

# ANNUAL REPORT & ACCOUNTS 2021

## CUSTODIANS OF THE TIDAL THAMES



# ABOUT THE TIDAL THAMES

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

The tidal Thames is also a thriving habitat, home to 125 different species of fish, 3,000 seals and more than 300,000 overwintering birds.

Economically, the port plays a key role as part of supply chains serving the UK markets of London, the south east and beyond. Over 48,000 jobs depend on the port, which generates more than £4.5 billion in economic value added annually. In addition, there are over 100,000 jobs related to the river as an amenity and economic activity generating a value added of over £2 billion.

[WWW.PLA.CO.UK](http://www.pla.co.uk)

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# 2021 AT A GLANCE

## RIVER USE

- ↑ **51.8m** Tonnes of goods handled
- ↑ **4.5m** Passenger journeys
- ↑ **3.7m** Tonnes of inland waterways freight
- ↓ **137** Sporting events

## ENVIRONMENTAL STEWARDSHIP

- ↓ **127.5** Tonnes of driftwood recovered
- ↑ **1,537** CO<sub>2</sub> emissions (equivalent tonnes)
- ↑ **115,498** Kilowatt hours generated
- ↑ **26** Clean-ups supported

## NAVIGATION & SAFETY

- ↑ **1** Serious navigational incident
- ↑ **14,037** Pilotage Acts

## FINANCE

- ↑ **£46.1m** Stakeholder benefit
- ↑ **£14.6m** Cash invested
- ↑ **£8.7m** Operating surplus

## HEALTH & SAFETY

- ↓ **76** Near miss reports
- ↑ **9** Lost Time Accidents

## STAKEHOLDER ENGAGEMENT

- ↑ **1,583** People attending public and online forums

## ABOUT THE PLA

At the Port of London Authority we are the Custodians of the tidal Thames. We hold the river in trust, working to hand it on in a better condition to future generations and realising the goals of the Thames Vision.

OUR STRATEGY IS CENTRED ON KEY THEMES TO:

### PROTECT

TARGETING ZERO HARM AND IMPROVED SUSTAINABILITY

### IMPROVE

RUNNING EFFICIENT OPERATIONS AND INVESTING TO SUPPORT GROWING RIVER USE

### PROMOTE

LEADING THE THAMES VISION TO UNLOCK THE POTENTIAL OF THE THAMES

## ABOUT THE THAMES VISION

The Thames Vision is the long-term development framework for the river. *Thames Vision 2035* was launched in mid-2016, targeting greater river use, alongside an improving environment. Through 2020 and 2021 we commissioned a series of studies, surveys and consulted stakeholders as part of a review of the Vision, in light of the new challenges and opportunities that have emerged in the intervening years.

We are currently consulting on the draft *Thames Vision 2050*, that emerged from this work. It is themed around: Trading Thames, Destination Thames and Natural Thames. Across these themes are priorities for action covering: safety, the Net Zero transition, resilience, technological change and access & inclusion. The consultation will conclude at the end of April 2022, with the final document published once feedback has been reviewed.

For the latest on *Thames Vision 2050*, visit: [www.pla.co.uk/ThamesVision](http://www.pla.co.uk/ThamesVision)

## 2021 HIGHLIGHTS



### THAMES FREEPORT

Thames Freeport opened for business; it is forecast to draw £4.6 billion of new investment and create 21,000 skilled jobs.



### INVESTMENT

Port investment continued with phase two of Forth Port's Tilbury2 scheme completed and DP World London Gateway announcing £300 million plans to develop a fourth berth.



### PILOTAGE

Pilotage investment continued: 12 trainee pilots recruited; five pilots qualify as Class 1 unrestricted, able to handle full range of vessels.



### ESTUARY SERVICES LIMITED (ESL)

PLA took full control of boarding and landing service operator, Estuary Services Limited (ESL), acquiring Peel Ports' 50% interest in the business.



### PROFESSIONAL DEVELOPMENT

The country's first inland waterway continuous professional development (CPD) scheme by the PLA, working with the Thames Skills Academy and Company of Watermen & Lightermen.



### LONDON: PORT CITY

Major exhibition – *London: Port City* – opened at the Museum of London Docklands, connecting people to the past, present and future of operations on the tidal Thames.



### MARITIME HYDROGEN HIGHWAY

The PLA led a consortium of eight organisations in securing Government funding for the Hydrogen Highway project exploring key considerations for a national hydrogen highway network.

# STRATEGIC REPORT

Adapting to new technology and responding to climate change are clear priorities for the future of the river as we start to build back from the pandemic.

## CHAIRMAN'S STATEMENT

CHRISTOPHER RODRIGUES CBE



**In October 2021, we welcomed the new British Antarctic Survey vessel, the RRS Sir David Attenborough on her first Thames call. It was a highlight of the year, and also a harbinger of the future. A high-tech vessel, developed to better understand the drivers of climate change, visiting the UK's biggest port.**

As custodians of the Tidal Thames, the PLA is playing a leadership role in mapping out the Port's route to a sustainable future. We anticipate significant and continuing change in vessel and port technology as efforts intensify to move towards Net Zero and mitigate maritime impacts on climate change.

Our roadmap for future development, *Thames Vision 2050*, is currently out for consultation. It is already clear that successful delivery of the plan will depend upon on a high level of collaboration between all river stakeholders.

Working towards an even safer river remains a core building block in our future plans. The launch of our country's first inland waterway continuous professional development (CPD) scheme, which was developed with the Thames Skills Academy

(TSA) and the Company of Watermen & Lightermen (CWL), will be an important part of this. The PLA is providing £150,000 of support over the next five years to encourage early participation on the courses.

Together, safety and environmental innovation should sustain our growing port and river. At the PLA we also want to make the Thames more accessible to diverse communities. Our Thames Vision research highlights opportunities across employment, sport and recreation.

Delivery of the Vision will require a substantial change agenda for the river and the PLA. The conclusion of the Harbour Revision Order review, in which we are currently deeply involved, will mark a milestone in this process and the journey has been facilitated by the recent refurbishment of our Gravesend headquarters to create an open, collaborative work environment.

The PLA is perhaps unusual in the sheer number of organisations and people with which it partners. These partnerships have never been more important. From our port customers to City Hall and from the National Governing Bodies of river-based water sports to the Thames Estuary Growth Board, continued engagement will be key to making the most of the Thames. After two years starkly different from normal we can reflect on a unique river doing a unique job.

April 2022 marks the end of my second term as Chair of the PLA. I wish Jonson Cox every success and as much enjoyment as I have had, in his term of office. That the organisation has delivered operationally and financially and at the same time mapped out a vision for the future is the work of a committed executive team and the considerable efforts of the whole PLA workforce. My thanks go to them and to all our friends, partners and customers in the wider river community for their support.

**Christopher Rodrigues CBE**  
Chair

4 April 2022

# CHIEF EXECUTIVE'S STATEMENT

ROBIN MORTIMER



**Over the last two years, we are proud of the part played by the Port of London in maintaining essential supplies of food, medicines, raw materials and consumer goods into the UK. We are particularly appreciative of the role played by both front line colleagues, and those supporting them behind the scenes, to make this possible.**

At the time of writing, we now face a new global challenge following the shocking Russian invasion of Ukraine. The PLA has adopted a new sanctions compliance policy, to ensure that we are fully compliant with all relevant UK Regulations restricting vessels or goods seeking entry to the Port from any sanctioned country.

Over the year ahead, we will also need to respond to the challenge posed by any volatility in global energy or other markets and I am confident that we have the resilience to do that. At the same time, we will keep our focus on the long-term future – set out in our *Thames Vision 2050* – and the actions we need to take collectively as Thames stakeholders to achieve the goals in the Vision. In doing so, we will build on a successful year in 2021.

## PORT & RIVER OPERATIONS

Trade in the port returned to growth in 2021: 51.8 million tonnes of cargo was handled, a 9% increase from the 47.4 million tonnes moved in 2020. London remained the UK's largest port by volume of goods handled.

Containers and unitised cargo were the largest in terms of volume, with 23.2 million tonnes handled, up by 6% from 2020. Aggregates and cement trades grew by 20% to 13.1 million tonnes. Inland waterways freight totalled 3.7 million tonnes, a slight increase on 2021 (3.4 million tonnes), albeit against a significant decline in river transport associated with the Tideway projects as large scale construction works near completion.

Demand for our pilotage service increased in line with the increase in port trade. More than 14,000 pilotage acts were completed, with a service level of over 99%. We made further investments in our pilotage services, acquiring Peel Ports' 50% interest in Estuary Services Limited (ESL), to take full control of the company that provides a pilot boarding and landing service for ships trading to and from the ports of London and Medway.

Investment at Thameside terminals continued apace. Forth Ports completed phase two of their Tilbury2 riverside development. The new construction materials handling facility built for Tarmac is a central part of the ongoing investment programme in the Port of Tilbury and completes the £250m investment at T2.

The first vessel carrying building materials, *Bontrup Amsterdam*, arrived at Tilbury2 just ahead of Christmas; the terminal has since seen marine aggregate unloading from vessels in the Tarmac dredger fleet. Forth Ports are now turning their attention to further development in their Tilbury3 scheme.

DPWorld London Gateway confirmed plans for a £300 million investment in the development of the facility's fourth berth, in response to growing demand. Container throughput at the site totalled more than 1.8 million TEU in 2021, an increase of 15% over the previous year.

Forth Ports and DP World are the principal partners, with Ford Motor Company, in the Thames Freeport. The partners' application for Freeport status was approved by the UK Government and was the second UK Freeport to open for business in December.

Building material operators advanced major projects, meeting strong demand from local and regional construction markets. Hanson is completing developments at both its Dagenham and Victoria Deep terminals and their new dredger, *Hanson Thames*, made its first port call in January 2022. The new CEMEX vessel, *Go Innovation*, called on the Thames in September 2021. It unloaded marine aggregates at the CEMEX Northfleet terminal, via the PLA Investment Fund-financed discharge system.

Looking to the future of vessel propulsion, CLdN, operator of the most frequent services between the Thames and Europe, announced orders for two new hybrid freight ferries.

Progress continued with the Tideway project, as they passed the milestone of moving more than five million tonnes of construction specific cargoes by river. The £4 billion project is expected to be fully operational by 2025. Its legacy will be a cleaner river, seven new areas of public space along the Thames and wharf space released for long-term river use.

There was an exciting growth in interest in using the river to move light freight. We facilitated and supported CEVA in running a trial, moving medical supplies daily from Dartford into central London. Further trials and new services are in development. Two studies to look at growing this market were commissioned on the economics of light freight and adapting infrastructure, with the Thames Estuary Growth Board (TEGB), and Cross River Partnership and TEGB, respectively.

The river's passenger operations started to recover from the particularly difficult year in 2020 when COVID lockdowns first came in. Some 4.5 million passenger journeys were taken in the year (2020: 2.7 million), though this is still just under half of the pre-pandemic level.

Prospects for long-term recovery and growth of passenger operations remain promising. Development of the new

Barking Riverside pier is underway, and Uber Boat by Thames Clippers has placed the first UK order for two new hybrid fast ferries. Service innovation saw Woods River Cruises launch the successful *Terrible Thames* tours, based on the *Horrible Histories* franchise. Thames RIB operators enjoyed strong demand from UK visitors into the capital; it is hoped this home-based demand will be supplemented by returning international tourists this summer.

We worked closely with the Government taskforce set up to address the closure of Hammersmith Bridge. The bridge was reopened in a limited and controlled way to pedestrians, cyclists and river traffic in mid-July. The bridge transit system we established for river users brought some respite up to this point; we also looked at the ferry options proposed as a solution, should the bridge have remained closed.





**FINANCIAL PERFORMANCE**

As a profit for purpose organisation, delivering consistent, strong financial returns is key. This enables us to invest in: operational efficiencies, benefitting customers; and developments that increase use of the river and the environment, benefitting the wider stakeholder community.

We delivered a strong financial performance in 2021, with the operating surplus recovering to £8.7 million (2020: £4.4 million) on turnover of £71.4 million (2020: £63.9 million). Increased turnover was driven by the recovery in port trade volumes as COVID-related restrictions eased.

We continue to address the challenges posed by pension deficit repair payments across the schemes in which we participate. The business remains robust and cash positive, investing to support long term growth in river use and diversification of income streams.

**SAFETY**

Safety is at the core of the PLA, both for river users and across the health, safety and wellbeing of our employees and contractors.

2021 saw a single serious navigational incident reported, the first since 2019. Our team continued to work closely with operators along the Thames as they looked to bring new and innovative projects forward.

In a major initiative to improve safety on the river, from January 2024, Thames Continuous Professional Development will be mandated for Masters and unsupervised watchkeepers on the tidal Thames from Teddington to the North Sea.

There were nine Lost Time Accidents (LTAs) involving PLA employees, visitors or contractors in 2021 (2020: zero). Seventy-six near miss reports were logged, compared to 146 in 2020. A systematic review has been carried out to learn lessons from the incidents in 2021 and a refreshed three-year health, safety and wellbeing strategy is in development.

**INVESTMENT**

We invested £14.6 million in 2021, across our investment portfolio and in sustaining capital projects. Most of the investment was property related: the acquisition of land and infrastructure at the Dartford International Ferry Terminal and site works at Plaistow and Royal Primrose wharves, readying them to come back into cargo handling use. We are in the process of securing and agreeing tenancy agreements for Dartford and Royal Primrose; Keltbray is already signed as the tenant at Plaistow.

The main operational capital investment in the year, totalling £750,000 related to our core navigation safety service. In two separate projects, the port's VHF receiver system was replaced, and the first phase of new transceiver work was completed at Crayfordness.

**SUSTAINABILITY**

Caring for the river environment, improving our environmental performance and inspiring environmental change are key to the way we do business at the PLA.

During 2021, we made preparations for adopting cleaner biodiesel across our fleet. This will enable us to cut our carbon emissions by more than 50% within two years, en route to our Net Zero goal by 2040, or earlier. The first of the tanks for storing cleaner diesel was installed at our Gravesend base in January; the second tank will be installed at Barrier Gardens Pier later in the spring. This will enable the majority of our vessels to switch to the fuel during 2022.

A number of operators on the river are starting to adopt cleaner fuels, some of which reduce carbon and other emissions, including particulate matter and oxides of nitrogen.

The environment team completed the first phase of a significant habitat improvement programme at West Thurrock Lagoon and Marshes, aiming to use natural processes to enhance the condition of the designated Site of Special Scientific Interest.



On broader environmental engagement, the first companies to sign up to the PLA-developed *Thames Green Scheme* were announced. The scheme recognises organisations committed to improving their sustainability performance. We also led a consortium of eight organisations in securing Government funding for the *Hydrogen Highway* project - to explore how we establish a national hydrogen highway network, integrating land, sea and port. This will include trialling a hydrogen fuel cell at our Denton Wharf base.

**THAMES COMMUNITY**

Our work with customers and stakeholders along the Thames supports and facilitates the port and river community in its work. Our weekly newsletter, *Tidal Thames News*, shares information on the latest ship, terminal, sporting and other developments. Similarly, events like the exhibition *London: Port City*, on which we collaborated with the Museum of London, provide an opportunity for people to come together, meet and share views.

**LOOK AHEAD**

The PLA is an organisation transforming. We are playing a key role in supporting safe and sustainable growth in the UK's largest port and busiest inland waterway, and we have a growing direct investment portfolio supporting greater river use.

To enable this transformation and ensure that we remain fit for the future, our team has been changing and expanding, drawing in people from a diverse range of backgrounds and experience bringing new skills for the future. By the end of the year we had recruited 75 new employees, a significant intake for an organisation of 451 people.

Investing in our people is key to the future and has been delivered through our active apprenticeship scheme, upskilling of existing employees and support for the Government's *Kickstart* scheme.

Through the year we looked closely at how use of the river will evolve, refreshing the river development plan, the Thames Vision, out to 2050. We are consulting on *Thames Vision 2050* through the early months of 2022, aiming to publish the final version in the summer.

The goal is ambitious: a safe, smart, sustainable and inclusive tidal Thames – delivering what London and the wider UK needs from its most iconic waterway. The Vision crystallises the ambition for the future and the steps that need to be taken to secure it.

Many of our colleagues in the PLA are working day and night, at times in challenging marine environments. They are key to sustaining a business running 365 days of the year as a key part of essential supply chains. My thanks to everyone in the PLA and the wider river community for their commitment and resolve in 2021.

**Robin Mortimer**  
Chief Executive  
4 April 2022

# CHIEF HARBOUR MASTER'S STATEMENT

BOB BAKER



## SEA PILOT ACTS SERVICE LEVEL

2019	97.9%
2020	99.5%
2021	99.1%

## PILOTAGE ACTS (NO.)

2019	14,248
2020	12,715
2021	14,037

## SERIOUS NAVIGATION INCIDENTS (NO.)

2019	6
2020	0
2021	1

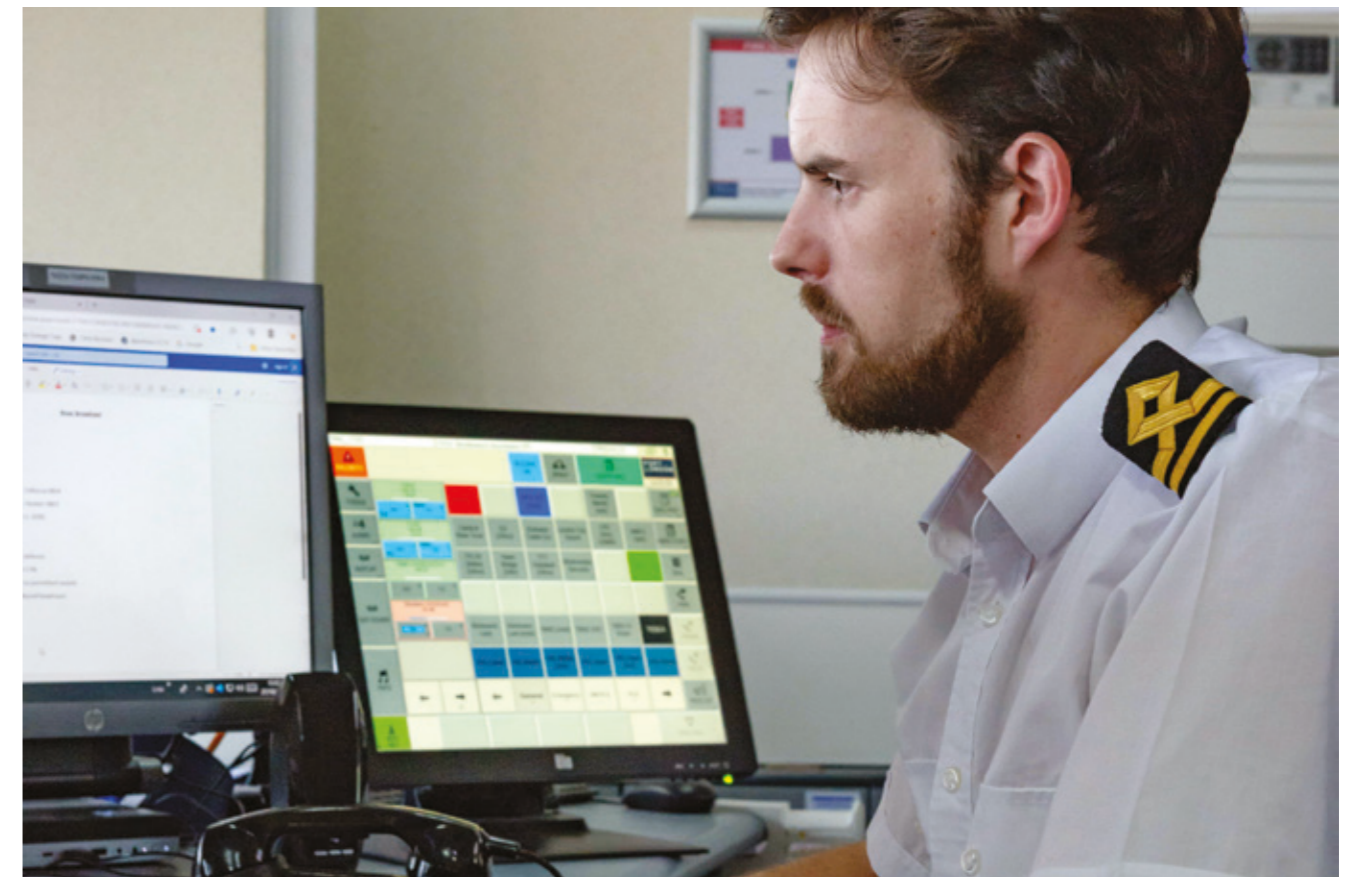
**2021 saw the varying levels of activity in different parts of the river that emerged with the onset of the pandemic in 2020 continue.**

The commercial port operated strongly, with total pilotage acts coming close to their 2019 peak and sea pilotage acts exceeding our previous record, while the river through central London and west of Putney remained quieter overall, with passenger operations particularly impacted by varying COVID-related restrictions.

We continued with the COVID security related changes made to our operations in 2020, protecting our people and maintaining operational resilience. There were no COVID-related interruptions to either port control or pilot availability.

There was a single serious navigational incident on the tidal Thames in 2021 (2020: zero). While the uptick from zero incidents is disappointing, the trend continues to be in line with our Marine Safety Plan (2021-2023), which aims to reduce serious incidents by 10% a year, compared to the three-year average.

In my statement in last year's report, I highlighted pilot ladder deficiencies emerging as the leading factor in commercial shipping incidents. Sadly, that remains the case today, with over half of the 167 deficiency reports last year related to pilot ladders. We will renew our focus on this as 'fit-for-purpose' ladders and ladder rigging are the basic safety expectation for our pilots boarding or disembarking a ship.



Our experience on the Thames is seemingly little different from colleagues, gauging by the International Marine Pilot Association annual pilot ladder safety findings, indicating a systemic problem to be tackled.

The number of Near Miss Reports fell dramatically last year to just 35; in 2018 we received more than 100. This is in spite of a Near Miss Report promotional campaign in Summer 2020. We will redouble our efforts to encourage near miss reporting as it is a fundamental part of the major accident prevention pyramid.

Pilotage acts in 2021 recovered to 14,037 (2020: 12,715) not far short of the 2019 record, 14,248. With demand at times exceptional, with more than 50 acts sought in a single day, our sea pilotage service level was 99.1% of all ship calls served as booked (2020: 99.5%).

Pilot recruitment and training is a priority, as we work to match our pilotage team capacity to demand. We continue with recruitment and training at the highest level we can – taking on 14 trainees in 2022, compared to 12 a year since 2016. As the latest lockdown restrictions have eased, post the Omicron variant, we have been better able to get trainee pilots out and on piloted vessels as part of their training.

More detailed information on our safety work can be found in the River Navigation section of this Annual Report.

**Bob Baker**  
Chief Harbour Master  
4 April 2022

# CHIEF FINANCIAL OFFICER'S STATEMENT

JULIE TANKARD



## OPERATING SURPLUS (£M)

2019	£7.3m
2020	£4.4m
2021	£8.7m

## CASH INVESTED (£M)

2019	£19.5m
2020	£5.3m
2021	£14.6m

**During 2021 we made a good recovery from COVID, however cargo volumes are not yet at pre-pandemic levels, principally due to reduced demand for oil products. The port remained fully operational through the year and delivered a 99% pilotage service level, sustaining essential supply chains.**

Turnover was £71.4 million (2020: £63.9 million), a 11.8% increase on the previous year. In nearly all categories income recovered as the economy started to rebound. Vessel and cargo conservancy income increased 7%, property and investment related income was up 11% and pilotage income rose 15%.

Operating profit was £8.7 million (2020: £4.4 million) driven by increased income. We revalue our investment property annually and confirm with an external valuer at least every five years or when there is a significant change in circumstances. This resulted in a gain of £8.3 million, which flowed through the income statement. Total profit after tax was £11.9 million (2020: £2.1 million).

The PLA acquired full control of Estuary Services Limited (ESL) from Peel Ports on 30 March 2021. We had previously been a 50% partner in this joint venture. Our 31 December 2021 balance sheet is presented on a consolidated basis, and the income statement includes ESL results for nine months of the year; our 50% share of the first three months results and fair value uplifts on acquisition are shown as 'Share of profit from joint venture' in the income statement.

The acquisition of ESL is strategically important to protect the assets and service of boarding and landing pilots at both Sheerness and Ramsgate. ESL will be run independently day-to-day. It is a key investment in our pilotage operations and explains some of the increase in pilotage income in 2021. We recorded goodwill in the income statement of £0.1 million as ESL was independently assessed at a higher amount than the value paid.

We continue to hold sufficient cash and reserves to service our long-term goals, reflective of our long-term liabilities and for investment in the business. Cash plus short-term and pooled investments at year end were £36.8 million (2020: £39.4 million).

The pension liability in the main PLA Pension Fund as valued under International Accounting Standard 19 (IAS19) resulted in a £55 million improvement in the balance sheet and is recorded in the Statement of Other Comprehensive Income, bringing the total Comprehensive Income for the year after tax to £54.4 million. The liability has reduced due to the change in the accounting discount rate assumption, but this does not impact the cash deficit repair payments.

The PLA Pension Fund is currently in the middle of its triennial valuation. The likely outcome of this will be increased deficit repair payments. Progress has been made on the pension provision. From 1 January 2021 all new employees are enrolled in a new defined contribution scheme, a long-term benefit to the PLA.

We continued to recruit pilots in response to immediate increases in demand, and our customers' long-term expansion plans. This continues the investment we have been making in our pilotage operations for more than five years, to deliver the high level of service our customers expect.

The financial impact of the pilotage business was a £0.7 million loss in 2021 (2020: loss of £1.9 million). Above inflation price increases on pilotage will be needed for the next couple of years to bring this service back to profit and recover the investment made in bolstering the pilotage team.

Over the last four years we have focused on diversifying our income, by investing in property and assets that support greater use of the river, a key aim of the Thames Vision. Rental income grew to £14.2 million (2019: £12.7 million), resulting from market-related river works licence income rises, rent from investment land where safeguarded wharves are brought back into use and income from the CEMEX Northfleet project, completed in 2019.

In 2021 we invested £14.6 million in our business, all from cash reserves. We acquired riverside infrastructure and six acres of prime land in Dartford and are agreeing contracts with an operator for the site. We invested in significant river wall works at Plaistow Wharf and Royal Primrose Wharf to enable both wharves to be returned to cargo handling. Acquiring and developing these sites for use takes time. They do not deliver income in the short term, while tenants are secured and site works completed. Long-term they provide an income stream and capital appreciation.

Investment in our core operations provided for improved operational and environmental efficiency. We purchased two pontoons to provide increased mooring capacity, refurbished the Stonehouse Lighthouse and upgraded to more energy efficient air-conditioning units at our Denton Wharf base.

The VHF radio system upgrade marked the start of a three-year navigational systems and infrastructure upgrade programme.

The overall outlook for the PLA is positive. We are well placed for increased river activity and demand for our services. Our healthy cash balance will underpin the Investment Plan, as we continue to look to diversify our income. High inflation and energy prices are a concern as we go into 2022, with the geopolitical environment unsettled by the war in Ukraine. We are yet to fully understand the impact this will have on the business.

**Julie Tankard**  
Chief Financial Officer  
4 April 2022





# OPPORTUNITIES AND CHALLENGES

**At the PLA we manage and respond to a range of opportunities and challenges. This section sets out our headline view of key opportunities and challenges. The Governance section of this report provides details of the full array of factors we address through our risk management process.**

## OPPORTUNITIES

Long-term port trade growth remains a major opportunity for the PLA. The Oxford Economic port trade forecast commissioned for the review of the Thames Vision sets out a median growth expectation at 72 million tonnes by 2050 (2021: 51.8 million tonnes), with the upper limit around 90 million tonnes.

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

The official opening of the Thames Freeport late in 2021 is a further boost to prospects. The lead operators, DP World London Gateway, Forth Ports and Ford Dagenham, project that Freeport status will underpin the creation of more than £1 billion of investment in new port infrastructure and more than 21,000 new direct and indirect jobs on its estate.

The emergence of unprecedented levels of interest in the river for moving light freight is a major opportunity for the PLA. We are working with logistics companies, their customers and others to turn their aspirations into operational reality.

Our programme of selective investment in riverside property through our Investment Plan supports growing river use, including developments in the light freight sector. Completed projects are delivering solid returns, increasing volumes on the river and improving the PLA's financial resilience by diversifying income streams. The pipeline of future investment opportunities remains strong in the short- and medium-term.

The progressive reshaping of trade following the UK's departure from the European Union continues to present opportunity for increasing trade. The 'unaccompanied freight' model used by Thames freight ferry operators is better suited to the new customs requirements and the port has a strong mix of non-EU trading partners.

The Thames Tideway Tunnel is the largest project on the river in central London for over a century. Its principal long-term benefit will be a cleaner river. During construction operations, the project's use of the river has underpinned investment in vessels, tugs and barges and embedded higher standards on the river, a legacy for the future.

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

The updating of the river development framework, the Thames Vision, covering the period to mid-century was a major focus in 2021, work that will conclude by summer 2022. *Thames Vision 2050* identifies five priority areas for action which embody opportunity and challenge on the river: safety, the Net

Zero transition, resilience, technological change and access & inclusion.

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

## CHALLENGES

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

The most pressing challenge is to understand and adjust to the implications of conflict between Russia and Ukraine. This has potential to affect economic growth prospects, port trade and operational costs. The rise in energy prices has potential to impact both the outlook for economic growth and operational costs, if they remain high for a long period. The supply of oil products through the port, already impacted by COVID restrictions could be further depressed either due to supply constraints or reduced demand.

Resilience related challenges are emerging as increasingly important. Responding to the coronavirus pandemic involved operational and economic steps, including creating a COVID-secure workplace, prudently managing finances and supporting the worst affected customers.

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



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

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

Our IT systems are similarly benefiting from significant review and upgrade to ensure robust operations. Cyber security remains a major focus with shipping lines and ports targets for IT system attacks. We have detailed plans for further strengthening the security of our systems, including user education.

Trade patterns and the make-up of cargo passing through the port is expected to change markedly between now and 2050. The transition from fossil fuels for transport is expected to reduce a major element of port trade; low/zero carbon alternatives are expected to

replace them, though at lower volumes. We will pay close attention to the safety needs for safe transit of any new fuels.

The PLA has an interest in a number of pension schemes, which provide an exposure to the movement in value of stocks, shares and other investment markets. We are currently in the middle of the triennial valuation of the main PLA pension scheme and the outcome of that will be agreed with the trustees. This could impact on our future financial flexibility. It is increasingly apparent that the scheme is very expensive, albeit the introduction of new defined benefit provision in January 2021 for new joiners has mitigated some of the long-term liability.

Demand for our pilotage service remained robust through the principal pandemic year of 2020 and bounced back strongly through 2021. To continue meeting the 'on demand' requirements of our customers, we are investing in new pilot recruitment and supporting infrastructure. COVID-related restrictions had impeded the progress of pilot training through a lot of the last two years. With restrictions now essentially lifted, it is a priority area for the business.

The Tideway scheme has presented a navigational safety challenge linked to the operation of 12 construction sites in and alongside the river. We have managed the high level of consenting and other demands linked to the project with a statutory consenting team and harbour master dedicated to the scheme and other major projects.

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

We support the development of more river crossings in London as essential to continued economic development. In an increasingly busy maritime city river, we keep a close focus and liaise with relevant stakeholders to ensure that new projects will not impede the established rights of navigation.

The difficulties resulting from the closure of Hammersmith Bridge for all users, including river traffic passing underneath, underlined the importance of crossings and the impact they can have if access is suspended. We engaged with the Government Taskforce and facilitated river traffic through the closure period.

In seeking to develop increased renewable energy generation capacity, the UK windfarm sector is expanding. A busy route for navigation to the UK's largest port, the Thames estuary is already home to a number of large windfarm developments. To ensure unimpeded, safe navigational access to the port, all windfarm proposals are subject to careful consideration. We work actively on this with scheme developers, shipping lines, service providers and terminal operators who would be affected.

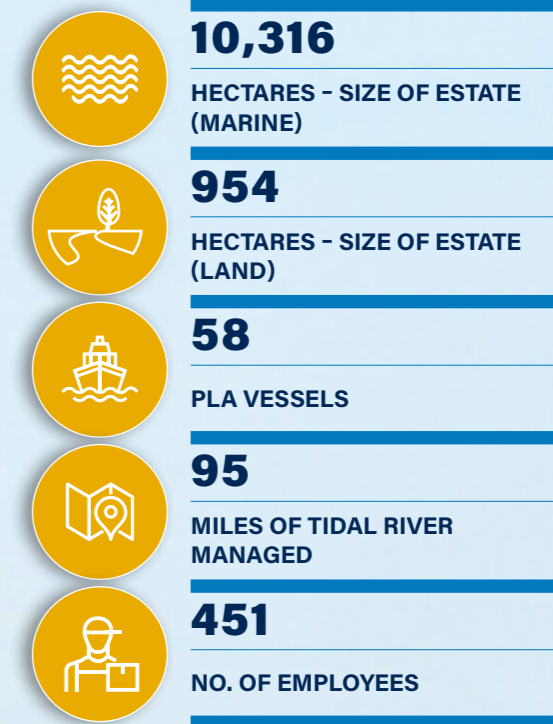
# PLA STRATEGY

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

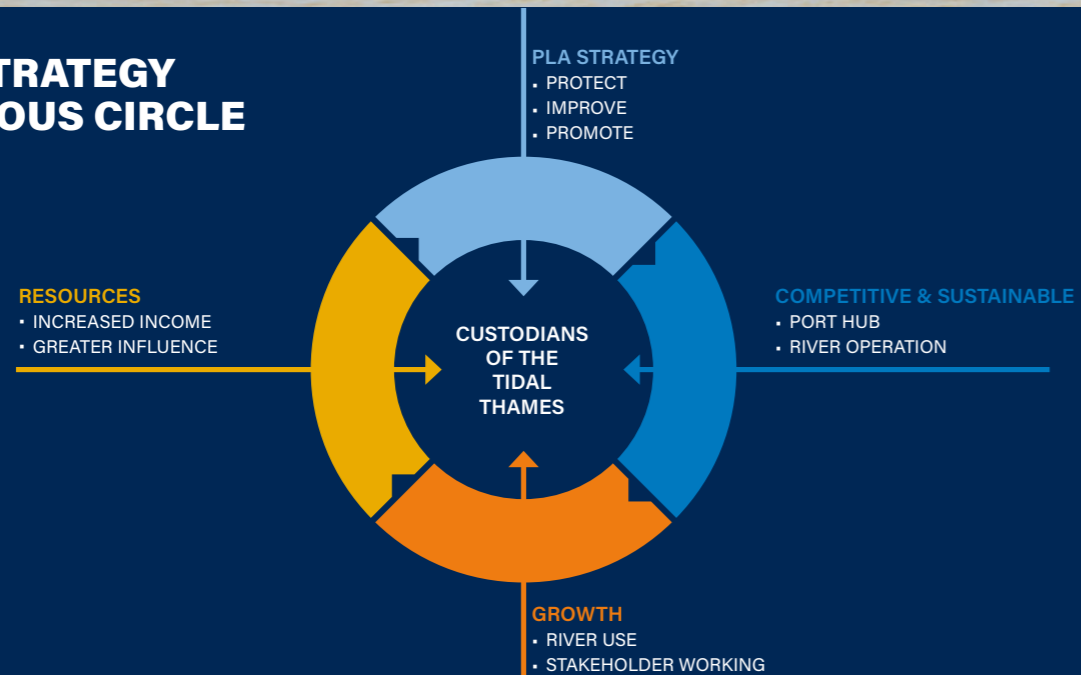
The stakeholders' ambition, as set out in the Thames Vision, is to see the river play a much greater role in the life of London and the south east, from trade and travel to sport and recreation. To support this ambition, our strategy is centred on three core roles for the PLA:

The Thames is the UK's busiest inland waterway and the Port of London the country's biggest port. The most recent assessment of the economic impact of the port, completed pre-pandemic in early 2020 found a total of 48,000 jobs sustained by the port and river, which made a Gross Value Added contribution to the economy of £4.5 billion. Returning to these levels will be a target in the refreshed Thames Vision, as we build back from the pandemic.

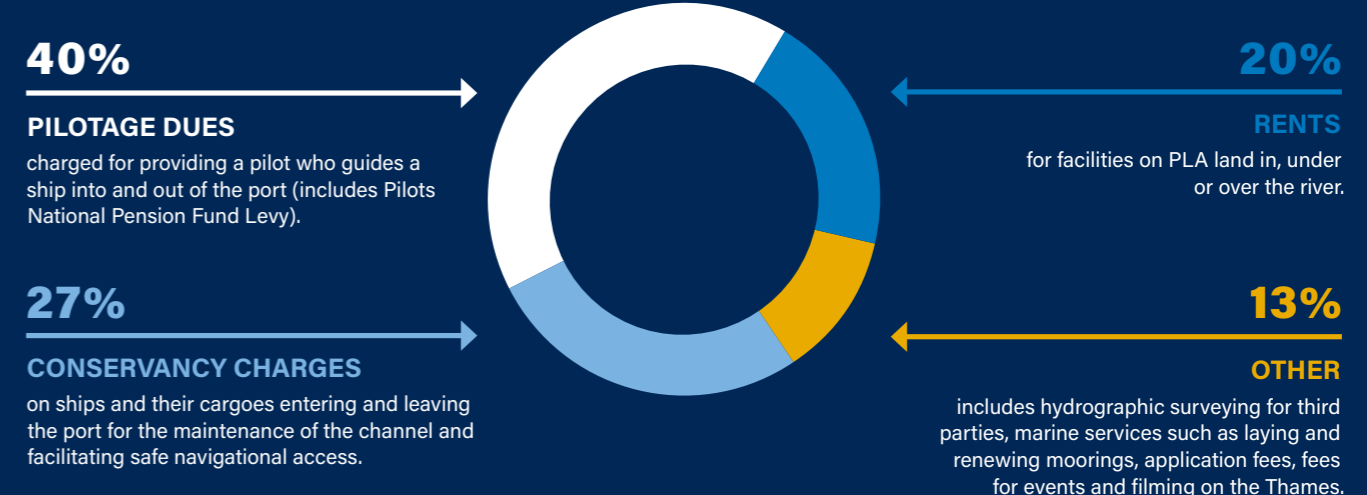
Our experience shows that a strong and effective PLA supports growth through creating the 'virtuous circle', shown below. Delivering on our commitments to Protect, Improve and Promote will help develop the competitiveness and sustainability of port and river operations. This underpins growth in river use and generates a financial return, which we can invest again in protecting, improving and promoting.



## PLA STRATEGY VIRTUOUS CIRCLE



## INCOME



# STAKEHOLDER BENEFITS

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

When asked in independent research, stakeholders identified our main contributions being in: river navigation and safety; environmental stewardship; planning consultation and technical expertise; bringing people together and promoting the river.

Our river advocacy increased through the development with stakeholders of the Thames Vision and its subsequent implementation. The Vision, launched in mid-2016, provides a framework for the river's development over 20 years to 2035.

Through 2021 we were engaged in detailed studies and consultation to develop a new *Thames Vision 2050*, updated to reflect the challenges and opportunities for the river between now and the middle of the century. The updated Vision is themed around the Trading Thames, Destination Thames and Natural Thames, with priority area for action around the Net Zero transition, resilience, technological change and inclusion.

We will be consulting on the draft updated Vision through the first half of 2022, ahead of launching it mid-summer.

Our main contributions to stakeholders are, in more detail:

### RIVER NAVIGATION AND SAFETY

Our port control centres, harbour masters, hydrographers, river patrol and pilot cutter crews help keep river users safe. Our salvage operations and divers keep the river clear of obstructions and open for business. We are responsible for river traffic control and navigational safety, including buoys, beacons, bridge lights and channel surveys.

### ENVIRONMENTAL STEWARDSHIP

We hold the tidal Thames in trust, with the remit to hand it on to succeeding generations in better condition. A major

part of our work is conservancy of the Thames, maintaining the main navigation channels on the river. As stewards of the marine environment, we look after the river's many assets, conserving wildlife, keeping the river clean and free of rubbish with our Driftwood service. We are working closely on improving air quality on the tidal Thames. We maintain the tow path, revetment wall and are developing a long-term management plan with the London Borough of Richmond-upon-Thames. Promoting the use of the river as a natural, low-carbon transport route is a key activity too.

### PLANNING CONSULTATION AND TECHNICAL EXPERTISE

We provide information, support and significant technical expertise to help river users and investors maximise the value of the river, and to do it safely. We consent river works and dredging, applying our expertise to keep river users safe and protect the environment.

### BRINGING PEOPLE TOGETHER AND PROMOTING THE RIVER

We bring people together to discuss how to make the best use of the Thames and advocate its potential. We work with, and for, a wide range of stakeholders and partners on commercial freight, investment, property, safety, conservation, leisure, tourism, passenger transport, sporting pursuits and major events. We try hard to be a 'listening' organisation as well as one that delivers what our stakeholders need and want.

### STAKEHOLDER BENEFIT

Set alongside the economic and amenity benefits that our operations underpin, we also generate a substantial benefit to the community, estimated to be £46.1 million in 2021 (2020: £42.2 million).

The major stakeholder benefit project in 2021 was the opening of the exhibition, *London: Port City*, at the Museum of London Docklands. This was the culmination of some three years' planning and an investment in additional

archive cataloguing and exhibition development of some £300,000.

Our support for seafarers visiting the port is via the Tilbury Seafarers Centre, to whom we make an annual grant, alongside assistance for centre improvement. Their work sustaining visiting seafarers through the pandemic has been essential.

A major future commitment was made in 2021, to encourage early-sign up to the Thames Continuous Professional Development programme. Over five years an investment of over £150,000 will lower the costs of a two-day simulator course, delivered at HR Wallingford in Oxfordshire. The first payments under this commitment will be made in 2022.

Thames Festival Trust is our main partner for cultural outreach; our support for Thames21 links to the core objective of improving the marine environment. Thames Explorer Trust provides Thames educational sessions for classes in schools along the river.

The major investment under the PLA Investment Plan in 2021 was the £7.7 million acquisition of Dartford International Terminal. The site attracted significant interest when we marketed it subsequently; a tenant has been selected and is expected to start operations during 2023. This is in line with the Investment Plan's principal goal, supporting developments focussed on increasing use of the river, a main Thames Vision theme.

Progress with existing investments in 2021 included site works costing more than £2.6 million, readying Plaistow and Royal Primrose wharves for operations due to complete in the first quarter of 2022.

More than £43 million is paid in taxes, wages and other employment costs which contribute directly to the local economy. A full breakdown of our stakeholder benefit calculation can be seen in the table at right.

PLA IN THE COMMUNITY	2021 (£)	2020 (£)
Major Charitable Donations		
Thames21	£50,000	£30,000
Thames Festival Trust	£45,000	£45,000
Tilbury Seafarers Centre	£44,667	£33,460
Other Charitable Donations	£2,184	£3,742
Riverside Code & Community Outreach	£350	£600
Museum of London Docklands - membership	£32,204	£31,234
Museum of London Docklands - 2021 exhibition	£100,000	£60,000
Active Thames grants	£47,568	£0
Environmental Fund awards	£12,995	£0
Community activities on the river	£4,511	£11,200
London International Shipping Week	£5,000	£0
Gravesend Rowing Club	£100,000	£0
British Antarctic survey vessel visit support	£30,000	£0
Thames21	£24,000	£72,000
Gravesham Borough Council (Town Pier)	£3,875	£3,833
	<b>£502,354</b>	<b>£291,069</b>

### ACTIVITIES REQUIRED FOR CORE PLA RESPONSIBILITIES WHICH GENERATE WIDER STAKEHOLDER BENEFIT

Archive at Museum of London Docklands	£90,815	£103,097
River bank maintenance	£92,920	£64,375
Richmond Lock and Weir	£559,951	£576,189
	<b>£743,686</b>	<b>£743,661</b>

### ACTIVITIES CARRIED OUT AS PART OF THE PLA INVESTMENT PLAN

RSPB Grant	£0	£85,477
	<b>£0</b>	<b>£85,477</b>

### GOVERNMENT BENEFIT\*

Taxation – Pay As You Earn	£9,910,292	£9,630,340
National Insurance (employer's, and employees elements)	£5,285,341	£5,159,536
Corporate Taxation and Business Rates	£1,003,868	£227,054
	<b>£16,199,501</b>	<b>£15,016,930</b>

### BUSINESS COMMUNITY BENEFIT

Subscriptions to Business Organisations	£104,027	£79,115
Thames Estuary Partnership	£0	£15,000
Centre for London Partner forum membership	£12,500	£0
Centre for London conference and event support	£32,500	£0
Thames Skills Academy	£50,000	£25,000
	<b>£199,027</b>	<b>£119,115</b>

### EMPLOYEES' BENEFIT

Employee remuneration, pensions costs and benefits	£28,450,354	£25,964,790
	<b>£28,450,354</b>	<b>£25,964,790</b>

### TOTAL STAKEHOLDER BENEFIT

	<b>£46,094,922</b>	<b>£42,221,041</b>
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\* includes 50% Estuary Services Limited (ESL) to end March 2021, and 100% on ESL becoming a wholly owned subsidiary and based on business rates plus the current tax charge.

# ENGAGING WITH STAKEHOLDERS

As a Trust Port we work closely with our stakeholders in maintaining a safe river, caring for the environment and promoting use of the Thames. This section details how we engage with stakeholders, drawing their views into our decision-making processes.

Department for Transport guidance describes a Trust Port as:

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

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

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

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

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

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

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



## CUSTOMERS

Areas of interest	Engagement channels	Committee/Board Agenda
<ul style="list-style-type: none"> <li>• Safety performance</li> <li>• Financial and operating performance</li> <li>• Pricing</li> <li>• River masterplanning</li> <li>• Business strategy</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Stakeholder Forum</li> <li>• Public meetings</li> <li>• Topic specific events – <i>Thames Vision 2050</i> development; environment conference</li> <li>• Corporate website (<a href="http://www.pla.co.uk">www.pla.co.uk</a>)</li> <li>• Annual report &amp; accounts</li> <li>• Annual Environment Report</li> <li>• Annual stakeholder audit, including Net Promoter Score gauges customers' views</li> <li>• Key customer update calls</li> <li>• Weekly newsletter: Tidal Thames News</li> <li>• Social media</li> <li>• Port Infrastructure Group</li> </ul>	<ul style="list-style-type: none"> <li>• The Annual Stakeholder Forum provides an opportunity for Board members and customers to meet and have discussions; questions can also be posed in the formal proceedings of the Forum. In 2021, this event was delivered online due to pandemic restrictions.</li> <li>• The Board reviews the findings of the annual stakeholder audit to assess how the organisation is relating to its stakeholders; this is supplemented with specific customer surveys.</li> <li>• The broad detail of the audit is bolstered with insights from Board members' one-to-one discussions with key customers.</li> <li>• The draft <i>Thames Vision 2050</i> reflects insights from intense stakeholder engagement and is out to a further round of consultation in Q1 and Q2 of 2022.</li> </ul>



## EMPLOYEES

Areas of interest	Engagement channels	Committee/Board Agenda
<ul style="list-style-type: none"> <li>• Health, safety and wellbeing</li> <li>• Workforce management</li> <li>• Career planning</li> <li>• Remuneration and pensions provision</li> <li>• Training and career development</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Line management</li> <li>• Corporate website (<a href="http://www.pla.co.uk">www.pla.co.uk</a>)</li> <li>• Corporate Intranet</li> <li>• Monthly staff bulletin</li> <li>• Corporate events (eg: Mental Health Day) and corporate competitions</li> <li>• Annual employee engagement survey</li> <li>• Whistle-blowers' hotline</li> <li>• Weekly newsletter: Tidal Thames News</li> <li>• Yammer</li> <li>• Sports and social activities</li> </ul>	<ul style="list-style-type: none"> <li>• The Board considers results of the annual employee engagement survey.</li> <li>• The Remuneration Committee is regularly made aware of pay and employment conditions of employees and annually considers these and other factors when determining remuneration.</li> <li>• The Board routinely meets staff members during site visits and 'meet the Board' lunches which will resume in 2022, with pandemic restrictions removed.</li> </ul>





**LOCAL COMMUNITIES AND NGOS**

Areas of interest	Engagement channels	Committee/Board Agenda
<ul style="list-style-type: none"> <li>Maintenance of river amenity</li> <li>River master planning</li> <li>River cleanliness</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Annual Stakeholder Forum</li> <li>Public meetings</li> <li>Topic specific events – Thames Vision update; environment conference</li> <li>Corporate website (www.pla.co.uk)</li> <li>Annual report &amp; accounts</li> <li>Annual Environment Report</li> <li>Annual stakeholder audit</li> <li>Weekly newsletter: Tidal Thames News</li> <li>News releases to local media</li> <li>Community education programme partnerships</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>The Board values effective community engagement as important to our social licence to operate.</li> <li>The Annual Stakeholder Forum provides an opportunity for Board members and community members to meet and have discussions; questions can also be posed in the formal proceedings of the Forum event provided online in 2021.</li> <li>The Board reviews the findings of the annual stakeholder audit to assess how the organisation is relating to its stakeholders.</li> <li>The draft <i>Thames Vision 2050</i> reflects insights from intense stakeholder engagement and is out to a further round of consultation in Q1 and Q2 of 2022.</li> </ul>



**GOVERNMENT, ELECTED REPRESENTATIVES, REGULATORS AND LOCAL AUTHORITIES**

Areas of interest	Engagement channels	Committee/Board Agenda
<ul style="list-style-type: none"> <li>Resilient port operations</li> <li>Economic development</li> <li>Environmental protection</li> <li>Financial and operating performance</li> <li>Business strategy</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meetings by leadership</li> <li>Periodic updates on key issues, including port performance and Thames Vision refresh</li> <li>Annual Stakeholder Forum</li> <li>Corporate website (www.pla.co.uk)</li> <li>Annual report &amp; accounts</li> <li>Annual Environment Report</li> <li>Annual stakeholder audit</li> <li>Industry bodies</li> <li>Weekly newsletter: Tidal Thames News</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>As custodians of the tidal Thames, we engage actively with Government, elected representatives and others.</li> <li>The Annual Stakeholder Forum provides an opportunity for Board members and stakeholders to meet and have discussions; questions can also be posed in the formal proceedings of the Forum. In 2021, this event was delivered online due to pandemic restrictions.</li> <li>The sample for the annual stakeholder audit includes stakeholders in this category.</li> <li>The Thames Vision reflects the long-term ambitions for the river and is a key point of interactions with this stakeholder group.</li> </ul>

The table below sets out four key Board decisions in 2021 and the manner in which stakeholder views were drawn into the decision-making process.

BOARD DECISIONS AND THEIR IMPACT ON STAKEHOLDERS		
Decision	How we took stakeholders into account	Long-term implications
<b>Coronavirus response &amp; contingency plan</b>	<ul style="list-style-type: none"> <li>The response to the outbreak of COVID-19 and subsequent lockdowns remained a major Board focus.</li> <li>Port resilience was key for supply of essentials to families across London and the south east.</li> <li>Creating and maintaining a COVID secure working environment was prioritised.</li> <li>Alongside this, financial contingency planning continued, with tight control of non-essential spending.</li> <li>Stakeholder communication remained at an elevated level, with the weekly newsletter keeping people up to date with the implications of restrictions and sharing news about continuing port operations.</li> <li>Close liaison with customers was endorsed, so that appropriate solutions could be offered, in light of the pandemic's impact.</li> </ul>	<ul style="list-style-type: none"> <li>Effective management of pandemic response was key for sustaining supplies to communities across London and the south east.</li> <li>Conservative fiscal planning secured the financial health of the organisation.</li> </ul>
<b>Thames Vision 2050 development</b>	<ul style="list-style-type: none"> <li>The PLA started reviewing Thames Vision 2035 in 2020 and embarked on a major stakeholder engagement programme in 2021.</li> <li>Stakeholder engagement was through online webinars (due to the pandemic), complemented by in-person events when circumstances allowed.</li> <li>An initial engagement survey generated substantial feedback which fed into the development of the updated <i>Thames Vision 2050</i>.</li> <li>Bespoke events were held for specific groups including an evening event with senior representatives from key partners.</li> <li>The Board discussed the evolving approach to the Vision at several meetings and will continue closely to review feedback from the consultation on the document as it is finalised for release.</li> </ul>	<ul style="list-style-type: none"> <li>A clear, shared long-term plan is established for the development of the river.</li> <li>The plan will enable partners to make the most of the tidal Thames' potential in the creation of a Net Zero economy.</li> <li>Allied PLA developments, including the development of a new marine control centre will sit in the wider context of growing port and river operations.</li> </ul>
<b>Risk appetite</b>	<ul style="list-style-type: none"> <li>A review of PLA risk management processes suggested a risk appetite statement should be developed.</li> <li>Stakeholders needs and views were central to the discussion in a debate spanning from operational to marine safety and data security considerations.</li> <li>Through debate, a draft risk appetite was agreed.</li> </ul>	<ul style="list-style-type: none"> <li>The introduction of a risk appetite statement provides an important part of the decision making framework for a long-term infrastructure operation like the PLA.</li> <li>This provides greater security for the range of PLA customers and stakeholders from major shipping lines to paddlers in the upper tidal Thames.</li> </ul>
<b>Gravesend Accommodation Project – Phase Two/ new Port Control operation</b>	<ul style="list-style-type: none"> <li>The initial Gravesend Accommodation project, the refurbishment of London River House, completed in 2020, is supporting closer team working amongst employees.</li> <li>To support the growing and increasingly complex port operations projected through the Thames Vision trade forecasts, our Port Control systems need to be updated.</li> <li>Critical stakeholders' needs were central to discussions around development of an improved, resilient operational set-up, with long-term flexibility to adjust to foreseen changes, including in vessel automation with operation and technology.</li> <li>Plans for the enhanced centre continue to be developed and will be reviewed further by the Board, before being finalised.</li> </ul>	<ul style="list-style-type: none"> <li>Development of a new marine control centre will 'future proof' port and river operational and safety oversight for the long term.</li> <li>This will be a substantial investment in the PLA's core operations, benefiting stakeholders in line with the aspirations set out in <i>Thames Vision 2050</i>.</li> </ul>

# PERFORMANCE



# RIVER USE 2021



## PORT TRADE

Trade in the Port of London rose to 51.8 million tonnes in 2021, increasing by 9% from 47.4 million tonnes in 2020. The recovery in volumes resulted from the economy opening up progressively as followed COVID-19 restrictions generally started reduce.

Unitised trades saw robust growth, up by 6% overall to 23.2 million tonnes, compared to 21.8 million tonnes in 2020. The growth in containerised trades followed from the first full year of the Tilbury2 freight ferry operation, combined with London Gateway continuing to attract new business. The unaccompanied trailer model for Thames freight ferries remains attractive post-Brexit.

Movement of building materials (13.1 million tonnes) saw a large percentage increase, rising by more than 20% from 10.9 million tonnes in 2020 as the economy rebounded from the pandemic induced shut downs during the year. Trade in oil products continued below 10 million tonnes, with demand for air travel and road suppressed by restrictions, albeit with throughput increased compared to 2020.

### CARGO HANDLED, MILLON TONNES

2019	54.0
2020	47.4
<b>2021</b>	<b>51.8</b>



## INLAND WATERWAYS FREIGHT

Freight moved between terminals on the Thames, which we define as inland freight, totalled 3.7 million tonnes, up from 3.4 million tonnes in 2020.

The materials moved by river consisted of the traditional bulk cargoes including waste and construction products, with the light freight sector of small packets and parcels rapidly emerging too. CEVA ran trial daily river deliveries of medical supplies for Guy's and St Thomas' hospitals from Dartford to Butler's Wharf in London, and DHL's now established operation into Bankside pier was also extended eastwards to Wapping.

The longest established river user, Cory, continued their essential domestic and commercial refuse related operations alongside an extensive fleet renewal programme, expansion plans for its energy park and an aspiration to develop carbon capture and storage. They also acquired the McGraths waste company based in Barking Creek, expanding their footprint of Thames-linked operations.

Tideway passed a major river use milestone in 2021, with five million tonnes of material transported by river so far, saving some 600,000 HGV journeys. Since tunnelling started, 98 per cent of material excavated from the main tunnel has been transported by river and a large majority of project-related cargoes are being moved on the river, easing congestion and reducing carbon emissions.

Development of the marine industrial complex in Newham, encompassing the safeguarded Peruvian, Plaistow and Royal Primrose wharves continued. River wall and quayside improvement works started in the autumn at Plaistow and Royal Primrose will be completed by spring of 2022 and the wharves will then be available for use by tenants.

Long-term innovation in freight movements were brought forward by the Livett's Group, whose new vessel, *Bravo Lima GB* has been designed to pick up goods from miles of Thames foreshore, slipways, stairs and beaches. This opens up transport options beyond the traditional piers.

### INLAND WATERWAYS FREIGHT, MILLON TONNES

2019	4.8
2020	3.4
<b>2021</b>	<b>3.7</b>



## PASSENGER TRAVEL

The number of passengers on the river started to recover in 2021 with 4.5 million trips completed, compared to 2.7 million in 2020. Ridership remains just under half the ten million trips a year regularly seen on the Thames pre-pandemic. With a return of international travel in 2022, it is hoped the sector will fare much better.

Pier network development continues with work now underway on the construction of the pier at the major riverside residential development at Barking Riverside. The pier will be the most easterly stop for Uber Board by Thames Clippers' scheduled service once it comes into operation this year.

Looking to the future for passenger vessel propulsion, Uber Boat by Thames Clippers announced later in the year plans for two new vessels, the UK's first hybrid high speed passenger ferries, set to launch in autumn 2022 and spring 2023.

### PASSENGER JOURNEYS, MILLON

2019	9.9
2020	2.7
<b>2021</b>	<b>4.5</b>



## SPORT AND RECREATION

The number of formal sports events on the Thames continued at low levels as COVID restrictions persisted for much of the year. The total fell to 137 from the 2019 all-time high of 430. Major events affected were the University Boat Races, which transferred to Ely in Cambridgeshire and the Great River Race, which was postponed for the second year in a row.

Development of the *Active Thames* programme continued. The programme's first grant funding round saw more than £90,000 awarded to 24 organisations promoting activity on the tidal Thames and inland waterways in London, Kent and Essex, as part of the *Active Thames* programme.

Engagement with sports and recreational clubs and individuals taking to the water continued throughout the year. Dedicated patrols later in the summer reached people taking to the water solo on stand-up paddleboards and other craft with essential information to help them stay safe.

### MAJOR SPORTING EVENTS

2019	430
2020	168
<b>2021</b>	<b>137</b>

# RIVER NAVIGATION AND SAFETY



## MARINE INCIDENTS (NO.)\*

2019	391
2020	359
2021	336

\*includes near misses and vessel deficiencies

## SURVEYS COMPLETED (NO.)

2019	304
2020	305
2021	338

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

We use our Marine Safety Management System to review the hazards and risks to safe navigation and put measures in place to address them. These include navigation lights and buoys, hydrographic services, pilotage and Vessel Traffic Services control centres at Woolwich and Gravesend, which oversee safe navigation over 400 square miles.

We adopted a new three-year Marine Safety Plan in 2021. The plan features six objectives, including a 10% reduction in serious and very serious incidents across the duration of the plan. In 2021 there was one serious incident, compared to none in 2020. Other objectives include raising the standard of port-wide voice communications and targets for investigation close out.

2021 river safety performance varied by type of activity. Commercial shipping and recreational incidents declined, while the number of inland waterways vessel incidents increased by 24% compared to 2020.

Operationally, 2021 was the first full year of the integrated 'one river' harbourmasters team, with all the positions in the team filled. We completed the installation of an advanced new maritime communications system with improved resilience and reliability to handle all communications at our two control centres.

A long-term development project is underway for an enhanced marine control centre at Gravesend, able to manage the growth in port trade and accommodate changes in vessel and port technology that are expected.

Emergency exercising continued, with a live exercise in the autumn around Millwall Slipway and Limehouse Reach. The exercise involved the deployment of PLA assets, our Tier Two oil spill clear up partners, Adler & Allen, alongside the Maritime & Coastguard Agency, Environment Agency and local council.



The new continuous professional development (CPD) programme that we developed in partnership with the Company of Watermen and Lightermen and the Thames Skills Academy was officially launched in 2021. We have since committed to subsidise the simulator element of the programme in its initial years, reducing participant and employer cost ahead of the CPD becoming mandatory in 2024.

As part of our work with the tidal Thames Water Safety Forum, a new water safety guide for residents living close to the tidal Thames was launched during the Royal Life Saving Society's Drowning Prevention Week. The *Riverside Community Water Safety Guide* provides comprehensive advice on enjoying the river safely for all those living or working in properties near the river, as well as recreational users of the 95-mile length of the Thames, from Teddington to the coast.

Recreational use of the river for emerging sports such as stand-up paddleboarding (SUP) continued to grow. The majority of people taking up SUP tend to do so outside a formal club structure. In order to reach them we established dedicated engagement patrols to share specially developed safety information handouts.

We continued to stay close to discussions around the closure of Hammersmith Bridge to all traffic, including vessels on the river. After structural assessment, the London Borough of Hammersmith & Fulham officially reopened the bridge in a limited and controlled way to pedestrians, cyclists and river traffic in mid July 2021. In the period leading up to that, we created and operated a system allowing river users to book transits at a limited number of times each weekend.



# ENVIRONMENTAL STEWARDSHIP

**We conserve and enhance a range of diverse, thriving habitats for many different species of fish, birds, seals and other wildlife alongside the thriving commercial port and river activities. Our environment team works across an environmental agenda encompassing air quality, carbon emissions, habitats and water quality.**



As part of our programme to achieve Net Zero operations by 2040 or earlier, preparations commenced for the conversion of the PLA vessel fleet to run on a cleaner biodiesel. The required new fuel tanks were acquired and prepared during the year; they were installed at our Royal Terrace Pier base in the first month of 2022, with vessels switching over to the fuel thereafter.

Carbon generation in 2021 was 1,537 CO<sub>2</sub> equivalent tonnes. This increase from the 1,382 CO<sub>2</sub> equivalent tonnes emitted in 2019 resulted from increased trade and COVID-related restrictions having a reduced impact on PLA operations. The first full year of operation for the photovoltaic cells installed on the roof of our London River House office building saw electricity generation almost double to 115,498 kWh (2020: 62,264 kWh).

To support the continued progress of the carbon reduction programme at pace, the environment team was, from the start of 2022, integrated into a newly created directorate of sustainable marine operations.

Habitat restoration work was completed at West Thurrock Lagoon and Marshes, a Site of Special Scientific Interest, near

Stoneness, affected by coastal erosion. Contractors undertook a programme at the 3.6-hectare site that will use the river's natural processes, over time, to restore the intertidal levels back to where they were 30 years ago.

Looking to the long term, there were extensive debates with partners around the Thames Vision, including the ambitions for the natural river as a whole, and carbon reduction in particular. Studies commissioned to inform this long-term view included modelling the future energy demand and supply on the tidal Thames as a zero carbon port for the future. In addition, a site for trialling tidal energy-generating technology was designated by the PLA.

A major achievement for the PLA in its future facing role was leading a consortium of eight organisations in a ground-breaking development project to look at the scope to establish a national hydrogen highway network, integrating land, sea and port.

Under the Smart Maritime Land Operations Call, a Maritime Research and Innovation UK (MarRI-UK) initiative supported by the Department for Transport (DfT) the two-year project will benefit from £1.3 million funding towards the £2.1 million total cost, with project partners. The PLA specific projects in the programme include designing a hydrogen fuel cell generator for installation at our Denton Wharf base and developing a safety tool kit for bunkering and transfer of alternative fuels with Health & Safety Executive, Maritime & Coastguard Agency and other partners.

Our 'green' discount for environmentally cleaner ships calling on the Thames was launched in 2017. In 2021, 211 commercially trading vessels calling on the Thames achieved the required Environmental Ships Index standard to qualify for the discount. The benefitting vessels collectively visited the port 1,184 times. The team is working with other international ports on revisions to calculations in the index, preparing for the implementation of higher standards for ships in 2023.

We introduced the *Thames Green Scheme* at the end of 2020 to encourage inland vessel operators' adoption of more environmentally friendly practices. The first Green Scheme accreditations, recognising vessel owners' efforts to protect the environment, were awarded to Kent-based GPS Marine and Jetstream Tours in spring 2021.

Our 2021 Environment Fund grants programme sought to support volunteer projects tackling litter and invasive non-native species (INNS) on the tidal Thames. Five initiatives won a share of the total £25,000 pot, securing grants to boost their work, including Dartford & Crayford Creek Restoration Trust, AHOY Litter pickers and Sheppey Coastbusters.

## CARBON EMISSIONS (CO<sub>2</sub> EQUIVALENT TONNES)

2019	1,916
2020	1,382
2021	1,537

# STREAMLINED ENERGY AND CARBON REPORTING

## NET ZERO TARGET

Our target is to be Net Zero for carbon emissions by 2040, or earlier. This will be achieved primarily by driving down carbon emissions, with the predicted small amount of remaining emissions removed from the atmosphere by planting on our own estate. The emission reduction will be achieved by a switch to biofuel, which is underway (until suitable zero emission vessels become available), transition to low and zero emission vehicles and looking to increase on-site generation of renewable energy, while continuing to identify efficiency measures across our operations.

## 2021 COMMENTARY

The level of PLA activity increased through 2021 as port trade grew and we recovered to a more normal level of river and other maintenance; this was lower in 2020, the first year of COVID restrictions. Vessel fuel consumption and carbon emissions consequently rose in 2021 by 6%, compared to 2020. This is reflected in both the total energy consumption and total gross emissions, shown in the graph below.

Total carbon emissions for the year were 1,537 tCO<sub>2</sub> (excluding the reduction for renewable electricity tariff); the baseline for our carbon emissions reduction programme is 2014, when emissions were 2,054 tCO<sub>2</sub>.

## ENERGY EFFICIENCY AND CARBON REDUCTION ACTIONS

2021 was the first full year since the refurbishment of London River House. This work included installation of new, efficient heating and ventilation, low energy LEDs, improved roof insulation and installation of low energy and low water consuming appliances. The roof of the main building was fitted with solar photo-voltaic (PV) panels to generate renewable electricity.

Our electricity is supplied on a 100% renewable energy tariff, backed by Renewable Energy Guarantees of Origin (REGOs) and classified as

zero emission. The solar PV panels at our Denton Wharf base provide renewable energy for on-site use; the new solar PV panels at London River House started generating electricity in August 2020.

Following successful trials completed in 2020, we are progressively adopting biofuel (Hydrogenated Vegetable Oil or HVO, from waste products) across our vessel fleet. Using biofuel significantly reduces Scope 1 emissions as carbon is deemed to be offset by the carbon absorbed during plant growth.

## CARBON INTENSITY

We have used an intensity ratio based on millions of tonnes of cargo, an appropriate measure for a port as it is an indicator of activity levels. In 2021, 51.8 million tonnes of cargo were received in the port, 4.4 million tonnes more than 2020. This equates to a gross figure of 36.3 t CO<sub>2</sub>e per million tonnes of cargo and a net figure of 29.7 t CO<sub>2</sub>e per million tonnes of cargo.

## METHODOLOGY

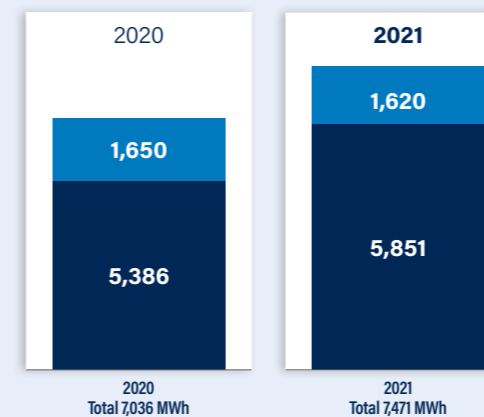
We followed the UK Government Environmental Reporting Guidelines 2019 and the UK government 2021 conversion factors spreadsheet in calculating our 2020 emission figures. Carbon footprint is reported in terms of tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). This is the tonnage of equivalent carbon emissions generated by the main greenhouse gasses (carbon dioxide, methane, nitrous oxide etc) each of which has a 'Global Warming Potential' factor that is included in the conversion factor.

Carbon emissions were calculated using the standard formula, with activity data from PLA sources and using Government emission conversion factors:

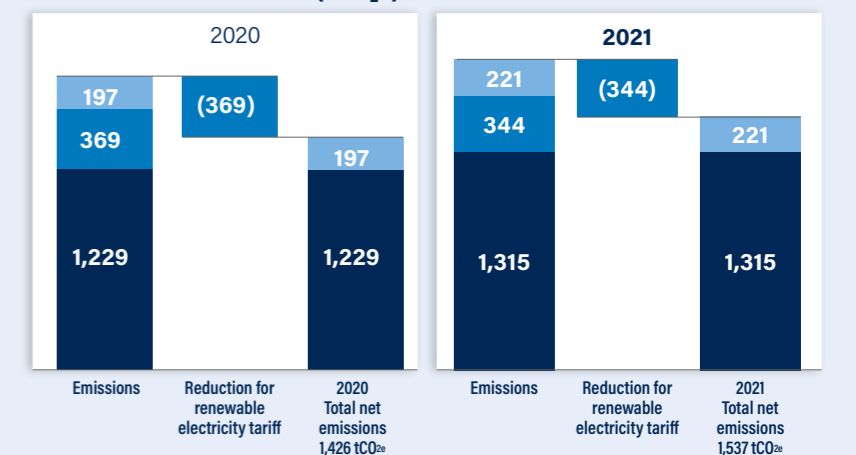
$$\begin{array}{r} \text{Activity data} \\ \text{(units)} \end{array} \times \begin{array}{r} \text{Emission factor} \\ \text{(kg CO}_2\text{e per unit)} \end{array} = \begin{array}{r} \text{Greenhouse gas} \\ \text{emissions} \\ \text{(kg CO}_2\text{e)} \end{array}$$

## ENERGY USE AND CARBON EMISSIONS

### TOTAL ENERGY CONSUMPTION (MWh)



### TOTAL GROSS EMISSIONS (TCO<sub>2</sub>e)



- **Scope 1:** direct emissions from our operations, including liquid fuels for transport and gas
- **Scope 2:** indirect emissions from the generation of purchased electricity
- **Scope 3:** indirect emissions and are optional. We are reporting on those activities for which we have reliable data – contracted taxi journeys, waste disposal, water consumption, electricity transmission and distribution and expensed business mileage. Data we hold is from weights of waste removed, mileage expense claims and from invoices for the taxis, water and electricity. We do not have data for other scope 3 emissions, but these will be fully investigated for separate target reduction in 2022.

**Outside of Scopes:** carbon dioxide released during combustion of biofuel = 1.1 tCO<sub>2</sub> forecourt diesel, 0.9 tCO<sub>2</sub> forecourt petrol, 149 tCO<sub>2</sub> vessel biofuel.

## PLANNING CONSULTATION & TECHNICAL EXPERTISE

Planning and technical expertise is at the heart of our work to promote and facilitate greater use of the river. It is widely drawn on as we make sure wharves are maintained and reactivated for port use; provide expert advice to people looking to use the river, whether for trade, travel or leisure; and oversee major events on the Thames.

Through the year we determined 127 applications for consent linked to major projects covered by Development Consent Orders (DCO), including the Thames Tideway Tunnel, Forth Port's Tilbury2 scheme, the Silvertown Tunnel and DP World London Gateway's Berth 4. Tunnelling at Silvertown is expected to start this year.

Discussions also continued in relation to DCO applications covering the Lower Thames Crossing, OIKOS and London Resort. In addition, the team responded to some 200 planning applications and 50 policy responses in the course of the year.

The high level of major project consenting demand was met through processes originally developed to handle the consenting needs of the Tideway scheme. All applications, including those submitted at short notice during construction, were processed well within the statutory timescales allowed for in the DCOs.

### PERMANENT RIVER WORKS LICENCES (NO.)

2019	66
2020	76
2021	67

### TEMPORARY RIVER WORKS LICENCES (NO.)

2019	93
2020	84
2021	95



The team's technical expertise is drawn on heavily in the drive to increase use of the river for moving freight inland. Interest in using the Thames for moving light freight is at unprecedented levels.

We supported light freight operators' immediate needs, facilitating the pilot service with CEVA and Guy's & St Thomas' NHS Foundation Trust moving medical supplies from the PLA-owned site in Dartford to central London. Support is being provided to operators on other potential pilots and services into London.

Looking to the longer term, we partnered with the Thames Estuary Growth Board (TEGB), jointly commissioning WSP to complete a study into the economics of light freight. Subsequently we commissioned further work with Cross River Partnership and the TEGB on the adaptation of piers to accommodate the planned increase in light freight. This research included investigation and trials assessing the changes needed to accommodate cargo bikes on piers.

Progress was also made in the established, inland bulk freight markets. Consents for major river works at Plaistow and Royal Primrose wharves were granted, enabling them to return to operation. With adjacent sites, including the already operational Peruvian Wharf, they form part of a consolidated riverside industrial complex. There are live planning applications for the safeguarded Orchard and Swedish wharves. Both feature residential developments above riverside cargo operations.

There is a focus also on residential-led development applications on the Greenwich Peninsula and moving downstream into Charlton Riverside. This is an area of established major port operations, handling some two million tonnes of building materials every year, essential to the capital's construction business. Detailed review of the proposed residential schemes has, and continues, to be undertaken with the wharf operators to ensure the long-term viability of the wharves.

The team's engagement with Natural England on the completion of the England Coast Path between Grain and Woolwich supported the project to successful conclusion. This was officially marked at an event with the chief executive of Natural England and project partners at Woolwich Arsenal in January 2022.

The Marine Management Organisation's consultation on our application for a Harbour Revision Order (HRO) was completed during the year. We are seeking the HRO to modernise the Port of London Act, under which we operate, to reflect modern approaches and improved transparency to consenting, operations and technology in use on the river. Since completion of the consultation, we have been meeting stakeholders to discuss points raised.

The number of Thames foreshore permits being sought reached record levels, with 1,751 permits issued, up from 1,363 in 2020. We continue to provide guidance on the need for appropriate searching of the foreshore and how to stay safe.

## BRINGING PEOPLE TOGETHER AND PROMOTING THE RIVER

The river is a hub of activity, whether for trade, travel and sports, and a catalyst for investment. At the PLA we are uniquely placed to act as the river's advocate and convener for those interested in its use and development. This role sees us initiating new partnerships, working to develop established ones and showcasing the river in its broadest sense.

The intensified frequency of communications established in 2020 continued through 2021. We issued our newsletter weekly, *Tidal Thames News*, keeping customers and stakeholders informed about the latest development in the port and on the river. Through the year the online events we hosted, including our annual stakeholder forum, environment conference and webinars looking at river developments attracted more than 1,500 delegates.

Development of an updated Thames Vision was a major focus through 2021. Some five years on from the launch of the original Vision, much progress had been made and there had been significant change at global, national and local level.

We took the opportunity to take expert views on major change across the Net Zero transition, climate change, emerging port and ship technology and river cities in a post-pandemic world. Through an initial engagement with stakeholders, supported by webinars and a drop in session, we drew people together to debate the future challenges and opportunities for the UK's major port and busiest inland waterway.

### PEOPLE ATTENDING PUBLIC MEETINGS (NO.)

2019	261
2020	0*
2021	308*

\* Public meetings were held online, due to pandemic restrictions. Online forum attendees are not included in these totals.

Emerging from this debate and study was a new *Thames Vision 2050*, which was launched for a two-month consultation on 1 March 2022. It captures the aspirations for the Thames as trading hub, destination and natural haven. To make the most of its potential, actions were identified touching on safety, the Net Zero transition, resilience, technological change and access & inclusion.

Successful delivery of the Vision will depend on close collaboration with our customers, river users and key stakeholders. Through 2021 we continued to work closely with partners including the Greater London Authority, Transport for London, Thames Estuary Growth Board, City of London Corporation, Environment Agency and many others. Joint projects were undertaken around light freight on the river with the Growth Board and the TE2100 project, with the Environment Agency.

The annual Thames and London Waterways Forum (TLWF) event was held for the first time in two years in November 2021. This provided opportunity for the stakeholder community to come together, in our first hybrid in person and online event, to reflect on the impact of COVID, alongside planned long-term river developments.

The major exhibition we supported at the Museum of London Docklands, *London: Port City*, was a significant commitment to showcase the key role the port and river plays in the city, today and through history. We invested some £350,000 in the exhibition over three years.



The development of the *Active Thames* programme is a major piece of collaborative work taken forward over the last two years. *Active Thames* is a partnership supporting the development of watersports on the tidal Thames and inland waterways in London, Kent and Essex.

Organisations working together in *Active Thames* include: Active Essex, Kent Sport, London Sport, British Canoeing, British Rowing, RYA, Canal & River Trust, Thames Path National Trail and the PLA. At the end of the year the first grants giving programme saw funding valued at £95,000 released to support 24 projects supporting diversity and participation in watersports.

We continue to convene partners in collaborative forums. The TLWF's People and Places Working Group, hosted by the PLA, co-ordinates and facilitates joint working on cultural and promotional activities drawing people to the river. The Port of London Infrastructure Group is the forum for major terminal operators to update on their activities as well as hear from and put issues to politicians, Government officials and those involved in the planning and delivery of major infrastructure projects.

## PLA IN THE COMMUNITY

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

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

Through payments including wages, taxes, supplies bought in and charitable donations our operations generate substantial stakeholder benefits. We calculate this totalled £46.1 million in 2021 (2020: £42.2 million).

Our support for activities, projects and partnerships that directly support charitable and stakeholder goals rose to £0.5 million in 2021 (£0.3 million in 2020).

Our principal community outreach activity was the six-month *London: Port City* exhibition that opened at the Museum of London Docklands in October 2021. Founded on artefacts from our extensive archive, which is held and curated at the Museum, the exhibition showcased previously unseen gems, giving an insight into the the history of the Thames and the PLA's role.

We also supported the visit of the British Antarctic Survey (BAS) vessel, *RRS Sir David Attenborough*. The vessel made a special visit to London, as part of a festival of polar science and exploration hosted by Royal Museums Greenwich and BAS, staged on the eve of COP26 in Glasgow.



The *Active Thames* partnership developed further through 2021. By the end of the year the partners had made of grants worth some £95,000 to organisations along the river, to support increased access to and participation in sports.

Our Environment Fund made grants to five organisations to support projects targeting Invasive Non-Native Species (INNS) and Litter. A total of £25,000 was made available, with no single project receiving more than £5,000. Organisations securing grants included Dartford & Crayford Creek Restoration Trust and AHOY Litter Pickers.

A major donation of £100,000 was made to Gravesend Rowing Club, to enable them to facilitate greater community access and as the start of a partnership with the PLA Rowing team, which will now be based there.

Thames Explorer Trust (TET) restarted their programme of schools outreach, as COVID restrictions began to ease towards the end of the summer. We have partnered with TET for more than a decade in a programme which brings memorable learning experiences that meet core objectives of the Key Stage 2 Geography and History curriculums, but also key Citizenship learning goals. In that time the programme has reached more than 20,000 young people.

Queen Victoria Seaman's Rest, who run the Tilbury Seafarers Centre are important partners to the PLA, ensuring seafarers a warm welcome when in port. As part of the COVID response, they oversaw the vaccination of more than 600 seafarers visiting the Port of London in one month alone. A PLA team also visited the Centre and wrapped more than 300 presents for seafarers who would be in the port over the Christmas period.

Our partners at Thames Festival Trust celebrated their 25-year anniversary in 2021, with an event at the Guildhall in the City of London. The Thames Festival launched in 1997 with a record-breaking high wire walk across the River Thames. They now deliver the month-long Totally Thames event every September, celebrating the river and helping more people discover it.

Smaller donations included contributions to Old Gravesendians Rugby Football Club and Mark Ashley-Miller's Harbour Master Sailing Challenge in aid of the Seafarer's Charity; Mark's challenge, started in 2019 aiming to meet all of the UK's harbour masters.

### STAKEHOLDER BENEFIT (£M)

2019	41.0
2020	42.2
2021	46.1

## PLA PEOPLE

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

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

Providing a COVID-secure environment remained a major priority for the business. Our operations are a key part of supply chains serving businesses and families across London and the south east. The teams took particular precautions and worked through pinch points of staff availability to help ensure operational resilience.

The PLA is evolving to meet new challenges, in line with being the UK's biggest port by tonnage of goods handled. Through the year 75 new employees were recruited, across a range of specialisms including IT, harbour masters, finance and hydrography the majority backfilling existing positions, or positions now requiring new skills. A further 12 pilots joined the PLA as part of this new intake, to keep pace with service demand in the port.

### LOST TIME ACCIDENTS

2019	2
2020	0
2021	9

### NEAR MISS REPORTS

2019	172
2020	146
2021	76

There were nine Lost Time Accidents in the year (2020: 0); the total number of near miss reports was 76 (down from 146 in 2020) as, for large parts of the year, we were confined to essential operations only, with fewer people on site.

As part of our work to prioritise mental health and wellbeing, we released a film on *Time to Talk* day, aiming to support efforts to get the nation discussing mental health, particularly important in the heart of the pandemic. The film was made in partnership with other members of the Tidal Thames Water Safety Forum (TTWSF), along with Maritime UK, and was hosted by Gary Wilmot MBE.

We track staff engagement in the business through an annual employee survey. The 2021 score was 78/100, slightly down from last year (2020: 79/100). The strengths of the organisation were found to be in a strong focus on Health and Safety, a good working environment remain stable and pride in the organisation. Most respondents are satisfied with how the PLA had handled the impact of COVID.

Our investment in new and existing employees continued through the year. Three new apprentices were recruited, one in marine engineering and two to pursue Boatmasters qualifications; in addition, we have a further two existing deckhands now upskilling as Boatmasters apprentices.



Two of our former apprentices won awards during the year. Clemence Barbey was named Apprentice of the Year by the Marine Society and Scarlett Barnett Smith was industry apprentice of the year for the Workboat Association. Clemence remains with the PLA, Scarlett is on a cadetship programme with Trinity House, supported by the PLA.

Upskilling of existing employees is a focus for major effort and investment. After a programme of mapping job descriptions and skills, we are supporting employees to train and secure qualifications.

In addition to apprenticeships and upskilling, we have been active supporters of the Government's *Kickstart* scheme, which aimed to help unemployed young people into work through the pandemic. As the scheme draws to a close, we have hosted a total of 15 *Kickstarters*, with three transitioning to fixed-term contract employment in the business.

Our work with both apprentices and graduates saw us recognised as a Top 100 UK employer in the JobCrowd 2020/2021 survey.

We actively support employee fund raising and volunteering. Funds raised in Macmillan coffee mornings were matched pound-for-pound, as were sporting endeavours, including for the AHOY Centre and Cancer Research UK. The Denton clean up took place in September, with the team of staff volunteers tackling rubbish on the foreshore, ahead of the annual Thames Fishing Experiment, run by the Corporation of London Port Health department.

# PLA ACTIVITY INDICATORS

AS AT 31 DECEMBER 2021

## FINANCIAL HIGHLIGHTS £M

	2021	2020	2019
Revenue	71.3	63.8	67.4
Operating surplus	8.7	4.4	7.3
Profit before tax	11.9	2.6	10.1

## RIVER NAVIGATION AND SAFETY

	2021	2020	2019
<b>Navigational Safety</b>			
Marine incidents	336	359	391
<b>Pilotage Service</b>			
No. of pilotage acts	14,037	12,715	14,238
No. of pilotage delays	126	49	224
Sea pilot acts service level	99.1%	99.5%	98%
Total no. of pilotage exemption certificates	124	130	137
New pilotage exemption certificates issued	5	3	17
<b>Hydrographic Surveys</b>			
Surveys Completed	338	305	304
Area surveyed (km <sup>2</sup> )	186	200	
<b>Diving Operations</b>			
Diving operations	10	22	48
<b>Sporting events</b>			
No. of sporting events held on river	137	168	430

## ENVIRONMENTAL STEWARDSHIP

	2021	2020	2019
<b>Water use (litres)</b>			
Rainwater harvesting (Marine House)	144,000	159,000	117,000
<b>PLA carbon footprint (CO<sub>2</sub> equivalent tonnes)</b>			
Carbon emissions	1,537	1,426	1,916
<b>PLA Energy Use (kilowatt hours)</b>			
Electricity consumed (all sites)*	1,648,549	1,598,909	1,780,026
Electricity generated**	115,498	62,264	45,340
Gas consumed***	395,283	441,232	494,130
<b>PLA waste generation and recycling (tonnes)</b>			
Pre-segregated recyclable	50	131	77
General waste (energy from waste)****	59	35	59
Hazardous waste (treatment)****	5	41	96
Miscellaneous waste (landfill)	0	0	0
<b>Driftwood recovered (tonnes)</b>			
Tonnage of material recovered from the river*****	127	104	219
<b>Thames Oil Spill Clearance Association (TOSCA)</b>			
Call outs	21	14	18
Oil encountered (including sheen)	10	8	16
False alarms (nothing found)	11	4	2
Other call outs (safety of life, etc.)	0	9	4
Harbour Service only call outs	18	1	14

## CONVENING STAKEHOLDERS & RIVER ADVOCACY

	2021	2020	2019
<b>Stakeholder Meetings</b>			
No. of public meetings held	3	1	4
No. of people attending public meetings	308	65	124
No. of people attending webinars	1,275	281	-
No. of stakeholder forums	1	0	1
No. of people attending stakeholder forums	167	0	137

\* reporting revised from prior reports to cover all sites

\*\* data reporting refined, 2019 and 2020 figures updated from prior reports

\*\*\* estimated

\*\*\*\* estimates no longer used, 2020 figures updated from prior report

\*\*\*\*\* 2020 figure updated from prior report

## PLA PEOPLE

	2021	2020	2019
<b>Personal Health &amp; Safety Statistics</b>			
Lost Time Accidents	9	0	2
Near miss reports	76	146	172
<b>Workforce Diversity</b>			
% of workforce that are women	20.90	21.39	20
% of workforce who are women in senior positions	29.70	21.28	33.30
% total Black, Minority or Ethnic origin	3.70	1.70	2.60
<b>Customer Feedback</b>			
Positive feedback	36	26	42
Complaints	50	37	10

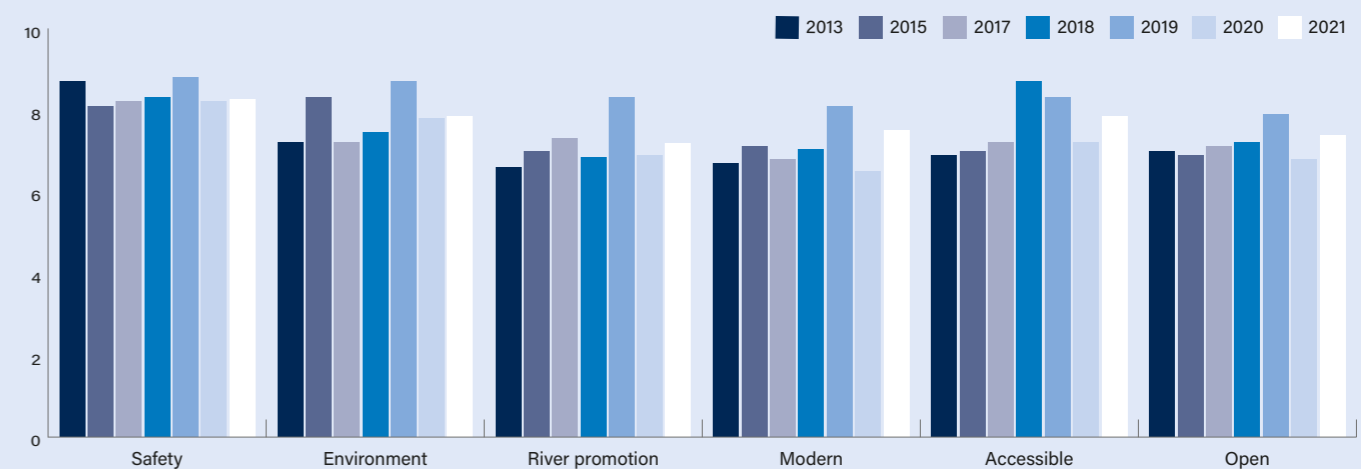
## PLANNING AND TECHNICAL EXPERTISE

	2021	2020	2019
<b>River Works Licences</b>			
Permanent River Works	67	76	66
Temporary River Works	95	84	93
Dredging	25	29	15
Total	187	189	174
<b>Vessel Licences</b>			
Vessel Licences	303	N/A	N/A
<b>Permits</b>			
Foreshore permits (including renewals)	1,751	1,363	1,000
<b>Major Projects</b>			
<b>Thames Tideway Tunnel</b>			
Discharges (water to river)	7	9	21
Tidal Works	107	123	142
Total	114	132	163
<b>Tilbury2</b>			
Tidal Works	6	14	23
<b>London Gateway Berth 4</b>			
Tidal Works	6	2	1
<b>Silvertown Tunnel</b>			
Tidal Works	14	8	-

## ASSESSING OUR PERFORMANCE

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

### Score out of 10, with 10 being most positive



# PORT TRADE STATISTICS

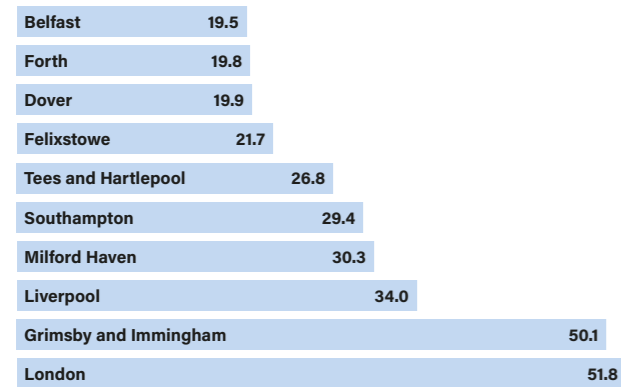
AS AT 31 DECEMBER 2021

TRADE (million tonnes)	2021	2020
Imports	43	38.4
Exports	8.8	9.0
Total	51.8	47.4

UNITISED TRAFFIC '000 twenty-foot equivalent units - (included in above tonnages)	2021	2020
Imports	1,506	1,344
Exports	1,605	1,428
Total	3,111	2,772

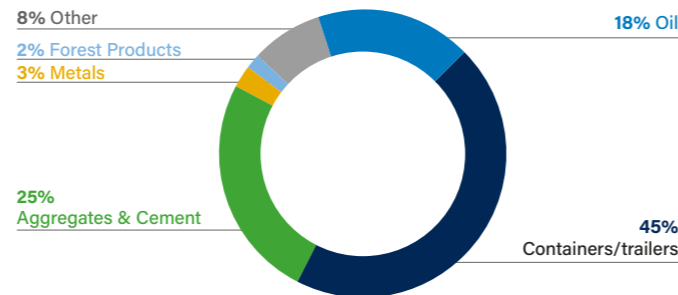
NUMBER OF CHARGEABLE VESSEL ARRIVALS TO THE PORT OF LONDON	2021	2020
Total	10,055	9,717

UNITED KINGDOM PORT TRAFFIC 2021\*  
(MILLION TONNES)



Source: Department for Transport

PORT OF LONDON TRADE BY TYPE 2021



## PORT OF LONDON TOTAL TRAFFIC

	IMPORTS million tonnes		EXPORTS million tonnes		TOTAL million tonnes	
	2021	2020	2021	2020	2021	2020
Oil, crude & products	9.1	8.7	0.1	0.2	9.2	8.9
Containers & trailers	16.3	14.9	6.9	6.9	23.2	21.8
Aggregates & cement	13.1	10.9	0.0	0.0	13.1	10.9
Other cargo	3.2	2.9	0.9	1.1	4.1	4.0
Forest products	0.9	0.7	0.0	0.0	0.9	0.7
Metals & ores	0.4	0.3	0.9	0.8	1.3	1.1
TOTAL	43.0	38.4	8.8	9.0	51.8	47.4

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

## UNITISED TRAFFIC - (INCLUDED IN ABOVE TONNAGES)

	IMPORTS 000 20-foot equivalent units		EXPORTS 000 20-foot equivalent units		TOTAL 000 20-foot equivalent units	
	2021	2020	2021	2020	2021	2020
Ro/Ro terminals (trailers & containers)	493	479	502	471	995	950
Container terminals	1013	865	1103	957	2,116	1,822
Unitised Total (TEUs)	1,506	1,344	1,605	1,428	3,111	2,772

Port of London Total Traffic  
(Million tonnes)

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

Port of London Fuel Traffic\*  
(Million tonnes)

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

Port of London Non-fuel Traffic  
(Million tonnes)

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

Port of London Unitised Traffic  
(Thousand TEUs)

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

# REVIEW OF PRINCIPAL RISKS

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

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

## CORONAVIRUS

The outbreak of the coronavirus and future variants is still a significant risk for the PLA. The potential impact runs across the business, from personal health & safety to operational resilience as well as the viability of some of our customers and therefore the potential long-term impact on our financial performance.

Mitigating steps include heightened health and safety measures to help prevent the spread of the disease and working with customers to offer some financial support where appropriate. We have looked at the financial resilience of our business and have put in place measures to monitor and mitigate the risks as they are developing.

## SAFETY

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

In the context of growing volumes of river traffic, the continued trading of historic passenger boats, with the risk of significant loss of life if one of these vessels was involved in a collision and foundered, remains a major concern. We strongly endorsed the Maritime & Coastguard Agency (MCA) consultation and support proposals to amend the technical requirements for older Domestic Passenger Vessels to be more comparable with modern regulations. Whilst recognising there has been a consultation by the MCA and proposed Regulations by Department for Transport these have not yet been enacted, so the risk hasn't reduced.

Personal health & safety is a priority in the business, managed through personal responsibility, our Golden Rules – Care, Challenge and Comply – and our safety management system.

## OPERATIONAL

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

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

Mitigations include effective navigational SMS, risk assessment/hazard review, VTS, pilotage, hydrography and emergency planning. Historically, the PLA has demonstrated an effective response to clearing navigational channels if engaged to do so; our Marine Services team and the vessel *London Titan* are key to this capability. In addition, we chair the Thames Port Security Authority and the Thames Resilience Panel, respectively.

## ECONOMIC

A fundamental shift in the micro or macro financial environment in which the PLA operates has the greatest potential to impact the Port of London in general and the PLA's finances in particular. This includes anything from a global pandemic, as we have experienced during 2020 and 2021, war as we are currently seeing between Russia and Ukraine, as well as changes in trade such as business cessation of a major customer or change in the consumer market, through to national or international economic factors such as a change in global trading patterns, or the impact of climate change.

The organisation is sufficiently agile to react to changes and our communication channels help to anticipate any such change in sufficient time to react accordingly by making a corresponding shift in our cost base. Debt management protocols are in place and international exposure is minimised as far as is possible. Five-year business plans, as well as an annual forecast and budget exercise, are undertaken.

## FINANCIAL

Coronavirus has presented a challenge to all businesses; this has tested both our resilience and our ability to react quickly. In 2021 the business environment improved significantly, and the severity of financial challenge consequently reduced. We have prepared detailed sensitivity analysis and financial scenarios looking at the potential impact on our cashflow, extending out to the next 12 months as well as the preparation of a five-year business plan to assess the long-term use of available resources.

We have continued to review and implement bad debt strategies. There continues to be a substantial deficit on an actuarial basis on the PLA Pension Fund of £48 million. Updated actuarial assumptions have increased this deficit;

we are currently in the middle of the triennial valuation of the scheme. In January 2021, the PLA launched a new Defined Contribution scheme which replaced the Defined Benefit scheme for new employees.

The Pilots National Pension Fund, a multi-employer scheme, also has a substantial deficit in which the PLA has a share, in the region of 6.8%. It is a long-term open-ended industry-wide liability over which individual employers have little influence. An industry-wide repair plan is in place which, in common with many ports, is funded by way of a levy on pilotage charges.

## SIGNIFICANT CYBER SECURITY INCIDENT

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

Office-based staff receive security awareness training and guidance on detecting 'phishing' and other malicious emails, and we continue to enhance data governance processes including formalised data retention and classification policies. We further increased our cyber security measures in 2021.

## CLIMATE CHANGE

Climate change is a subject with which we have been engaged for a number of years. It is now viewed as one of the principal risks to which the PLA has to respond. As a port handling more than 10 million tonnes of cargo, we completed a risk assessment and submitted our first Climate Change Adaptation Report to Defra under the Climate Change Act in 2011, with the risk assessment updated and a second,

voluntary, Adaptation Report submitted in 2015. It was updated again – in the light of subsequent experience and using the most recent climate change forecasts (UKCP18) – for the third voluntary report, which was submitted in early 2021 and subsequently acknowledged by Defra.

In responding to climate change, the UK Government has made a legally binding commitment to achieving a Net Zero Carbon economy by 2050. This will result in wholesale change across the economy, and the ports that serve it. For the PLA major changes that are likely, or potentially likely, to result include: the long-term reduction in tonnages of oil related cargoes (currently representing around a quarter of port trade and a major source of income); development of new cargoes; existing vessels' propulsion systems becoming obsolete; need to adopt new technologies; dealing with unforeseen legislative changes; and managing the impact of extreme weather on the business.

In managing this risk, the PLA has established a major project and subsequently started implementing a programme committing the PLA to be Net Zero by 2040 and continuing work on reviewing the Thames Vision to 2050, incorporating themes of decarbonisation, patterns of resilience and developments in vessel autonomy. Underpinning this review is work commissioned from Oxford Economics, forecasting cargo flows into the Port of London, assuming various decarbonisation scenarios.

## THAMES VISION

The development of *Thames Vision 2050* is a major undertaking by the PLA, drawing together stakeholder views in a long-term river development framework. The Vision consultation draft features some 40 proposed actions needed to progress towards the long-term goals between now and the middle of the century. Only a few of the actions are solely for the PLA. Securing and

maintaining stakeholders' commitment to joint or sole ownership of actions will be critical to the success of the initiative. Engagement and consultation processes are in hand to secure this.

## LONG TERM VIABILITY STATEMENT

The Board has assessed the viability of the company over a five-year time horizon to December 2026, taking account of the company's current position and potential impact of the principal risks documented in the corporate risk register.

The Board was presented with a long-term view of the business over the next five years looking at the volume of trade and the types of cargo. They have reflected on the impact that coronavirus had on the business and how the organisation was able to react. The Board has assessed the sensitivity of the business plan by looking at scenarios of how the business would perform if trade was reduced, improving operational resilience through a change in working practices and investment in technology to ensure IT systems are resilient and secure.

The Board has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2026.

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

# GOVERNANCE



## CORPORATE GOVERNANCE REPORT

### OUR YEAR

During 2021, the Board focussed the organisation on the following priority areas: health and safety, Thames Vision, investment, PLA pension fund and charges.

The Board met nine times in total. Due to coronavirus restrictions, the majority of these took place via video conference:

- six Board meetings (four via video conference)
- one Away Day
- one video conference to review and approve the 2022 budget
- one special Board update (via video conference) to discuss the PLA's response to coronavirus

The substantive items we addressed together at the Board included:

- Coronavirus response
- *Thames Vision 2050* development
- Hammersmith Bridge
- Amendment to the Thames Byelaws
- Hydrogen economy
- Risk
- Sub-stations on the Thames
- Gravesend Redevelopment Part 2
- 2022 budget, capital and five-year plan
- Cyber security
- Stakeholder audit
- Annual objectives 2022

### OUR APPROACH

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

The Board's role is to set the strategy for the PLA, ensure its long-term success and create stakeholder value. In particular we have a duty to manage the tidal River Thames in trust for future generations

and to pass it on to our successors in an improved condition. As a provider of essential navigational safety services, we have to ensure that the organisation is efficient and provides customers with cost-effective services. With no shareholders, we are accountable to stakeholders and value their input in shaping the approach and decisions that we take.

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

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

### OUR GOVERNANCE STRUCTURE

Eight scheduled Board meetings (including one Away Day and one video conference to review and approve the 2022 budget) were held during the year. In addition, the seven committees of the Board overseeing specific elements of the business met and reported back, as needed. The committees are:

- A** Audit Committee
- L** Licensing Committee
- N** Nominations Committee
- R** Remuneration Committee
- P** Pensions Advisory Committee
- I** Investment Committee
- T** Thames Vision Committee

A series of short reports on each of the committees starts on page 48.

### OUR PEOPLE

The Board is made up of a chair, together with seven non-executive and three executive members.

### OUR STAKEHOLDERS

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

### OUR APPROACH TO RISK

We adopt a prudent approach to the management of risk in the business. This is consistent with our prime role, providing an essential safety service to our customers. We are also a commercial organisation and accept some level of risk as a normal consequence of doing business. More details of our approach to risk identification and management can be found on page 40.

### BOARD EFFECTIVENESS REVIEW

During December 2021/January 2022, an internal Board evaluation was undertaken as part of the Board's review cycle.

We welcome any feedback you may have on this Annual Report – please email comments to [corporateaffairs@pla.co.uk](mailto:corporateaffairs@pla.co.uk)

**Christopher Rodrigues CBE**  
Chair  
30 March 2022

# BOARD MEMBERS

AS AT 30 MARCH 2022

## NON-EXECUTIVE MEMBERS



**CHRISTOPHER RODRIGUES**  
**CBE (DfT)**

Chair

**Qualifications:** MA Cambridge, MBA Harvard, D Univ Surrey

**Appointed:** January 2016

**Committee membership:**

**P** (chair) **N** **R**

Christopher Rodrigues became chair of the Port of London Authority in January 2016, chair of the Royal Ballet School in January 2020 and chair of the Maritime & Coastguard Agency in April 2021. In May 2018 he became an ambassador for the World Travel and Tourism Council (WTTTC), and in January 2019 council member and chair of the Development Committee at University College School, Hampstead.

Christopher was chair of Openwork from January 2014 – June 2020; chair of the British Council from 2016 – 2019; chair of the British Bobsleigh and Skeleton Association from 2013 – 2019; chair of VisitBritain from 2007 – 2017; chair of International Personal Finance and Windsor Leadership from 2007 – 2015; chair of The Almeida Theatre from 2008 – 2016. Christopher was a council member of the National Trust from 1997 – 2004, and again from 2010 – 2012, and a Trustee from 2012 – 2016. He was on the Executive Committee of WTTTC from 2007 – 2016.

Christopher is a graduate of Cambridge University (MA) and the Harvard Business School (MBA, Baker Scholar). He was awarded an honorary degree of Doctor of the University of Surrey (DUniv) in April 2013. He rowed for Cambridge in the 1970 and 1971 Boat Races, is a past-chair of Leander Club and is a steward of Henley Royal Regatta.

Christopher was made a Commander of the British Empire in the 2007 New Year Honours list for services to British business interests and charitable works in the UK and USA.



**ALUN GRIFFITHS**  
**(PLA)**

Vice Chair

**Qualifications:** BSc(Hons) Applied Economics

**Appointed:** September 2014

**Committee membership:**

**L** (chair) **R** (chair)

Alun Griffiths joined the PLA on 1 September 2014 and was appointed deputy chair in 2018.

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

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

From 2014-2021 he was a board member and chair of the Remuneration Committee for the Anchor Hanover Group (the largest provider of housing and care to the elderly in England).

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



**JUDITH ARMITT**  
**(DFT)**

Non-Executive Director

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

**Appointed:** December 2016

**Committee membership:**

**A** (chair) **P** **I**

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

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

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



**PAULA CARTER**  
**(PLA)**

Non-Executive Director

**Qualifications:** MA Oxon, JP

**Appointed:** June 2018

**Committee membership:**

**A**

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

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

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



**TORIL EIDESVIK**  
**(DFT)**

Non-Executive Director

**Qualifications:** MA Law

**Appointed:** September 2020

**Committee membership:**

**R** **P**

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

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

Toril has extensive board experience from several shipping related companies and is presently a board member of Solstad Offshore and Eksportfinans, Chair of Munck Cranes and non-executive director of Edda Wind ASA.

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



**DARREN JAMES**  
**(PLA)**

Non-Executive Director

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

**Appointed:** December 2016

**Committee membership:**

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

Darren James joined the PLA Board in December 2016.

A chartered civil engineer, Darren graduated with honours from the University of Surrey in 1990. He was appointed chief executive officer at Keltbray in early 2020, having spent the majority of his career at Costain. He came through the graduate programme at Costain as a civil engineer, project management on some of the UK's largest infrastructure programmes to become managing director of their Infrastructure Division.

Darren sits on the Prince's Trust Leadership Group, championing the entry of young people into the industry and is a director of the Rail Industry Association.



**SUE MACKENZIE**  
**(PLA)**

Non-Executive Director

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

**Appointed:** January 2021

**Committee membership:**

**A**

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

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

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

She has degrees in Agricultural Science and Emergency Planning Management and has completed the General Management Programme at Harvard Business School. Sue continues to work voluntarily in support of her fellow servicemen and women and is involved as a trustee and / or volunteer of several charities in the UK.



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

Non-Executive Director

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

**Appointed:** March 2022

**Committee membership:**

**L** **P**

Admiral Sir Philip Jones joined the PLA board as marine non-executive member at the start of March 2022.

Sir Philip served as chief of naval staff and First Sea Lord, the professional head of the Royal Navy, from 2016-19. He joined the Royal Navy in 1978, read for a degree in Geography at the University of Oxford, saw active service in the South Atlantic in 1982, qualified as a surface warfare officer, and served in HM Yacht Britannia. His sea commands included the Type 22 frigates HMS Beaver (as a Commander), and HMS Coventry (as a Captain), the UK's Amphibious Task Group (as a Commodore), UK Maritime Forces and EU Naval Forces for Counter Piracy off Somalia (as a Rear Admiral), and the Fleet (as a Vice Admiral). He also served four times in the Ministry of Defence.

Sir Philip is the military advisor for BAE Systems' Global Combat Ship programme, a Trustee of the Royal United Services Institute for Defence and Security Studies and chair of Trustees at the National Museum of the Royal Navy.



EXECUTIVE MEMBERS



**ROBIN MORTIMER**

Chief Executive

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

**Appointed:** March 2014

**Committee membership:**



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

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

Robin is currently the vice chair of Maritime UK, a member of the CBI's London Council and a trustee of Thames 21.



**JULIE TANKARD**

Chief Financial Officer

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

**Appointed:** October 2017

**Committee membership:**

Julie Tankard, chief financial officer was appointed in October 2017. Julie is a fellow of the Chartered Institute of Management Accountants and has over 25 years of experience in finance, primarily in IT and telecommunications.

Prior to joining the PLA, Julie was a vice president at BT plc and her last role was responsible for group contract & commercial management. Prior to joining BT, Julie was the finance director for Racal Datacom and prior to that was finance director for the networking division of Unisys UK & EMEA. Julie has also been a non-executive director of a mental health trust in Leeds and York since 2013.

Julie was appointed to the Industrial Development Advisory Board (IDAB) in October 2021. IDAB is a statutory body set up under the Industrial Development Act 1982 to advise the Secretary of State on large business and industrial investment and or intervention decisions being considered by the Government, focussing on value for money for the taxpayer.



**ROBERT BAKER**

Chief Harbour Master

**Qualifications:** MBA and Master Mariner

**Appointed:** May 2016

**Committee membership:**



Bob Baker became PLA chief harbour master in May 2016.

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

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

**MANAGEMENT EXECUTIVE COMMITTEE**

Chief Executive  
**ROBIN MORTIMER**

Chief Financial Officer  
**JULIE TANKARD**

Chief Harbour Master  
**ROBERT BAKER**

Director of Corporate Affairs & Strategy  
**ALISTAIR GALE**

Director of Sustainable Marine Operations  
**STEVEN CLAPPERTON**  
(Joined October 2021)\*

Director of Planning & Development  
**JAMES TRIMMER**

Director of Human Resources  
**GLENN WITHAM**

\* Director of Marine Operations, Peter Steen retired from the PLA on 31 December 2021

**SUMMARY STATISTICS**

AS AT 30 MARCH 2022

The board is made up of a chair together with seven non-executive and three executive members. There were 11 members of the PLA Board as at 30 March 2022.

Due to the COVID-19 pandemic, the majority of meetings were held via video conference. Three face to face meetings took place.

Attendance at the eight meetings of the PLA Board in 2021 (including away day and approval of the 2022 budget via video conference) was as follows:

CHRISTOPHER RODRIGUES CBE	8
ROBIN MORTIMER	7
JULIE TANKARD	8
ROBERT BAKER	8
ALUN GRIFFITHS	8
IAN MONCRIEFF CBE DL (term expired on 21 December 2021)	7
DARREN JAMES	7
JUDITH ARMITT	8
PAULA CARTER	8
TORIL EIDESVIK	8
SUE MACKENZIE	8

The following committees of the Board also met during 2021:

Audit	3
Nominations	2
Licensing	5
Pensions Advisory Committee	2
Remuneration	4
Investment	3
Thames Vision	4

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

# COMMITTEES

AS AT 30 MARCH 2022

	<b>A</b>	<b>L</b>	<b>N</b>	<b>R</b>	<b>P</b>	<b>I</b>	<b>T</b>
<b>COMMITTEE:</b>	<b>AUDIT</b>	<b>LICENSING</b>	<b>NOMINATIONS</b>	<b>REMUNERATION</b>	<b>PENSIONS ADVISORY</b>	<b>INVESTMENT</b>	<b>THAMES VISION*</b>
<b>TIMES MET:</b>	3	5	1	4	2	3	4
<b>CURRENT MEMBERSHIP:</b>	Judith Armitt (chair); Paula Carter; Sue Mackenzie	Alun Griffiths (chair); Robin Mortimer; Robert Baker; Sir Philip Jones, Darren James	Christopher Rodrigues (chair); Alun Griffiths, additional non-executive director, if required	Alun Griffiths (chair); Christopher Rodrigues; Toril Eidesvik	Christopher Rodrigues (chair); Darren James; Judith Armitt; Robin Mortimer; Toril Eidesvik; Sir Philip Jones	Darren James (chair); Judith Armitt; Robin Mortimer	Paula Carter (chair); Christopher Rodrigues, Judith Armitt, Robin Mortimer
<b>THE COMMITTEE'S ROLE IS TO:</b>	<ul style="list-style-type: none"> <li>advise on the appointment/re-appointment/removal of auditors, their terms of engagement and their level of remuneration</li> <li>review the scope and the results of the annual audit and report to the Board on the effectiveness of the audit process</li> <li>review and recommend the annual report and accounts to the Board</li> <li>monitor the internal and external audit programme and consider the conclusions of audits undertaken</li> <li>review the effectiveness of the risk management system</li> <li>review the arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other matters</li> <li>consider the bribery statement and policy as appropriate</li> <li>review the slavery and human trafficking statement and policy annually.</li> </ul>	<ul style="list-style-type: none"> <li>approve the processes for administration of the licensing of works</li> <li>determine any application considered contentious or significant</li> <li>consider reports on enforcement matters</li> <li>approve the granting and appropriate terms, excluding financial, of any leases of PLA land</li> <li>approve the use of powers under the Town &amp; Country Planning (General Permitted Development) Order.</li> </ul>	<ul style="list-style-type: none"> <li>recommend to the Board the appointment and reappointment of non-executive directors considering the need for diversity</li> <li>advise on the expertise required when a vacancy arises</li> <li>recommend to the Board the appointment of a deputy chair.</li> </ul>	<ul style="list-style-type: none"> <li>consider and recommend to the Board the remuneration terms for the organisation, including executive and non-executive directors</li> <li>succession planning of directors and the senior management team</li> <li>oversight of staff development, talent management and organisation culture.</li> </ul>	<ul style="list-style-type: none"> <li>advise the Board on the overall pension strategy</li> <li>maintain a good dialogue with pension fund trustees</li> <li>be proactive / reactive regarding investment decisions and strategy</li> <li>consider the PLA's financial prospects and risk appetite.</li> </ul>	<ul style="list-style-type: none"> <li>review investment proposals and make recommendations to the Board</li> <li>carry out post implementation reviews.</li> </ul>	<ul style="list-style-type: none"> <li>review the strategic approach for delivering and measuring progress on the Thames Vision</li> <li>consider priority actions to deliver the Thames Vision linking to the PLA's business plan</li> <li>review progress and action on Vision goals.</li> </ul>
<b>PRINCIPAL ITEMS DISCUSSED DURING 2021:</b>	<ul style="list-style-type: none"> <li>annual report and accounts</li> <li>Ernst &amp; Young's audit and planning report</li> <li>Estuary Services Ltd</li> <li>Willis Towers Watson report</li> <li>risk management and effectiveness review</li> <li>Gravesend accommodation</li> <li>bad debts</li> <li>Pilots National Pension Fund (PNPF)</li> <li>GDPR annual review</li> <li>whistleblowing</li> <li>legal update</li> <li>management systems review by LR</li> </ul>	<ul style="list-style-type: none"> <li>residential moorings</li> <li>dredging consent</li> <li>licence applications</li> <li>Hammersmith Bridge</li> <li>enforcement</li> <li>Licensing Department restructure</li> <li>IDOX</li> </ul>	<ul style="list-style-type: none"> <li>reappointment of one non-executive director</li> <li>2022 non-executive director recruitment</li> <li>deputy chair</li> <li>board skills</li> <li>committee membership</li> </ul>	<ul style="list-style-type: none"> <li>Executive Committee performance reviews</li> <li>2021 objectives</li> <li>pay</li> <li>rewards</li> </ul>	<ul style="list-style-type: none"> <li>employer covenant assessment</li> <li>pension valuation</li> </ul>	<ul style="list-style-type: none"> <li>investment proposals</li> <li>Sustainable Innovation Fund</li> <li>review of investments</li> <li>acquisition of Estuary Services Ltd</li> <li>SmartDocks</li> </ul>	<ul style="list-style-type: none"> <li>2021 goals</li> <li>2021 action plan</li> <li>Thames Vision refresh</li> <li>priority actions</li> <li>Museum of London exhibition</li> <li>Trade and Economic Forecast Study (Oxford Economics).</li> </ul>

\* Dissolved at end 2021

# FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Revenue	3	71,378	63,855
Operating expenditure	3	(62,648)	(59,436)
<b>Operating profit</b>	3, 5	8,730	4,419
Share of profit from joint venture	14	219	193
Gain / (Loss) from investment property revaluation	7	8,284	(1,729)
Negative Goodwill on purchase of ESL	15	141	0
Finance income	8	527	1,012
Finance costs	8	(178)	(186)
Interest on defined benefits pension scheme	8	(879)	(1,113)
<b>Profit before taxation</b>		16,844	2,596
Income tax (expense)	9	(4,906)	(522)
<b>Profit for the financial year</b>		<b>11,938</b>	<b>2,074</b>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

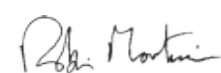
	Note	2021 £000	2020 £000
<b>Profit for the year</b>		11,938	2,074
<b>Other comprehensive income</b>			
Other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit plans	27	55,705	(7,914)
Deferred tax	9	(13,355)	(6,175)
Revaluation gain on reclassification of properties	7, 13	0	46,313
Share of joint venture's other comprehensive income (net of tax)	14	103	(121)
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		42,453	32,103
<b>Total comprehensive income for the year, net of tax</b>		<b>54,391</b>	<b>34,177</b>

# CONSOLIDATED AND COMPANY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Non-current assets</b>					
Intangible assets	10	1,325	1,520	1,223	1,520
Leased assets	11	1,760	1,742	1,556	1,742
Property, plant and equipment	12	50,165	46,191	46,746	46,191
Investment property	13	96,343	78,480	96,343	78,480
Investment in joint venture 2020	14	0	1,298	0	2
Subsidiary companies	15	0	0	1,553	0
Deferred tax asset	9	3,106	11,252	3,075	11,252
		152,699	140,483	150,496	139,187
<b>Current assets</b>					
Inventories		396	414	396	414
Corporation & other tax	16	0	142	0	142
Trade and other receivables	16	8,112	8,206	7,953	8,203
Contract asset	17	0	802	0	802
Prepayments and other current assets		1,757	1,762	1,683	1,762
Cash	18	12,013	9,783	10,005	9,783
Short-term cash investments	18	11,000	16,000	11,000	16,000
Pooled investments	19	13,782	13,613	13,782	13,613
Loans	20	48	0	48	0
		47,108	50,722	44,867	50,719
<b>Total assets</b>		<b>199,807</b>	<b>191,205</b>	<b>195,363</b>	<b>189,906</b>
<b>Current liabilities</b>					
Trade and other payables	21	7,456	5,832	7,550	5,832
Corporation & other tax	21	965	0	652	0
Deferred revenue	23	2,711	3,447	2,711	3,447
Lease liabilities	24	233	196	214	196
Provisions	25	693	1,187	693	1,187
		12,058	10,662	11,820	10,662
<b>Non-current liabilities</b>					
Deferred revenue	23	1,517	1,624	1,517	1,624
Lease liabilities	24	1,751	1,742	1,559	1,742
Provisions	25	7,603	8,660	7,603	8,660
Deferred tax liability	9	20,010	10,951	19,485	10,951
Net defined benefit pension liabilities	27	11,042	66,131	10,917	66,131
		41,923	89,108	41,081	89,108
<b>Total liabilities</b>		<b>53,981</b>	<b>99,770</b>	<b>52,901</b>	<b>99,770</b>
<b>Equity</b>					
Profit and loss reserve		<b>145,826</b>	<b>91,435</b>	<b>142,462</b>	<b>90,136</b>
<b>Total liabilities and equity</b>		<b>199,807</b>	<b>191,205</b>	<b>195,363</b>	<b>189,906</b>

These financial statements, which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes were approved by the Board of members on 29 March 2022 and were signed on its behalf on 4 April 2022.



**R J D MORTIMER**  
Chief Executive



**J TANKARD**  
Chief Financial Officer

# CONSOLIDATED AND COMPANY STATEMENTS OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Operating activities</b>					
Profit before tax		16,844	2,596	15,508	2,403
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant & equipment and leased assets	5	3,306	2,924	3,079	2,924
Amortisation and impairment of intangible assets	5	427	447	388	447
Loss / (gain) on disposal of intangible assets, property, plant and equipment	5	(119)	(12)	27	(12)
Loss / (gain) on investment property	7	(8,284)	1,729	(8,284)	1,729
Finance income	8	(527)	(1,012)	(527)	(1,012)
Finance costs	8	1,057	1,299	1,029	1,299
Share of profit from joint venture	14	(219)	(193)	0	0
Provisions movements	25	(1,641)	(637)	(1,641)	(637)
Movements in net defined benefit pension liabilities	27	(1,917)	(4,898)	(1,649)	(4,898)
Contract asset	17	802	(802)	802	(802)
Goodwill	15	(141)	0	0	0
Working capital adjustments:					
Decrease / (increase) in prepayments, trade and other receivables		389	704	328	704
Decrease / (Increase) in inventories		18	(11)	18	(11)
Increase / (decrease) in deferred revenue, trade and other payables	21/23	870	715	866	715
		10,865	2,849	9,944	2,849
Net interest received		422	461	422	461
Net income tax received/(paid)		(127)	944	(99)	944
<b>Net cash flows from operating activities</b>		<b>11,160</b>	<b>4,254</b>	<b>10,267</b>	<b>4,254</b>
<b>Investing activities</b>					
Proceeds from sales of intangible assets, property, plant and equipment		146	25	0	25
Purchase of intangible assets, property, plant and equipment		(3,593)	(5,313)	(3,530)	(5,313)
Purchase of investment property	13	(9,580)	0	(9,580)	0
Purchase of subsidiary	15	(1,550)	0	(1,550)	0
Loans	20	(48)	0	(48)	0
<b>Net cash flows used in investing activities</b>		<b>(14,625)</b>	<b>(5,288)</b>	<b>(14,708)</b>	<b>(5,288)</b>
<b>Financing activities</b>					
Principal payments for leases	24	(293)	(168)	(270)	(168)
Lease interest payments		(67)	(71)	(67)	(71)
		(360)	(239)	(337)	(239)
Net (decrease) in cash and cash short term investments	18	(3,825)	(1,273)	(4,778)	(1,273)
Cash and cash short term investments at 1 January		25,783	27,056	25,783	27,056
ESL Cash at 30 March 2021	14	1,055	0	0	0
<b>Cash and cash short term investments at 31 December</b>	<b>18</b>	<b>23,013</b>	<b>25,783</b>	<b>21,005</b>	<b>25,783</b>

# CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Profit and loss reserve £000
At 1 January 2020	57,258
Total comprehensive income	34,177
<b>At 31 December 2020</b>	<b>91,435</b>
Total comprehensive income	54,391
<b>At 31 December 2021</b>	<b>145,826</b>

Company	Profit and loss reserve £000
At 1 January 2020	56,032
Total comprehensive income	34,104
<b>At 31 December 2020</b>	<b>90,136</b>
Total comprehensive income	52,326
<b>At 31 December 2021</b>	<b>142,462</b>

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

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. ACCOUNTING POLICIES

### CORPORATE INFORMATION

The consolidated financial statements of the Port of London Authority (PLA) and its subsidiaries (collectively, the Group) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of members on 29 March 2022. PLA (the Company and the parent) is constituted under the Port of London Act 1968 as subsequently amended by other Acts and Harbour Revision Orders. It is controlled by a Board of members domiciled in the United Kingdom including a Chairman who is appointed by the Secretary of State for Transport. The main trading address of the PLA is located at London River House, Royal Pier Road, Gravesend in Kent.

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

The consolidated financial statements of the Group include:

Name	% equity interest	
	2021	2020
<b>PORT OF LONDON AUTHORITY (PLA)</b>	100	100
<b>Country of incorporation:</b> United Kingdom		
<b>Registered Office:</b> London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG		
<b>Principal activities</b>		
– Providing Pilotage services;		
– Operating a Vessel Traffic Service;		
– River works licenses, Rentals;		
– Moorings;		
– Hydrographic surveying;		
– Dredging; and		
– Providing aids to navigation.		
Estuary Services Ltd (ESL)	100	50
<b>Country of incorporation:</b> United Kingdom		
<b>Registered Office:</b> London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG		
<b>Principal activities</b>		
– Boarding & landing of pilots		
<b>PORT OF LONDON PROPERTIES LIMITED (POLP)</b>	100	100
<b>Country of incorporation:</b> United Kingdom		
<b>Registered Office:</b> London River House, Royal Pier Road, Gravesend, Kent, DA12 2BG		
<b>Principal activities</b>		
– Management of property interests – Non trading in 2021		

The Group held a 50% interest in Estuary Services Limited (ESL) (2020 50%) until 30 March 2021 when following a buy out it became a 100% subsidiary of the PLA. In 2020 the financial statements reflected this interest in the accounts in accordance with the equity method as further described below and in Note 14. From 30th March 2021 ESL has been fully consolidated in the financial statements.

### BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board (IASB).

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

The company has taken advantage of Section 408 of the Companies

Act 2006 exemption from presenting its own Income Statement and Statement of Other Comprehensive Income. The Company profit for the year amounted to £10,969,000 (2020 £1,880,000).

### GOING CONCERN BASIS OF PREPARATION

The Board has a reasonable expectation that the company has adequate resources for a period of at least 12 months from the date of approval of the financial statements and has therefore assessed that the going concern basis of accounting is appropriate in preparing the financial statements and that there are no material uncertainties to disclose. This conclusion is based on a review of the resources available to the company, taking account of the company's financial projections, together with available cash and commitments as well as consideration of the company's capital adequacy and any material uncertainties. In reaching this conclusion, the Board has considered the magnitude of potential impacts resulting from uncertain future events or changes in conditions, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the Board would consider undertaking and in particular the continuing impact of coronavirus on the business. We have assessed the level of business disruption and the sensitivity of our trading numbers as well as having prepared a cashflow analysis over the period to 31 December 2023 for scenarios of 10%, 15% and 20% reduction in income. There is a new global challenge related to the war in the Ukraine. Expectations are that oil will continue to be imported through the Port at similar volumes to expected as new sources are sought, so income should largely be preserved. Increased operational expenditure due to fuel prices can be partly mitigated by a charges levy on pilotage boarding & landing services if required. The PLA management are reviewing the situation regularly and ready to put in place actions to reduce costs and delay capital projects to conserve cash if necessary.

### BASIS OF CONSOLIDATION

The Group financial statements comprise the financial statements of the Company and its wholly owned subsidiaries as at 31 December 2021.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Investment in joint venture

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

#### (b) Revenue Recognition

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

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

#### Sale of property

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

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

#### Lease income

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

#### Rendering of services and recognition of royalties

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

#### (c) Taxes

##### Current income tax

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

##### Deferred tax

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

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

#### (d) Property, plant and equipment

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

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

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

#### (e) Investment Property

Property is classified as investment property if:

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

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

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

#### (f) Leases

The group has a number of lease contracts for property and vehicles. From 1 January 2019 the Group adopted IFRS 16 using the modified retrospective method of adoption. At the commencement date of the lease, the group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term using a discount rate of 3.5%. The lease payments include fixed payments less any incentives receivable. Depreciation and the interest for these leases are charged to the Income Statement and the asset and liability included on the balance sheet.

#### (g) Intangible Assets

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

#### (h) Goodwill

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

#### (i) Financial Instruments

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

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value.

##### Loans and receivables

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

#### Trade Receivables

IFRS9 Financial Instruments which came into force on 1 January 2018, requires recognition of impairment losses on trade receivables. The PLA has a specific debt provision for debts deemed unlikely to be repaid but are still being chased. This also includes debts related to companies that are in administration. In addition in 2020 there is a small general debt provision which was calculated as 2% of outstanding debt. There is no general debt provision in 2021.

#### Financial liabilities

##### Initial recognition

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

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

#### (j) Inventories

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

#### (k) Cash, cash investments and pooled investments

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

#### (l) Provisions

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

#### (m) Pensions and other post-employment benefits

##### Defined Benefit Schemes

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

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

The Group recognises the following changes in the net defined obligation under 'operating expenditure' in the Consolidated Income Statement: – service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and- net interest expense or income."

The defined benefit pension asset or liability in the Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality

corporate bonds that have been rated at AA or equivalent status) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

##### Defined Contribution Schemes

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

#### (n) Fair Value

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

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

#### (o) Government Grants

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

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

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

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

The provision is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ to actual developments in the future. These include the determination

of the discount rate, the number of future claims, the amount of future claims and the timing of future claims. Due to the complexities involved in the valuation and its long-term nature, the provision is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (c) Deferred tax assets – estimates

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

### (d) Investment Property

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

## 2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

		Effective for accounting periods beginning on or after
Amendment to IFRS3	Reference to the Conceptual Framework	01/01/2022
Amendment to IAS16	Property, Plant and Equipment: Proceeds before intended Use	01/01/2022
Amendment to IAS37	Amended by onerous contracts — Cost of fulfilling a contract	01/01/2022
IFRS 17	Insurance Contracts	01/01/2023
Amendment to IAS1	Classification of Liabilities as Current or Non-Current	01/01/2023

These have been considered are not expected to have a material impact on the group or company.

## 3. REVENUE AND OPERATING EXPENDITURE

Group	2021 £000	2020 £000
<b>Revenue from services</b>		
Conservancy charges on cargo	7,180	6,526
Conservancy charges on vessels	11,579	11,004
	18,759	17,530
Pilotage	29,460	25,098
River works licences, rents & investment income	14,157	12,734
Services provided (e.g. diving, salvage, moorings, hydrographic)	4,907	5,971
Landfill royalties	1,438	408
Other revenue	2,657	2,092
Property sales	0	22
	71,378	63,855
<b>Operating expenditure</b>		
Operating payroll	(36,864)	(33,201)
Supplies and services	(14,641)	(14,590)
Depreciation and amortisation	(3,486)	(3,129)
Administration: payroll	(5,359)	(5,660)
other	(2,298)	(2,856)
	(62,648)	(59,436)
<b>Operating profit</b>	<b>8,730</b>	<b>4,419</b>

All revenue relates to activities within the United Kingdom.

Company	2021 £000	2020 £000
<b>Revenue from services</b>		
Conservancy charges on cargo	7,180	6,526
Conservancy charges on vessels	11,580	11,004
	18,760	17,530
Pilotage	28,243	25,098
River works licences, rents & investment income	14,157	12,734
Services provided (e.g. diving, salvage, moorings, hydrographic)	4,907	5,971
Landfill royalties	1,438	408
Other revenue	2,797	2,092
Property sales	0	22
	70,302	63,855
<b>Operating expenditure</b>		
Operating payroll	(35,536)	(33,201)
Supplies and services	(16,460)	(14,590)
Depreciation and amortisation	(3,244)	(3,129)
Administration: payroll	(5,172)	(5,660)
other	(2,163)	(2,856)
	(62,575)	(59,436)
<b>Operating profit</b>	<b>7,727</b>	<b>4,419</b>

All revenue relates to activities within the United Kingdom.

## 4. COMPANY PILOTAGE - OPERATING SURPLUS/DEFICIT

The Consolidated Income Statement includes the following relating to Pilotage:

	2021 £000	2020 £000
<b>Revenue from services</b>		
Providing Pilotage services	27,033	23,764
Issue of Pilotage exemption certificates	0	3
	27,033	23,767
<b>Operating expenditure</b>		
Providing the services of Pilots	(23,325)	(21,632)
Providing, maintaining and operating Pilot boats	(883)	(919)
Administration and other costs	(3,494)	(3,124)
	(27,702)	(25,675)
<b>Operating (deficit) relating to Pilotage</b>	<b>(669)</b>	<b>(1,908)</b>

The operating deficit shown above excludes £1,182,000 (2020 £1,293,000) income from a levy charged to fund deficit repairs to the PNPf. In addition net interest costs in the PNPf of £72,000 (2020 £193,000) are also excluded from the amounts shown above. See note 27.

## 5. GROUP OPERATING PROFIT

Operating profit is stated after charging:

		2021 £000	2020 £000
Auditors' remuneration	- audit of the financial statements	128	122
	- audit of the Group pension schemes	29	42
	- taxation services	0	28
		157	192
(Gain) on disposal of intangible assets, property, plant and equipment	- owned assets	(119)	(12)
Amortisation and impairment of leased assets	- leased assets	247	240
Depreciation and impairment of property, plant and equipment	- owned assets	3,064	2,684
Amortisation and impairment of intangible assets	- owned assets	388	447

## 6. GROUP EMPLOYEE BENEFITS EXPENSE

### Group Employee Benefits Expense

		2021 £000	2020 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:			
Wages and salaries		29,312	27,282
Social security costs		3,489	3,239
Pensions costs		8,084	7,856
		40,885	38,377
Staff severance		204	4
		41,089	38,381

### Group

	Number	Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations*	348	312
Administration*	103	77
	451	389

Number of people in 2021 includes PLA and ESL.

### Company Employee Benefits Expense

		2021 £000	2020 £000
Staff costs incurred in operating expenditure (including executive Board members) during the year were:			
Wages and salaries		28,261	27,282
Social security costs		3,383	3,239
Pensions costs		8,026	7,856
		39,670	38,377
Staff severance		204	4
		39,874	38,381

### Company

	Number	Number
The average monthly number of persons (including executive Board members) employed during the year was:		
Operations*	313	312
Administration*	99	77
	412	389

\*Includes 13 people employed as part of the Government's Kickstart scheme, 7 operational and 6 administration.

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

### Company Pay ratio reporting

All listed companies are required to disclose the pay ratio between the CEO and the median pay of other employees. Although we are not a listed company, in line with best practice, we are publishing the ratio of CEO pay, using the single figure for total CEO remuneration. The ratios of CEO pay, compared to the total remuneration of full-time equivalent employees are: 11:1 for the 25th percentile; 7:1 for the median and 2:1 for the 75th percentile. By comparison, the CEO to median pay ratio for FTSE100 companies in 2020 was reported as 86:1.\*

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

\*CIPD report: Executive pay 2020: review of FTSE 100 executive pay packages

### Company Board members' remuneration

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

The following table shows a breakdown of the remuneration for individual Board members:

	Salary and fees		Bonuses For Period		Taxable benefits		Total	
	2021 £	2020 £	2021 £	2020* £	2021 £	2020 £	2021 £	2020 £
<b>Executive members:</b>								
R J D Mortimer	236,113	233,653	24,111	0	3,879	3,554	264,103	237,207
J Tankard	164,745	163,049	17,086	0	3,879	3,554	185,710	166,603
R Baker	152,082	150,524	15,820	0	3,103	2,843	171,005	153,367
<b>Non-executive members:</b>								
C J Rodrigues (Chairman)	94,000	94,000	0	0	0	0	94,000	94,000
A H Griffiths (Vice Chairman)	36,600	36,600	0	0	0	0	36,600	36,600
H Deeble (resigned 31/12/20)	0	30,800	0	0	0	0	0	30,800
I Moncrieff	30,800	30,800	0	0	0	0	30,800	30,800
A Malm Justad (resigned 31 May 2020)	0	12,833	0	0	0	0	0	12,833
J J Armitt	30,800	30,800	0	0	0	0	30,800	30,800
D G James	30,800	30,800	0	0	0	0	30,800	30,800
P Carter	30,800	30,800	0	0	0	0	30,800	30,800
T Eidesvik (appointed 1/09/20)	26,800	8,933	0	0	0	0	26,800	8,933
S Mackenzie (appointed 1/1/2021)	26,800	0	0	0	0	0	26,800	0
	860,340	853,592	57,017	0	10,861	9,950	928,218	863,542

\*Bonuses paid in 2020 related to performance the previous year.



**Pension entitlement**

All executive Board members participate in the PLA's funded defined benefit pension scheme. Under the scheme, members are entitled to a pension based on their service and final pensionable salary subject to HMRC limits. The accrued pension of the highest paid Board member under the funded defined benefit scheme at 31 December 2021 was £19,229 per annum (2020 £15,832). The total pension for the Board members under the funded defined benefit scheme at 31 December 2021 was £38,305 (2020 £32,956).

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

**7. GROUP & COMPANY INVESTMENT PROPERTY REVALUATION**

	Note	2021 £000	2020 £000
Increase on fair value of investment properties in income statement		8,354	1,841
Decrease on fair value of investment properties in income statement		(70)	(3,570)
<b>Gain/(Loss) from investment property revaluation in Income Statement</b>	13	<b>8,284</b>	<b>(1,729)</b>
<b>Gain from investment property revaluation in statement of other comprehensive income statement</b>	13	<b>0</b>	<b>46,313</b>

All investment properties were revalued with the gain or loss included in the income statement. In 2020 three investment properties were reclassified from property, plant and equipment due to a change in use during the period. The revaluation gain on transfer was included in the statement of other comprehensive income.

**8. FINANCE INCOME AND EXPENSE****Finance income**

	2021 £000	2020 £000
Interest income on short-term deposits	16	156
Interest on pooled investments	327	290
Pooled investments gains	169	565
Other interest	15	1
<b>Total finance income</b>	<b>527</b>	<b>1,012</b>

**Finance expense**

	2021 £000	2020 £000
Interest on loans and borrowings	4	0
Lease liability interest	(75)	(71)
Net interest on defined benefit pension schemes (see note 27)	(879)	(1,113)
Unwinding of discount and effect of changes in discount rate on provisions (see note 25)	(107)	(115)
<b>Total finance expense</b>	<b>(1,057)</b>	<b>(1,299)</b>

**9. INCOME TAX****(a) Tax on profit**

	2021 £000	2020 £000
<b>Current income tax:</b>		
Current income tax charge on profit for the year	1,216	70
Current tax prior year adjustment	(203)	(289)
<b>Total current tax</b>	<b>1,013</b>	<b>(219)</b>
<b>Deferred tax:</b>		
Current year deferred tax	2,343	731
Deferred tax prior year adjustment	274	10
Effect of changes in tax rates	1,276	0
<b>Total deferred tax</b>	<b>3,893</b>	<b>741</b>
<b>Income tax expense reported in the Consolidated Income Statement</b>	<b>4,906</b>	<b>522</b>
Current tax related to items recognised in Other Comprehensive Income during the year	0	120
Deferred tax related to items recognised in Other Comprehensive Income during the year	13,355	6,055
<b>Income tax expense charged to the Consolidated Statement of Other Comprehensive Income</b>	<b>13,355</b>	<b>6,175</b>

**(b) Reconciliation of tax expense:**

	2021 £000	2020 £000
<b>Profit before income tax</b>	<b>16,844</b>	<b>2,596</b>
At the UK's statutory corporate income tax rate of 19%	3,200	493
Adjustments in respect of current income tax of previous years	71	(279)
Effects of:		
Share of profit of joint venture (to 30 March 2021)	(42)	(37)
Non-deductible expenses for tax purposes	161	54
Income exempt from taxes	0	405
Effect of changes in tax rates	1,276	0
Other	240	(114)
<b>Income tax expense reported in the Consolidated Income Statement for the year</b>	<b>4,906</b>	<b>522</b>

**(c) Deferred tax:**

Group	Balance Sheet	
	2021 £000	2020 £000
Deferred tax assets relating to net defined benefit pension liabilities	2,761	12,565
Accelerated depreciation for tax purposes	(3,531)	(1,777)
Revaluation of Land	(16,479)	(10,951)
Other temporary differences	345	464
<b>Net deferred tax assets</b>	<b>(16,904)</b>	<b>301</b>
Reflected in the Balance Sheet as follows:		
Deferred tax assets	3,106	11,252
Deferred tax liabilities	(20,010)	(10,951)
<b>Net deferred tax assets</b>	<b>(16,904)</b>	<b>301</b>

	2021 £000	2020 £000
Reconciliation of net deferred tax assets		
At 1 January	301	7,097
Tax expense during the year recognised in the Consolidated Income Statement	(3,874)	(741)
Recognised in Other Comprehensive Income	(13,331)	(6,055)
<b>At 31 December</b>	<b>(16,947)</b>	<b>301</b>

Company	Balance Sheet	
	2021 £000	2020 £000
Deferred tax assets relating to net defined benefit pension liabilities	2,730	12,565
Accelerated depreciation for tax purposes	(3,006)	(1,777)
Revaluation of Land	(16,479)	(10,951)
Other temporary differences	345	464
<b>Net deferred tax assets</b>	<b>(16,410)</b>	<b>301</b>
Reflected in the Balance Sheet as follows:		
Deferred tax assets	3,075	11,252
Deferred tax liabilities	(19,485)	(10,951)
<b>Net deferred tax assets</b>	<b>(16,410)</b>	<b>301</b>

	2021 £000	2020 £000
Reconciliation of net deferred tax assets		
At 1 January	301	7,097
Tax expense during the year recognised in the Consolidated Income Statement	(3,645)	(741)
Recognised in Other Comprehensive Income	(13,066)	(6,055)
<b>At 31 December</b>	<b>(16,410)</b>	<b>301</b>

The Group has calculated the deferred tax assets at a rate of 19% until 1 April 2023 when tax rate increases to 25%. The deferred tax asset has been fully recognised based on forecasted profits for the next 10 years. There is no unrecognised deferred tax asset (2020 £0).

The Group has capital losses carried forward of £992,000 (2020 £992,000) that may be available for offset against future capital gains that arise in the Group.

## 10. INTANGIBLE ASSETS

Group	Software £000	Licences £000	Other £000	Total £000
<b>Cost</b>				
At 1 January 2020	4,358	508	0	4,866
Additions	165	0	0	165
Disposals	(74)	0	0	(74)
At 31 December 2020	4,449	508	0	4,957
Additions	94	0	107	201
Disposals	(96)	0	0	(96)
At 31 December 2021	4,447	508	107	5,062
<b>Amortisation</b>				
<b>At 1 January 2020</b>	2,922	142	0	3,064
Charge for year	431	16	0	447
Eliminated on disposals	(74)	0	0	(74)
At 31 December 2020	3,279	158	0	3,437
Charge for year	373	15	5	393
Eliminated on disposals	(93)	0	0	(93)
<b>Net book value at 31 December 2021</b>	<b>888</b>	<b>335</b>	<b>102</b>	<b>1,325</b>
Net book value at 31 December 2020	1,170	350	0	1,520

Company	Software £000	Licences £000	Total £000
<b>Cost</b>			
At 1 January 2020	4,358	508	4,866
Additions	165	0	165
Disposals	(74)	0	(74)
At 31 December 2020	4,449	508	4,957
Additions	94	0	94
Disposals	(96)	0	(96)
At 31 December 2021	4,447	508	4,955
<b>Amortisation</b>			
<b>At 1 January 2020</b>	2,922	142	3,064
Charge for year	431	16	447
Eliminated on disposals	(74)	0	(74)
At 31 December 2020	3,279	158	3,437
Charge for year	373	15	388
Eliminated on disposals	(93)	0	(93)
At 31 December 2021	3,559	173	3,732
<b>Net book value at 31 December 2021</b>	<b>888</b>	<b>335</b>	<b>1,223</b>
Net book value at 31 December 2020	1,170	350	1,520

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

Assets under development not yet being amortised amounted to £278,000 (2020 £185,000).

**11. LEASED ASSETS**

Group	Property £000	Equipment £000	Total £000
<b>Cost</b>			
At 1 January 2020	1,925	47	1,972
Remeasurement of index linked leases	(121)	2	(119)
Additions	305	23	328
Disposals	0	(12)	(12)
At 1 January 2021	2,109	60	2,169
Remeasurement of index linked leases	30	0	30
Additions	210	30	240
Disposals	(5)	0	(5)
At 31 December 2021	2,344	90	2,434
<b>Amortisation</b>			
Net book value at 1 January 2020	171	16	187
Charge for year	221	19	240
Disposals	0	0	0
At 1 January 2021	392	35	427
Charge for year	226	21	247
At 31 December 2021	618	56	674
<b>Net book value at 31 December 2021</b>	<b>1,726</b>	<b>34</b>	<b>1,760</b>
At 31 December 2020	1,717	25	1,742
<b>Company</b>			
<b>Cost</b>			
At 1 January 2020	1,925	47	1,972
Remeasurement of index linked leases	(121)	2	(119)
Additions	305	23	328
Disposals	0	(12)	(12)
At 1 January 2021	2,109	60	2,169
Remeasurement of index linked leases	30	0	30
Additions	0	12	12
Disposals	(5)	0	(5)
At 31 December 2021	2,134	72	2,206
<b>Amortisation</b>			
Net book value at 1 January 2020	171	16	187
Charge for year	221	19	240
At 1 January 2021	392	35	427
Charge for year	206	17	223
At 31 December 2021	598	52	650
<b>Net book value at 31 December 2021</b>	<b>1,536</b>	<b>20</b>	<b>1,556</b>
At 31 December 2020	1,717	25	1,742

**12. PROPERTY, PLANT AND EQUIPMENT**

Group	Land and buildings £000	Dredging £000	River structures £000	Floating craft £000	Plant and equipment £000	Total £000
<b>Cost</b>						
At 1 January 2020	16,817	20,611	14,038	15,924	20,460	87,850
Recategorisation	(242)	0	(3,185)	0	3,185	(242)
Additions	1,323	81	648	79	2,734	4,865
Disposals	0	0	0	(21)	(95)	(116)
At 31 December 2020	17,898	20,692	11,501	15,982	26,284	92,357
Assets acquired with ESL at fair value	0	0	0	3,291	74	3,365
Additions	137	0	1,804	383	1,374	3,698
Disposals	(293)	0	(75)	(836)	(2,247)	(3,451)
<b>At 31 December 2021</b>	<b>17,742</b>	<b>20,692</b>	<b>13,230</b>	<b>18,820</b>	<b>25,485</b>	<b>95,969</b>
<b>Depreciation</b>						
At 1 January 2020	7,943	5,298	8,257	6,712	15,375	43,585
Recategorisation	0	0	(222)	0	222	0
Charge for year	483	362	788	551	500	2,684
Eliminated on disposals	0	0	0	(15)	(88)	(103)
At 31 December 2020	8,426	5,660	8,823	7,248	16,009	46,166
Charge for year	527	370	390	705	1,072	3,064
Eliminated on disposals	(283)	0	(62)	(836)	(2,245)	(3,426)
<b>At 31 December 2021</b>	<b>8,670</b>	<b>6,030</b>	<b>9,151</b>	<b>7,117</b>	<b>14,836</b>	<b>45,804</b>
<b>Net book value at 31 December 2021</b>	<b>9,072</b>	<b>14,662</b>	<b>4,079</b>	<b>11,703</b>	<b>10,649</b>	<b>50,165</b>
<b>Net book value at 31 December 2020</b>	<b>9,472</b>	<b>15,032</b>	<b>2,678</b>	<b>8,734</b>	<b>10,275</b>	<b>46,191</b>

Company	Land and buildings £000	Dredging £000	River structures £000	Floating craft £000	Plant and equipment £000	Total £000
<b>Cost</b>						
At 1 January 2020	16,817	20,611	14,038	15,924	20,460	87,850
Recategorisation	(242)	0	(3,185)	0	3,185	(242)
Additions	1,323	81	648	79	2,734	4,865
Disposals	0	0	0	(21)	(95)	(116)
At 31 December 2020	17,898	20,692	11,501	15,982	26,284	92,357
Additions	137	0	1,804	128	1,367	3,436
Disposals	(293)	0	(75)	(6)	(2,236)	(2,610)
<b>At 31 December 2021</b>	<b>17,742</b>	<b>20,692</b>	<b>13,230</b>	<b>16,104</b>	<b>25,415</b>	<b>93,183</b>
<b>Depreciation</b>						
At 1 January 2020	7,943	5,298	8,257	6,712	15,375	43,585
Recategorisation	0	0	(222)	0	222	0
Charge for year	483	362	788	551	500	2,684
Eliminated on disposals	0	0	0	(15)	(88)	(103)
At 31 December 2020	8,426	5,660	8,823	7,248	16,009	46,166
Charge for year	527	370	390	543	1,026	2,856
Eliminated on disposals	(283)	0	(62)	(6)	(2,234)	(2,585)
<b>At 31 December 2021</b>	<b>8,670</b>	<b>6,030</b>	<b>9,151</b>	<b>7,785</b>	<b>14,801</b>	<b>46,437</b>
<b>Net book value at 31 December 2021</b>	<b>9,072</b>	<b>14,662</b>	<b>4,079</b>	<b>8,319</b>	<b>10,614</b>	<b>46,746</b>
<b>Net book value at 31 December 2020</b>	<b>9,472</b>	<b>15,032</b>	<b>2,678</b>	<b>8,734</b>	<b>10,275</b>	<b>46,191</b>

Following a review by management in 2020, land and buildings with value of £242,000 was reclassified from operational property to investment property due to a change of use. Also in 2020 the Cemex conveyor which following detailed examination by external consultants was moved from a river structure to plant and equipment, cost of £3,185,000 with depreciation of £222,000.

Assets under construction not yet being depreciated amounted to £4,198,000 (2020 £2,162,000). Assets under construction include Land & buildings of £0.4 million (2020 £0.3m), floating crafts £0.3 million (2020 £0.2m) and plant & equipment £1.6 million (2020 £1.6m) and river structures of £1.9 million (2020 £0.1m).

Assets under construction for ESL of £50,000.

### 13. INVESTMENT PROPERTY

Group and Company	£000
At 1 January 2020	33,654
Reclassifications	242
Fair value movement to income statement	(1,729)
Fair value movement to statement of other comprehensive income	46,313
At 31 December 2020	78,480
Additions	9,580
Fair value movement to income statement	8,283
At 31 December 2021	96,343

All investment properties were revalued as per the stated accounting policy (Note 1). One new investment property was purchased during 2021. In 2020 three investment properties were reclassified from property, plant and equipment due to a change in use during the period with the revaluation gain on transfer was included in the statement of other comprehensive income.

### 14. INTEREST IN JOINT VENTURE

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

	30 Mar 2021 Joint Venture £000	31 Dec 2020 Joint Venture £000
<b>Summarised Balance Sheet of Estuary Services Limited (joint venture)</b>		
Non-current assets	4,103	3,752
Current assets:		
Cash and cash equivalents	1,054	1,264
Prepayments	127	40
Trade and other receivables	464	504
	5,748	5,560
Current liabilities	(421)	(636)
Non-current liabilities	(2,086)	(2,328)
Equity	3,241	2,596
Proportion of the Group's ownership	50%	50%
<b>Carrying amount of the investment</b>	<b>1,620</b>	<b>1,298</b>

	1 Jan to 30 Mar 2021 £000	1 Jan to 31 Dec 2020 £000
<b>Summarised Income Statement of Estuary Services Limited (joint venture)</b>		
Revenue	968	3,679
Cost of sales	(832)	(3,010)
Finance costs	(7)	(37)
Fair value gains recognised prior to acquisition	356	
Profit on ordinary activities before taxation	485	632
Income tax expense	(47)	(245)
Profit for the year	438	387
<b>Group's share of profit</b>	<b>219</b>	<b>193</b>

	1 Jan to 30 Mar 2021 £000	1 Jan to 31 Dec 2020 £000
<b>Summarised Statement of Other Comprehensive Income of Estuary Services Limited</b>		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement of defined benefit scheme	255	(348)
Movement in deferred tax relating to defined benefit pension scheme	(48)	105
Total other comprehensive income	207	(243)
<b>Group's share of Other Comprehensive Income</b>	<b>103</b>	<b>(121)</b>

The 2020 Consolidated Income Statement reflects the Group's share of the results of operations of the joint venture ESL. Any change in Other Comprehensive Income of those investees was presented as part of the 2020 Consolidated Statement of Other Comprehensive Income. On 30 March 2021, PLA acquired 100% of ESL. IFRS 3 states that when a business combination is achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In line with IFRS3 the equity interest previously held in the joint venture ESL was treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly it was remeasured to its acquisition-date fair value, and the resulting gain compared to its carrying amount was recognised in the income statement and comprehensive income within share of joint venture profit.

## 15. SUBSIDIARY COMPANIES

Company	2021 £000
At 31 December 2020	3
Acquisition	1,550
<b>At 31 December 2021</b>	<b>1,553</b>

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

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

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

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

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

### Port of London Properties Limited (POLP)

POLP was non trading in 2021.

## 16. TRADE RECEIVABLES

### (a) Receivables (current)

Group	2021 £000	2020 £000
Corporation tax	0	142
Trade receivables	8,112	8,206
	<b>8,112</b>	<b>8,348</b>

Company	2021 £000	2020 £000
Corporation tax	0	142
Trade receivables	7,953	8,203
	<b>7,953</b>	<b>8,345</b>

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

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

As at 31 December 2021, trade receivables of £830,000 (2020 £1,066,000) were provided for. See below for the movements in the provision for impairment of receivables.

Group	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2020	799	64	863
Arising	146	57	203
At 31 December 2020 and 1 January 2021	945	121	1,066
Arising/(released) during the year	(115)	(121)	(236)
<b>At 31 December 2021</b>	<b>830</b>	<b>0</b>	<b>830</b>

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

Group	Neither past due		Past due but not impaired				>120 days £000
	Total £000	nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91 to 120 days £000	
2021	8,112	3,075	3,573	1,207	254	1	2
2020	8,203	2,114	3,708	1,996	226	1	158

As at 31 December 2021, trade receivables of £830,000 (2020 £1,066,000) were provided for. Trade receivables were not collectively impaired in 2021 as was not material.

Company	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2020	799	64	863
Arising	146	57	203
At 31 December 2020 and 1 January 2021	945	121	1,066
Arising/(released) during the year	(115)	(121)	(236)
<b>At 31 December 2021</b>	<b>830</b>	<b>0</b>	<b>(830)</b>

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

Company	Neither past due		Past due but not impaired				>120 days £000
	Total £000	nor impaired £000	<30 days £000	30-60 days £000	61-90 days £000	91 to 120 days £000	
2021	7,953	2,921	3,570	1,205	254	1	2
2020	8,203	2,114	3,708	1,996	226	1	158

See Note 22 on the credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither part due nor impaired. Trade receivables were not collectively impaired in 2021 as was not material.

### (b) Other receivables - group

There are no other receivables in 2021.

## 17. CONTRACT ASSETS

Group and Company	2021 £000	2020 £000
At 1 January 2021	802	0
Additions during the year	467	802
Invoiced during the year	(1,269)	0
<b>At 31 December 2021</b>	<b>0</b>	<b>802</b>
<b>Payable</b>		
Additions during the year	0	802
Invoiced during the year	0	0
<b>At 31 December 2021</b>	<b>0</b>	<b>802</b>

In 2020 PLA entered into a Maintenance Dredge service agreement with London Gateway. The contract asset at 31 December 2020 related to work undertaken not invoiced to London Gateway. At 31 December 2021 London Gateway had fully paid for the asset therefore there is no contract asset.

## 18. CASH

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

Group and Company	2021 £000	2020 £000
Cash	12,013	9,783
Cash short-term investments	11,000	16,000
	<b>23,013</b>	<b>25,783</b>
<b>Company</b>		
Cash	10,005	9,783
Cash short-term investments	11,000	16,000
	<b>21,005</b>	<b>25,783</b>

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

## 19. POOLED INVESTMENTS

The group and company have the following pooled investments. These are valued at fair value as at 31 December 2021. Any gain or loss in the year on these investments is recognised in the income statement, see note 8.

Group and Company	2021 £000	2020 £000
Gilts with Insight Investments	1,968	2,052
Equities with Invesco	1,817	1,431
Multi-asset credit funds with M&G and PIMCO	9,997	10,130
	<b>13,782</b>	<b>13,613</b>

## 20. LOANS

Group and Company	2021 £000	2020 £000
At 1 January	0	0
Additions during the year	48	0
<b>At 31 December</b>	<b>48</b>	<b>0</b>
Receivable:		
Within one year	48	0
	<b>48</b>	<b>0</b>

During the year a loan was made to a third party with this repayable in less than a year.

## 21. TRADE AND OTHER PAYABLES

Group	Note	2021 £000	2020 £000
Trade payables		1,807	2,212
Amounts owed to joint venture company	29	0	198
Corporation tax		771	0
Other taxation and social security		194	0
Other creditors		1,946	2,157
Accruals		3,703	1,265
<b>Total</b>		<b>8,421</b>	<b>5,832</b>

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

Company	Note	2021 £000	2020 £000
Trade payables		2,016	2,212
Amounts owed to joint venture company	29	0	198
Corporation tax		652	0
Other creditors		1,884	2,157
Accruals		3,650	1,265
<b>Total</b>		<b>8,202</b>	<b>5,832</b>

## 22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### Financial risk management objectives and policies

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

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

## Categories of financial instruments:

Group	Fair value		Book value	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Financial Assets</b>				
<i>Loans and receivables:</i>				
Loans	48	0	48	0
Trade and other receivables	8,112	8,203	8,112	8,203
<i>At fair value through profit and loss:</i>				
Cash and short-term deposits	23,013	25,783	23,013	25,783
Pooled Investments	13,782	13,613	13,782	13,613
<b>Total</b>	<b>44,955</b>	<b>47,599</b>	<b>44,955</b>	<b>47,599</b>
<b>Financial Liabilities</b>				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	(7,456)	(5,832)	(7,456)	(5,832)
Leases	(1,984)	(1,938)	(1,984)	(1,938)
<b>Total</b>	<b>35,515</b>	<b>39,829</b>	<b>35,515</b>	<b>39,829</b>

Company	Fair value		Book value	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Financial Assets</b>				
<i>Loans and receivables:</i>				
Loans	48	0	48	0
Trade and other receivables	7,953	8,203	7,953	8,203
<i>At fair value through profit and loss:</i>				
Cash and short-term deposits	21,005	25,783	21,005	25,783
Pooled Investments	13,782	13,613	13,782	13,613
<b>Total</b>	<b>42,788</b>	<b>47,599</b>	<b>42,788</b>	<b>47,599</b>
<b>Financial Liabilities</b>				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	(7,550)	(5,832)	(7,550)	(5,832)
Leases	(1,772)	(1,938)	(1,772)	(1,938)
<b>Total</b>	<b>33,466</b>	<b>39,829</b>	<b>33,466</b>	<b>39,829</b>

## Interest rate risk

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

	Group and Company		Company	
	Increase/decrease in basis points	Effect on profit before tax £000	Increase/decrease in basis points	Effect on profit before tax £000
2021	+/- 1%	230	+/- 1%	210
2020	+/- 1%	258	+/- 1%	258

## Credit risk

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

## Loan

The loan is repayable in less than a year. Risk of default is small as this is part of a much bigger project with guarantees to be put in place.

## Trade receivables (current)

Outstanding customer receivables are regularly monitored. At 31 December 2021, the Company had 13 customers (2020 16 customers) that owed the Company more than £100,000 each and accounted for approximately 55% (2020 49%) of all the receivables outstanding. There were 0 customers (2020 0 customers) with balances greater than £1 million.

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in Note 23. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Customers are continually monitored to ensure invoices are settled within terms.

## Cash deposits

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

## Pooled investments

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

## Liquidity Risk

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

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

Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	£000	£000	£000	£000	£000	£000
<b>Year ended 31 December 2021</b>						
Lease payments	0	66	230	843	1,291	2,430
Trade and other payables	0	7,456	0	0	0	7,456
	0	7,522	230	843	1,291	9,886
<b>Year ended 31 December 2020</b>						
Lease payments	0	59	207	959	1,170	2,395
Trade and other payables	0	5,832	0	0	0	5,832
	0	5,891	207	959	1,170	8,227

Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	£000	£000	£000	£000	£000	£000
<b>Year ended 31 December 2021</b>						
Lease payments	0	60	210	739	1,159	2,168
Trade and other payables	0	7,550	0	0	0	7,550
	0	7,610	210	739	1,159	9,718
<b>Year ended 31 December 2020</b>						
Lease payments	0	59	207	959	1,170	2,395
Trade and other payables	0	5,832	0	0	0	5,832
	0	5,891	207	959	1,170	8,227

**23. DEFERRED REVENUE**

Group and Company	2021 £000	2020 £000
<b>At 1 January</b>	5,071	4,897
Amortisation released to the consolidated income statement	(107)	(107)
Movement in other deferred revenue during the year	(736)	281
<b>At 31 December</b>	<b>4,228</b>	<b>5,071</b>
Current	2,711	3,447
Non-current	1,517	1,624
	<b>4,228</b>	<b>5,071</b>

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

**24. LEASED LIABILITIES**

Group	2021 £000	2020 £000
<b>At 1 January</b>	1,940	2,154
Additions during year	236	0
Disposals during year	(5)	0
Revaluation	30	(119)
Undiscounted lease payments	(292)	(168)
Interest	75	71
	<b>1,984</b>	<b>1,938</b>
Payable:		
Within one year	233	196
In the second to fifth year inclusive	637	671
After five years	114	1071
	<b>1,984</b>	<b>1,938</b>

Company	2021 £000	2020 £000
<b>At 1 January</b>	1,938	2,154
Additions during year	12	0
Disposals during year	(5)	0
Revaluation	31	(119)
Undiscounted lease payments	(270)	(168)
Interest	67	71
	<b>1,773</b>	<b>1,938</b>
Payable:		
Within one year	214	196
In the second to fifth year inclusive	559	671
After five years	1000	1071
	<b>1,773</b>	<b>1,938</b>

**25. PROVISIONS****Total Provisions**

Group and Company	2021 £000	2020 £000
<b>At 1 January</b>	9,847	10,398
Utilised during the year	(500)	(757)
Unwinding of discount	108	115
(Released)/arising during the year	(1,159)	91
<b>At 31 December</b>	<b>8,296</b>	<b>9,847</b>
Payable:		
Within one year	693	1,187
In the second to fifth year inclusive	3,008	3,174
After five years	4,595	5,486
	<b>8,296</b>	<b>9,847</b>

**Claims related to time operating docks**

Group and Company	2021 £000	2020 £000
<b>At 1 January</b>	8,819	9,395
Utilised during the year	(289)	(678)
Unwinding of discount	108	115
(Released) during the year	(1,314)	(13)
<b>At 31 December</b>	<b>7,324</b>	<b>8,819</b>
Payable:		
Within one year	493	725
In the second to fifth year inclusive	2,236	2,608
After five years	4,595	5,486
	<b>7,324</b>	<b>8,819</b>

The Group continues to receive claims which relate to the time during which it operated docks and was involved in cargo handling. An actuarial estimate as at 31 December 2021 of the duration, number and value of these claims has been made and provided for in the financial statements using risk-free yield curves published by the Bank of England to discount the results. It is expected that the provision will be utilised over a period of around 30 years.

A quantitative summary analysis for significant assumptions at 31 December 2021 is shown below:

**Assumptions**

Total provision basis:	£000
Undiscounted	8,116
Discounted @ risk free rate - 2% *	8,116
Discounted @ risk free rate	7,323
Discounted @ risk free rate + 2%	6,248

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



**Other Provisions**

Group and Company	Property Related Provision		HMRC Provision	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1 January	772	503	256	500
Utilised during the year	(150)	0	(61)	(79)
Arising/(released) during the year	150	269	(195)	(165)
At 31 December	<b>772</b>	<b>772</b>	<b>0</b>	<b>256</b>
Payable:				
Within one year	0	206	0	256
In the second to fifth year inclusive	772	566	0	0
	<b>772</b>	<b>772</b>	<b>0</b>	<b>256</b>

**Other Provisions**

Group and Company	Legal Provision	
	2021 £000	2020 £000
At 1 January	0	0
Arising during the year	200	0
At 31 December	<b>200</b>	<b>0</b>
Payable:		
Within one year	200	0
	<b>200</b>	<b>0</b>

The property related provision in 2021 is based on external advice regarding the next business rates review. The 2020 provision also included licence agreement negotiations which were concluded in 2021.

The HMRC provision in 2020 related to an HMRC investigation which has now been closed.

The legal provision relates to an outstanding case against the PLA.

## 26. COMMITMENTS AND CONTINGENCIES

### Operating lease and licence commitments - Group and Company as lessor

The Group and Company act as lessors for certain areas of land and equipment. The majority are licences which have an average life of 1 to 6 months. The minimum future lease rentals receivable under non-cancellable operating leases as at 31 December 2021 and 2020 are as follows:

	2021			2020		
	Land and buildings £000	Equipment £000	Total £000	Land and buildings £000	Equipment £000	Total £000
Total commitments under non-cancellable operating leases expiring:						
Within one year	4,291	300	4,591	3,926	300	4,226
In the second to fifth year inclusive	3,544	0	3,544	2,997	0	2,997
Over five years	25,848	0	25,848	20,849	0	20,849
	<b>33,683</b>	<b>300</b>	<b>33,983</b>	<b>27,772</b>	<b>300</b>	<b>28,072</b>

### Capital commitments Group and Company

	2021 £000	2020 £000
Capital expenditure which has been contracted for but which has not been provided for in the accounts	<b>2,191</b>	<b>239</b>

### Contingent liabilities Group and Company

The group had no contingent liabilities at 31 December 2021 (2020 £nil).

### Contingent assets Group and Company

The Company has a contingent asset at 31 December 2021 of £0.4 million (2020 £0.9 million) which relates to the London Gateway dredge agreement.

## 27. PENSIONS

### Group

The Group participates in the following funded defined benefits schemes:

Scheme	Date of latest triannual actuarial valuation
Port of London Authority Pension Fund (PLAPF)	31 March 2018
Port of London Authority (Upper Division Staff) Widows', Widowers' and Orphans' Pension Fund (PLAWWOPF)	31 March 2019
Port of London Authority Retirement Benefits Scheme (PLARBS)	31 March 2019
The Pilots' National Pension Fund (PNPF)	31 December 2019
Estuary Services Ltd Pension Scheme (ESLPS)	6 April 2018

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

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

### PLAPF

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

The latest triannual actuarial assessment was at 31 March 2018. At the date of the latest actuarial valuation the market value of the assets of the PLAPF was £347.7 million which represented 86% of the value of the benefits that had accrued to members on the basis of the assumptions summarised below. Following discussions with the Committee of Management, it was agreed that the PLA would pay £8 million to the Pension scheme in 2019 and thereafter fund the deficit at the rate of £4 million per annum until 31 August 2026 and pay contributions at the rates shown in the table set out later in this note.

### PLAWWOPF

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

### PLARBS

The PLA funded the deficit of the PLARBS at £215,000 per annum payable monthly until 28 February 2021.

### PNPF

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement. The PNPF is administered by a separate Trustee Company which is legally separate from the PLA. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the PNPF's investment policy and day-to-day administration. The PLA is responsible for its own share of the total liabilities in the PNPF, together with a proportionate share of the 'orphan' liabilities of the PNPF, i.e. those liabilities that cannot be attributed to another participating company. Following the 2019 revaluation, PLA's share of PNPF of additional deficit is 3.5563% (6.1587% previous deficit). PLA has agreed to fund the deficit of the PNPF with a total payment of £9,477,999 due between 2022 and 2028.

### ESLPS

ESLPS is a defined benefit scheme for ESL employees. At the date of the latest actuarial valuation of 6 April 2018, the market value of the assets of the ESLPS was £8,805,000 which represents 73% of the value of the benefits that had accrued to members on the basis of the assumptions summarised below. Following discussions between the Trustees and the ESL, it was agreed that ESL will make deficit contributions of £265,000 in respect of the past service deficit over the period 6 April 2015 to 5 July 2019 and the Employer will make deficit contributions of £365,000 in respect of the past service deficit over the period 6 July 2019 to 6 June 2029.

**All Schemes**

The results of the latest formal actuarial valuations have been updated to 31 December 2021 by a qualified independent actuary. The principal assumptions used in determining pension benefit obligations for these plans are shown below:

<b>PLA Schemes - Principal assumptions</b>	<b>2021 %</b>	<b>2020 %</b>
Discount rate	2.0	1.4
RPI price inflation	3.3	2.9
CPI price inflation	2.6	2.2
Future salary increases	3.8	3.4
Future pension increases (RPI, min 3%, max 5%)	3.6	3.5
Future pension increases (RPI, max 5%)	3.2	2.8
Future pension increases (CPI, max 2.5%)	2.0	1.8
<b>Life expectation for pensioners at the age of 65 retiring today:</b>	<b>Years</b>	<b>Years</b>
Male	86.6	86.6
Female	89.0	88.6

<b>PNPF - Principal assumptions</b>	<b>2021 %</b>	<b>2020 %</b>
Discount rate	2.0	1.4
RPI price inflation	3.1	2.6
CPI price inflation	2.4	2.0
Future salary increases	2.4	2.0
Future pension increases (RPI, min 0%, max 5%)	3.0	2.6
Future pension increases (RPI, min 3%, max 5%)	3.6	3.4
<b>Life expectation for pensioners at the age of 65 retiring today:</b>	<b>Years</b>	<b>Years</b>
Male	86.4	86.4
Female	88.4	88.4

<b>ESLPS - Principal assumptions</b>	<b>2021 %1</b>
Discount rate	2.0
RPI price inflation	3.3
CPI price inflation	2.6
Future salary increases	3.8
Future pension increases (RPI, min 3%, max 5%)	3.6
<b>Life expectation for pensioners at the age of 65 retiring today:</b>	<b>Years</b>
Male	85.3
Female	87.7

<b>ESLPS - Contribution rates</b>	<b>2021 %</b>
	Up to 10%

<b>PLAPF - Contribution rates</b>	<b>2021 %</b>	<b>2020 %</b>
For members who have entered into a salary sacrifice agreement with the PLA:		
Higher rate members	22.70	22.70
Lower rate members	17.03	17.03
For members who have not entered into a salary sacrifice agreement with the PLA:		
Higher rate members	15.13	15.13
Lower rate members	11.35	11.35
The company does not disclose contribution rates for PLARBS and PLAWWOPF as there are no active members, only deferred members and pensioners.		
	<b>2021 £m</b>	<b>2020 £m</b>
In respect of the shortfall in funding:		
Amount payable per annum until 31 August 2026 as agreed recovery plan	4.0	4.0
Additional agreed amount paid by the PLA	0.0	3.0
<b>Total deficit repairs during the year</b>	<b>4.0</b>	<b>7.0</b>

**All schemes**

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

<b>At 31 December 2021</b>	<b>PLAPF £m</b>	<b>PLAWWOPF £m</b>	<b>PLARBS £m</b>	<b>PNPF £m</b>	<b>Company Total £m</b>	<b>ESLPS £m</b>	<b>Group Total £m</b>
Multi assets credit	136.1	0.0	0.0	0.0	136.1	2.5	138.6
Equities	91.4	0.0	0.0	0.0	91.4	2.5	93.9
Hedge funds	0.4	0.0	0.0	0.0	0.4	0.0	0.4
Liability driven investments	87.3	0.0	0.0	3.4	90.7	2.5	93.2
Corporate bonds	0.0	6.3	2.0	1.2	9.5	1.6	11.1
Gilts	0.0	7.4	0.0	0.0	7.4	0.0	7.4
Diversified growth funds	61.4	7.7	0.0	4.9	74.0	2.2	76.2
Insurance policies	0.0	5.0	0.0	0.0	5.0	0.0	5.0
Infrastructure	28.8	0.0	0.0	0.0	28.8	0.0	28.8
Cash	1.8	0.2	0.2	0.4	2.6	0.0	2.6
Liquidity fund	0.0	0.0	0.0	2.1	2.1	0.0	2.1
<b>Total</b>	<b>407.2</b>	<b>26.6</b>	<b>2.2</b>	<b>12.0</b>	<b>448.0</b>	<b>11.3</b>	<b>459.3</b>

<b>At 31 December 2020</b>	<b>PLAPF £m</b>	<b>PLAWWOPF £m</b>	<b>PLARBS £m</b>	<b>PNPF £m</b>	<b>Company Total £m</b>
Multi assets credit	139.1	0.0	0.0	0.0	139.1
Equities	69.8	0.0	0.0	0.0	69.8
Hedge funds	2.5	0.0	0.0	0.0	2.5
Liability driven investments	74.4	0.0	0.0	3.3	77.7
Corporate bonds	0.0	6.4	2.1	1.3	9.8
Gilts	0.0	7.1	0.1	0.0	7.2
Diversified growth funds	61.5	7.9	0.0	4.6	74.0
Infrastructure	29.2	5.6	0.0	0.0	34.8
Cash	19.6	0.3	0.2	1.7	21.8
Liquidity fund	0.0	0.0	0.0	1.2	1.2
<b>Total</b>	<b>396.1</b>	<b>27.3</b>	<b>2.4</b>	<b>12.1</b>	<b>437.9</b>

## Amounts to be recognised in the Balance Sheet

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

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
<b>At 31 December 2020</b>							
Fair value of scheme assets			396,062	27,329	2,384	12,124	437,899
Present value of scheme liabilities			(463,094)	(20,857)	(2,278)	(17,801)	(504,030)
Defined benefit pension scheme (deficit)/surplus			<b>(67,032)</b>	<b>6,472</b>	<b>106</b>	<b>(5,677)</b>	<b>(66,131)</b>

## Amounts to be recognised in the Income Statement

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

Year ended 31 December 2020	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
Current service cost			(7,348)	0	0	0	(7,348)
Past service cost			0	0	0	(1)	(1)
Administrative expenses			(280)	(144)	(24)	(59)	(507)
Recognised in arriving at the operating profit			(7,628)	(144)	(24)	(60)	(7,856)
Expected return on scheme assets			7,299	509	46	418	8,272
Interest cost on scheme liabilities			(8,344)	(387)	(43)	(611)	(9,385)
Finance (costs)/income			(1,045)	122	3	(193)	(1,113)
<b>Total recognised in the Income Statement</b>			<b>(8,673)</b>	<b>(22)</b>	<b>(21)</b>	<b>(253)</b>	<b>(8,969)</b>

## Amounts to be recognised in the Statement of Other Comprehensive Income

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

Year ended 31 December 2020	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
Return on scheme assets below that is recognised net interest			27,874	1,991	107	(9,113)	20,859
Other actuarial (losses)			(39,725)	(1,646)	(209)	12,807	(28,773)
Actuarial gains/(losses) recognised in the Statement of Other Comprehensive Income			<b>(11,851)</b>	<b>345</b>	<b>(102)</b>	<b>3,694</b>	<b>(7,914)</b>

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

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000	ESLPS* £000	Group Total £000
<b>At 1 January 2020</b>			(427,034)	(19,945)	(2,321)	(31,072)	(480,372)
Movement in the administrative reserve balance			(280)	(80)	(24)	0	(384)
Current service cost			(7,348)	0	0	0	(7,348)
Past service cost			0	0	0	(1)	(1)
Interest expense on defined benefits obligations			(8,344)	(387)	(43)	(611)	(9,385)
Member's contributions			(141)	0	0	0	(141)
Actuarial gains/(loss) on scheme liabilities			(39,725)	(1,646)	(209)	12,807	(28,773)
Benefits paid			19,778	1,201	319	1,076	22,374
<b>At 31 December 2020</b>			<b>(463,094)</b>	<b>(20,857)</b>	<b>(2,278)</b>	<b>(17,801)</b>	<b>(504,030)</b>

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

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

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	Company Total £000
<b>At 1 January 2020</b>	369,021	26,094	2,335	20,885	418,335
Administration expenses	0	(64)	0	(59)	(123)
Interest income on scheme assets	7,299	509	46	418	8,272
Actuarial gain/(losses) on scheme assets	27,874	1,991	107	(9,113)	20,859
Company contributions	11,505	0	215	1,069	12,789
Member's contributions	141	0	0	0	141
Benefits paid	(19,778)	(1,201)	(319)	(1,076)	(22,374)
<b>At 31 December 2020</b>	<b>396,062</b>	<b>27,329</b>	<b>2,384</b>	<b>12,124</b>	<b>437,899</b>

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

## A quantitative summary analysis for significant assumptions at 31 December 2021 is shown below:

Assumptions	Discount rate		RPI inflation		Mortality	
	0.25% increase £000	0.25% decrease £000	0.25% increase £000	0.25% decrease £000	1.5% improvement £000	1.5% worsening £000
Impact on defined benefit obligation:						
PLAPF	30,866	(30,866)	(21,923)	21,923	(14,908)	14,908
PLAWWOPF	(7,182)	7,182	7,268	(7,268)	7,436	(7,436)
PLARBS	(218)	218	224	(224)	236	(236)
ESLPS	632	(632)	(498)	498	(254)	254
	<b>24,098</b>	<b>(24,098)</b>	<b>(14,929)</b>	<b>14,929</b>	<b>(7,490)</b>	<b>7,490</b>

Impact on share of defined benefit obligation:

Assumptions	Discount rate		RPI inflation		Mortality	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	One year decrease	One year increase
<b>Sensitivity level</b>						
PPNPF	1,000	(1,000)	(400)	400	800	(800)

A 1% increase in PLA's share of the PNPf would increase the deficit by £1,590,000 (2020 £1,590,000).

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

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

	PLAPF £000	PLAWWOPF £000	PLARBS £000	PNPF £000	ESLPS £000	Total £000
Within the next 12 months (next annual reporting period)	4,000	0	0	1,222	435	5,657
Between 2 and 5 years	14,667	0	0	5,318	1,740	19,985
Between 6 and 10 years	0	0	0	2,938	1305	2,938
<b>Total expected payments</b>	<b>18,667</b>	<b>0</b>	<b>0</b>	<b>9,478</b>	<b>3,480</b>	<b>28,580</b>

## Historical pension information

	All Company Schemes				
	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Fair value of scheme assets	447,969	437,899	418,335	375,845	404,902
Present value of scheme liabilities	(458,886)	(504,030)	(480,372)	(452,215)	(476,700)
Defined benefit pension scheme deficit	<b>(10,917)</b>	<b>(66,131)</b>	<b>(62,037)</b>	<b>(76,370)</b>	<b>(71,798)</b>

## 28. CAPITAL MANAGEMENT

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

The primary objective of the Company's capital management is to effectively use its capital to fulfil its charter in ensuring 1) safe navigation on the river, 2) conserving the environment of the river, 3) supporting the development of the use of the river for commercial, leisure and passenger use. The Company has a significant liability relating to the PLA pension fund with an agreed long-term programme to reduce the pension deficit. The triennial valuation started in 2021 with the process to be concluded at the latest by end of March 2022. Cashflow forecasts show we can accommodate the capital commitments to maintain the business, maintain adequate working capital and make the deficit repayments.

In order to meet its overall objectives, the Company's capital management has been relatively risk adverse with the aim to protect its capital. This means that PLA has kept its cash to self fund its projects, initiatives and long term liabilities. In doing so the Company has not had to take on any debt to date. The Company currently has net assets of £142,462,000 (2020 net assets of £91,435,000).

The 100% subsidiary ESL, in order to meet its overall objectives, is risk adverse and aims to protect its cash as much as possible. The aim is to have as little debt as possible and to use its cash to fund the future purchase of vessels and to meet long term liabilities. ESL has a significant liability relating to the ESL pension fund with an agreed long-term programme to reduce the pension deficit. The triennial valuation started in 2021 with the process to be concluded at the latest by end of March 2022. Forecasts indicate ESL can maintain the business, maintain adequate working capital and make deficit repayments.

The Group currently has net assets of £145,826,000 (2020 net assets of £91,435,000). The Group and Company do not have any financial covenants that they are required to comply with.

## 29. RELATED PARTY TRANSACTIONS

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

Group & Company	Sales to related parties £000	Purchases from related parties £000	Board members remuneration £000	Amounts owed by related parties £000	Amounts owed to related parties £000
<b>Subsidiaries</b>					
2021	(143)	2,620	262	0	296
2020	0	0	0	0	0
<b>Joint venture - ESL</b>					
1st Jan to 30th March 2021	(46)	433	0	n/a	n/a
2020	(186)	2,570	0	3	238
<b>Key management personnel of the Group</b>					
2021	0	0	1,190	0	0
2020	0	0	918	0	0

### Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020 £Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year the PLA provided administration, management and services to Estuary Services Limited for which it charged £189,000 (2020 £186,000) and was charged £3,050,000 (2020 £2,570,000) for boarding and landing services. At 31 December 2021 the PLA owed £296,000 (2020 £238,000) to Estuary Services Limited for unpaid boarding and landing services received.

Key management personnel of the Group are the PLA Board. See page 44.

## 30. SUBSEQUENT EVENTS

Since the preparation of the accounts, there is a new global challenge following the shocking and abhorrent war in the Ukraine. The PLA has adopted a new sanctions policy, to ensure that we are fully compliant with all relevant UK regulations restricting vessels or goods seeking entry to the Port from any sanctioned country. Expectations are that oil will continue to be imported through the Port at similar volumes to expected as new sources are sought, so income should largely be preserved. The war in Ukraine has already lead to higher fuel prices which are a concern for 2022. As the price of fuel increases this will have an impact on our operational expenditure. This can be partly mitigated by a charges levy on pilotage boarding & landing services if required. The PLA has yet to fully understand the impact the war in Ukraine will have on business therefore management are reviewing the situation regularly and ready to put in place actions to reduce costs and delay capital projects to conserve cash if necessary.

## STATEMENT OF MEMBERS' RESPONSIBILITIES

### IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

- present fairly the financial position, financial performance and cash flows of the group and company;
- select suitable accounting policies in accordance with IAS8: Accounting policies, changes in accounting estimates and errors, and then apply them consistently;
- make judgements that are reasonable;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in the International Accounting Standards in conformity with the requirements of the Companies Act 2006, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company's financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the PLA will continue in business, in which case there should be supporting assumptions or qualifications as necessary; and
- state that the group and company has complied with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements.

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

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the PLA and enable them to ensure that the financial statements comply with Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981. They are also responsible for safeguarding the assets of the PLA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the integrity of the audited corporate and financial information included on the PLA's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORT OF LONDON AUTHORITY

FOR THE YEAR ENDED 31 DECEMBER 2021

We have audited the financial statements of Port of London Authority and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise consolidated income statement, consolidated statement of other comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated and company statements of cash flows and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the group's and of the Port of London Authority's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Harbours Act 1964, as amended by the Transport Act 1981.

## BASIS OF OPINION

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

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

## OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

## RESPONSIBILITIES OF THE MEMBERS

As explained more fully in the Statement of Members Responsibilities set out on page 87, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

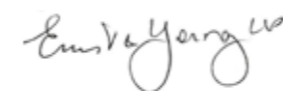
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant is Harbours Act 1964, as amended by the Transport Act 1981.
- We understood how Port of London Authority is complying with this framework by understanding the oversight of those charged with governance (i.e. considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings), the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by challenging the company's policies and procedures on fraud risks. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Consideration of fraud risks during the planning of and throughout our audit.
  - Inquiring of Management as to the risks of fraud and the controls in place.
  - Understanding the oversight by those charged with governance of Management's controls over fraud risk including the whistleblowing processes.
  - Consideration of the effectiveness of Management's controls designed to address the risk of fraud.
  - Determining an appropriate strategy to address those identified risks of fraud.
  - Considering the key management estimates in respect of pensions, investment property and industrial illness provisions for possible manipulation or evidence of possible Management bias or excessive optimism.
  - Use of data analysis tools to analyse and sample journal entries for testing, outside of the identified fraud risks, to detect other unusual transactions.

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

## USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with the Harbours Act 1964, as amended by the Transport Act 1981. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Port of London Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP,  
Statutory Auditor  
London

4 April 2022



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