is to maintain a safe operation, working towards a target of no Lost Time Accidents to PLA employees, contractors or visitors. We benchmark our performance against national and sector-specific indices to track our progress.

Main developments during 2013

- o Total number of recorded accidents in 2013 was 15 (23 in 2012)
- o One Lost Time Accident (LTA) reported, down from five in 2012
- o Days off as a result of LTAs rose from 211 in 2012 to 224 in 2013
- o 24 near misses were reported, the highest number since the reporting initiative started in 2004, reflecting improved awareness and reporting
- o The PLA benchmark LTA statistics for the number of people who could not return to work for more than seven days (Health & Safety Executive (HSE) standard measure) as the result of an accident are:
 - In 2013, the PLA had an Accident Incident Rate (AIR) of 282 per 100,000 employees (annual figure based on average of 355 employees)
 - HSE's comparable national figure for 2011/12 is 356 per 100,000 employees
 - Port Skills and Safety's 2012 figure for the UK Port Industry is 1,409 per 100,000 employees

2013

Port trade

| Port Trade (million tonnes) | |
|-----------------------------|------|
| 2011 | 48.8 |
| 2012 | 43.7 |
| 2013 | 43.2 |

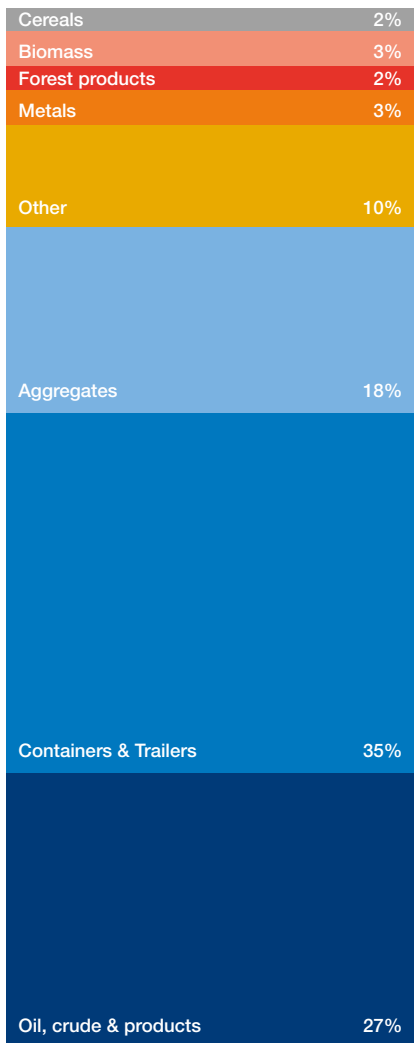
At the PLA, we oversee operations in the UK's second biggest port.

We keep the main shipping channels open, co-ordinate shipping movements and provide expert ships' pilots.

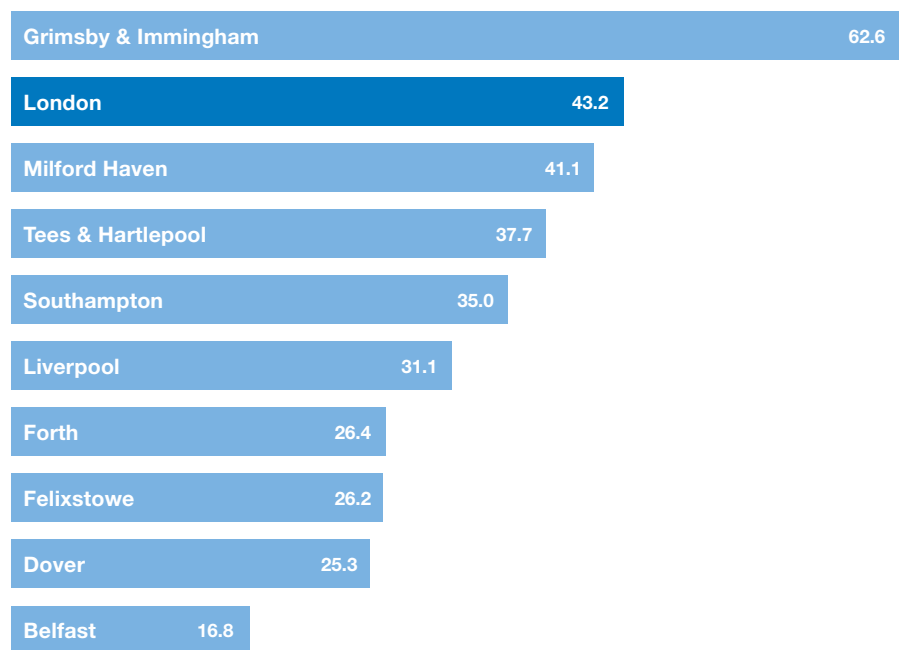
Vessels calling at more than 70 terminals on the Thames provide trade connections with over 80 countries around the world. They carry everyday essentials that keep us warm, clothed, fed and entertained.

Research shows that the Port's economic contribution to the capital and surrounding regions amounts to more than 46,000 full-time jobs and £3.7 billion to the economy each year.

London Trade 2013



UK Port Traffic 2013*



* Source: Department for Transport

43.2 million tonnes

Total trade

Total trade through the port was flat at 43.2 million tonnes, just 0.5 million tonnes (1.2%) down on 2012. This reflected the trade lost with the closure of Coryton oil refinery, which in the first five months of 2012 handled 2.4 million tonnes of crude oil. The loss of crude oil was offset by increases in the throughput of cargoes, principally aggregates, and shipments of biomass to Tilbury Power Station.

11.6 million tonnes

Fuel

No crude oil was imported during 2013, following the Coryton oil refinery closure. Many of the terminals handling oil products have seen an increase in imports since the refinery closed, but not all the lost volume has been replaced. Tilbury Power Station imported 1.4 million tonnes of biomass, before it completed its trial and closed at the end of the summer.

15.1 million tonnes

Containers & trailers

Unitised (container and trailer) traffic in 2013 was 15.1 million tonnes, an increase of 2%, or 0.4 million tonnes, on 2012.

8.0 million tonnes

Aggregates

Aggregates trades handled in the port increased by 1.3 million tonnes, with most terminals' volumes rising to supply the increasingly buoyant London construction market.

6.5 million tonnes

Other cargoes

The volume of other categories of cargo handled in the port – forest products, sugar, vegetable oils, metals, cement, chemicals and general cargo – increased by 0.2 million tonnes (3.9%). Within this group, Tilbury handled greater volumes of general cargo and oil seed imports increased. Forest products tonnages dropped by 0.1 million tonnes.

0.6 million tonnes

Vehicles

Terminals on the Thames handled 0.6 million tonnes of vehicles. This is estimated to represent more than 500,000 vehicles, both imports and exports.

Statistics



| Financial Highlights £m | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Turnover | 48.7 | 46.4 | 46.5 |
| Operating profit (including joint venture) | 7.3 | 6.5 | 5.7 |
| Net cash inflow from operating activities | 3.4 | 1.9 | 4.4 |

| Operational Statistics | 2013 | 2012 | 2011 |
|---|-------------|-------------|-------------|
| Pilotage Service | | | |
| No. of pilotage acts | 11,580 | 11,399 | 11,589 |
| No. of pilotage delays | 14 | 30 | 128 |
| Percentage of total pilotage acts delayed | 0.1% | 0.3% | 1.1% |

| Navigational Safety Statistics | 2013 | 2012 | 2011 |
|---------------------------------------|-------------|-------------|-------------|
| Navigational Safety | | | |
| Navigational incidents* | 36 | 36 | 30 |
| Marine Hazards* | 0 | 2 | 1 |
| Hydrographic Surveys | | | |
| Hydrographic surveys completed | 325 | 360 | 340 |
| Diving Operations | | | |
| Diving operations | 133 | 150 | 137 |

*navigational incidents and marine hazards above specified severity level in the Safety Management System

| Environmental statistics | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Water use (litres) | | | |
| Rainwater harvesting (Marine House) | 140,000 | 104,000 | 65,000 |
| PLA carbon footprint (CO₂ equivalent tonnes) | | | |
| Carbon emissions | 1,753 | 2,594 | 1,789 |
| PLA Energy Use (kilowatt hours) | | | |
| Electricity consumed | 1,682,980 | 1,623,067 | 1,506,822 |
| Electricity generated | 51,447 | 321 | 0 |
| Gas | 705,081 | 536,872 | 607,736 |
| PLA waste generation and recycling (tonnes) | | | |
| Pre-segregated recyclable | 15 | 11 | 21 |
| General waste | 32 | 33 | 29 |
| Hazardous waste | 256 | 239 | 248 |
| Driftwood recovered (tonnes) | | | |
| Tonnage of material recovered from the river | 256 | 239 | 248 |



| Thames Oil Spill Clearance Association (TOSCA) Statistics* | 2013 | 2012 | 2011 |
|---|-------------|-------------|-------------|
| Call-outs | 7 | 7 | 11 |
| Reportable spills | 3 | 0 | 1 |
| Oil encountered (including sheen) | 4 | 4 | 8 |
| False alarms (nothing found) | 2 | 3 | 6 |
| Other call-outs (safety of life, etc.) | 1 | 0 | 0 |

| Community Activity Statistics | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Riverside Code trailer | | | |
| No. of events attended by Riverside Code trailer | 9 | 14 | 13 |
| No. of children who visited Riverside Code trailer (estimated) | 9,000 | 12,000 | 10,000 |
| Stakeholder Meetings | | | |
| No. of public meetings held | 3 | 2 | 4 |
| No. of people attending public meetings | 125 | 48 | 110 |
| No. of stakeholder forums | 1 | 1 | 1 |
| No. of people attending stakeholder forums | 95 | 81 | 100 |
| Sporting events | | | |
| No. of sporting events held on river | 84 | 84 | 60 |

| Personal Health & Safety Statistics | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Lost Time Accidents | 1 | 5 | 2 |
| Near miss reports | 24 | 16 | 18 |

* for more information on TOSCA see p21

Board & committees

as at 27 March 2014

The PLA Board comprises a Chairman and up to three non-executive members appointed by the Secretary of State for Transport, and up to four non-executive members appointed by the authority. The authority may also appoint up to four executive members. There were nine members of the PLA Board as at 27 March 2014.

There are six committees of the Board. Membership of the Board and committees as at 27 March 2014 is listed below:

Board Members

Chairman

Dame Helen Alexander (N*, R*)

Vice Chairman

J F Mills, CBE (A, L*, N, R, P, C*)

Non-executive members

W D Everard, CBE (A, R, P*)

R D M Lenthall (L, P, C)

A J Quinlan (A*)

R S Steedman, CBE (L, P)

Executive members

B Chapman (Chief Financial Officer) (P)

R L Everitt (Chief Executive) (L, P, C)

D G Phillips, MVO (Chief Harbour Master) (L)

Secretary to the Authority

S Grundy

Note: committee chairmen are denoted by (*)

Management Executive Committee

Chief executive

R L Everitt

Chief executive (designate)

R J D Mortimer

Chief financial officer

B Chapman

Chief harbour master

D G Phillips, MVO

Director of corporate affairs

A F Gale

Director of marine operations

P Steen

Director of planning and environment

J Trimmer

Director of human resources

G W Witham

Committees of the Board

Audit Committee (A)

Licensing Committee (L)

Nominations Committee (N)

Remuneration Committee (R)

Pensions Committee (P)

Charitable Donations Committee (C)

(Note: the PLA chairman and vice chairman are ex-officio members of any Committee of the Board of which they are not already a member)

Summarised Report & Accounts

The following pages contain a summarised version of the annual report and accounts for the year ended 31 December 2013.

The information is only a summary of the information contained in the PLA's consolidated financial statements as set out in the Annual Report and Accounts. It does not contain sufficient information to allow for as full an understanding of the results of the group or of its financial position as would be provided by the Annual Report and Accounts. The Annual Report and Accounts are available via the PLA website (www.pla.co.uk). The auditors' report on the Annual Report and Accounts for the year ended 31 December 2013 was unqualified.

Statement Of Members' Responsibilities

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

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 PLA and of the profit or loss of the PLA for that period. In preparing those financial statements, the members are required to:-

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o 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.

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 maintenance and integrity of the 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.

Consolidated Profit & Loss Account for the year ended 31 December 2013

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Turnover including share of joint venture | 48,652 | 46,396 |
| Less: share of joint venture | 568 | 610 |
| Turnover excluding share of joint venture | 48,084 | 45,786 |
| Operating expenditure | 40,913 | 39,664 |
| Operating profit excluding joint venture | 7,171 | 6,122 |
| Share of operating profit of joint venture | 125 | 362 |
| Operating profit including joint venture | 7,296 | 6,484 |
| Net interest | 188 | (17) |
| Other financial costs | (269) | (71) |
| Profit on ordinary activities before taxation | 7,215 | 6,396 |
| Taxation | (1,119) | (593) |
| Profit for the financial year | 6,096 | 5,803 |

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.

Consolidated Statement of Total Recognised Gains and Losses (STRGL) for the year ended 31 December 2013

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Profit for the financial year | 6,096 | 5,803 |
| Actuarial gain / (loss) on PLA pension schemes | 11,386 | (27,906) |
| Share of actuarial gain / (loss) on Pilot's National Pension Fund | 527 | (13,801) |
| Current UK corporation tax on defined benefit pension schemes | 411 | 671 |
| Movement in deferred tax relating to defined benefit pension schemes | (1,317) | 4,130 |
| | 17,103 | (31,103) |
| Share of actuarial gain / (loss) on joint venture defined benefit pension scheme (net of tax) | 45 | (317) |
| Total recognised gains / (losses) relating to the year | 17,148 | (31,420) |

The PLA also has an unrecognised gain of £32,000 for the year ended 31 December 2013 (2012 loss of £962,000) in relation to a pension scheme which has an irrecoverable surplus.

Balance Sheets

as at 31 December 2013

| | Consolidated | | PLA | |
|---|--------------|--------------|--------------|--------------|
| | 2013 £000 | 2012 £000 | 2013 £000 | 2012 £000 |
| Fixed assets | | | | |
| Intangible assets | 241 | 247 | 241 | 247 |
| Tangible assets | 43,804 | 28,916 | 43,804 | 28,916 |
| Investments | 0 | 0 | 2 | 2 |
| Joint venture:- | | | | |
| Share of gross assets | 1,333 | 1,219 | 0 | 0 |
| Share of gross liabilities | (281) | (231) | 0 | 0 |
| Share of pension deficit | (871) | (954) | 0 | 0 |
| | 181 | 34 | 0 | 0 |
| | 44,226 | 29,197 | 44,047 | 29,165 |
| Current assets | | | | |
| Stocks | 205 | 179 | 205 | 179 |
| Debtors – amounts due less than and more than one year | 23,503 | 20,913 | 10,592 | 7,988 |
| Liquid resources | 24,000 | 31,000 | 20,174 | 26,252 |
| Cash and bank balances | 12,916 | 6,172 | 12,916 | 6,172 |
| | 60,624 | 58,264 | 43,887 | 40,591 |
| Current liabilities | | | | |
| Creditors: amounts falling due within one year | 19,232 | 5,878 | 19,210 | 5,817 |
| Net current assets | 41,392 | 52,386 | 24,677 | 34,774 |
| Total assets less current liabilities | 85,618 | 81,583 | 68,724 | 63,939 |
| Creditors: amounts falling due after more than one year | 1,948 | 2,048 | 1,948 | 2,048 |
| Provisions for liabilities and charges | 13,760 | 14,240 | 13,760 | 14,240 |
| | 15,708 | 16,288 | 15,708 | 16,288 |
| Net assets excluding pension deficits | 69,910 | 65,295 | 53,016 | 47,651 |
| Pension deficit | | | | |
| PLA defined benefit pension scheme deficits | (56,439) | (68,717) | (56,439) | (68,717) |
| Share of Pilot's National Pension Fund deficit | (14,085) | (14,340) | (14,085) | (14,340) |
| Net liabilities including pension deficits | (614) | (17,762) | (17,508) | (35,406) |
| Reserves | | | | |
| Profit and loss account | (614) | (17,762) | (17,508) | (35,406) |

These summary financial statements, which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and PLA balance sheets and the consolidated cash flow statement were approved by the Board of Members on 25 March 2014 and were signed on its behalf on 27 March 2014 by:-

Dame Helen Alexander
Chairman

R L Everitt
Chief Executive

B Chapman
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31 December 2013

| | 2013 | | 2012 | |
|---|---------|---------|---------|---------|
| | £000 | £000 | £000 | £000 |
| Net cash inflow from operating activities | | 3,421 | | 1,946 |
| Returns on investment and servicing of finance | | | | |
| Interest received | 597 | | 496 | |
| Interest paid | 0 | | (6) | |
| Net cash inflow from returns on investments and servicing of finance | | 597 | | 490 |
| Taxation | | | | |
| UK Corporation tax received / (paid) | 63 | | (260) | |
| | | 63 | | (260) |
| Capital expenditure and financial investment | | | | |
| Purchase of tangible fixed assets | (4,573) | | (4,437) | |
| Sale of tangible fixed assets | 492 | | 44 | |
| Net cash outflow from capital expenditure and financial investment | | (4,081) | | (4,393) |
| Net cash inflow / (outflow) before use of liquid resources and financing | | 0 | | (2,217) |
| Management of liquid resources | | | | |
| Decrease in short term investments | | 7,000 | | 4,000 |
| Increase in cash in the year | | 7,000 | | 1,783 |

Working in partnership

Partnership with river users and accountability to stakeholders is one of the PLA's strategic priorities. As part of our partnership work we have set up a number of consultative and liaison groups; we also actively participate in groups set up by others. Listed on this page are the principal consultative and liaison committees run by the PLA, together with the outside bodies on which we are represented.

PLA Consultative and Liaison Committees

PLA Safe Mooring Group
 PLA/Environment Agency/Marine Management Organisation liaison
 PLA/London River Services (LRS) Liaison
 PLA/Maritime and Coastguard Agency (MCA) Liaison
 PLA/Medway/Harwich Tripartite Group
 PLA/Metropolitan Police Liaison
 PLA/LGP Marine Liaison Group
 PLA/London Port Health Authority Liaison
 PLA/Watermen and Lightermen's Company Liaison
 PLA Harbour Masters Recreation and Navigational Group
 Port Security Committee
 River Users Consultative Forum (Lower & Estuary)
 River Users Consultative Forum (Upper)
 Thames Freight Standard Working Group
 Thames Oil Spill Clearance Association (TOSCA)
 Thames Strategy Group

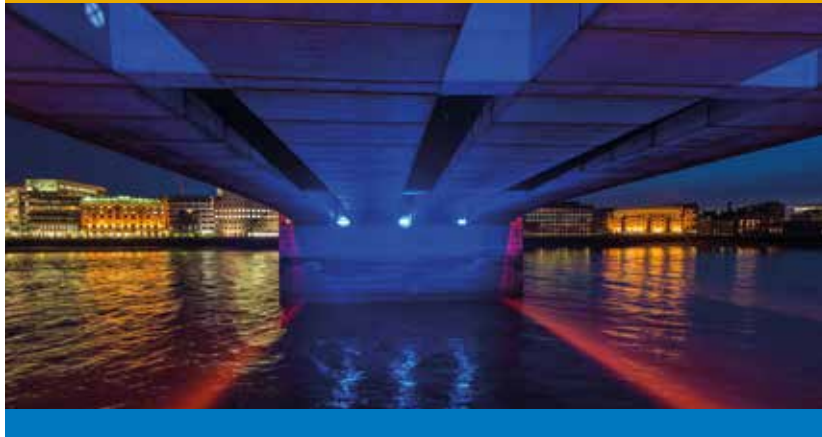
PLA Representation on outside bodies

Association of Diving Contractors
 Association of Police Health & Safety Advisors
 (London & South East Group)
 Bexley Emergency Planning and Liaison Group
 BMF Thames Valley Committee
 CAMBRIA Trust
 Central London Local Resilience Forum
 Cliffe Conservation and Community Partnership
 Steering Group
 Committee on Shipping Hydrography (MCA)
 Cory Environmental Trust in Thurrock
 Crouch Harbour Authority Advisory Committee
 Defra/DfT Marine Consents Liaison Group
 Defra Water Framework Directive Stakeholder Groups
 Defra Ports Liaison Group
 Dredging Liaison Group
 Emergency Planning Society Oil Pollution Professional Interest Group
 Essex Resilience Forum and associated groups
 Freight Transport Association
 Gravesham Chamber of Commerce
 Gravesham Local Business Partnership Steering Group
 Greater London Authority (GLA) Working Groups
 Greenwich Emergency Planning and Liaison Group
 Havering and Thurrock Riverside Environmental
 Strategy Group
 Health and Safety Executive and Statutory Harbour
 Authorities Committee (HESHA)
 IMarEST Small Ships Group Integrated Coastal
 Hydrography Steering Group (UKHO)
 International Association of Lighthouse Authorities
 International Harbour Masters Association
 Kent and Medway Oil Pollution Group
 Kent Resilience Forum and associated groups
 London Borough of Richmond Emergency Planning Forum
 London Borough of Southwark Emergency Planning Forum
 London Chamber of Commerce and Industry
 London Emergency Services Liaison Panel (LESPLP)
 London Home and Water Safety Council
 London Resilience Forum

London Resilience Media Group
 London Resilience Transport Group
 London & SE Port Welfare Committee
 London Waterways Commission
 Maritime Advisory Group
 Maritime London
 MCA/DfT MARPOL Consultative Panel
 MCA Hire Boat Licensing Working Group
 Working Group
 MCA Seagoing and Inland Waterways Commercial Vessel
 Regulatory Working Parties
 MCA Sunk Users Group
 Medway Partners Emergency Planning Group
 National Inland Waterways Freight Standards Steering Group
 National Marine Safety Co-ordinating Committee
 National Maritime Development Group
 National Maritime Security Committee (Ports Panel)
 National Offshore Renewable Energy Liaison Group
 National Sea Training Trust
 North Central London Local Resilience Forum
 North East London Local Resilience Forum
 North Kent Chamber of Commerce
 North West Kent College Training Trust
 North West Kent College Corporate Board
 OFCOM/MCA Maritime Advisory Technical Committee
 Parliamentary Maritime Group
 Port Marine Safety Code Steering Group
 Port Skills and Safety
 Richmond Resilience Forum
 River Basin Liaison Panel
 River Users Health & Safety Forum
 RoSPA (National Home Safety Committee and Water Safety membership)
 SITPRO Ports and Borders Group
 South East London Local Resilience Forum
 South Essex Environmental Protection Group
 South West London Local Resilience Forum
 Southwark Resilience Forum
 Thames21
 Thames & Dover Police Portal Group
 Thames Estuary Partnership
 Thames Estuary Research Forum
 Thames Estuary Standing Environment Group
 Thames Landscape Strategy Hampton – Kew
 Thames Resilience Group
 Thames Strategy Kew – Chelsea
 Thames Traditional Rowing Association
 Thames Training Alliance
 Thurrock District Association of Industries
 UK Delegation to International Maritime Organisation (IMO)
 UK Harbour Masters Association
 United Kingdom Major Ports Group
 UKMPG/BPA Environmental Policy Group
 UKMPG/BPA Marine and Pilotage Working Group
 University College London Geomatics Faculty
 Wandsworth Resilience Forum
 Westminster Biodiversity Action Plan Steering Group
 Vauxhall Nine Elms Battersea Opportunity Area
 Veolia North Thames Trust



PORT OF LONDON AUTHORITY



2013

Bakers' Hall

7 Harp Lane, London, EC3R 6LB

London River House

Royal Pier Road, Gravesend, Kent, DA12 2BG

T +44 (01474) 562200

F +44 (01474) 562281

E info@pla.co.uk

W www.pla.co.uk

T [@LondonPortAuth](https://twitter.com/LondonPortAuth)

