

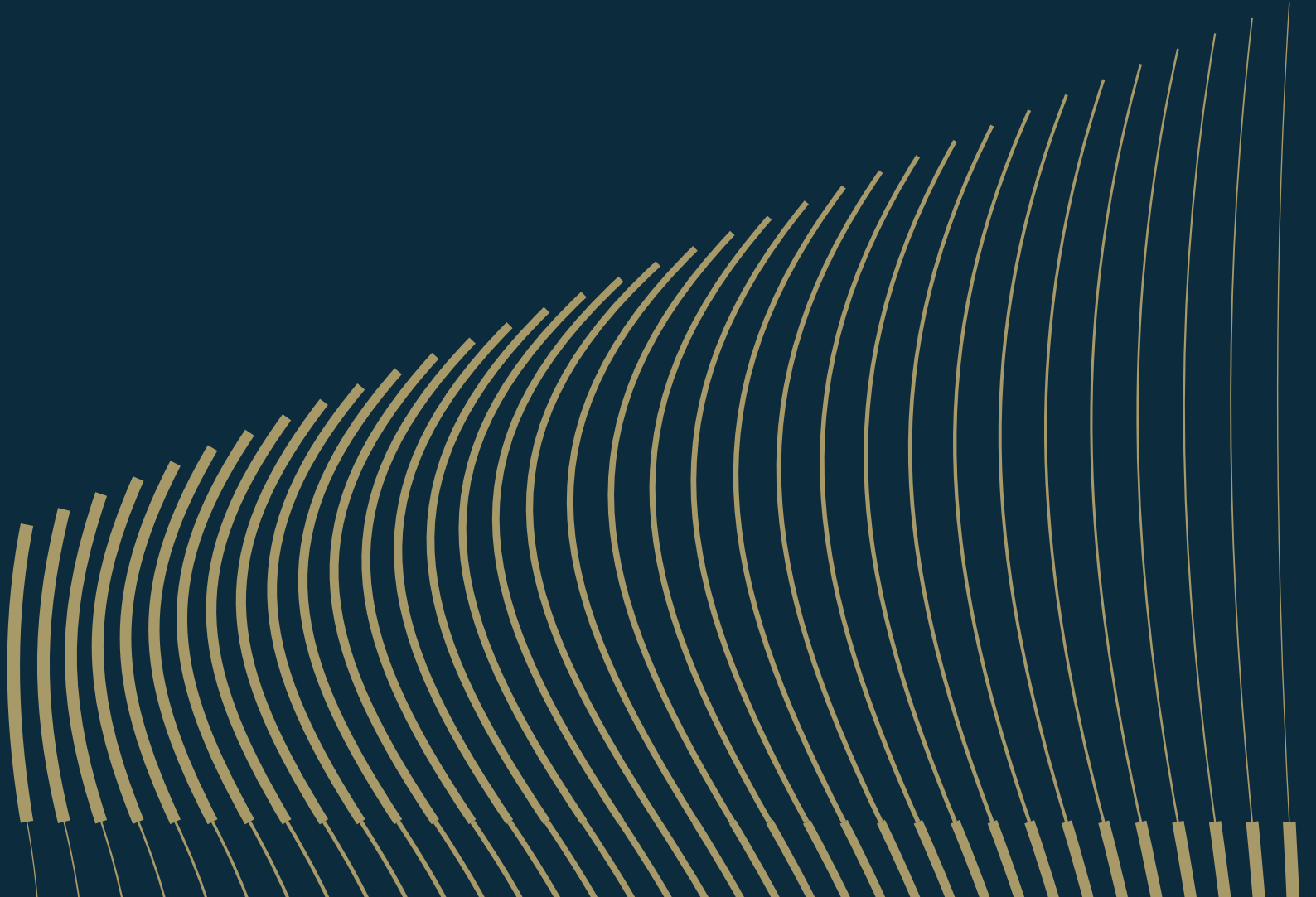


TRINITY HOUSE

# Report and Accounts

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FOR THE YEAR ENDED 31 MARCH 2024





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# Report and Accounts

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FOR THE YEAR ENDED 31 MARCH 2024

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# Directors of the Lighthouse Board

Captain Lance Batchelor

Rear Admiral Iain Lower CB

Captain Andy Holt

Commander Nigel Hare

Mr Antonius Damen

Mrs Valerie Owen OBE

Mr Alan Moore

Mr Curtis Juman

Mrs Natalie Gull

Mr Damien Oliver

Mr Thomas Arculus

Chair

Deputy Master / Chief Executive

Director of Operations

Director of Navigational Requirements

Director of Business Services

NED

NED

NED

Director of People & Culture (non-voting)

Director of Major Projects (non-voting)

Board Secretary/ Head of Legal and Estates

# Officers and Advisors

## Principal Office

Corporation of Trinity House  
Trinity House  
Tower Hill, London  
EC3N 4DH

## Auditors of the General Lighthouse Fund

Comptroller & Auditor General  
National Audit Office  
157-197 Buckingham Palace Road, Victoria  
London  
SW1W 9SP

## Bankers

Lloyds Bank PLC  
PO Box 72  
Bailey Drive  
Gillingham Business Park, Kent  
ME8 0LS

## Solicitors

Norton Rose Fulbright  
3 More London Riverside, London  
SE1 2AQ

# Chair's Foreword

**I**n February 2024 I moved across from the Trinity House Corporate Board, picking up from my predecessor Sir Alan Massey. Although I only joined the Board towards the end of the financial year, I have already been deeply impressed by the professionalism and dedication that I have seen across the GLA, as well as the extraordinary range of activities undertaken by the various teams in this compact organisation of around 300 people.

Our aids to navigation availability rate—the primary metric by which we measure our performance — has once again exceeded the requirement set by IALA. This achievement reflects a lot of hard work focused on delivery to ensure that our safety at sea services are performing their critical role in continuing to support our island nation's prosperity, security, protecting the environment - and saving lives.

The most critical issue we face at Trinity House is the retention of people, particularly the seafarers on our three ships. We continue to work with Government to align pay and conditions with comparable organisations to attract and retain staff to stabilise turnover to sustainable levels and deliver our statutory responsibilities.

The second topic that exercises the Board is the vitally important “vessel replacement project”. This has been ongoing for several years now without reaching the required outcome, and our ships are getting older and less reliable. The project has now been completely “relaunched” as Future Afloat, with a fresh team, fresh energy and a revised process. Good progress is being made. We must get this done, as both Patricia and Galatea are approaching end of life. The way the team has reshaped the project is ample evidence of the organisation's ability to evolve, adapt and learn.

This has been a period of substantial change for the Lighthouse Board. Curtis Juman has joined us as a new Non- Executive Director to replace Dr Margaret Amos following many years of invaluable service. Captain Andy Holt has taken over as Director of Operations and we have created a new role to manage the vessel procurement project, capably filled by Damien Oliver as Director of Major Projects.

Let me take this opportunity to thank my predecessor Sir Alan for his usual quiet professionalism as he drove forward a number of improvements to how we govern the GLA. Likewise, I extend my thanks as Chair for all the work done by the previous CEO, Captain Sir Ian McNaught, and his team.

I look forward to working with the Lighthouse Board team to pursue our new Strategy – Lighting the Way to 2035. —our ever-ready safety at sea services, our refreshed vessels replacement project and our drive to reinvigorate the culture of the organisation—for the good of not only the GLA employees but also the mariners who rely on Trinity House for safety at sea.



**Lance Batchelor**

Non-Executive Chair of  
the Lighthouse Board

# Chief Executive's Review

Since assuming the role of Deputy Master of Trinity House and Chief Executive of the General Lighthouse Authority in February 2024, it has been a very great pleasure to engage with the teams in our buoy yards and offices across England and Wales and of course in our ships at sea. Visiting Committees to the east and south coasts and the Channel Islands have been particularly useful in understanding what makes Trinity House tick. Across the board, I have been genuinely struck by the enthusiasm and sheer commitment to our mission from everyone I have met.

As the Chair notes, we continue to meet our targets. This reflects our singular focus on operational delivery to meet the Risk Response Criteria, the Buoy Servicing List and to rapidly rectify unserviceable equipment. In addition, noting the challenges that come with re-engineering historic buildings in the marine environment, each station demands considerable ingenuity from our people across the service.

Highlighting a few notable examples of Trinity House's achievements during 2023/24, we successfully completed lighthouse modernisation projects at Needles, Pendeen and Trevoise Head. Elsewhere, the project to decommission and remove Royal Sovereign Lighthouse off the south coast has been progressing well. A significant milestone was reached on 1 October 2023, when the topsides were removed, with the 'Pepperpot' preserved and gifted to the Bexhill Maritime visitor centre for posterity. Stage one is now complete, removal of the pillar is well underway and on track for completion in November 2024.

There are however challenges; staff turnover and the vessel replacement programme have been highlighted by the Chair and are very clear priorities for the Executive Team to address. Within the context of a new strategy – Lighting the Way to 2035 - and refreshed values, we are also focussed on improving availability of the current fleet, modernising our operational estate, continuously improving health, safety and risk management, and strengthening the governance and understanding of sustainability right across the organisation.

One very clear strength I observe is Tri-GLA Cooperation. Whether in procurement, risk mitigation, Coordinated Fleet Management or the sharing of best practice, there is a tangible sense of working together as a team to better deliver a cost effective and efficient AtoN service. Our work with IALA, as it transitions to Inter-Governmental status, is increasingly important as it becomes ever more central to harmonising international standards and protecting the marine environment.

We will also take the opportunity to grow, where possible, commercial income, by utilising the irreducible reserve capacity in our buoy yards, operational assets, vessels and elsewhere to offset our statutory delivery costs.

Reflective of the changing project governance and cyber security environment, I note the Head of Internal Audit's moderate assurance rating. The Executive Directors and Senior Management team are implementing initiatives to address the recommendations in a timely fashion.

I would also like to echo the Chair's welcome to the new team, both Captain Andy Holt and Damien Oliver bring deep reserves of experience and insight to their respective roles. I would also like to thank Commodore Rob Dorey, the outgoing Director of Operations, for his many years of dedicated service and wish him well for the future. I must also thank my predecessor Captain Sir Ian McNaught for a warm welcome, and for devoting so much of his time to providing me with such a comprehensive handover. I am very grateful.

I will conclude by thanking everyone at Trinity House, whatever their role, for their hard work, their professionalism and their commitment to our mission as a General Lighthouse Authority for the benefit and safety of all mariners.



**Rear Admiral Iain  
Lower CB**

Chief Executive of the  
Lighthouse Board

# Performance Report

## OVERVIEW

### Aims, Objectives and Regulation

Under the Merchant Shipping Act 1995, the Corporation of Trinity House is appointed as the General Lighthouse Authority (GLA) for England and Wales, the Channel Islands and Gibraltar with the responsibility for the superintendence and management of all lighthouses, buoys and beacons within its area. Trinity House has various powers and responsibilities in connection with:

- The provision, maintenance, alteration, inspection and control of lighthouses, buoys and beacons;
- The marking and removal of wrecks where such area does not lie within or near an approach to a harbour or conservancy authority;
- Commercial activities;
- Europa Point Lighthouse in Gibraltar;
- Residual pension liabilities in respect of former employees of the Imperial Lighthouse Service in the West Indies and Sri Lanka.

Trinity House is a multi-skilled organisation providing a highly technical and specialised professional service. The primary aim of Trinity House in its capacity as a GLA per our mission statement is:

**“To deliver a reliable, efficient and cost effective aids to navigation service for the benefit and safety of all mariners.”**

Our mission and objectives are further explained in the Trinity House Strategy included on page 12 of this report.

These accounts are prepared by Trinity House in respect of its function as a GLA in accordance with a directive made by the Department for Transport (DfT) under the powers of the Secretary of State. The accounts are subsequently consolidated to form part of the General Lighthouse Fund (GLF) Accounts.

### Performance and Progress

Trinity House is financed by advances made by the DfT from the GLF, which derives its principal income from Light Dues levied on ships using ports in the United Kingdom and the Isle of Man. The GLF receives additional income from the Republic of Ireland Exchequer following an agreement effective from 1 April 2015, to ensure Irish expenditure is wholly met from Irish income. These advances, based on the annual cash requirements of Trinity House, finance both revenue and capital expenditure and are credited in the Statement of Comprehensive Net Income. In addition, Trinity House has sundry receipts in the form of buoy rentals, property rents, contractual services, grant funding and the proceeds from the sale of assets becoming surplus to requirements. All such disposal proceeds are transferred to the GLF.



## **Going Concern**

These accounts have been prepared on a going concern basis, as Trinity House is satisfied that its activities are sustainable for the foreseeable future. The Statement of Financial Position at 31 March 2024 shows net assets of £97.7m. Advances for 2024/25, taking into account the amounts required to meet the Board's liabilities falling due in that year, have already been included in the GLF forecasts for that year, and DfT has officially sanctioned the 2024/25 budget in a letter received on 5 February 2024.

# PERFORMANCE ANALYSIS

## Financial Performance

The financial performance of Trinity House against the annual budget limit set by the Secretary of State for Transport as set out below in tabular format.

Against the Department approved 2023/24 budget sanction Trinity House made cost efficiency, and timing savings of £15.3M against budget.

The main drivers of the savings against budget (on a cash basis) exist of:

- £9.6m relates to revised timing assumptions on the Royal Sovereign Decommissioning project. The Royal Sovereign decommissioning contract allows for a contractor three-year performance window between 2023–2026 and therefore Trinity House received the full sanctioned amount in the 2024/25 budget.
- Running cost savings and efficiency of £2.5m relates predominantly:
  - To recruitment and retention challenges across the shore-based and seafarers workforce with a number of gapped post. During 2023/24 Trinity House employed and average 286 FTE vs a budget of 306 positions with a corresponding financial impact on staff costs and pensions.
  - The difficulties of retaining and recruiting a number of colleagues combined with declining vessels and contractor availability resulted in a reduced level of maintenance and capital investment program being completed during 2023/24 which caused further reduced maintenance spend on running cost.
- Trinity House continues to work with the Department and wider government to address Trinity House Reward value which has fallen behind the market and our direct comparatives which has a significant negative impact on our ability to recruit and retain current and future employees.
- During 2023/24 we continued to see favourable price benefits impacting the vessels fuel – this created a budget saving of £0.8m.
- Capital underspend £1.4m, the combination of recruitment and retention, contract availability challenges saw a reduced level of capital spend. Furthermore, following the technical capability now to deliver a Buoy Solution to replace the lightvessel fleet in specific positions Trinity House is unlocking a number of value for money savings and future capital reductions which assisted a capital reduction during 2023/24 of £0.4m and a future capital avoidance of c£10m.
- Net income of £2m, typically earned from off-shore renewable buoy rental agreements and vessel attendance, continuous to be a beneficial contributor to offsetting the statutory function cost and capital program. Trinity House is an active participant in various competitive tenders and continues to apply full costing in its pricing approach.

|   | <b>Actual Expenditure</b> | <b>Cash Limits</b> | <b>Variance</b> |
|---|---------------------------|--------------------|-----------------|
|   | <b>£000s</b>              | <b>£000s</b>       | <b>£000s</b>    |
| Running Costs                             | 29.8                      | 32.3               | (2.5)           |
| Employer Pension Costs                    | 3.1                       | 3.6                | (0.5)           |
| Net Income                                | (1.9)                     | (2.1)              | 0.2             |
| Capital Expenditure                       | 4.3                       | 5.7                | (1.4)           |
| Capital Expenditure on Behalf of all GLAs | 0.1                       | -                  | 0.1             |
| Other Trinity House Costs                 | 0.1                       | 1.1                | (1.0)           |
| Exceptional Expenditure                   | 8.3                       | 17.9               | (9.6)           |
| Expenditure on Behalf of all GLAs         | 1.7                       | 2.3                | (0.6)           |
| Expenditure on Behalf of DfT              | 0.3                       | 0.2                | 0.1             |
| <b>Total</b>                              | <b>45.7</b>               | <b>61.0</b>        | <b>(15.3)</b>   |

<sup>1</sup>It should be noted that the non cash increase in decommissioning provisions are not included in the above analysis. The cash outflows from these provisions will be shown in the years in which they are paid, currently estimated during 2023-2026.

## Analysis based on the primary financial statements

The financial results for the year, set out in the Statement of Comprehensive Net Income (Page 43), show a surplus of £8.1m for 2023/24 (deficit £7.9m 2022/23). Operating income and expenditure for the year were within management expectations and DfT approved sanction as set out above. The surplus largely results from the Royal Sovereign full contract value sanction received including estimated contingencies. For value for money reasons, the fixed price Royal Sovereign Decommissioning contract signed in April 2023 contains a three-year performance window which required Trinity House to seek approval for the full contract value including contingencies from the Department for Transport in late 2022 well ahead of contract signing. The initial phases of the Royal Sovereign project were executed and drawn down as an advance from the GLF for £7.9m, during 2023/24 and reported as Income advances and as a cash utilisation against the Decommissioning provisions (note 18 of these accounts). Since signing the contract in April 2023, Trinity House reassessed the contingent risks and forecasted expenditure and reduced its provision estimates by £2m into the Statement of comprehensive Net Income. The second phase of the Royal Sovereign decommissioning project is anticipated to take place in autumn 2024 with the performance window closing in 2026.

Including Other Comprehensive Income, the Statement of Comprehensive Net Income (SoCNI page xx ) reports a net surplus for the year of £12.7m (deficit £23.8m 2022/23). This large surplus takes into account of unrealised gains and losses on Property, Plant and Equipment which have been adjusted in line with upward market indices covering steel and specific construction indexes.

Following 2022/23 which saw net losses to the revaluation reserve of £14m, the market has since stabilised and as a result there is a net gain of £6.7m as a result of these revised indexes in 2023/24. The main drivers are as follows:

- The revaluation of THV Galatea contributed a gain of £3.4m following a valuation of £12.5m during 2023/24.
- Buildings have seen a net increase of £2.7m, with the largest increases on Bishop Rock Lighthouse (£0.3m), Nab Tower Lighthouse (£0.3m) and Hanois Lighthouse (£0.2m).

A net surplus of £6.0m was transferred to the General Reserve (net deficit £9.8m 2022/23).

Surpluses reported in the SoCNI (page xx ) increased the net worth of Trinity House, as shown on the Statement of Financial Position (SoFP), to £97.7m, (£85.0m 2022/23). Most of the Trinity House

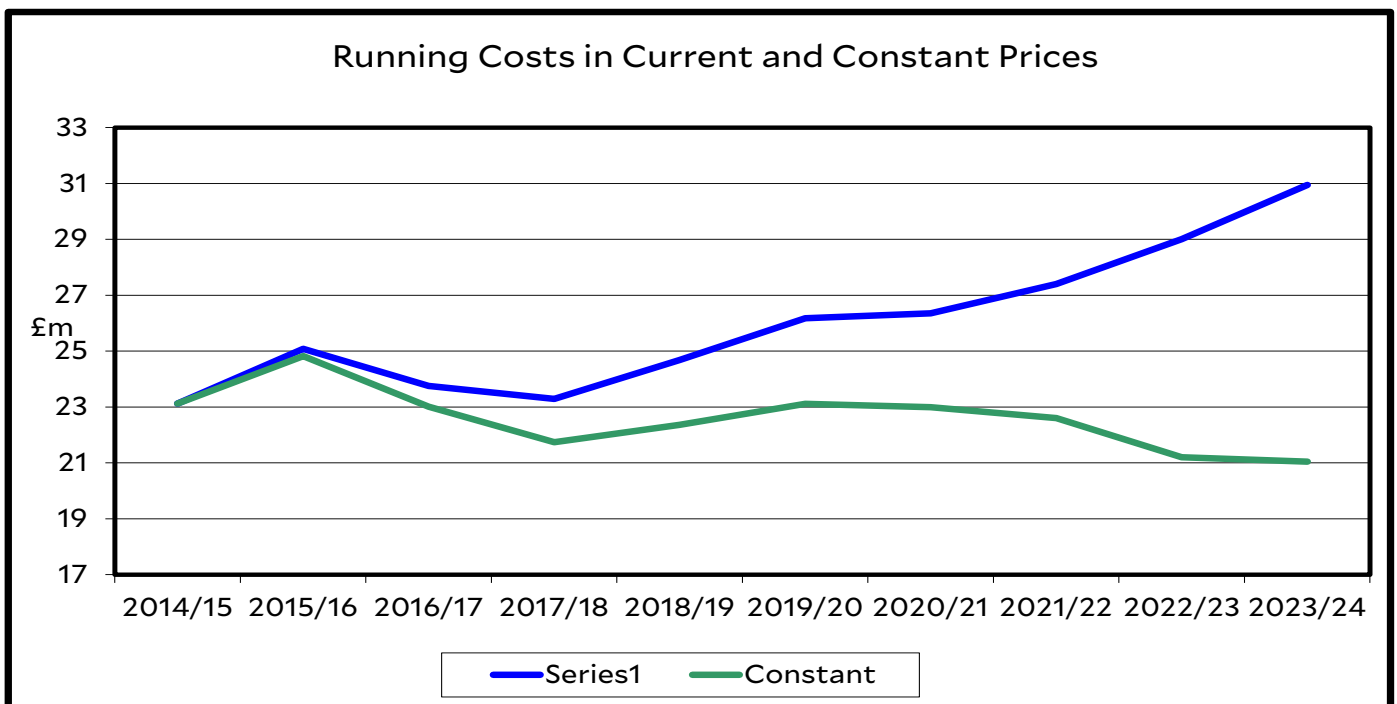
assets are held at Fair Value and re-assessed annually showing significant strength in Trinity House's financial position.

The Net Cashflow from all activities (page 46) shows a deficit of £0.3m. The cash drawdown was below budget for the reasons provided in the Actual v Sanction Analysis commentary set out before, and accruals for 2023/24 do not draw cash until 2024/25. Funds are only drawn down from the GLF based on the profile of cash required for the following period, thus liquidity is all handled within the GLF and not within the Trinity House accounts.

## Running Costs in Current and Constant Prices

Set out below is an analysis of our running costs over the last ten years, showing the trend of costs, both in current terms and on the basis of constant prices, having taken account of RPI inflation. Running costs have fallen in constant price terms from £23.1m in 2014/15 to £19.0m in 2023/24; a reduction of 18%.

|                                    | 2014/15<br>£m | 2015/16<br>£m | 2016/17<br>£m | 2017/18<br>£m | 2018/19<br>£m | 2019/20<br>£m | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Running Costs                      | 23.1          | 25.1          | 23.8          | 23.3          | 24.7          | 26.2          | 26.4          | 27.4          | 29.0          | 30.9          |
| Variance %                         |               | 8.5%          | -5.3%         | -2.0%         | 6.0%          | 6.0%          | 0.7%          | 4.0%          | 5.9%          | 6.7%          |
| Running Costs<br>(Constant Prices) | 23.1          | 24.8          | 23.0          | 21.7          | 22.4          | 23.1          | 23.0          | 22.6          | 21.2          | 21.0          |
| Variance %                         |               | 7.3%          | -7.3%         | -5.5%         | 2.9%          | 3.4%          | -0.5%         | -1.7%         | -6.2%         | -0.8%         |
| Average RPI                        | 256.7         | 259.4         | 265.0         | 274.9         | 283.3         | 290.6         | 294.2         | 311.2         | 351.2         | 377.5         |



## Main Financial and Governance Events

- The main financial events during the year were:
- Staff recruitment and retention challenges impacting operational and capital delivery resulting in reduced spend against sanction of £3m;
- Maintained a satisfactory year-end audit report from NAO;
- Achieved a moderate assurance rating from Head of Internal Audit;
- ISO recertification/renewal
- Achieved Commercial Income of £1.9m;
- Awarded a commercial contract to supply navigational buoys at the Dogger Bank Windfarm Development;
- Successfully completed the first phase of the Royal Sovereign project;
- Appointment of a new Chief Executive, Chair, Director of Operations and Non-Executive Director to the Lighthouse Board;
- Following the unsuccessful Vessel Replacement Projects to replace THV Patricia the lessons learned review highlighted project delivery capacity constraints which resulted in the establishment of the Major Project team and recruitment of a Major Project Director.

## Expenditure on Tangible and Intangible Non-Current Assets

During the year to 31 March 2024, expenditure on non-current assets was:

|                      | <b>2023/24<br/>£000</b> | <b>2022/23<br/>£000</b> |
|----------------------|-------------------------|-------------------------|
| Work in Progress     | 2,241                   | 1,252                   |
| Tenders <sup>1</sup> | 1,026                   | 2,782                   |
| Lightvessels         | 472                     | -                       |
| Buoys and Beacons    | 158                     | 508                     |
| Plant and Machinery  | 427                     | 154                     |
| Computer Equipment   | 139                     | 425                     |
| Intangible Software  | 98                      | 10                      |
| <b>Total</b>         | <b>4,561</b>            | <b>5,131</b>            |

<sup>1</sup> Tenders includes Right-Of-Use (ROU) Assets additions.

Major capital spend during the year took place on Needles, Pendeen and Trevoze Head Lighthouse modernisation projects. Investment was made in new Electronic Navigation equipment for THV *Galatea* and work was carried out on THV *Patricia* to extend the life of the asset and keep the vessel in service until her replacement is brought in to service. Lightvessel 24 underwent a Dry Dock & refit, plus a modernisation of all Aid to Navigation equipment on board.



Major capital spend during the year took place on Needles, Pendeen and Trevoe Head Lighthouse modernisation projects

## Key Performance Indicators (KPI)

The three GLAs continue to evaluate their performance against the agreed schedule of inter-GLA KPIs.

Within Trinity House, key performance indicators are used at a number of levels to advise management and influence behaviour. The KPI software is now embedded within the monthly reporting process and provides graphical evidence for Directors and Senior Management of performance against given targets.

The core business of Trinity House is reflected in its Mission Statement: “To deliver a reliable, efficient and cost effective Aids to Navigation service for the benefit and safety of all mariners”. The Board measures its performance against this Mission by the use of different indicators, which together show both the effectiveness and the economic cost of the service provided. The Board continues to refine its KPIs so that they remain consistently reflective of the statutory requirements placed on Trinity House and of our own ‘Priorities’ to improve the way in which business is conducted with the aim of decreasing costs, whilst maintaining the quality of service to the mariner and other stakeholders.

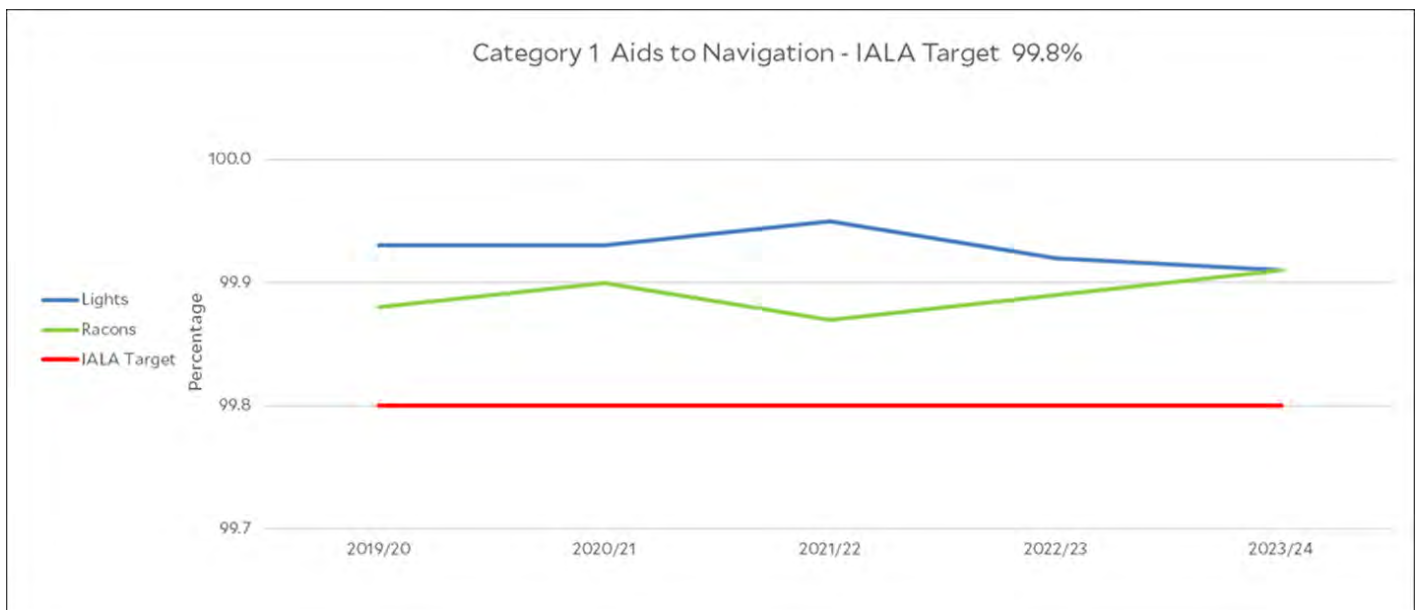


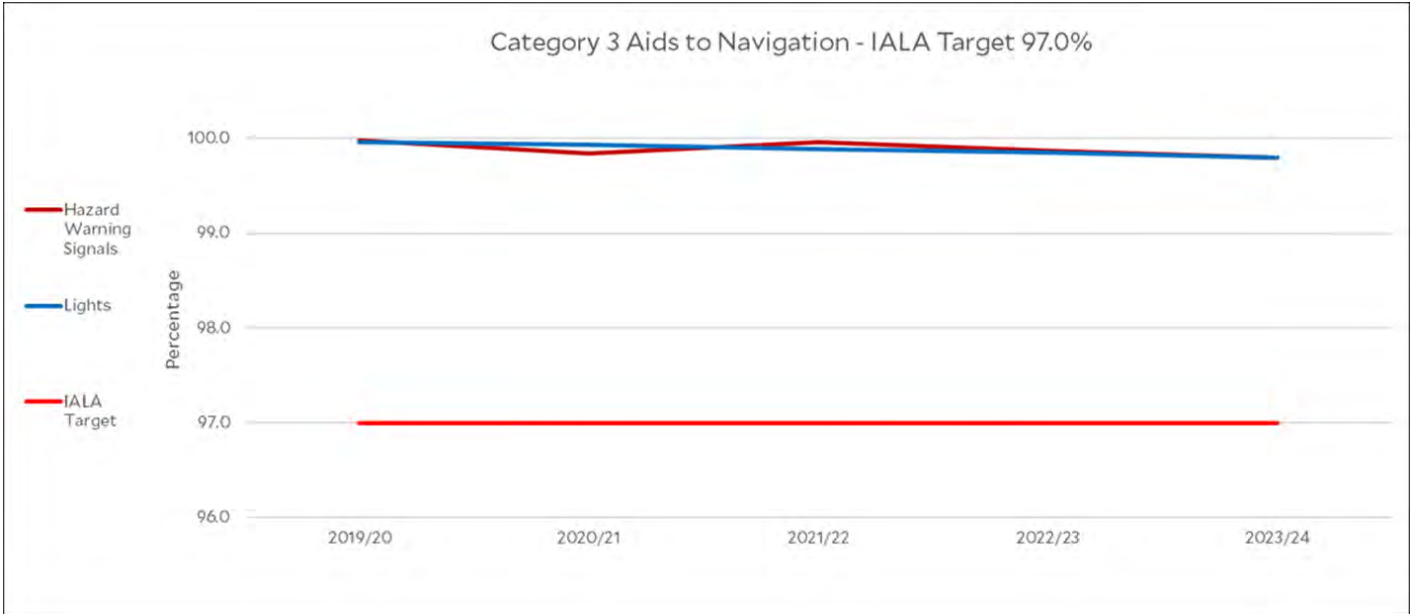
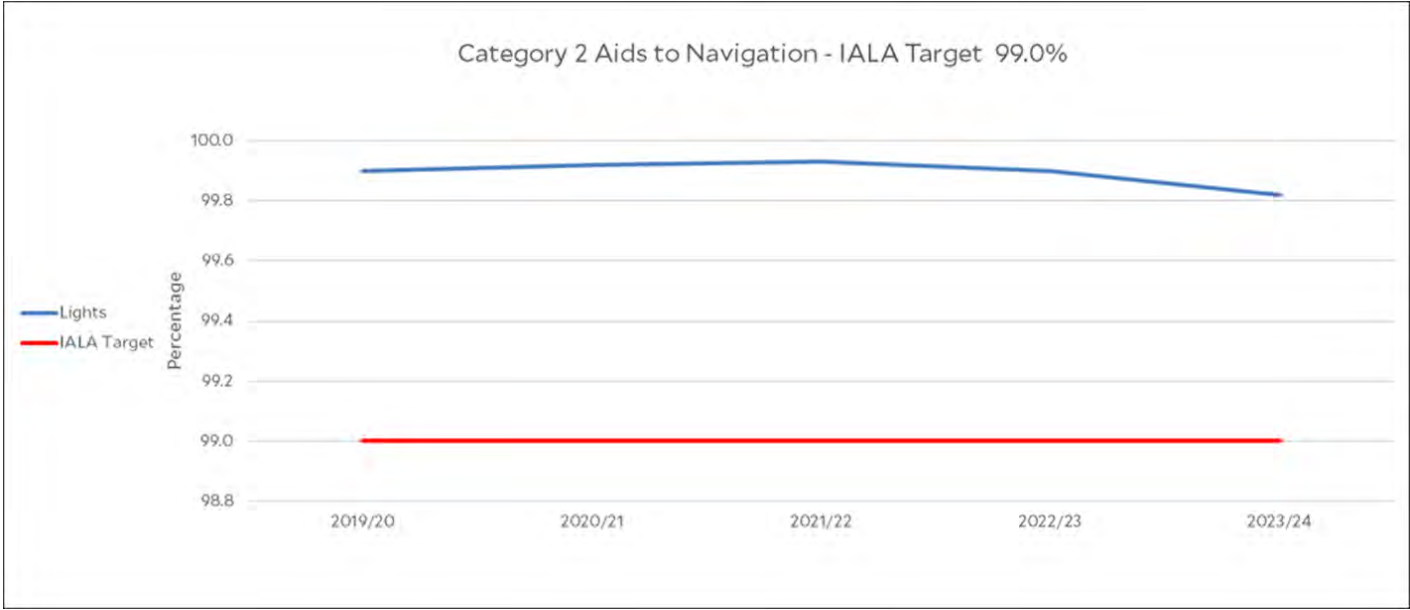
## Aids to Navigation (AtoN) Availability

Availability of AtoN is the prime factor in any measurement to demonstrate compliance with our statutory responsibilities. The standards which we measure against are those recommended as the minima by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA). The figures shown below are produced in accordance with those standards, and show three-year rolling averages under the various categories of Aids to Navigation and against the minimum availability required for each category. It can be seen that in all three categories, our service has exceeded those minima in all years covered by the review. We consider this a major achievement and indeed a significant contribution towards the ongoing safety of all mariners.

### Aids to Navigation Availability - Three Year Rolling Averages for Financial Year

| AtoN Type              | Category | IALA Min | 2019/20 % | 2020/21 % | 2021/22 % | 2022/23 % | 2023/24 % |
|------------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| Lights                 | 1        | 99.8%    | 99.93     | 99.93     | 99.95     | 99.92     | 99.91     |
| Racons                 | 1        | 99.8%    | 99.88     | 99.90     | 99.87     | 99.89     | 99.91     |
| Lights                 | 2        | 99.0%    | 99.90     | 99.92     | 99.93     | 99.90     | 99.82     |
| Hazard Warning Signals | 3        | 97.0%    | 99.98     | 99.84     | 99.96     | 99.87     | 99.80     |
| Lights                 | 3        | 97.0%    | 99.96     | 99.93     | 99.89     | 99.85     | 99.80     |





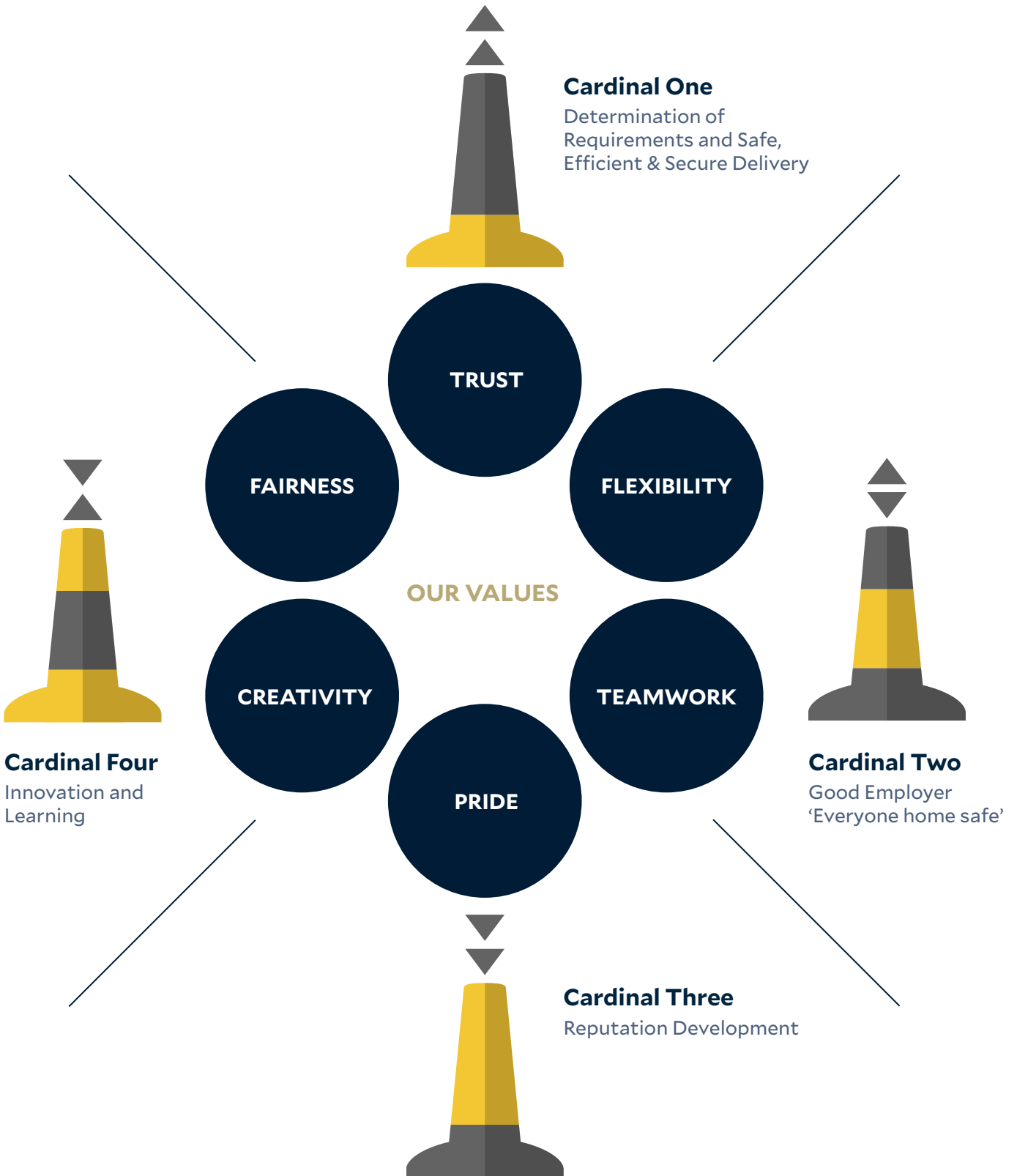


# Our Mission

To deliver a reliable, efficient and cost effective aids to navigation service for the benefit and safety of all mariners

# Our Vision

To be a trusted world-class aids to navigation authority and regarded as such by our stakeholders



## Trinity House's Strategy

Trinity House will strive to provide an uninterrupted, efficient, maritime safety service 24/7, 365 days a year by means of combining an emergency response capability for wrecks and new dangers with a careful blend of reliable fixed and floating strategic navigation assets around the coasts of England, Wales and the Channel Islands. Trinity House has a statutory responsibility for the superintendence and management of aids to navigation covering a complex region of shallow and ever changing waters. Its waters are the access routes into the main ports of the United Kingdom while, at the same time, also include the major shipping lanes to and from the major northern European ports.

As per the Maritime Growth Study, the shipping industry is a major enabler to the UK economy and 95% of UK international trade is moved by sea. As an independent trading nation, the ongoing need to further diversify and enhance the United Kingdom's trade position, safeguarding shipping and the environment in which it operates is now more important than ever.

Trinity House periodically reviews its strategy, taking into account the level of inward and outward freight through English and Welsh major ports, which represents 85% of total UK inward and outward freight in tonnes. Trinity House developed a comprehensive strategy to sustain and meet current demand as a safety function now and in the future. The strategy builds on tradition, heritage and embracing innovation, and includes Trinity House's mission, vision, values and priorities.

The strategy shown diagrammatically on the previous page illustrates and summarises the key strategic priorities of Trinity House.

## Values

Our success is characterised by our values that are widely shared and reflected in our everyday actions. These standards govern our behaviour and define our culture. Our values are:

- Trust - We trust each other and are trusted by others.
- Flexibility - We look at what is needed and embrace change.
- Teamwork - We support each other to succeed.
- Pride - We take pride in what we do and what we strive to achieve in our organisation.
- Creativity - We encourage innovation and creativity.
- Fairness - We treat everyone fairly and celebrate achievement.

## Our Stakeholders

In order to achieve our vision, it is imperative that we clearly identify our stakeholders and involve them in our future development plans. These stakeholders include the Mariner, the Shipowner, Central Government and Parliament, IALA, commercial customers, Port Authorities, other GLAs and our Staff.

In order to monitor and evaluate our progress, stakeholder feedback will be gathered and used to identify priorities and actions moving forward.

## Trinity House's Priorities

In order to achieve our Vision, Trinity House needs to grow and develop as a business. Four key Cardinals have been identified that will enable us to continue to improve and be the best we can be.

Cardinal One – Determination of Requirements and Safe, Efficient & Secure Delivery

Supported by:

Cardinal Two – Good Employer

Cardinal Three – Reputation Development

Cardinal Four – Innovation and Learning

## Implementation and Delivery

In order to progress and achieve our goals in terms of these Cardinals, an operational plan is developed that identifies key actions for the financial year. The implementation of this plan translates our Strategy into operational level actions that are measurable and can be evaluated in terms of their impact and success.

## Current Developments and Performance

Discussed below are some of the key achievements during the year against each of the key Cardinals:

### Cardinal One - Determination of Requirements and Safe, Efficient and Secure Delivery

Our goals for this Cardinal are:

- Deliver the UK commitments to SOLAS for determining and providing such aids to navigation as the volume of traffic justifies and the degree of risk requires and our responsibilities under the Merchant Shipping Act;
- Meet international requirements, standards and recommendations;
- Meet the requirements of the Risk Response Criteria across our areas of responsibility;
- Maintain control of our strategic assets to meet our statutory responsibilities;
- Proactively manage our estate to meet long-term delivery requirements;
- Exploit our reserve capacity without impacting our statutory responsibilities;
- Deliver within the financial remit agreed between Department for Transport and Trinity House.

## Setting and Reviewing Requirements

The Examiners Committee, chaired by the Director of Navigational Requirements (DNR), sets the requirements for Aids to Navigation in the designated Trinity House jurisdiction. The Committee met on eight occasions over the year. The standard annual reviews of the requirement for 24 hour lights, hazard warning signals and major floating aids were conducted. Of particular note was;

- The engagement with Department for Energy Security and Net Zero on review of National Policy Statement EN-3 on Renewable Energy,
- Full Navigation Requirement Review on the range of Wolf Rock Lighthouse,
- Engagement with Planning Inspectorate on the Sheringham shoal and Dudgeon Windfarm Extensions,
- Review of Long Sand Head Buoyage and proposed a new buoy for deployment,
- Full Navigation Requirement Review on St Ann's Head Lighthouse,
- Review of Port Talbot Harbour Limits with the requirement to transfer Ledge and Grounds Buoys to ABP South Wales,
- Review of local buoyage at Gunfleet Sands Windfarm and the discontinuance of the Starboard Lateral Mark, and
- The proposed discontinuance of East Goodwin Lightvessel and replacement of Greenwich Lightvessel with a Type 1 Safe Water Mark Buoy.

In 2023 the Examiners considered 690 applications to add, change or remove seamarks. These applications came mostly from the Marine Management Organisation, National Resources Wales, Department for Business, Energy & Industrial Strategy (BEIS) with others coming directly into Trinity House. This was an increase of 9% on the previous year. Applications continue to cover the broad spectrum of marine activities ranging from the placing of yacht racing marks to the marking of offshore wind farms and the decommissioning of oil and gas platforms. In addition nine new wrecks were considered by the DNR of which five required a response by our vessels but none required the deployment of Emergency Wreck Marking Buoys.

## Safe, Efficient and Secure Delivery

The capital plan for the modernisation of the lighthouse estate for this financial year was delivered within the approved budget envelope. Modernisation projects were completed at Trevoise Head, Pendeen and The Needles, while preliminary works and procurement activity was carried out for Cromer and Skerries which are planned to be delivered in 2024/25. In addition a regime of inspection and maintenance was carried out across the whole lighthouse estate.

Aids to Navigation availability during the year was, Category 1 99.91% (target 99.8%), Category 2 99.82% (target 99.0%) and Category 3 99.80% (97.0%), as a result all categories of Aid to Navigation operated above the IALA minimum standards. The Risk Response Criteria measured within

the 6 hours, 12 hours & 24 hours areas were 95.31%, 92.21% and 99.83% respectively; all measures were achieved within the agreed targets.

Lightvessel 24 underwent a Dry Docking and refit project and will be deployed to the Foxtrot 3 station in the English Channel in the summer of 2025. THV Alert also underwent a scheduled Dry Docking in Lowestoft while works continued of THV Patricia to maintain her serviceability for the coming years until a replacement vessel is delivered.

The vessels have delivered a number of commercial contracts, including buoyage for the Dogger Bank C Offshore Wind Farm, which have earned significant income for the GLF without putting our statutory duties at risk.

## Cardinal Two – Good Employer, “everyone home safe”

Trinity House continues to strive to be an employer of choice. Recognising the external challenges and risks that we face that impact attraction and retention of our employees, Trinity House has during the year, launched its People Strategy 2024-28. The aim of the strategy is to “Create the right conditions to ensure we successfully attract, motivate, develop and retain a diverse, capable and flexible workforce”.

The People Strategy will support the corporate strategy priorities by:

- Providing authentic and visible leadership to give direction, inspire, encourage, and ensure engagement and effective collaboration.
- Creating the right conditions to ensure we successfully attract, develop, and retain a diverse and flexible workforce
- Establishing a holistic capability framework that ensures that we have the right people and skills when we need them
- Strengthening our organisational capability and resilience to innovate, adapt and achieve our corporate priorities and objectives
- Ensuring that people have the skills and tools to achieve best value and optimise opportunities.

To achieve the delivery of the strategic objective we have translated these priorities into six themes, namely:

### Insights and Action

This theme is all about getting ahead of the curve and investing in our future, ensuring the best people are in the right place when we need them.

### Creating the Right Conditions

This theme links strongly to Employee Survey outputs and begins to address the leadership priorities to help us to safely and successfully deliver our objectives.

## **Resourcing**

Resourcing touches every part of the employee lifecycle, from talent attraction to managing exit from the organisation in a way that boosts our reputation as a good employer.

## **Pay and Reward**

This theme is about valuing our people and recognising their contribution, ensuring that we take every opportunity to successfully achieve the best outcomes possible for TH.

## **Organisational Capability**

This theme is about investing in our people and strengthening our organisational capability. It supports our commitment to becoming a learning organisation, where individual competence and organisational capability can be strengthened.

## **Well-Being**

This theme is all about building better working lives and is central to our approach to improve communication, engagement and involvement activities.

## **Cardinal Three – Reputation Development**

Trinity House enjoys a reputation as a leading voice in the maritime community in general and as a leading member of the international aids to navigation community in particular. We seek to maintain and enhance this reputation by engagement with all stakeholders of the organisation, for example, working extensively with DfT and wider Government as Trinity House and via General Lighthouse Authorities Research and Development (GRAD) on wider General Lighthouse Authority and national interests such as resilient PNT / E-Loran, Renewable Energy offshore developments.

Taking a leading role to pro-actively engage with the wider maritime community via the Joint User Group meetings it chairs, and was held on board THV Galatea during London International Shipping Week. Periodically Trinity House engages a third party survey company which initiates a deep dive survey on our reputation with all our stakeholders.

In September 2023, we showcased Trinity House's capability and presence at London International Shipping Week by bringing THV Galatea into London alongside HMS Belfast in the Pool of London, she acquitted herself superbly as a venue for several major events and distinguished visitors including His Excellency the Ambassador of Ukraine.

Trinity House retains a strong presence at the IALA by active participation and contributions via GRAD and our own colleagues having leading positions at IALA council level and committees. Via the wider Corporation of Trinity House, we are the preeminent maritime charity that assists and funds some of the leading "ground" level charities and a number of

Executive Directors have trustee roles in those charities.

Trinity House Cadet Scheme – for which the GLA function provides positions on Trinity House vessels, is a well-recognised feeder of quality officers for the UK maritime industry and creates a number of junior ambassadors at no expense to the GLF and an outreach policy in respect of schools and colleges, to encourage career options in the maritime and engineering sectors.

## Cardinal Four – Innovation and Learning

Within the Tri-GLA structure, GRAD, the General Lighthouse Authorities research and development team, has responsibility for Research and Development on behalf of all three GLAs.

Over the year, the GRAD team has provided significant input to the UK Government's resilient PNT activities, supporting the newly formed PNT Programme Office and other government departments. At the same time, the team has progressed complementary positioning services, such as radar absolute positioning and R-Mode via the VHF Data Exchange System. Our work on these technologies helps to shape future resilience options for mariners within our waters and further afield.

Similarly, GRAD has supported the use of Satellite Based Augmentation Systems (SBAS), both in terms of emerging policy and the technical nature of how this information should be used on the bridge of a vessel. Through the team's engagement in the ESA funded INSPIRE project, they have been able to leverage engagement with academic and industrial partners to progress our algorithms and approaches that will help ensure the navigation information used at sea is reliable and safe.

GRAD staff working within the digital services theme have also had a successful year progressing the development of authenticated services, specifically the approach to authenticating virtual Aids to Navigation. Awareness as to the need for authentication in the maritime sector continues to grow and GRAD has been working with the Maritime Connectivity Platform and others, to advance the technology and overall approach required to secure safety related information.

The team has incorporated new software security standards in the GRAD digital services test bed, as well as introducing the first iteration of S-100 messages into the test environment. This capability allows us to inform and test emerging standards and message structures, whilst exploring how we may share information with other maritime stakeholders in the future.

Aside from the GRAD team, TH also is a significant contributor to the IALA World Wide Academy, with TH staff developing and running a number of AtoN Manager courses from its Harwich depot. With attendees coming from all over the world to study at these events.

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The General Lighthouse Authorities' research and development team has provided significant input to the UK Government's resilient PNT activities

## **Futures Afloat**

A new programme has been established to take forward the work to replace Trinity House's multi-function buoy handling tenders over the course of the next several years.

An Outline Business Case sets out the parameters for the commercial strategy that supports this work.

A Prior Information Notice was published to signal to the market Trinity House's intention to replace its ships. A separate Request for Information secured valuable insight from the market to inform Trinity House's market strategy. An open day was held for the industry in July to set out the vision for Futures Afloat.

Subject to the appropriate approvals being obtained, it is planned to launch the formal procurement in late 2024 or early 2025.

## **Royal Sovereign Lighthouse**

Trinity House established Royal Sovereign Lighthouse in 1971 with a design life of 50 years. Having monitored the fabric of the lighthouse over the last decade and observing the expected signs of deterioration, Trinity House concluded that the ongoing safety of the mariner required that the structure be decommissioned and removed.

Royal Sovereign Lighthouse provided over 50 years of reliable service as an aid to navigation.

Before Trinity House decommissioned the lighthouse, it upgraded nearby Beachy Head Lighthouse, increased the capability of the offshore CS2 buoy and retained the nearby Royal Sovereign buoy.

Following a competitive tender process, Trinity House signed a contract with marine contractors Herbosch-Kiere to carry out the works to remove the lighthouse. The station's service as a marine aid to navigation ended when Trinity House decommissioned the navigation light on 21 March 2022.

The contract—worth approximately £17 million—was signed at Trinity House's London headquarters on 4 April 2023, including a three year performance window, giving the contractor the necessary flexibility to work with the changing and challenging marine conditions.

The first phase of work, which included the removal of the Topside Cabin Platform and its transport to Shoreham for deconstruction was successfully completed in October 2023. Since then, work has continued on the design and planning for the second phase of the project to remove the concrete pillar section.

In August 2024, assets were mobilised to the site to commence work to cut the pillar into nine separate sections, before removing to barges to be transported to Shoreham. This phase of work is expected to be completed during autumn 2024.





Removal of Royal Sovereign Lighthouse's topsides in October 2023



# SUSTAINABILITY REPORT

This section sets out in three themes the impact Trinity House has on the environment covering mitigating climate change, minimising waste and reducing water usage in 2023/24, versus the Greening Government Commitments as measured against the 2017/2018 baseline.

Trinity House operations cover a wide range of operational depots, storage facilities, office buildings, (listed) historic lighthouses, cottages in remote and rural locations serviced by a dedicated small team of engineers and technicians using a fleet of cars, vans and occasionally the shared Tri-GLA helicopter. In addition, Trinity House's Lightvessel and Buoy fleet predominantly consists of multiple time refurbished steel buoys that are serviced by a small fleet of three owned and one contracted vessels. These multipurpose vessels combine servicing and towing capabilities with emergency response responsibilities, and drive 85% of Trinity House Co2 greenhouse gas emissions as a result of using Marine Gas Oil.

Trinity House is working with the Department for Transport to gain support and approval to replace these vessels in the coming decade and thereby significantly reducing associated Co2 emissions through a modern hybrid-powered fleet while in the meantime taking advantage of reducing greenhouse gas emissions by using shore power facilities and cleaner burning fuel. Buoy refurbishment activities, such as blasting, welding and paint curing, currently use natural gas and LPG fired ovens. Office heating demand and Lighthouse building conditioning is typically met by electricity and natural gas. Building conditioning (controlling humidity) is an essential part of sustaining the operational reliability, reducing future maintenance costs and capital spend across the lighthouse estate.

Access, supplying and remote connectivity to many of Trinity House locations is typically poor and / or unreliable with smart metering not currently viable. Therefore, actual recorded usage (and billing) is dependent on taking manual meter readings which happens on an infrequent basis -while infrequent refuelling requirements can distort trends and create artificial fluctuations. Consequently, Year on Year analysis is challenging. Management therefore focuses on general downward trends and the actions to mitigate impact on the environment in the context of effectively executing the statutory safety responsibilities.

During 2022, Trinity House changed the electricity and gas supplier using a Crown Commercial Services framework agreement. The transition to the new supplier resulted in significant disruption to routine meter readings and the processing of large volumes of estimated usage and billings which have taken up to the beginning of 2024 to fully resolve. Consequently the 2022/23 reported usage information includes a larger volume of year-end reading estimates based on past trends and therefore makes year on year comparisons difficult.

Appendix 3 sets out the various energy sources and associated emission profiles over the five-year period provides a useful guide to Trinity House's continuous greenhouse gasses emission reductions. As of October 2024, Trinity House is implementing an on-line travel portal which will enhance and compliment the capability to influence, track and report in more granular detail the emissions and energy usage arising from business travel.

| Theme                            | Measure           | Units                 | 2023-24 Actual | 2022-23 Prior year actual | 2024-25 Target | 2017-18 Baseline |
|----------------------------------|-------------------|-----------------------|----------------|---------------------------|----------------|------------------|
| <b>Mitigating Climate Change</b> | Total emissions   | tonnesCO <sub>2</sub> | 7,099          | 6,925                     | 7,434          | 8,850            |
|                                  | Direct emissions  | tonnesCO <sub>2</sub> | 153            | 137                       | 59             | 78               |
|                                  | ULEVI vehicles    | % fleet vehicles      | 47%            | 52%                       | 100%           | 0%               |
|                                  | FlightsII         | tonnesCO <sub>2</sub> | 36             | *                         | *              | 0                |
| <b>Minimising Waste</b>          | Total WasteIII    | tonnes                | 650            | 600                       | 550            | 646              |
|                                  | Waste to landfill | %                     | 1.1%           | 2%                        | 5%             | 5%               |
|                                  | Waste recycled    | %                     | 96.8%          | 92%                       | 70%            | 95%              |
|                                  | Paper use         | reams                 | 340            | 379                       | 474            | 948              |
| <b>Reducing Water Use</b>        | Water Use         | m <sup>3</sup>        | 4,684          | 11,365                    | 10,678         | 11,607           |

I Ultra Low Emissions Vehicles - Target 100% EV by December 2027

II & \* TH flight data not captured prior to 1 April 2023.

III Waste varies year on year as it is primarily dependent on the number of modernisation projects completed in the year. Fewer projects, type of structure, materials etc. all contribute to tonnage variations. 2023/24 includes waste from the decommissioning of the Royal Sovereign Lighthouse which is a one off extraordinary project

iv Decommissioning of Royal Sovereign Lighthouse

IV Restated due to prior year credit note.

## Targets

Trinity House is on track to deliver the overall total emission target set for 2024 against the 2017/18 baseline which is a noticeable achievement as 85% of Trinity House total emission profile is directly linked to the fuel the vessels use executing statutory responsibilities. In particular, during 2023/24:

- Total Emissions of 7,099 tonnes reduced below the 2024/25 target of 7,434 tonnes (c 5%) partly as a result of optimising route and load factors but also as a result of unplanned downtime for repairs and breakdowns across the Trinity House fleet impacting vessel fuel usage as further set out below.

- Direct emissions of 153 tonnes during 2023/24 is well above the target set for 2024/25 and directly related to the high volumes of Buoy refurbishment during the colder months and periodic fuel deliveries and is highly depended on the workloads in our Buoy Yards.

- Routine waste generation and improved recyclability remains strong especially against the 2017/18 baseline however this is impacted by the nature and type of the capital program which varies year on year and therefore Trinity House's focus is on improving the recyclability and reducing ultimately the waste that ends up in landfill than the absolute amount of waste generated in a typical year.



- Decommissioning waste. This reflects the first phase for the removal of the topside of the Royal Sovereign lighthouse which generated c1100 tonnes of waste in 2023/24 of which 98% was fully recycled with only a small amount requiring to be sent to landfill. The second phase (2024-26) will reflect the removal of the supporting pillar which will generate c1000 tonnes of waste with an equivalent recyclable % being pursued. As a result of the unique nature of this one-off decommissioning project, the 2017/18 baseline year did not factor in such a project.
- ULEV composition of the car, van and off-road fleet. Continued progress is made with the accelerated roll out of the decarbonisation of the car fleet with a project replacement schedule to 2027 to convert the car fleet entirely to zero tailgate emissions. The van and off-road capable fleet's ability to convert to zero tailgate emissions by 2027 in full is significantly hampered by the reduced market offering of capable vans that meet the user requirements and reliability/availability of the public charging infrastructure in the remote locations we operate. We will track the market closely and keep under review.

## Scope 1 Direct Emissions

### Natural Gas

This increase is predominantly driven by increased buoy maintenance

|     | Units      | 2023/24 | 2022/23 | % Variance |
|-----|------------|---------|---------|------------|
| Gas | tonnes Co2 | 110     | 77      | +42.9%     |
|     | KwH        | 543,610 | 379,871 | +43.0%     |

and refurbishment which included the preparation for the Dogger Bank C Offshore Wind commercial buoy rental deployment during the winter of 2023/24. This caused increased consumption for natural gas usage in the Harwich Buoy yard paint curing ovens which typically are only required to be used during the winter months. The Harwich Offices achieved a 26% reduction in natural gas consumption against 2022/23 predominantly as a result of the unreliability of the electric air handling units during 2022/23 which was compensated for by the increased use of the gas fired backup heater.

Currently, Trinity House is running a trial whereby the air handling unit's preheat set point has been reduced by 1 degree, mitigating the consumption of gas by diverting its heating requirements to electricity which has favourable Co2 emission factors due to the growing renewable mix element in the nation's electricity supply.

## Gas (LPG)

|         | Units      | 2023/24 | 2022/23 | % Variance |
|---------|------------|---------|---------|------------|
| Gas LPG | tonnes Co2 | 43      | 60      | -28.3%     |
|         | KwH        | 25,999  | 38,795  | -33%       |

The 2022/23 usage includes a year-end delivery at our Swansea Buoy Yard depot of 8,000 litre of LPG. Considering materiality, Trinity House reports LPG related greenhouse gas emissions based on actual deliveries without taking into account the year-end LPG inventory positions which therefore makes year on year comparison more challenging. That said, Swansea Buoy Yard LPG usage is directly linked to the annual buoys refurbishment program and the usage of the paint curing ovens during the colder months which have seen an upward trend over the latter years to ensure the paint coating durability is sustained.

## Scope 2 Emissions

### Electricity

|                        | Units      | 2023/24   | 2022/23   | % Variance |
|------------------------|------------|-----------|-----------|------------|
| Office Electricity     | Tonnes Co2 | 113       | 103       | +10%       |
| Non-Office Electricity | Tonnes Co2 | 388       | 281       | +38%       |
| Total                  | Tonnes Co2 | 501       | 384       | +30%       |
| Office Electricity     | KwH        | 499,093   | 487,367   | +2%        |
| Non-Office Electricity | KwH        | 1,719,189 | 1,333,807 | +29%       |
| Total                  | KwH        | 2,218,282 | 1,821,174 | +22%       |

As previously discussed, Trinity House switched electricity supplier during 2022/23 which resulted in significant challenges and increased usage of estimates which finally was resolved in 2023/24 which makes meaningful year on year comparisons more difficult.

In particular, during 2023/24 non-office electricity has seen a significant increase across the estate for operational building conditioning and in parallel with the increased use for shore power for the THV Alert while she is stationed in Harwich which is one of the as main contributors to the rise in office and non-office Electric usage by 22% year on year as electricity is replacing the running of diesel generators to provide hotel services on this vessel. This year Trinity House did not further benefit from an improved electricity Co2 efficiency factor as a result of the higher renewables generation being added to the UK national grid in prior years.

## Scope 3 Emissions from Business Travel

Scope 3 Emissions is Trinity House's main emission category - 85% of total emissions in 2023/24 - as a result of the inclusion of Trinity House vessels marine gas oil usage and THV Alert Gas to Liquid diesel fuel in this category.

### Vessels fuel

|                 | Units                 | 2023/24   | 2022/23   | % Variance |
|-----------------|-----------------------|-----------|-----------|------------|
| Total Ship Fuel | tonnesCO <sub>2</sub> | 6,039     | 6,078     | -1%        |
| Total Ship Fuel | Ltrs                  | 2,186,708 | 2,166,713 | +1%        |

The vessel fuel table above compares annual usage and Co<sub>2</sub> emissions for 2023/24 of 6,039 tonnes (6,078 2022/23). While this is a modest improvement against prior year, the 21% reduction against the 2017/18 base line is a major achievement and a trend observed for a number of years. It is worth noting that as Trinity House's older vessels enter a period of reduced reliability and reduced availability as a result of more frequent planned and unplanned maintenance plus extended major refits (dry-docks) what follows is reduced fuel consumption and in turn and reduced Co<sub>2</sub> emissions.

The Futures Afloat vessel replacement programme to replace both THV Patricia and THV Galatea in the coming decade with modern hybrid powered tonnage and supporting investment in Harwich Shore Power capacity will be a key enabler in Trinity House meeting the Net Zero obligations by 2050.

### Road Fuels

Trinity House has facilitated a steady decrease in the diesel (road fuel) over last 5 years. This can be attributed to continuous investment into ULEV and ZEV vehicles as is reflected in the table below.

|                    | Units                  | 2023/24 | 2022/23 | % Variance |
|--------------------|------------------------|---------|---------|------------|
| Diesel (Road fuel) | tonnes Co <sub>2</sub> | 72      | 89      | -19%       |
| Fleet road travel  | Ltrs                   | 38,685  | 47,387  | -18%       |

Post pandemic, Trinity House mileage driven by its small car and van fleet continues the downward trend in both fuel consumption and in miles against the 2017/18 base year. By the end of 2023/24, the car fleet now consists of PHEV and ZEV vehicles with a number of ZEV vans slowly being integrated if and when the user requirements can be met. Trinity House invested heavily into its own charging infrastructure in prior years across the estate to compensate in part for the sub-optimal charging infrastructure in the remote areas we operate.

## Domestic & International Flights

In anticipation of new period Government Greening Commitment targets and KPIs and to ensure the new baseline as is accurate as is practicable, this

year Trinity House has developed the capability to measure domestic and international flight data which will be further enhanced by the roll out of the online travel portal during 2024/25 which encourages low emission travel options to be considered.. Due to the lack of comparable date no further analysis is provided.

## GLA Helicopter

2023/24 witnessed a 105 hour or 47% increase in flying hours from the previous year with a corresponding impact on Co2 emissions as set out in the table below.

|                | Units        | 2023/24 | 2022/23 | % Variance |
|----------------|--------------|---------|---------|------------|
| GLA Helicopter | tonnes Co2   | 235     | 160     | +47%       |
|                | Flying Hours | 330     | 225     | +47%       |

Planned usage for the helicopter is correlated to the lighthouse maintenance and refuelling regime which vary significantly year on year and is location driven. In addition, helicopter usage is directly correlated to the capital project pipeline and accessibility of remote lighthouse estate. Trinity House operates several lighthouses on remote islands and pillar rock lighthouses with helidecks where often the only reliable access is by helicopter. To account for the growth in helicopter usage, the 2023/24 capital program included a modernisation project at the Needles whilst also preparing for a project at Skerries and the Royal Sovereign Decommissioning. In the prior year the focus was on the Farne Islands which are predominantly accessed via boat which.

## THEME – Minimising Waste

Trinity House has a strong focus on waste control and recyclability and consequently a steady decline in waste going to landfill beyond the target has been achieved. That said, total waste generated is dependent on the capital and buoy servicing program year on year and therefore the increased amount of waste generated in 2023/24 is within management expectations. Looking ahead at the future capital program is it likely that Trinity House will exceed its 2024/25 target of 550 tonnes as a result of the Royal Sovereign Decommissioning project and the capital project at Skerries.

In addition, included below is the waste generated from the Royal Sovereign Lighthouse decommissioning – a legacy challenge from the 1970’s era for which the first phase was executed in the summer of 2023. That 98% of all Royal Sovereign decommissioning waste (1,039 tonnes) is being recycled is testament to the focus of Trinity House and the contractors on protecting and reducing the impact on the environment.

|                          | <b>Units</b> | <b>2023/24</b> | <b>2022/23</b> | <b>% Variance</b> |
|--------------------------|--------------|----------------|----------------|-------------------|
| Total waste arising      | tonnes       | 1,689          | 600            | +182%             |
| Total waste recycled     | tonnes       | 1,647          | 554            | +197%             |
| Total ICT waste recycled | tonnes       | 14             | 34             | -59%              |
| Total waste to landfill  | tonnes       | 28             | 12             | +133%             |

## Paper use

Organisation wide paper consumption continues to reduce. Already ahead of target, we reduced our usage by a further 39 reams from last year's total and 134 reams less than our 2024/25 target. However, we anticipate that we have now reached the floor in the paper reduction efforts.

## THEME – Reducing Water Use

The table below shows an overall increase in 2023/24 against 2022/23. The increase in consumption comes from the Harwich office/jetty, with a small decrease across the estate. The water supplier to the Harwich office moved to a monthly billing system during 2023/24 which provides more accurate consumption data than the previous six monthly billing where estimated readings were used and not corrected until the next billing period.

|                          | <b>units</b> | <b>2023/24</b> | <b>2022/23</b> | <b>% Variance</b> |
|--------------------------|--------------|----------------|----------------|-------------------|
| Water Consumption Office | m3           | 3,256          | 1,999          | +63%              |
| Water Consumption Estate | m3           | 4,349          | 5,008          | -13%              |

## Rear Admiral Iain Lower CB

Chief Executive of the Lighthouse Board



# Accountability Report

## DIRECTORS' REPORT

### Membership of the Board

The Trinity House Board and Governance structure is described in the Governance Statement (page 25).

In addition, representatives from the Lighthouse Board sit on a Joint Strategic Board (JSB), consisting of representatives from all three General Lighthouse Authorities. The JSB is set up to foster tri-GLA co-operation and co-ordination, in order to maximise efficiencies and realise savings.

### Conflicts of Interest

The register of interests is maintained by the Secretary to the Board, and is available for inspection via our website. Further details of how executive and non-executive Board members handle potential, perceived or actual conflicts of interests are addressed on page 34. The Lighthouse Board Chair declared a potential conflict of interest in 2023/24 and took the decision to step down from the Lighthouse Board with effect from 31 October 2024.

### Finance Leasing Arrangements

Trinity House vessels, THV Galatea and THV Alert, were both financed by finance lease arrangements. Both these leases are now in their secondary period, and as a result, no exposure to either the rate of interest or the rate of Corporation Tax now exists.

### Payment of Creditors Policy

Trinity House will at all times seek to adopt best practice in respect to the settlement of creditor payments. All payments will be made in accordance with the Public Contracts Regulations 2015 (Regulation 113(2)(a)). Payment of all creditors' accounts are arranged by the date stipulated within the contract or other agreed terms of credit. Exceptions to this are as follows:

1. Payment within a shorter timescale where a discount may be available; and
2. Where there is a dispute in respect of the invoice concerned. In all cases the suppliers are immediately informed of the details of the query and that the payment will be withheld pending resolution.

Suppliers are informed of our policy via the organisation's generic standard terms and conditions of trade (available via the Trinity House website), unless alternative bespoke contractual arrangements have been made.

The average credit taken from Trade Payables during the year was 12 days (2022/23 - 12 days).

### Personal Data Related Incidents

During 2023/24, Trinity House continued to comply with the Cabinet Office

guidance on information risk management to the extent that is relevant and with its own Policy on Information Risk. Information Risk is covered in more detail on page 34.

## Events After The Year End

These are covered in note 26 to the accounts.

## Losses

There were no losses during 2023/24.

## Statement of Accounting Officer's Responsibilities

Under section 218(1) of the Merchant Shipping Act 1995, the Secretary of State for Transport, with the consent of HM Treasury, directs Trinity House to prepare for each financial year a statement of accounts in the form consistent with the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Trinity House and of income and expenditure, cash flows and changes in equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State for Transport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department for Transport has designated the Chief Executive as the Accounting Officer of Trinity House. The responsibilities of the Accounting Officer include responsibility for the propriety and regularity of the funds allocated to Trinity House in its capacity as a General Lighthouse Authority, including keeping proper records and safeguarding the assets of Trinity House. These responsibilities are set out in the Framework Agreement between the Department for Transport and the General Lighthouse Authorities (2017).

As far as the Chief Executive acting in the role of the Accounting Officer is aware, there is no relevant audit information of which Trinity House auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of the relevant audit information and to establish that the Trinity House auditors are aware of that information. The Accounting Officer also confirms that the annual report and accounts as a whole is fair and balanced and that he takes responsibility for the annual report and accounts, and the judgements required for determining that it is fair and balanced.

# GOVERNANCE STATEMENT

## Introduction

HM Treasury published a revised Code of Good Practice for Corporate Governance in Central Government Departments in April 2017.

The Board confirms that throughout the accounting period Trinity House has applied the principles contained in the Code. This includes:

- A full analysis of the significant business risks to produce and continually update the Corporate Risk Schedule and the Organisational Risk Schedule beneath it;
- Identification on the Risk Schedules of the means by which the business risks are controlled and who is accountable for each significant risk; and
- Internal Audit basing their programme of audit work on the Risk Schedules and the supporting Directorate / Departmental Risk Registers.

The Trinity House Head of Internal Audit in his Annual Report for 2023-24 was of the opinion that 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. His opinion is a key element of the assurance framework and is used to inform Trinity House's Governance Statement.

## Trinity House Lighthouse Board and its Committees

The Corporation established Articles of Constitution and Terms of Reference for a Lighthouse Board on 4 June 1984. This has since been reviewed and updated with the latest amendment in March 2022.

The Lighthouse Board is accountable to the Corporation and is responsible for effective control of the functions of Trinity House as a General Lighthouse Authority.

The Board met formally on 9 occasions during 2023/24, which included two extraordinary meetings in April 2023 and December 2023. In addition, one strategy session was held in July 2023. Having regard to its main responsibility of providing a reliable and efficient and cost effective aids to navigation service for the benefit and safety of all mariners, the coverage of its work included:

- Review and approval of the Trinity House Strategy;
- Review and approval of the Corporate Plan for 2024-29 and Annual Report and Accounts for 2022/23;
- Considering matters of health and safety;
- Receipt of regular reports from Executive Directors on inter alia requirements and performance; operational matters; expenditure against budget; income from Light Dues against previous trends and other

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The Lighthouse Board is responsible for effective control of the functions of Trinity House as a General Lighthouse Authority

business performance matters including KPIs;

- Considering items to be discussed at the Joint Strategic Board; advising accordingly and receiving feedback on meetings of the Chief Executives' Committee and Joint Strategic Board;
- Providing advice and guidance to the Executive Committee in respect of the new vessel procurement exercise and the Royal Sovereign Decommissioning project;
- Consideration of potential future initiatives for Trinity House;
- Reviews of the nature and extent of the corporate and organisational risks faced by the organisation in the implementation of its Strategy.

These activities were in line with the matters reserved to the Board in its Articles of Constitution and Terms of Reference.

The Board works to a Code of Conduct and Best Practice. This Code was updated in January 2021. The Code of Conduct and Best Practice also refers to the Framework Document for the General Lighthouse Authorities.

The Board completes each year a self-assessment of performance and implements recommendations to improve its effectiveness.

In autumn 2023 the Board members were asked to individually consider the Board's performance and effectiveness against the Board Evaluation questionnaire 'Unlocking your board's full potential' published by the National Audit Office. The results were collated and the findings presented to the Board. The Board considered its Articles of Constitution and Terms of Reference and concluded that it met them and discharged its statutory role effectively having regard inter alia to its performance against IALA and other recommendations.

The Lighthouse Board comprises a balance of:

4 Voting Executive Members (Three Elder Brethren & the Director of Business Services)

4 Voting Non-Executive Members including one Elder Brother

2 Directors who have Executive Director rank but are not full Members of the Lighthouse Board and do not vote.

The Director of People and Culture and the Director of Major Projects (fixed term contract) are afforded the status of Executive Directors though they are neither Elder Brethren nor Associates of the Corporation and do not have the right to vote at meetings of the Lighthouse Board.

## Lighthouse Board Composition

Captain I McNaught – Chief Executive\*

Rear Admiral I Lower – Chief Executive\*\*

Vice Admiral Sir Alan Massey – Non Executive Chair\*\*\*

Captain L Batchelor – Non Executive Chair\*\*\*\*\*

Commodore R W Dorey – Director of Operations \*\*\*\*

Captain A Holt – Director of Operations \*\*\*\*\*

Mr A Damen – Director of Business Services

Commander N Hare – Director of Navigational Requirements

Mrs N Gull – Director of People & Culture

Mr D Oliver – Director of Major Projects \*\*\*\*\*

Dr M Amos – Non Executive Director \*\*\*\*\*

Mr C Juman – Non Executive Chairman\*\*\*\*\*

Mrs V Owen – Non Executive Director

Mr A Moore – Non Executive Director

\*Captain I McNaught retired on 13 February 2024

\*\*Rear Admiral I Lower appointed on 13 February 2024

\*\*\*Vice Admiral Sir A Massey stood down from Lighthouse Board with effect from 31 October 2023

\*\*\*\*Commodore R W Dorey resigned with effect from 31 January 2024

\*\*\*\*\*Mr D Oliver joined on 5 February 2024

\*\*\*\*\*Dr M Amos stood down from Lighthouse Board with effect from 31 October 2023

\*\*\*\*\* Captain A Holt joined on 11 March 2024

\*\*\*\*\* Captain L Batchelor appointed 13 February 2024

\*\*\*\*\* Mr C Juman appointed on 13 February 2024

## Committees

The Board delegates certain of its responsibilities to committees. This provides for greater independence with regard to audit, appointments and remuneration. A Board Member, other than the Chief Executive, chairs all Committees, with the exception of the Executive Committee which is chaired by the Chief Executive.

| Board Committee   | Remit  |
|---|--|
| <b>Executive</b><br>Chair:<br>Captain I McNaught until 13 February 2024<br>Rear Admiral I Lower w.e.f. 13 February 2024                     | Operational management of the organisation.  |
| <b>Audit and Risk Assurance</b><br>Chair: Dr M Amos until 31 October 2023<br>Deputy Chair: Mrs V Owen<br>Chair: Mr C Juman 13 February 2024 | Review of organisational controls, risk, governance, finances and systems.                       |
| <b>Lighthouse Board Remuneration Committee</b><br>Chair: Mrs V Owen   | Assessment of Executive Directors' performance, remuneration, bonuses and corporate performance. |
| <b>Executive Remuneration</b><br>Chair: Mr A Damen  | Assessment of employee remuneration, manpower requirements and organisational structure.         |
| <b>Examiners</b><br>Chair: Commander N Hare   | All requirements for the service's superintendence and management of Aids to Navigation.         |
| <b>Nominations</b><br>Chair: Mrs V Owen   | Proposing Executive appointments (other than Chief Executive) to the Lighthouse Board***.        |

## **Executive Committee highlights**

- Ongoing scrutiny of Headline Performance Objectives, KPIs, key health & safety, environmental, finance, risk management and emerging risk issues, operational, planning and business continuity matters to contribute to effective internal control;
- Review of Trinity House policies and monitoring the robustness of Trinity House's Management System;
- Approval of various Project Initiation Documents, project briefs and mandates;
- Scrutiny of proposed additional revenue and capital spend including contingency works;
- Scrutiny of matters arising at Joint Strategic Board and the furtherance of inter-GLA Cooperation;
- Reviewing and monitoring of Corporate, Organisational and Departmental risk issues including those relating to the New Vessel(s) Procurement programme, Royal Sovereign Lighthouse decommissioning, resourcing, Data Protection;
- Monitoring initiatives in respect of Trinity House's high level engagement at IALA
- and Trinity House's contribution to Maritime UK;
- Monitoring Trinity House's response to wrecks, hazards and new dangers together with the navigational safety and legal aspects of offshore energy and other infrastructure developments;
- Review of aspects affecting people and culture within the business, including pay, conditions, communications and also outputs from employee pulse surveys;
- Monitoring and development of commercial work initiatives and collaborative working arrangements with third parties;
- Review of Research & Development work undertaken by GRAD;
- Review of property and legal matters affecting the Trinity House Estate; and
- Review of Trinity House vessel lease commitments in respect of ALERT and GALATEA and consideration of extensions thereto; and
- Consideration of high level procurement activity and supply chain vulnerabilities

## **Audit and Risk Assurance Committee highlights**

- Scrutiny of the Annual Report & Accounts;
- Review of Risk Registers;
- Review of progress against the internal audit plan;
- Review of internal audit reports and findings including the Head of Internal Audit's annual report and opinion;
- Review of the Register of Members' Interests and Hospitality Register;



# Trinity House undertook a full Navigation Requirement Review for Wolf Rock Lighthouse

- Consideration of other risk management issues e.g. any cases of fraud, bribery or whistleblowing;
- Review of its work and effectiveness in accordance with the recommendations of the HM Treasury's Audit & Risk Assurance Committee Handbook;
- Review of Cyber Security controls within Trinity House; and
- Review of Data Protection arrangements.

## Lighthouse Board Remuneration Committee highlights

- Review of reward and recognition arrangements; and
- Assessment of Executive Directors' performance, remuneration, bonuses and corporate performance against headline objectives.

## Executive Remuneration highlights

- Consideration of the pay remit business case, approach and progress reports;
- Review of performance related pay scheme;
- Structure changes and post revisions; and
- Gender Pay Gap Reporting and action plan.

## Examiners committee highlights

- Hazard Warning Signal review of requirements;
- Review of Lights displayed 24 hours;
- Annual review of Major Floating Aids;
- Commenced 5 yearly AtoN review of all AtoN and Areas;
- Engaged with Department for Energy Security and Net Zero (DESNZ) on review of National Policy Statement EN-3 on Renewable Energy;
- Full Navigation Requirement Review on the range of Wolf Rock Lighthouse;
- Engaged with Planning Inspectorate on the Sheringham Shoal and Dudgeon offshore Windfarm Extensions;





- Review of Long Sand Head Buoyage and proposed a new buoy for deployment;
- Full Navigation Requirement Review on St Ann's Head Lighthouse;
- Review of Port Talbot Harbour Limits with the requirement to transfer Ledge and Grounds Buoys to ABP South Wales;
- Review of local buoyage at Gunfleet Sands offshore Windfarm and the discontinuance of the Starboard Lateral Mark; and
- Proposed discontinuance of East Goodwin Lightvessel and replacement of Greenwich Lightvessel with a Type 1 Safe Water Mark Buoy. (Currently out for stakeholder comments)

## **Nominations and Governance Committee highlights**

- Nominating the new Director of Operations,;
- Following up actions from GIAA Governance review;
- Updating Terms of Reference for the expansion of the Committee to become Nominations & Governance Committee;
- Discussing the person requirements for a new Secretary of State NED;
- Discussing proposed second three-year term of office for a current Secretary of State NED;
- Discussing and reviewing format of Board Skills matrix and succession planning;
- Reviewing Public Appointments Diversity Action Plan;
- Discussing the requirements for and appointment of the Director of People and Culture; and
- Discussing the organisation's approach to Environmental, Social and Governance (ESG).

## Attendance by Lighthouse Board members at Board and Committee meetings during 2023/24 was as follows:

| Members Non - Executive (NE)                      | LHB <sup>iii</sup>     | Executive Committee | Audit & Risk Assurance Committee | LHB Remuneration Committee | Executive Remuneration Committee | Examiners               | Nominations & Governance Committee |
|---|------------------------|---------------------|----------------------------------|----------------------------|----------------------------------|-------------------------|------------------------------------|
| Captain I McNaught <sup>i</sup>                   | 7(of 9) <sup>iv</sup>  | 6(of 6)             | 2(of 2) <sup>iv</sup>            | 4(of 4)                    | 3(of 3)                          | 5(of 6)                 | 3(of 4)                            |
| Rear Admiral I Lower                              | 2(of 9) <sup>v</sup>   | 1(of 1)             | 1(of 1)                          |                            |                                  | 0(of 1) <sup>viii</sup> |                                    |
| Commodore R W Dorey                               | 7(of 9) <sup>vi</sup>  | 3(of 5)             | *                                | *                          | 2(of 3)                          | 6(of 7)                 | 4(of 4)                            |
| Mr A Damen <sup>i</sup>                           | 8(of 9)                | 6(of 6)             | 3(of 3)                          | *                          | 3(of 3)                          | *                       | * <sup>iv</sup>                    |
| Commander N Hare                                  | 8(of 9)                | 6(of 6)             | *                                | *                          | 2(of 3)                          | 6(of 7)                 | *                                  |
| Mrs N Gull <sup>xii</sup>                         | 7(of 9)                | 5(of 6)             | *                                | 4(of 4)                    | 3(of 3)                          | *                       | *                                  |
| Mr D Oliver <sup>x</sup>                          | 1(of 1)                | 1(of 1)             | *                                | *                          | *                                | *                       | *                                  |
| Captain A Holt <sup>xi</sup>                      | 1(of 1)                | 1(of 1)             | *                                | *                          | *                                |                         |                                    |
| Vice Admiral Sir Alan Massey (NE) <sup>ii</sup>   | 5(of 5)                | *                   | 1(of 1)                          | 3(of 3)                    | *                                | *                       | 4(of 4)                            |
| Dr M Amos (NE)                                    | 4(of 5) <sup>vii</sup> | *                   | 1(of 1) <sup>vii</sup>           | *                          | *                                | *                       | *                                  |
| Mrs V Owen (NE)                                   | 8(of 9)                | *                   | 3(of 3)                          | 4(of 4)                    | *                                | *                       | 4(of 4)                            |
| Mr A Moore (NE)                                   | 8(of 9)                | *                   | 3(of 3)                          | 4(of 4)                    | *                                | *                       | 3 (of 4)                           |
| Mr C Juman (NE) <sup>viii</sup>                   | 1(of 1)                | *                   | 1(of 1)                          | *                          | *                                | *                       | *                                  |
| Honorary Captain L Batchelor (NE) <sup>xiii</sup> | 1(of 1)                | *                   | 1(of 1)                          | *                          | *                                | *                       | *                                  |

Note: Figures in table denote meetings attended (meetings available for individual to attend)

\*Not members of the Committee

i Captain I McNaught and Mr A Damen are not members but are invited to attend the Audit & Risk Assurance Committee

ii Sir A Massey stood down with effect from 31 October 2023

iii The LHB meetings included an extraordinary meeting on 25 April 2023 and another on 05 December 2023

iv Captain I McNaught retired on 13 February 2024

v Rear Admiral I Lower attended the LHB meetings on 05 December 2023 and 23 January 2024 as an observer

vi Commodore R Dorey resigned with effect from 31 January 2024

vii Dr M Amos stood down on 31 October 2023

viii Mr C Juman was appointed on 13 February 2024

viii Rear Admiral I Lower attended the Examiners on 17 October 2023 for familiarisation

x Mr D Oliver joined on 05 February 2024

xi Captain A Holt joined on 11 March 2024

xii Mrs N Gull attends the Lighthouse Board Remuneration Committee and Executive Remuneration Committee as Secretary

xiii Captain L Batchelor appointed on 13 February 2024

## **Risk Management**

Acting in the role of Accounting Officer, the Chief Executive has the overall responsibility for maintaining a sound system of internal control that supports the achievement of Trinity House's policies, aims and objectives, whilst safeguarding the General Lighthouse Authority's funds and assets for which he is personally responsible, in accordance with the Managing Public Money rules.

The details of the operating arrangements the Department for Transport has agreed with Trinity House are contained within the Framework Document for the General Lighthouse Authorities dated 29 June 2017. This Framework Document incorporates a Management Statement and a Financial Memorandum.

There is regular contact between Board members and the Department for Transport officials, including their attendance at meetings and the Department for Transport officials are consulted as required in relation to key decisions.

## **Risks and Uncertainties**

Trinity House's Corporate Risk Framework is aligned to the UK Governments Orange Book (Management of Risk Principles and Concepts) and continues to function effectively in support of the management of risks and opportunities across the organisation.

Accordingly, the system ensures that Trinity House implements the appropriate levels of risk mitigation and control, in alignment with the GLA's Risk Appetite and as required by the GLA Framework Document. This includes effective risk identification, escalation, treatment, and control of all principal (and departmental) risks, with detailed reporting to Trinity House's Audit and Risk Assurance Committee, and in turn to the Lighthouse Board.

This system of internal control is designed to manage risk to a reasonable level rather than to completely eliminate all risks to the delivery of policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is built around a process designed to identify and prioritise risks to the achievement of organisational aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to treat them effectively in order to prevent the negative impacts associated with their realisation.

In line with the requirements of the GLA Framework Document the GLAs are required to, "jointly carry out a comprehensive risk management review, which includes the key risks faced by the GLAs and a review of all associated requirements at least every three years." This is addressed via the work of Inter GLA Committee (IGC) 6 - Legal and Risk Committee, which discharge this function via the implementation of a Triennial (external) Risk Management Review process on behalf of the GLAs. The process is further underpinned by the provision of Annual (internal) Risk Management and Insurance Scrutiny reviews, all of which are reported to the respective Audit and Risk Assurance Committees, and the Tri GLA Chief Executives Committee.

The last Triennial Risk Management Review was undertaken by Marsh during 2021 with the next due in 2024. The review assessed both the Risk Management and Emergency Response capability of the GLAs and found that in overall terms, the processes reveal, “one of the most mature we have seen across any size or type of organisation”. A probabilistic assessment of the key risks facing the GLAs was also undertaken which revealed that the chance of breaching the Self-Insured Fund is highly unlikely, especially given the GLA’s current risk transfer arrangements.

The Governance Statement emphasises the importance that Trinity House attaches to risk management and the regular review of risks.

## **Internal Control**

The system of internal control is designed to manage risk to an optimum level rather than to eliminate all risk of failure to achieve Trinity House’s policies, aims and objectives; as such, compliance can only provide reasonable and not absolute assurance of effectiveness.

The system of control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trinity House’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Internal audits continue to provide assurance on the effectiveness of risk management, governance and internal control.

The system of internal control has been in place in Trinity House for the year ended 31 March 2024 and up to the date of the approval of the Annual Report and Accounts.

## **Risk Categories**

During 2023/24 the Board’s Corporate and Organisational Risk Schedules have been regularly reviewed and updated.

The Trinity House Corporate and Organisational Risk Schedules divide the significant risks into four main categories:

- Strategic Risks;
- Financial Risks;
- Operational Risks; and
- Hazard Risks

Any emerging risk issue, post mitigation, that would otherwise warrant increasing the probability assessment to high or very high on the Organisational Risk Schedule and which has a post mitigation impact assessment of medium or above is escalated to the Corporate Risk Schedule for separate analysis and evaluation.

The Schedule cross-references the risks identified to existing organisation controls and policies.

The culture is one of close management and control of risks. Detailed policies and processes are in place for key activities. All risks and processes

have an assigned owner and are published on the company's document management system.

In 2014/15 the Board, using the Treasury's five point classification scale of risk appetite, reviewed and approved the organisation's risk appetite. Having regard to the Trinity House Strategy, the view was that the risk appetite should remain averse or minimalist in terms of regulatory compliance and reputation and no more than cautious in terms of financial / value for money matters with a move to a more open approach as regards operational and policy delivery in respect inter alia of commercial and other new areas of work. However, the risk classification is periodically reviewed and it is acknowledged that an adverse or minimalist approach in some areas could result in missed opportunities. The UK Government Finance Function issued the current version of its Risk Appetite Guidance Note in August 2021. Trinity House's Executive Directors, Senior Management Team and other risk owners attended a risk workshop in November 2021 to consider the new guidance and review the risk appetite for each of the risks listed in the organisational risk register. The risk appetites were updated with several changed from averse to minimal, as such risks still have the potential to cause a high impact. Other risks concerning research and commercial activities changed to an open risk appetite to reflect the organisations eagerness to pursue opportunities in these areas. The Executive Directors are responsible for managing risks within their directorates.

Processes, tools and techniques employed for embedding risk management into the organisation include:

A documented Risk Management Policy;

- Internal audit planning and risk management workshops attended by Board Members, Senior Managers and other risk owners to identify key risk areas in order to inform priorities for internal audit;
- External training in Risk Management best practice has been provided to risk owners, including Board members and Senior Managers;
- Production and maintenance of Registers for the significant risks arising from each of the business functions and key operational deliverables and which are subject to regular review by senior management and risk owners;
- Publication of all Risk Registers onto the company's document management system;
- In-house expertise provided by the Risk Department to advise on risk management issues; and
- Inclusion of risk registers on team meeting agendas.

Trinity House leads the General Lighthouse Authorities' Triennial Risk Management and Insurance Review, with the next review scheduled to take place in 2024. The review includes the analysis of all main risks facing the General Lighthouse Authorities supported by third party external validation from a firm of independent risk consultants; previous reviews have been conducted by the Risk Management specialists at Marsh Ltd. In the intervening years, the General Lighthouse Authorities conduct their Annual Risk Management and Insurance Scrutiny in order to review progress of the actions arising from the previous Triennial Risk Review and to consider developments on insurance and risk matters.

## Risk Monitoring

Directorate, Departmental and Organisational risk registers were reviewed and transferred across to a new format by the relevant risk owner during 2023/24, and the quarterly review process recommenced in February 2024. Corporate level risks continued to be reviewed and updated during this transitional period in light of changes in the risk profile.

Risks are reviewed, and the probability of the risk occurring and the impact that the occurrence could have both before and after controls have been put in place is evaluated. The application of any additional controls to reduce the residual risk further is also considered.

The Executive and Audit & Risk Assurance Committees and the Board formally review the Corporate Risk Schedule quarterly.

Management of risk is an ongoing aspect of work within Trinity House. It is embedded into working practices through key policies and procedures such as:

- Utilisation of a robust project management methodology based on PRINCE2;
- Project risk registers for key service projects;
- Asset risk registers for each asset which inform asset management plans;
- Information Risk Policy and associated security procedures;
- Sound environmental planning process for managing environmental aspects and impacts; and
- Safe Codes of Practice, Safe Work Instructions and Guidance Notes to ensure safe operations.

In addition to the Corporate risk schedule, a risk dashboard has been produced which provides a graphical representation of the high level corporate risks to the Lighthouse Board members for their monitoring and management of risks.

## Stakeholders and Risk

External stakeholders are involved in managing risks through the Joint User Group, navigation user consultation procedures, meetings with industry representatives and the Lights Finance Committee. These fora provide stakeholders with the opportunity to comment on the Corporate Plan, budget and aids to navigation that Trinity House provides. Stakeholders comment on the full range of risks including Strategic, Financial, Operational and Hazard Risks.

The Trinity House Public Relations and Corporate Communications Strategy 2019-28 aims to identify Trinity House's priorities for communication with its external stakeholders having regard to the Trinity House Strategy. It is a tool by which Trinity House seeks to strengthen relationships with its stakeholders so that they work with and support Trinity House in the

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External stakeholders are involved in managing risks through the Joint User Group, navigation user consultation procedures, meetings with industry representatives and the Lights Finance Committee

delivery of its mission and the pursuance of its vision. In so doing it will help Trinity House minimise the risk that it fails to achieve its objectives and goals.

Trinity House pro-actively seeks feedback internally and externally by means of surveys approximately every three years. A staff survey was conducted in 2021/22. During 2023/24, a series of smaller and more focused 'pulse' surveys were launched that responded to the issues raised in the 2021 survey. The surveys focused on 'pay and reward' and 'communications and engagement'. Priorities for action are being addressed.

## **Changes to Risk Profile**

The key changes to the Strategic risk profile of Trinity House during the year ended 31 March 2024 were the risks, uncertainties and opportunities introduced as a result of:

1. Climate Change Adaptation - the failure to prepare, adapt current ways of working, and implement new legislation which could be introduced;
2. Global Navigation Satellite System (GNSS) Vulnerability – this risk reflects the added pressure that could be placed on Trinity House if a number of wrecks were caused by interference with ships navigational signals or vessel systems. This key risk has been split in two so that both the external and internal impacts and controls can be considered separately; and
3. New Vessel Procurement - the project to procure a new vessel will recommence this year. A Director of Major Projects has been appointed to lead this project and a Senior Manager position has also been advertised.

The Trinity House Audit & Risk Assurance Committee is provided with a report from the Risk Manager at each meeting, summarising any significant changes to the Corporate Risk Register.

## **Identification and Mitigation of Conflicts of Interest**

Trinity House maintains a Register of Interests to record the personal or business interests of Directors and Senior Managers and members of the Commercial and Procurement Departments of Trinity House that may conflict with their duties and responsibilities to Trinity House. The Register is advertised on the Trinity House website ([www.trinityhouse.co.uk/legal-notice](http://www.trinityhouse.co.uk/legal-notice)) and is available for public inspection.

There was one potential conflict of interest identified during 2023/24 that required management intervention.

There is a clear documented procedure to ensure that all Directors, Managers and staff enter a record on the Hospitality Register of any gifts, rewards or entertainment received or offered from clients.

For good practice, the Audit & Risk Assurance Committee periodically review the Registers. The Audit & Risk Assurance Committee last reviewed the Register of Members' Interests and the Hospitality Register in March 2024.

The Fraud and Bribery Risk Register evidences that there were no incidences



of fraud or bribery reported during 2023/24. The organisation's control framework surrounding fraud and bribery is assessed against the Chartered Institute of Public Finance and Accountancy (CIPFA) counter fraud code principles. The Assessment Tool, which is completed annually, was first completed in 2019 to set a benchmark. The assessment completed in November 2023, supplemented by a further review in March 2024, continued to reflect the improvements made in response to the actions identified from the first assessment. The 2023/2024 assessment score of 93% is consistent with the last three years' scores. Some areas for improvement were identified which include inter alia updating the Trinity House Fraud and Bribery Risk Register to reflect frauds associated with the rise in the cost of living and current pay constraints; and acknowledgement of the importance of ongoing employee awareness through induction and internal communications.

## **Information Risk**

During 2023/24 Trinity House continued to apply a proportionate response to the Cabinet Office guidance on information risk management to the extent that it is relevant operating this alongside its own Policy on Information Risk and Risk Management framework.

Trinity House maintains a Master Data Schedule for all assets identified as containing personally identifiable information (PII) and special category data. Each asset is assigned an Information Asset Owner from the Senior Management Team. The periodic risk management process includes an annual focus for Information Asset Owners to consider the risks to information assets under their control. This includes the type and extent of information stored in the asset, what is added and deleted; who has access to the asset and the security controls in place to protect the asset. A Board-level Senior Information Risk Officer is in place and reports on information security via the Audit & Risk Assurance Committee accordingly. Each Individual Asset Owner is required to undertake periodic fraud and information risk awareness training as provided. This learning is undertaken by way of on-line courses.

There are clear instructions on the use of computers, email and internet which all members of staff are required to periodically review and sign-up to. These instructions are reviewed and updated annually by the Head of IT. There is also a set of (cyber) security principles which are periodically communicated to all staff. All security incidents reported to the IT Service Desk are categorised accordingly and dealt with and reviewed via an agreed process. A Breach Management plan also exists to counter any serious security incidents.

No reportable breaches involving personal data processed by Trinity House occurred during 2023/24.

Data Protection procedures continue to be kept under review having regard to the Data Protection Act 2018 and the UK General Data Protection Regulation (GDPR). Procedures exist for handling data subject requests and to facilitate compliance with relevant legislation. Data Protection Impact Assessments are undertaken on a case by case basis and the Data Protection Officer consulted in respect thereof. Data Protection and Cyber Security are considered as a core part of relevant procurement processes. A



cross-functional Data Protection Steering Group meets every six months to consider continuous improvement measures around information handling and data protection. The Data Protection Officer makes regular reports to the Audit and Risk Assurance Committee.

Work has also continued to bolster provision for cyber security increasing the multi-layered security approach through the use of a machine learning, enterprise immune security system. A staff awareness campaign exists and includes periodic staff bulletins. A 'Security and Compliance' dashboard is also reported to the Audit & Risk Assurance Committee. During the year, capacity has increased through the introduction of internal security scanning tools and a planned Managed Detection and Response (MDR) system.

## **Management Assurance Statement**

The Management Assurance Statement for 2023/24 was completed in accordance with the Department for Transport Group's requirements.

Where possible a more principles based approach continues to be used to tailor some answers to better reflect the particular practices and controls in place within Trinity House and to acknowledge its statutory obligations.

All areas scored substantial with the exception of tier 2 & 3 project delivery; health & safety; cyber security of third party suppliers and knowledge and information management which all scored moderate. Tier 2 & 3 project delivery scored moderate this year because of a new question introduced surrounding the accounting of the whole life carbon impacts of projects and their alignment with the Net Zero 2050 target. Therefore, it is intended that this will become part of the evaluation process for future projects. Knowledge and information management remains at moderate due to some staff being reliant on locally maintained records, for example email holdings and on local drives. Although, email archives are now set to automatically truncate (delete) emails beyond seven years old. With regards to cyber security of third party suppliers, Trinity House will be working towards achieving cyber essentials certification.

Organisational records and information are stored within the Trinity House document management system and / or approved databases.

## **Review of Systems of Internal Control**

Acting in the role of Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control and governance.

My review of the effectiveness of the systems of internal control and governance is informed by the work of internal auditors, external auditors, third party auditors, directors and senior managers within Trinity House who have responsibility for the development and maintenance of the internal control and governance framework. I have been advised on the effectiveness of the systems of internal control and governance by the Board and the Audit & Risk Assurance Committee. Plans to address any weaknesses and ensure continuous improvement of systems are in place.

The key elements of the ongoing review of the system of internal control and governance are:

- The Trinity House Lighthouse Board which met 9 times this year to decide policy, provide strategic direction and review progress. The Board receives Audit & Risk Assurance Committee minutes and reports covering areas such as risk management. The Board also formally reviews its own effectiveness and that of the Audit & Risk Assurance Committee on an annual basis;
- The Executive Committee which met on 6 occasions this year and leads on the implementation of plans and reviews progress and performance. Risk management is formally reviewed by Directors, Senior Managers and other risk owners on a quarterly basis but in practice is considered as part of the control of all key projects and activities;
- The Audit & Risk Assurance Committee which operates in line with the HM Treasury Audit & Risk Assurance Committee Handbook. The Chair of the Audit & Risk Assurance Committee reports to the Board after each Audit & Risk Assurance Committee meeting;
- Internal Audit by the Government Internal Audit Agency team who provide regular reports that give an independent opinion on the adequacy and effectiveness of the system of internal control. The Head of Internal Audit produces an Annual Report which gives their opinion on the effectiveness of internal control;
- Internal Audit by the Trinity House in-house team of internal auditors whose key findings are reported quarterly to the Executive Committee and Audit & Risk Assurance Committee;
- External Audit who independently audit Trinity House accounts and summarise their findings in the management letter;
- Third Party Certification Audits whose key findings are reported to the Executive Committee;
- The monthly analysis of the management accounts and work plans by the Executive Directors and Senior Managers;
- The Management Assurance Statement which is completed in accordance with the Department for Transport Group's requirements. The Statement is subject to review by the Executive Committee and to scrutiny by the Audit & Risk Assurance Committee; and
- Annual review of the Trinity House Management System by the Executive Directors and Senior Management Team to ensure the continued suitability, adequacy, effectiveness of the system and its alignment with the strategic direction of the organisation.

## Ministerial Directions

There were no ministerial directions received during 2023/24.

## **Head of Internal Audit's Opinion**

*“Our opinion is Moderate, unchanged from 2022-23. This reflects five Government Internal Audit Agency audits, engagement with staff and management, and assurance drawn from the Trinity House's own second line internal audit activities. My opinion is a key element of the assurance framework and can be used to inform Trinity House's Governance Statement.”*

## **Chief Executive's Opinion**

Whilst governance, risk management and control continue to be generally effective within Trinity House in the year ended 31 March 2024, the Head of Internal Audit's opinion of moderate (unchanged from 2022-23) does highlight the ongoing requirement to improve and enhance the adequacy and effectiveness of Trinity House's control framework in the ever-changing threat landscape and emerging new technologies, processes and systems. As acknowledged by the Head of Internal Audit in his annual report, one indication of the maturity of the organisation is its proactive approach to seeking assurance and advice in areas where there are known challenges. It would be easy for Trinity House to select areas for audit where we perform well just to maintain the historical 'substantial' rating. Our framework of governance, risk management and control generally remains sound and effective and is in compliance with the principles set out in HM Treasury's April 2017 Code of Good Practice for Corporate Governance in Central Government Departments as far as is appropriate.

**Rear Admiral Iain Lower CB**

Chief Executive

## REMUNERATION AND EMPLOYEE REPORT

As a non-departmental public body, sponsored by the DfT, Trinity House must make pay awards in accordance with the Civil Service Pay Remit Guidance, which is published each year. The pay remit year runs from 1 August to 31 July.

As part of the Government's 2023/24 pay remit, Trinity House submitted a transformational business case to the DfT in October 2023 requesting a two year-business case with a pay award that exceeded the 4.5%+0.5% targeted toward the lower grades. The business case could not be considered by Cabinet Office and His Majesty's Treasury following the election announcement in May, and therefore Trinity House elected to distribute the 5% that was in the pay remit guidance. Following Trade Union consultation and balloting of members, the remaining bonus payments were paid in June 2024 and the pay award was implemented in the July Payroll. TH expects to submit a recruitment and retention based pay business case for 2024/5 which will be prioritised and focused on ship-side employees.

Pay decisions for TH employees below Executive level are made by the Executive Remuneration Committee and pay decisions for the Executive team are made by the Lighthouse Board Remuneration Committee.

Both committees consider both annual pay awards and PRP/bonus.

The annual employee bonus is discretionary and outcomes are determined by individual performance, contribution and organisational level success against the year's Headline Performance Objectives (HPOs).

The remuneration of the Directors and their pension entitlements are shown below:

| Officials               | Salary payments (£000s) |         | Performance Related Pay (£000s) |         | Benefits in Kind (to nearest £100) |         | Pension Benefits (to nearest £1,000) <sup>1</sup> |         | Total (£000s) |         |
|-------------------------|-------------------------|---------|---------------------------------|---------|------------------------------------|---------|---|---------|---------------|---------|
|                         | 2023/24                 | 2022/23 | 2023/24                         | 2022/23 | 2023/24                            | 2022/23 | 2023/24*  | 2022/23 | 2023/24       | 2022/23 |
| I Lower <sup>2</sup>    | 30-35                   | -       | -                               | -       | -                                  | -       | 12,000  | -       | 40-45         | -       |
| I McNaught <sup>3</sup> | 135-140                 | 125-130 | -                               | 10-15   | -                                  | -       | 229,000   | 168,000 | 365-370       | 305-310 |
| A Damen                 | 110-115                 | 90-95   | -                               | 5-10    | -                                  | -       | 40,000  | 39,000  | 150-155       | 135-140 |
| R W Dorey <sup>4</sup>  | 90-95                   | 90-95   | -                               | 5-10    | -                                  | -       | 102,000   | -39,000 | 190-195       | 60-65   |
| N Hare                  | 110-115                 | 90-95   | -                               | 5-10    | -                                  | -       | 41,000  | 40,000  | 150-155       | 140-145 |
| N Gull                  | 105-110                 | 45-50   | -                               | 0-5     | -                                  | -       | 39,000  | 21,000  | 145-150       | 70-75   |
| D Oliver <sup>5</sup>   | 15-20                   | -       | -                               | -       | -                                  | -       | 2,000   | -       | 15-20         | -       |
| A Holt <sup>6</sup>     | 5-10                    | -       | -                               | -       | -                                  | -       | -   | -       | 5-10          | -       |
| M Amos <sup>7</sup>     | 10-15                   | 15-20   | -                               | -       | -                                  | 700     | -   | -       | 5-10          | 15-20   |
| L Batchelor             | 5-10                    | -       | -                               | -       | -                                  | -       | -   | -       | 5-10          | -       |
| C Juman <sup>8</sup>    | 0-5                     | -       | -                               | -       | -                                  | -       | -   | -       | 0-5           | -       |
| V Owen                  | 15-20                   | 15-20   | -                               | -       | 1000                               | 700     | -   | -       | 20-25         | 15-20   |
| A Massey <sup>9</sup>   | 20-25                   | 35-40   | -                               | -       | -                                  | 100     | -   | -       | 20-25         | 35-40   |
| A Moore                 | 15-20                   | 15-20   | -                               | -       | 4,200                              | 1,800   | -   | -       | 20-25         | 20-25   |

1 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

\*The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.

2 Appointed 13 February 2024 (Full year equivalent £145-£150)

3 Retired 13 February 2024

4 Resigned 31 January 2024

5 Appointed 5 February 2024 (Full year equivalent (£100-105)

6 Appointed 11 March 2024 (Full year equivalent £110-115)

7 Stood down 31 October 2023

8 Appointed 13 February 2024

9 Stood down 31 October 2023

## Directors Performance Related Pay

The Executive team's pay and Performance Related Pay arrangements broadly align with the principles of the Senior Civil Service (SCS) pay remit guidance, which is published annually by Government. The guidance expressly includes pay reviews and the adoption of the discretionary Senior Civil Service Performance Related Pay.

There were no discretionary PRP/bonuses paid to the Executive team in the annual appraisal cycle 2023/24.

## Official Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by Trinity House and treated by HM Revenue and Customs as a taxable emolument. These have been rounded to the nearest £100.

## Pay Multiples

| Percentage change in salary and bonuses for the highest paid director and employee average for 2023/24 | Salary and Allowance | Bonus Payments |
|--|----------------------|----------------|
| Employee Average   | 10.2%                | 10.8%          |
| Highest Paid Director*   | 3.5%                 | -100.0%        |

\* The highest paid Directors salary and allowance is calculated in accordance with the FReM, which is based on the mid-point of the banded salary for 2023/24 £145k-150k (2022/23 £130k-135k).

In 2023/24 Trinity House achieved an overall 5% pay award. The average increase of 10.2% reflected in the above table takes into account internal promotions, re-evaluation of jobs, additional overtime, employees moving through their competency progression and a one off 'cost of living' payment from the UK Government of £1,500 per employee (Pro-rata for part time employees).

|   | 2023/24 | 2022/23 |
|---|---------|---------|
| Band of highest paid directors total remuneration (£000s) | 145-150 | 140-145 |
| Median Remuneration (3)                                   | £43,365 | £40,339 |
| Ratio   | 3.4     | 3.6     |
| 25th Percentile Remuneration (£)                          | £33,478 | £30,540 |
| Ratio   | 4.4     | 4.7     |
| 75th Percentile Remuneration (£)                          | £54,737 | £51,077 |
| Ratio   | 2.7     | 2.8     |

|                        | Lower quartile £ |         | Median £ |         | Upper quartile £ |         |
|------------------------|------------------|---------|----------|---------|------------------|---------|
|                        | 2023/24          | 2022/23 | 2023/24  | 2022/23 | 2023/24          | 2022/23 |
| Salary                 | 29,617           | 27,403  | 36,875   | 34,466  | 46,226           | 44,236  |
| Total Pay and Benefits | 33,478           | 30,540  | 43,364   | 40,339  | 54,737           | 51,077  |

Trinity House is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisations workforce.

The banded remuneration of the highest paid director in Trinity House in the financial year 2023/24 was

£145k-£150k (2022/23: £140k- £145k).

This was 3.4 times the median remuneration of the workforce, which was £43,365 (2022/23: 3.6 times and

£40,339); 4.4 times the lower quartile remuneration of the workforce, which was £33,478 (2022/23: 4.7 times £30,540); and 2.7 times the upper quartile remuneration of the workforce, which was £54,737 (2022/23: 2.8 times £51,077).

In 2023/24, no employees (2022/23, Nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £19,634 to £110k-£115k (2022/23 £18,797 to £100k-£105k).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Service Contracts

Non-Executive Directors are appointed for a period of up to 3 years; the term may be extended for a further 3 years where appropriate.



|                 | First Appointed | Re-Appointed | Years to date at 1 April 2024 | Term Expiry |
|-----------------|-----------------|--------------|-------------------------------|-------------|
| Valerie Owen    | 14/09/2018      | 14/09/2021   | 5                             | 13/09/2024  |
| Alan Moore      | 01/12/2020      | 01/12/2023   | 3                             | 30/11/2026  |
| Curtis Juman    | 13/02/2024      | -            |                               | 12/02/2027  |
| Lance Batchelor | 13/02/2024      | -            |                               | 12/02/2027  |

Executive Board Members' contracts are permanent, subject to satisfactory performance, and require a six to twelve month written notice period.

## Pension Benefits

All Executive Board Members of Trinity House, with the exception of A Holt, are ordinary members of either the PCSPS or the Public Service (Civil Service and Others) Pension Regulations 2014 (CSO). They are entitled to compensation for permanent loss of office under the terms of the Civil Service Compensation Scheme (CSCS).

|            | Real increase in pensions | Real increase in lump sum | Accrued pension | Accrued lump sum | Cash equivalent transfer value at 31 March 2024 | Cash equivalent transfer value at 31 March 2023* | Real increase in cash equivalent transfer value | Employer contribution to partnership pension account |
|------------|---------------------------|---------------------------|-----------------|------------------|---|--|---|--|
|            | £000s                     | £000s                     | £000s           | £000s            | £000s   | £000s  | £000s   | £000s  |
| I Lower    | 0-2.5                     |                           | 0-5             |                  | 11  | -  | 9   |  |
| I McNaught | 10-12.5                   |                           | 60-65           |                  | 1029  | 784*   | 186   | -  |
| R W Dorey  | 5-7.5                     | 5-7.5                     | 70-75           | 135-140          | 1583  | 1,389*   | 94  | -  |
| A Holt     | n/a                       | n/a                       | n/a             | n/a              | n/a   | n/a  | n/a   | 2  |
| A Damen    | 0-2.5                     |                           | 20-25           |                  | 292   | 231*   | 26  | -  |
| N Hare     | 0-2.5                     |                           | 5-10            |                  | 165   | 108*   | 35  | -  |
| N Gull     | 0-2.5                     |                           | 0-5             |                  | 55  | 18*  | 27  | -  |
| D Oliver   | 0-2.5                     |                           | 30-35           |                  | 543   | 537  | -1  |  |

\*The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy<sup>6</sup> is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but,

where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Note 21 (page 69) contains further information on pensions for all employee.

## Employee Report

### Other Employment Costs

Employee costs during the year net of GLA Research and Development, Light Dues and employee costs capitalised during the period were as follows:

|                      | <b>2023/24</b> | <b>2022/23</b> |
|----------------------|----------------|----------------|
|                      | <b>£000s</b>   | <b>£000s</b>   |
| Total Employee Costs | 16,912         | 15,462         |

Details of employee costs can be found at note 4 on page 57.

The average number of whole-time equivalent persons employed during the year was as follows:

|                                       | 2023/24      | 2023/24             | 2023/24     | 2022/23      |
|---------------------------------------|--------------|---------------------|-------------|--------------|
|                                       | Total        | Permanent Employees | Others      | Total        |
| Directly employed                     | 286.4        | 286.4               | -           | 283.3        |
| Other                                 | 15.7         | -                   | 15.7        | 14.6         |
| Employees engaged on capital projects | 7.7          | 7.7                 | -           | 5.9          |
| <b>Total</b>                          | <b>309.8</b> | <b>294.1</b>        | <b>15.7</b> | <b>303.9</b> |

Reporting of Civil Service and other compensation scheme - exit packages.

| Exit package cost band          | No of compulsory redundancies |         | No of other departures agreed |         | Total number of exit packages by cost bands |         |
|---------------------------------|-------------------------------|---------|-------------------------------|---------|---|---------|
|                                 | 2023/24                       | 2022/23 | 2023/24                       | 2022/23 | 2023/24                                     | 2022/23 |
| < £10,000                       | -                             | -       | -                             | -       | -   | -       |
| £10,000 - £25,000               | -                             | -       | -                             | -       | -   | -       |
| £25,000 - £50,000               | -                             | -       | -                             | -       | -   | -       |
| £50,000 - £100,000              | -                             | -       | -                             | -       | -   | -       |
| Total number of exit packages   | -                             | -       | -                             | -       | -   | -       |
| <b>Total resource cost (£s)</b> | -                             | -       | -                             | -       | -   | -       |

## Diversity Information

The Government Financial Reporting Manual (FReM) guidance requires Trinity House to disclose the number of persons of each gender who are employees of the entity as at 31 March 2024.

|                         | Male       | Female    | Total      |
|-------------------------|------------|-----------|------------|
| Executive Directors     | 5          | 1         | 6          |
| Non-Executive Directors | 3          | 1         | 4          |
| Senior Managers         | 8          | 3         | 11         |
| Employees               | 200        | 78        | 278        |
| <b>Total</b>            | <b>216</b> | <b>83</b> | <b>299</b> |

## Sickness Absence

Sickness absence during the last two years was:

| Sickness Absence                    | 2023/24 | 2022/23 |
|-------------------------------------|---------|---------|
| Days Sickness                       | 2339    | 2971    |
| Short Term Sick                     | 919     | 714     |
| Long Term Sick                      | 1420    | 2257    |
| As a %                              | 3.53    | 4.51    |
| Average number of days per employee | 8.29    | 10.54   |

## Industrial Relations

During 2023/4 one of the three recognised trade unions, Unite, who represent a section of the support vessel services (SVS) employees balloted for strike action. The opportunity to take strike action opened in July 2023 and closed in December 2023. No strike action took place. The risk register has been updated to reflect the current position.

TH continues to consult with all trade unions on the proposals for the 2024-5 pay remit.

## Off-Payroll Engagements

Trinity House has not entered into any off-payroll engagements during 2023/24 (2022/23 £nil).

## Expenditure on Consultancy

The amount spent on consultancy was £nil (2022/23 £nil).

## People Policies

Trinity House has a comprehensive set of People Policies and Procedures which reflect statutory/legislative requirements and enable the organisation to build capability and capacity to deliver organisational priorities and objectives. These approaches have been developed through the implementation of TH's people strategy, which has six themes: Insights and analytics, creating the right conditions, pay and reward, resourcing, developing organisational capability and wellbeing.

## Organisational Structure

The structure of the organisation is based around five main directorates: Operations, Navigation, Major Projects, Business Services and People & Culture. Health, Safety & Environment and Legal and Estates report into the Chief Executive/Deputy Master.

Trinity House is responsible for 3 inter-GLA Functions: GLA Research and Development (GRAD), out of hours AtoN monitoring and Light Dues collection.

Research and Development is undertaken on behalf of the three GLAs by GRAD based at Trinity House. Among its remit, this department carries out work developing systems, assessing and tracking advances in technology and market testing new products that have the possibility of providing more efficient and cost effective methods of providing GLA requirements. It also participates in international fora such as IALA.

Trinity House is responsible for the collection of Light Dues on behalf of the three GLAs. This is achieved using an internet-based collection system, developed by Trinity House. Light Dues collectors in each port, who are mostly members of the Institute of Chartered Shipbrokers, use the system to collect Light Dues from ships entering UK ports. In the Republic of Ireland, Light Dues are collected by the Revenue Commissioners.

Trinity House also manages responsibility for out-of-hours AtoN central monitoring. During the initial stage of the Fleet Review, Trinity House took on the lead of coordinated planning, with a GLA Planning Co-ordinator carrying out this role on behalf of all three GLAs. Subsequently, this has become a permanent arrangement.

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Trinity House seeks to use its engagement with the community, particularly schools and youth groups, to inspire young people to undertake careers in engineering and/or at sea

## **Equality, Diversity and Inclusion**

Trinity House does not discriminate directly or indirectly in recruitment, employment or provision of services on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. These are known as “protected characteristics”. Diversity and inclusion remains high on the Board agenda and we are committed to achieving fair and equitable outcomes.

It is recognised that, in common with other predominantly engineering and seafaring organisations,

Trinity House faces a challenge to achieve a more balanced gender distribution across the Service, particular in some traditionally male dominated disciplines including marine and engineering. Trinity House seeks to use its engagement with the community, particularly schools and youth groups, to promote these areas to young people in the hope of inspiring more to undertake careers in engineering and/or at sea.

## **Employee Involvement**

Trinity House is committed to employee involvement and communicates with staff using a variety of channels. Team meetings are established across the Service, providing the most frequent and direct link between Senior Managers and their teams. Two-way communication is encouraged during these meetings and employees contribute their ideas to departmental plans. The Chief Executive and the Directors, communicate directly with staff via



'all hands' meetings. We now have team briefing and monthly newsletters in place, and are implementing an intranet over the remainder of the calendar year.

During 2023/4 we held two pulse surveys on pay & reward and communication; in 2024/5 we will be undertaking a full employee survey exercise.

## **Parliamentary Accountability Disclosures and Audit Report**

### **Losses and Special Payments**

There were no losses during 2023/24 (2022/23 £nil).

### **Regularity of Expenditure**

Trinity House has complied with the regularity of expenditure requirements as set out in HM Treasury guidance.

### **Audit Report**

The accounting records of Trinity House are examined by the UK Comptroller and Auditor General prior to consolidation in the Accounts of the GLF. The UK Comptroller and Auditor General formally certifies the GLF Accounts under Section 211 of the Merchant Shipping Act 1995. There is no provision for a separate audit certificate to be appended to these Accounts.

As far as I, the Chief Executive acting in my role of the Accounting Officer am aware, there is no relevant audit information of which Trinity House auditors are unaware. As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of the relevant audit information and to establish that the Trinity House auditors are aware of that information. As Accounting Officer I also confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

**Rear Admiral Iain Lower CB**

Chief Executive of the Lighthouse Board

# Statement of Comprehensive Net Income

## for the Year ended 31 March 2024

|   | Note | 2023/24<br>£000's | 2022/23<br>£000's |
|---|------|-------------------|-------------------|
| <b>Income:</b>  |      |                   |                   |
| Advances from the GLF   |      | 45,820            | 36,200            |
| Other income  | 3.a  | 2,599             | 2,321             |
| Income on behalf of all GLA's                                   | 3.b  | 110               | 5                 |
| Grant income  |      | 10                | 32                |
|   |      | <b>48,539</b>     | <b>38,558</b>     |
| <b>Expenditure:</b>   |      |                   |                   |
| Staff costs   | 4    | (16,876)          | (15,462)          |
| Depreciation - PPE  | 8    | (5,070)           | (5,659)           |
| Depreciation - ROU  | 9    | (2,107)           | (1,521)           |
| Amortisation  | 10   | (274)             | (272)             |
| Loss on revaluation   |      | (137)             | (540)             |
| Other expenditure   | 5    | (17,772)          | (18,165)          |
| Provisions  | 18   | 1,829             | (4,802)           |
|   |      | <b>(40,407)</b>   | <b>(46,421)</b>   |
| <b>Net income/(expenditure)</b>                                 |      | <b>8,132</b>      | <b>(7,863)</b>    |
| Interest payable  | 6    | (28)              | (62)              |
| <b>Net income after interest</b>                                |      | <b>8,104</b>      | <b>(7,925)</b>    |
| <b>Net expenditure on behalf of DfT</b>                         |      |                   |                   |
| Other costs   | 5b   | (253)             | (261)             |
| <b>Total</b>  |      | <b>(253)</b>      | <b>(261)</b>      |
| <b>Net expenditure on behalf of all GLA's</b>                   |      |                   |                   |
| Staff costs   | 5c   | (1,199)           | (966)             |
| Other costs   | 5c   | (661)             | (647)             |
| <b>Total</b>  |      | <b>(1,860)</b>    | <b>(1,613)</b>    |
| <b>Other Comprehensive Income:</b>                              |      |                   |                   |
| Net gain/(loss) on revaluation of Property, Plant and Equipment |      | 6,751             | (14,046)          |
| <b>Total Comprehensive Income/(Expenditure)</b>                 |      | <b>12,742</b>     | <b>(23,845)</b>   |

# Statement of Financial Position

## for the Year ended 31 March 2024

|  | Note | 2023/24<br>£000's | 2022/23<br>£000's |
|--|------|-------------------|-------------------|
| <b>Assets</b>                              |      |                   |                   |
| Non-current asset                          |      |                   |                   |
| Property, plant & equipment                | 8    | 94,482            | 94,702            |
| Intangible assets                          | 10   | 522               | 698               |
| Right of use Assets                        | 9    | 16,004            | 13,224            |
| <b>Total non-current assets</b>            |      | <b>111,008</b>    | <b>108,624</b>    |
| <b>Current assets</b>                      |      |                   |                   |
| Assets classified as held for sale         | 11   | 1,000             | -                 |
| Inventories                                | 12   | 2,820             | 3,202             |
| Trade and other receivables                | 13   | 2,560             | 1,659             |
| Cash and cash equivalents                  | 14   | 303               | 649               |
| <b>Total current assets</b>                |      | <b>6,683</b>      | <b>5,510</b>      |
| <b>Total Assets</b>                        |      | <b>117,691</b>    | <b>114,134</b>    |
| <b>Liabilities</b>                         |      |                   |                   |
| <b>Current Liabilities</b>                 |      |                   |                   |
| Trade and other payables                   | 16   | (5,540)           | (5,435)           |
| Provisions: current element                | 18   | (11,209)          | (7,522)           |
| <b>Total Current Liabilities</b>           |      | <b>(16,749)</b>   | <b>(12,957)</b>   |
| <b>Non-current liabilities</b>             |      |                   |                   |
| Provisions                                 | 18   | (362)             | (13,849)          |
| Other payables                             | 16   | (2,894)           | (2,384)           |
| <b>Total non-current liabilities</b>       |      | <b>(3,256)</b>    | <b>(16,233)</b>   |
| <b>Total Assets less total liabilities</b> |      | <b>97,686</b>     | <b>84,944</b>     |
| <b>Reserves</b>                            |      |                   |                   |
| General reserve                            |      | 23,128            | 14,082            |
| Revaluation reserve                        |      | 74,558            | 70,862            |
| <b>Total</b>                               |      | <b>97,686</b>     | <b>84,944</b>     |

# Statement of Cash Flows

## for the year ended 31 March 2024

|  | 2023/24        | 2022/23        |
|--|----------------|----------------|
| Note   | £000's         | £000's         |
| <b>Cashflows from operating activities</b>                         |                |                |
| Net income/(expenditure) after interest                            | 5,991          | (9,799)        |
| Depreciation - PPE   | 8 5,070        | 5,659          |
| Depreciation - ROU   | 10 2,243       | 1,561          |
| Amortisation   | 10 274         | 272            |
| Impairments  | 7 1,235        | 1,761          |
| Gain on revaluation of land and buildings                          | 10 135         | 541            |
| Loss/(profit) on disposal property, plant and equipment            | 5a 4           | (42)           |
| Loss/(profit) on disposal of assets held for sale                  | 5a -           | (40)           |
| (Increase)/decrease in trade and other receivables                 | 13 (901)       | 263            |
| (Increase)/decrease in Inventories                                 | 12 381         | 969            |
| (Decrease)/increase in trade payables                              | 16 137         | 559            |
| Use of provisions  | 18 (9,800)     | 4,801          |
| <b>Net cash outflow from operating activities</b>                  | <b>4,769</b>   | <b>6,505</b>   |
| <b>Cash flow from investing activities</b>                         |                |                |
| Purchase of property, plant and equipment                          | 8 (3,888)      | (3,691)        |
| Purchase of ROU Assets   | 10 (572)       | (1,430)        |
| Purchase of intangible assets                                      | 9 (98)         | (10)           |
| Proceeds of disposal of property plant and equipment               | 40             | 130            |
| Proceeds of disposal of assets held for sale (Net)                 | -              | 40             |
| <b>Net cash outflow from investing activities</b>                  | <b>(4,518)</b> | <b>(4,961)</b> |
| <b>Cash flow from financing activities</b>                         |                |                |
| Capital element of payments in respect of finance leases           | 16 (597)       | (1,266)        |
| Net cash flow from financing activities                            | <b>(597)</b>   | <b>(1,266)</b> |
| <b>Net cash flow all activities</b>                                | <b>(346)</b>   | <b>278</b>     |
| Net increase/(decrease) in cash and cash equivalents in the period | 14 (346)       | 278            |
| Cash and cash equivalents at the beginning of the period           | 14 649         | 371            |
| Cash and cash equivalents at the end of the period                 | 14 303         | 649            |

# Statement of Changes in Equity

## for the year ended 31 March 2024

|  | <b>General<br/>Reserve<br/>£000's</b> | <b>Revaluation<br/>Reserve<br/>£000's</b> | <b>Total<br/>Reserves<br/>£000's</b> |
|--|---------------------------------------|---|--------------------------------------|
| Balance at 31 March 2022   | 19,596                                | 89,193                                    | 108,789                              |
| Net gain/(loss) on revaluation of property, plant and equipment      | -                                     | (14,046)                                  | (14,046)                             |
| Release of reserves to statement of comprehensive net income (other) | 4,285                                 | (4,285)                                   | -                                    |
| Retained Expenditure   | (9,799)                               | -   | (9,799)                              |
| <b>Balance at 31 March 2023</b>                                      | <b>14,082</b>                         | <b>70,862</b>                             | <b>84,944</b>                        |
| Balance at 31 March 2023   | 14,082                                | 70,862                                    | 84,944                               |
| Net gain/(loss) on revaluation of property, plant and equipment      | -                                     | 6,751                                     | 6,751                                |
| Release of reserves to statement of comprehensive net income (other) | 3,055                                 | (3,055)                                   | -                                    |
| Retained Income  | 5,991                                 | -   | 5,991                                |
| <b>Balance at 31 March 2024</b>                                      | <b>23,128</b>                         | <b>74,558</b>                             | <b>97,686</b>                        |

# Notes to the Accounts for the year 31 March 2024

## 1 Statement of Accounting Policies

### a) Accounting Convention

These accounts have been prepared in accordance with the 2023/24 government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the GLA for the purposes of giving a true and fair view has been selected. The particular policies adopted by Trinity House are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition, these accounts have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Transport on 16 December 2021.

Trinity House has chosen not to adopt any new standards or interpretations early.

### b) Going Concern

The statement of Financial Position at 31 March 2024 discloses net assets of £97,686,000.

It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### c) Pension Benefits

Past and present employees of Trinity House are generally covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described in the Remuneration Report. The PCSPS is an unfunded multi-employer defined benefit scheme. The scheme is treated as a defined contribution arrangement as it is not possible to identify the deficit for the relevant employers.



Trinity House recognises the contributions payable to the PCSPS. The PCSPS pays pension benefits and accounts for the liability.

#### **d) Intangible Assets and Amortisation**

Computer software has been capitalised and is amortised on a straight-line basis over the estimated useful economic life of between three to five years dependent on the expected operating life of the asset as determined by the Trinity House IT Support Manager.

Intangible licences have been capitalised and are amortised over the life of the licence.

Intangible Assets are shown at cost less amortisation. Amortisation is calculated on a monthly basis and is commenced in the month after original purchase or when the asset is brought into use and is continued up to the end of the month prior to disposal.

#### **e) Non-Current Assets and Depreciation Capitalisation**

Non-Current assets are recognised where the economic life of the item of property, plant and equipment exceeds one year, the cost of the item can be reliably measured, and the original cost is greater than £5,000.

Assets are recognised initially at cost, which comprises purchase price, any costs of bringing assets to the location and condition necessary for them to be capable of operating in the intended manner, and initial estimates of the costs of dismantling and removing the assets where an obligation to dismantle or remove the assets arises from their acquisition or usage.

| <b>Asset Class</b>                          | <b>Valuation Method</b>                                  | <b>Valued By</b>  |
|---|--|---|
| Non Specialised Land and Buildings.         | Fair Value, using Existing Use Valuation principles.     | RICS Valuation Statement (UKVS) 1.1 Professional valuation every five years. Value plus indices in Intervening years.   |
| Specialised Property                        | Fair Value using Depreciated Replacement Cost principles | RICS Valuation Statement (UKVS) 1.1 Professional valuation every five years. Value plus indices in Intervening years.   |
| Non Operational Property <sup>1</sup>       | Market Value   | Specified as Obsolete, Assets Held for Sale or Investment Assets. Professional Valuation annually.  |
| Tenders, Ancillary Craft and Lightvessels   | Fair Value   | Professional Valuation Annually   |
| Buoys                                       | Fair Value   | Internally using market value of recent purchases, then on an annual basis using market value of recent purchases, or recognised indices as appropriate.  |
| Beacons                                     | Fair Value   | RICS Valuation Statement (UKVS) 1.1 Professional valuation every five years. Value plus indices in intervening years.   |
| Plant & Machinery - Low value or short life | Depreciated Historic Cost                                | No Additional Valuation required  |
| Plant & Machinery – Not included above.     | Fair Value   | RICS Valuation Statement (UKVS) 4.1 & 4.3 Professional valuation as base cost, plus indices annually thereafter.  |
| Plant & Machinery - at lighthouses          | Fair Value using Depreciated Replacement Cost principles | RICS Valuation Statement (UKVS) 1.1 (valued at DRC if specialised and defines as such under the RICS Red Book). Professional valuation every five years. Value plus indices in intervening years. |

<sup>1</sup>Non Operational in this context relates to property that is not required for Trinity House to carry out its statutory function.

Where assets are re-valued through professional valuation or through the use of indices, the accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount of the asset. If the assets carrying amount is increased as a result of revaluation, the increase is recognised in other comprehensive income and accumulated in equity in the Revaluation Reserve. However, the increase shall be recognised in the statement of Comprehensive Net Income to the extent that it reverses a revaluation decrease of that class of asset previously recognised in profit and loss. If the assets carrying amount is decreased as a result of revaluation, the decrease is recognised in the statement of Comprehensive Net Income. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve. The decrease recognised in other comprehensive income reduces the amount held in the revaluation reserve in respect of that asset.

Depreciation is calculated on an annual basis and commences in the financial year after original purchase and continued up to the end of the financial year in which the sale or disposal takes place. Assets in the course of construction are not depreciated.

Depreciation is charged on a straight line basis having regard to the estimated operating lives as follows:

| <b>CATEGORIES</b>                   | <b>DEPRECIATION LIVES</b>  |
|-------------------------------------|--|
| Land and Buildings                  |  |
| Land                                | Not Depreciated  |
| Lighthouses (building structure)    | 25-100 years   |
| Other Buildings                     | 50 years   |
| Tenders and Ancillary Craft         |  |
| Tenders                             | 25 years   |
| Tenders dry dock and repair:        |  |
| THV Patricia & THV Alert            | 2.5 years (30 months)  |
| THV Galatea                         | 5 years  |
| Workboats                           | 25 years   |
| Lightvessels                        |  |
| Lightvessel (hulls)                 | 50 years   |
| Lightvessel (hull conversions)      | 15 years   |
| Lightvessel (dry dock and repair)   | 10 years   |
| Buoys and Beacons                   |  |
| Steel buoys                         | 50 years   |
| Plastic buoys Beacons               | 10 years   |
| Beacons                             | 25-100 years   |
| Buoy Superstructures                | 5-15 years   |
| Plant and Machinery                 |  |
| Lighthouses and lightvessels        | 15-25 years  |
| Automation equipment                | 15-25 years  |
| Racons and radio beacons            | 15 years   |
| Depots & Workshops                  | 10 years   |
| Office Equipment                    | Up to 10 years   |
| AIS Equipment                       | 7 years  |
| DGPS Equipment                      | 10 years   |
| Vehicles                            | 5-15 years   |
| Computers - major systems           | 5 years  |
| Computers - other                   | 3 years  |
| Assets leased under a Finance Lease | 25 years being the expected useful life. (The primary lease period is less than this but a secondary period sufficient to cover the balance is |

## **f) Inventories**

Inventories of consumable stores at depots and fuel stocks are valued on a First-In First-Out (FIFO) basis.

## **g) Research and Development**

The Board co-operates with the other General Lighthouse Authorities through the GRAD Policy Committee for major research and development. Other direct expenditure on trial projects of a minor nature is charged to revenue as it is incurred. Work carried out by Trinity House on behalf of the General Lighthouse Authorities is not included in the net expenditure of Trinity House but charged to the Statement of Comprehensive Net Income as expenditure on behalf of all GLAs.

## **h) Leases**

### **Scope and Classification**

In accordance with IFRS 16, adopted by Trinity House on 1 April 2019, contracts that convey the right to use an asset in exchange for consideration are accounted for as leases. This also expands to include arrangements where there is no consideration, referred to as peppercorn leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights to both obtain substantially all of the economic benefits from the asset, and to direct its use. In these scenarios, the relevant part is treated as a lease.

There are two exceptions where contracts can be excluded; on the basis of low value, or on the basis for the contract having less than 12 months to run. In line with Trinity House's policy on Non-Current Assets, contracts where the initial recognition of the right-of-use asset would be below £5,000 are excluded.

### **Initial Recognition**

At the transition date, or subsequently, the commencement of a lease, Trinity House recognises a right-of-use asset and a lease liability. The lease liability is measured at the value of the fixed future payments, discounted either at the rate implicit in the lease, or when this cannot be determined, a rate provided by Treasury estimating the incremental cost of borrowing.

The right-of-use asset will be recognised at the value of the liability, adjusting for any prepayments made before the commencement date. Peppercorn leases, where nominal consideration is received, have been valued at an estimated market rental rate by our valuer. Any difference between the value of the asset and liability of recognition is treated as an opening balance adjustment to the General Fund.

## **Subsequent Measurement**

Subsequently, the asset is measured via the fair value model; Trinity House considers the cost model to be a reasonable proxy for the fair value model, with the exception of the THV Alert, THV Galatea and THV Patricia. IFRS 16 gives the option to continue valuing these vessels using the revaluation model, and we have opted to do so. The liability is adjusted for reassessments and modifications to the lease; when these occur the lease liability is re-measured, and an adjustment made.

The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

## **Lease Expenditure**

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed in the year in which they occur.

## **Lessor Accounting**

Where Trinity House acts as a lessor, it assesses whether those leases are finance or operating leases. For finance leases, it derecognises the asset and recognises a receivable. Interest is accrued throughout the financial year and is recognised in income. For operating leases, rental income is recognised on a systematic basis, usually straight-line, over the lease term.

## **Estimates and Judgements**

For embedded leases, Trinity House determines the amounts to be recognised as the right-of-use asset and lease liability based on the stand-alone price of the lease component and the non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

Some contracts cover both a lease of land which the lessee controls and rights of access through adjacent land which the lessee does not control. In more remote locations, where stand-alone prices are not readily observable, Trinity House has elected to take the practical expedient of treating the entire contract as a lease.

The FReM requires that right-of-use assets held under “peppercorn” leases should be measured at existing use value. These leases include historic,

long-term leases as well as more recent arrangements. Trinity House has distinguished these from leases in which the consideration is low, but proportionate to the asset's value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals).

When an existing use value is required for low values or peppercorn leases, this is calculated based on similar arrangements within the estate i.e. using current rentals for similar property as a proxy. If similar arrangements are not available a professional valuation is sought.

### **i) Foreign Currency**

All transactions in a foreign currency have been converted to sterling immediately on receipt and are therefore translated at the exchange rate ruling at the date of the transaction. Any monetary assets or liabilities existing as at 31 March 2024 are translated at the rate ruling at the Statement of Financial Position date.

### **j) Taxation**

The fund is exempt from Corporation Tax under the provisions of the Merchant Shipping Act 1995. The Authority is liable to account for VAT on charges rendered for its services and is able to reclaim VAT on all costs under the provisions of the Value Added Tax Act 1983.

### **k) Transactions on Behalf of Other General Lighthouse Authorities**

The General Lighthouse Authorities generally account all aspects of their responsibilities as statutory authorities. However, as a result of close co-operation, the GLAs agree that if it is either more economic or practical for one GLA to be responsible and account for the costs of particular areas of work, then that GLA will do so. The costs incurred by Trinity House on behalf of other GLAs (which are shown separately on the Statement of Comprehensive Net Income) are detailed at note 5c.

### **l) Government Grants**

Government Grants are recognised in full in the Statement of Comprehensive Net Income in the year in which they are received.

### **m) Investment Properties**

IAS 40 requires that properties are classified as investment properties, where they are held for the purpose of capital appreciation, or to earn rentals, or both. Investment properties are valued at fair value with changes recognised in net operating expenditure for the period in which they arise.

As of 31 March 2024, Trinity House had no properties that the Board considered to be classified as investment properties.

## **n) Provisions**

Trinity House makes provisions for liabilities and charges in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets where, at the Statement of Financial Position date, a legal constructive liability (i.e. a present obligation from a past event) exists, the transfer of economic benefits is probable and a reasonable estimate can be made.

Trinity House has three provisions during 2023/24. Further details of these can be found in note 18.

## **o) Financial Assets and Liabilities**

Financial instruments are contractual arrangements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are typically cash or rights to receive cash or equity instruments in another entity. Financial liabilities are typically obligations to

transfer cash. A contractual right to exchange financial assets or liabilities with other entities will also be a financial asset or liability, depending on whether the conditions are potentially favourable or adverse to the reporting entity.

### **Financial Assets**

The GLF classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available-for sale. Such assets are initially recognised at fair value. Where material, they are subsequently measured at amortised cost using the effective interest method.

### **Financial Liabilities**

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate. Where the effective interest rate is not materially different from the actual interest rate, the actual interest rate is used instead. Financial liabilities are derecognised when extinguished.

### **Embedded Derivatives**

Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract,



and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is split out and reported at fair value with gains and losses being recognised in the Income and Expenditure Account. A review of all GLA contracts has determined that, as at 31 March 2024, no contracts contained embedded derivatives.

### **Determining Fair Value**

Fair Value is defined as the amount for which an asset is settled or a liability extinguished, between knowledgeable parties, in an arm's length transaction. This is generally taken to be the transaction value, unless, where material, the fair value needs to reflect the time value of money, in which case the fair value would be calculated from discounted cash flows.

### **p) New Standards and Interpretations**

No new standards have been adopted during the year.

### **q) New Standards and Interpretations Adopted Early**

Trinity House has chosen not to adopt early any new standards or interpretations.

### **r) New Standards and Interpretations Not Yet Adopted**

The standards listed below are not yet effective for the year ended 31 March 2024 and have not been applied in preparing these financial statements.

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to adoption, it may become effective for accounting periods commencing on, or after, 1 April 2025 and should be included in the 2025/26 FReM at the earliest. Trinity House considers that it has no contracts which meet the definition of insurance contracts.

Trinity House does not consider that any other new, or revised standards, or interpretation will have a material impact

### **s) Income**

In accordance with the Merchant Shipping Act 1995, Trinity House is permitted to sell reserve capacity. Income from these activities is recognised in accordance with IFRS 15. Income received in advance of provision of services in respect of contracts is deferred to match the related expenditure.

### **t) Estimates**

Trinity House may be liable as described in note 21 for any shortfall in the MNOPF pension fund. Trinity House takes advice from qualified actuaries

in determining the extent of any shortfall and whether it may be required to make further contributions.

Aside from this, key estimates in Trinity House's accounts related to asset valuations. A number of qualified surveyors are engaged to provide professional valuations of different elements of the asset base as disclosed in note 8.

Specific estimation uncertainty arises in respect of the valuation of the lighthouse estate, the Depreciated Replacement Cost of which constitutes the largest element of the buildings category in note 8. Key assumptions are made in the following areas.

- For each lighthouse, Trinity House selects a modern equivalent asset (MEA) based on the navigation requirement at the asset's location. This selection is based on a decision tree common to each of the GLAs which draws on key considerations for construction strategy such as whether a structure is onshore or offshore; and the degree of challenge posed by wave patterns at the location. The analysis of available construction techniques draws on the professional expertise of suitable expert GLA staff and the options emerging from recent case studies into possible rebuild or refurbishment work following market engagement. The design of this decision tree is a matter of professional judgement since more prudent engineering assumptions will tend towards the selection of more expensive MEAs, risking over valuation, while more aggressive engineering assumptions will tend towards less expensive ones, risking undervaluation through optimism bias. Trinity House has followed the principal of neutrality in any judgements arising and considered the results of the decision tree based on a number of actual locations.
- Costing rates are determined for the gross replacement cost of each MEA, establishing a standard valuation to apply to each lighthouse in that category rather than costing each lighthouse individually. This portfolio approach is permitted by the FReM and RICS 'Red Book'. These are determined based on the most recent available data from case studies, with a consideration of indexation. Adjustment factors are applied based on location and physical characteristics of the site, to reflect the varying difficulty and cost of construction, e.g. for remote islands.
- As required by the FReM, a discount is made to the gross replacement cost to reflect Trinity House's assessment of the proportion of each lighthouse's useful life which has been expended. Condition point estimates which drive the measurement of this discount are based on the available data in respect of asset condition (including age), combined with professional judgement which considers the type of construction for the asset in use.

## 2 Analysis of Net Expenditure by Segment

The Trinity House Board considers the provision of AtoN to be its one and only business segment.

### 3.a Income

|                 | 2023/24      | 2022/23      |
|-----------------|--------------|--------------|
|                 | £000's       | £000's       |
| Buoy rental     | 742          | 1,014        |
| Property rental | 325          | 386          |
| Tender hire     | 931          | 610          |
| Sundry receipts | 601          | 311          |
| <b>Total</b>    | <b>2,599</b> | <b>2,321</b> |

### 3.b Income on behalf of all GLAs

|   | £000's     | £000's   |
|---|------------|----------|
| Contributions towards Radio Navigation projects | 110        | 5        |
| <b>Total</b>                                    | <b>110</b> | <b>5</b> |

## 4 Staff numbers and related costs

### Staff costs comprise:

|                               | 2023/24<br>Total<br>£000's | 2023/24<br>Permanently<br>employed<br>staff<br>£000's | 2023/24<br>Others<br>£000's | 2022/23<br>Total<br>£000's |
|-------------------------------|----------------------------|---|-----------------------------|----------------------------|
| Wages and salaries            | 13,737                     | 13,214  | 523                         | 12,308                     |
| Social security costs         | 1,491                      | 1,491   | -                           | 1,380                      |
|                               | <b>15,228</b>              | <b>14,705</b>   | <b>523</b>                  | <b>13,688</b>              |
| Employers PCSPC contributions | 3,275                      | 3,275   | -                           | 3,044                      |
| Other Pension contributions   | 20                         | 20  | -                           | 20                         |
| <b>Total net costs</b>        | <b>18,523</b>              | <b>18,000</b>   | <b>523</b>                  | <b>16,752</b>              |

Included in the above are:

|   |               |               |            |               |
|---|---------------|---------------|------------|---------------|
| Research and Development salaries                           | 855           | 855           | -          | 654           |
| Light Dues salaries   | 344           | 344           | -          | 312           |
| Staff costs capitalised in fixed assets                     | 448           | 448           | -          | 324           |
| <b>Staff costs shown under expenditure of Trinity House</b> | <b>16,876</b> | <b>16,353</b> | <b>523</b> | <b>15,462</b> |

The average number of whole-time equivalent persons employed during the year was as follows:

|                                   | 2023/24<br>Total | 2023/24<br>Permanent<br>Staff | 2023/24<br>Others | 2022/23<br>Total |
|-----------------------------------|------------------|-------------------------------|-------------------|------------------|
| Directly employed                 | 278.7            | 278.7                         | -                 | 283.3            |
| Other                             | 15.7             | -                             | 15.7              | 14.6             |
| Staff engaged on capital projects | 7.7              | 7.7                           | -                 | 5.9              |
| <b>Total</b>                      | <b>302.1</b>     | <b>286.4</b>                  | <b>15.7</b>       | <b>303.9</b>     |

## 5.a Other Expenditure

|   | Note | 2023/24<br>£000's    | 2022/23<br>£000's    |
|---|------|----------------------|----------------------|
| Running costs                                       |      | 16,533               | 16,485               |
| Impairments   | 7    | 1,235                | 1,762                |
| Profit on disposal of property, plant and equipment |      | 4                    | (82)                 |
|   |      | <u>17,772</u>        | <u>18,165</u>        |
| Interest charges                                    | 6    | 42                   | 64                   |
| Depreciation - PPE                                  | 8    | 5,070                | 5,659                |
| Depreciation - ROU                                  | 10   | 2,107                | 1,521                |
| Amortisation  | 9    | 274                  | 272                  |
| Loss on revaluation of assets                       |      | 137                  | 540                  |
| <b>Total</b>  |      | <u><b>25,402</b></u> | <u><b>26,221</b></u> |

## 5.b Net Expenditure on behalf of DfT

|                         | 2023/24<br>£000's | 2022/23<br>£000's |
|-------------------------|-------------------|-------------------|
| Staff and accommodation | 93                | 89                |
| Audit*                  | 128               | 140               |
| Professional services   | 32                | 32                |
| <b>Total</b>            | <u><b>253</b></u> | <u><b>261</b></u> |

\*1The above figure relates to the £128k audit fee for the GLF. The audit fee above is the entire audit fee for the GLF, and is paid for on behalf of the GLF. During the year, the GLF did not purchase any non-audit services from its auditors. The element of the 2023/24 GLF fee that relates to the C&AG's review of Trinity House's transactions and balances contributing to this audit opinion is £28k (2022/23 £31k).

## 5.c Net expenditure on behalf of all General Lighthouse Authorities

|                                      | 2023/24<br>£000's | 2022/23<br>£000's |
|--------------------------------------|-------------------|-------------------|
| Light Dues collection costs          | 678               | 627               |
| Imperial Lighthouse Service pensions | 34                | 42                |
| Research and Development             | 1,148             | 944               |
| <b>Total</b>                         | <b>1,860</b>      | <b>1,613</b>      |

Salary Costs included in the above:

|                          |              |            |
|--------------------------|--------------|------------|
| Research and Development | 855          | 654        |
| Light Dues               | 344          | 312        |
| <b>Total</b>             | <b>1,199</b> | <b>966</b> |

## 6 Interest payable/receivable

|                                    | 2023/24<br>£000's | 2022/23<br>£000's |
|------------------------------------|-------------------|-------------------|
| Deposit interest receivable        | (14)              | (2)               |
| Interest payable on Finance leases | 42                | 64                |
| <b>Total</b>                       | <b>28</b>         | <b>62</b>         |

## 7 Impairments

During the year, impairments totaled £1,235k. Works on THV Patricia exceeded the fair value of the asset, resulting in an impairment of £330k and THV Alert £36k.

The depreciated replacement cost (DRC) for Needles Lighthouse could not support the full value of the investment to modernise this station for a further 10 to 20 years use and resulted in an impairment on Plant & Equipment of £350k. There was also an impairment on the Trevoise Head modernisation project of £240k and the Peneen modernisation project of £279k.

These meet the requirements of the FReM, and have been treated as impairments and transferred to the Statement of Comprehensive Net Income.

## 8 Property, plant and equipment

|                             | Land         | Buildings     | L'Vessels    | Tenders & Craft | Buoys & Beacons | IT Equip.    | Plant & Mach. | AUC*       | Total         |
|-----------------------------|--------------|---------------|--------------|-----------------|-----------------|--------------|---------------|------------|---------------|
|                             | £000's       | £000's        | £000's       | £000's          | £000's          | £000's       | £000's        | £000's     | £000's        |
| Cost or valuation           |              |               |              |                 |                 |              |               |            |               |
| At 1 April 2023             | 9,648        | 59,021        | 8,730        | 641             | 4,735           | 1,382        | 11,442        | 477        | 96,076        |
| Additions                   | -            | -             | 472          | 454             | 158             | 139          | 427           | 2,238      | 3,888         |
| Disposals                   | -            | -             | -            | -               | (32)            | (24)         | (82)          | -          | (138)         |
| Impairments                 | -            | -             | -            | (330)           | -               | -            | (869)         | -          | (1,199)       |
| Reclassifications           | (336)        | (664)         | -            | -               | -               | -            | -             | -          | (1,000)       |
| Revaluations                | (457)        | 587           | (372)        | (76)            | (220)           | (214)        | (504)         | -          | (1,256)       |
| Transfers                   | -            | -             | -            | -               | -               | -            | 1,931         | (1,989)    | (58)          |
| <b>At 31 March 2024</b>     | <b>8,855</b> | <b>58,944</b> | <b>8,830</b> | <b>689</b>      | <b>4,641</b>    | <b>1,283</b> | <b>12,345</b> | <b>726</b> | <b>96,313</b> |
| Depreciation                |              |               |              |                 |                 |              |               |            |               |
| At 1 April 2023             | -            | -             | -            | 231             | 102             | 421          | 620           | -          | 1,374         |
| Charged in year             | -            | 2,005         | 620          | 94              | 435             | 273          | 1,643         | -          | 5,070         |
| Disposals                   | -            | -             | -            | -               | (2)             | (24)         | (68)          | -          | (94)          |
| Impairments                 | -            | -             | -            | -               | -               | -            | -             | -          | -             |
| Reclassifications           | -            | -             | -            | -               | -               | -            | -             | -          | -             |
| Revaluations                | -            | (2,005)       | (620)        | (97)            | (198)           | (215)        | (1,384)       | -          | (4,519)       |
| <b>At 31 March 2024</b>     | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>228</b>      | <b>337</b>      | <b>455</b>   | <b>811</b>    | <b>-</b>   | <b>1,831</b>  |
| <b>NBV at 31 March 2023</b> | <b>9,648</b> | <b>59,021</b> | <b>8,730</b> | <b>410</b>      | <b>4,633</b>    | <b>961</b>   | <b>10,822</b> | <b>477</b> | <b>94,702</b> |
| <b>NBV at 31 March 2024</b> | <b>8,855</b> | <b>58,944</b> | <b>8,830</b> | <b>461</b>      | <b>4,304</b>    | <b>828</b>   | <b>11,534</b> | <b>726</b> | <b>94,482</b> |

\* Assets under construction



Prior Year

|                             | Land         | Buildings     | L'Vessels    | Tenders & Craft | Buoys & Beacons | IT Equip.    | Plant & Mach. | AUC*           | Total          |
|-----------------------------|--------------|---------------|--------------|-----------------|-----------------|--------------|---------------|----------------|----------------|
|                             | £000's       | £000's        | £000's       | £000's          | £000's          | £000's       | £000's        | £000's         | £000's         |
| Cost or valuation           |              |               |              |                 |                 |              |               |                |                |
| At 1 April 2022             | 6,032        | 75,264        | 8,810        | 641             | 8,484           | 1,561        | 13,004        | 409            | 114,205        |
| Additions                   | -            | -             | -            | 1,352           | 508             | 425          | 154           | 1,252          | 3,691          |
| Disposals                   | -            | (54)          | -            | -               | (10)            | (15)         | (471)         | -              | (550)          |
| Impairments                 | -            | -             | -            | (1,216)         | -               | -            | (583)         | -              | (1,799)        |
| Reclassifications           | -            | -             | -            | -               | -               | -            | -             | -              | -              |
| Revaluations                | 3,616        | (16,189)      | (80)         | (136)           | (4,247)         | (589)        | (1,846)       | -              | (19,471)       |
| <b>Transfers</b>            | -            | -             | -            | -               | -               | -            | <b>1,184</b>  | <b>(1,184)</b> | -              |
| <b>At 31 March 2023</b>     | <b>9,648</b> | <b>59,021</b> | <b>8,730</b> | <b>641</b>      | <b>4,735</b>    | <b>1,382</b> | <b>11,442</b> | <b>477</b>     | <b>96,076</b>  |
| Depreciation                |              |               |              |                 |                 |              |               |                |                |
| At 1 April 2022             | -            | 113           | -            | 136             | -               | 378          | 901           | -              | 1,528          |
| Charged in year             | -            | 2,348         | 603          | 242             | 458             | 379          | 1,629         | -              | 5,659          |
| Disposals                   | -            | (2)           | -            | -               | (2)             | (15)         | (444)         | -              | (463)          |
| Impairments                 | -            | -             | -            | (11)            | -               | -            | (27)          | -              | (38)           |
| Reclassifications           | -            | -             | -            | -               | -               | -            | -             | -              | -              |
| Revaluations                | -            | (2,459)       | (603)        | (136)           | (354)           | (321)        | (1,439)       | -              | (5,312)        |
| <b>At 31 March 2023</b>     | <b>-</b>     | <b>-</b>      | <b>-</b>     | <b>231</b>      | <b>102</b>      | <b>421</b>   | <b>620</b>    | <b>-</b>       | <b>1,374</b>   |
| <b>NBV at 31 March 2022</b> | <b>6,032</b> | <b>75,151</b> | <b>8,810</b> | <b>505</b>      | <b>8,484</b>    | <b>1,183</b> | <b>12,103</b> | <b>409</b>     | <b>112,677</b> |
| <b>NBV at 31 March 2023</b> | <b>9,648</b> | <b>59,021</b> | <b>8,730</b> | <b>410</b>      | <b>4,633</b>    | <b>961</b>   | <b>10,822</b> | <b>477</b>     | <b>94,702</b>  |

\* Assets under construction

Following the reclassification of Trinity House as a Central Government Body, the Department for Transport issued a new Accounts Direction in February 2013, requiring that Property Plant and Equipment is valued at Fair Value as per IAS16 and the Government Financial Reporting Manual (FReM). As a result, Trinity House has carried out an extensive exercise to obtain valuations for all items of Property, Plant and Equipment on the basis outlined in note 1 (e) as of 31 March 2013. Subsequently Property, Plant and Equipment were revalued using indices where applicable in the Property, Plant and Equipment Policy. A revaluation exercise was undertaken as at 31 March 2023 by:

| <b>Asset</b>                       | <b>Valuer</b>                                    | <b>Organisation</b>                   |
|------------------------------------|--|---------------------------------------|
| Land, Buildings & Beacons in       |  |                                       |
| England & Wales                    | Mr Stephen Jones MRICS & MR John McClimens MRICS | DVS Property Specialists <sup>6</sup> |
| Plant and Machinery & Lightvessels | Mr Andrew Lloyd MRICS                            | DVS Property Specialists <sup>6</sup> |
| Tenders                            | Mr Edward Molyneux                               | Braemar ACM Valuations Limited        |

<sup>6</sup>DVS Property Specialists are the commercial arm of the Valuation Office Agency.

These valuations have been undertaken for capital accounting purposes in accordance with International Financial Reporting Standards (IFRS), as interpreted and applied by current HM Treasury guidance to the United Kingdom public sector. The valuations accord with the requirements of the Royal Institution of Chartered Surveyors (RICS) – Professional Standards 8th Edition (known as the Red Book) insofar as these are consistent with IFRS and Treasury guidance.

Ships have undergone a full valuation as at 31 March 2024 this has been carried out by Braemar ACM Valuations Limited.

Navigation Buoys were valued internally by Trinity House staff based on evidence of recent purchases, and taking into account the age of the asset.

## Revaluations

A summary of the 2023/24 revaluation is set out below:

|  | <b>£000s</b>   |
|--|----------------|
| Gains on property, plant and equipment (via SOCNI)       | 137            |
| Gains on property, plant and equipment (via OCI)         | (7,698)        |
| Losses on property, plant and equipment (via OCI)        | 947            |
|  | <b>(6,614)</b> |
|  |                |
| Revaluation movements 2022-23                            | <b>£000s</b>   |
| Revaluation movements cost (PPE note)                    | (1,256)        |
| Revaluation movements cost (ROU note)                    | 1,710          |
| Revaluation movement accumulated depreciation (PPE note) | 4,519          |
| Revaluation movement accumulated depreciation (ROU note) | 2,557          |
|  | <b>7,530</b>   |

### Lighthouse Cottages included in Land and Buildings, leased to Trinitas Services Ltd

Trinity House retains a portfolio of lighthouse cottages which are leased to Trinitas Services Ltd as a commercial arrangement. These cottages constitute part of a navigational daymark or are otherwise necessary to retain other operational requirements and are valued at historic cost less depreciation in line with other assets.

### Sale of Fixed Assets

During the year, fixed asset disposals were made in respect of pool vehicles. The sale of the vehicles/vans totaled £40k. In total, a loss on disposal of £4k was made. (2022/23 profit of £82k).

## 9 ROU Assets

|                             | Land         | Tenders & Craft | Helicopter   | Total         |
|-----------------------------|--------------|-----------------|--------------|---------------|
|                             | £000's       | £000's          | £000's       | £000's        |
| Cost or valuation           |              |                 |              |               |
| At 1 April 2023             | 2,121        | 10,200          | 3,050        | 15,371        |
| Additions - Leases          | 10           | -               | -            | 10            |
| Additions - Tenders & Craft | -            | 572             | -            | 572           |
| Disposals                   | -            | -               | -            | -             |
| Impairments                 | -            | (38)            | -            | (38)          |
| Revaluations                | -            | 1,710           | -            | 1,710         |
| Remeasurement               | 153          | -               | 914          | 1,067         |
| Transfers                   | -            | 56              | -            | 56            |
| <b>At 31 March 2024</b>     | <b>2,284</b> | <b>12,500</b>   | <b>3,964</b> | <b>18,748</b> |
| Depreciation                |              |                 |              |               |
| At 1 April 2023             | 405          | -               | 1,742        | 2,147         |
| Charged in year             | 106          | 1,645           | 491          | 2,242         |
| Disposals                   | -            | -               | -            | -             |
| Impairments                 | -            | (2)             | -            | (2)           |
| Revaluations                | -            | (1,643)         | -            | (1,643)       |
| <b>At 31 March 2024</b>     | <b>511</b>   | <b>-</b>        | <b>2,233</b> | <b>2,744</b>  |
| <b>NBV at 31 March 2023</b> | <b>1,716</b> | <b>10,200</b>   | <b>1,308</b> | <b>13,224</b> |
| <b>NBV at 31 March 2024</b> | <b>1,773</b> | <b>12,500</b>   | <b>1,731</b> | <b>16,004</b> |

| <b>Prior Year</b>           | <b>Land</b>   | <b>Tenders &amp; Craft</b> | <b>Helicopter</b> | <b>Total</b>  |
|-----------------------------|---------------|----------------------------|-------------------|---------------|
|                             | <b>£000's</b> | <b>£000's</b>              | <b>£000's</b>     | <b>£000's</b> |
| Cost or valuation           |               |                            |                   |               |
| At 1 April 2022             | 2,110         | 10,200                     | 2,950             | 15,260        |
| Additions - Leases          | -             | -                          | -                 | -             |
| Additions - Tenders & Craft | -             | 1,430                      | -                 | 1,430         |
| Disposals                   | -             | -                          | -                 | -             |
| Impairments                 | -             | -                          | -                 | -             |
| Revaluations                | -             | (1,430)                    | -                 | (1,430)       |
| Remeasurement               | 11            | -                          | 100               | 111           |
| Transfers                   | -             | -                          | -                 | -             |
| <b>At 31 March 2023</b>     | <b>2,121</b>  | <b>10,200</b>              | <b>3,050</b>      | <b>15,371</b> |
| Depreciation                |               |                            |                   |               |
| At 1 April 2022             | 299           | -                          | 1,289             | 1,588         |
| Charged in year             | 106           | 1,002                      | 453               | 1,561         |
| Disposals                   | -             | -                          | -                 | -             |
| Impairments                 | -             | -                          | -                 | -             |
| Revaluations                | -             | (1,002)                    | -                 | (1,002)       |
| <b>At 31 March 2023</b>     | <b>405</b>    | <b>-</b>                   | <b>1,742</b>      | <b>2,147</b>  |
| <b>NBV at 31 March 2022</b> | <b>1,811</b>  | <b>10,200</b>              | <b>1,661</b>      | <b>13,672</b> |
| <b>NBV at 31 March 2023</b> | <b>1,716</b>  | <b>10,200</b>              | <b>1,308</b>      | <b>13,224</b> |

Trinity House has three categories of ROU assets; Land, Tenders & Craft, and Plant & Equipment. The significant ROU assets relating to Land are the Swansea and St Just depots, along with areas of land near the depot at Harwich. There are also ROU Assets relating to small areas of land or access rights to or at lighthouses.

ROU assets relating to Tenders & Craft are the two Trinity House vessels; THV Alert and THV Galatea. ROU assets relating to Plant & Equipment is solely the Helicopter contract, which is a shared contract between the three GLAs. The amount shown in the table on the previous page and in Note 17 relate only to Trinity House's share of the contract.

There is a difference between the depreciation charged in the year shown in the ROU Assets note (£2,242k), and the value charged in the Statement of Comprehensive Net Expenditure (£2,107k). This is due to the depreciation on the ROU Asset related to the Tri-GLA Helicopter contract. During 2023/24 27.4% of the Helicopter flying hours were for the Needles and Skerries Lighthouse modernisation projects, and therefore 27.4% of the depreciation charged on the Helicopter ROU asset, £134,171 has been transferred to the asset.

All contractual options to extend the leases beyond their initial contract periods have been included in the above figures.

## 10 Intangible Assets

|                             | Intangible<br>software<br>£000's | Intangible<br>Licences<br>£000's | Total<br>£000's |
|-----------------------------|----------------------------------|----------------------------------|-----------------|
| Cost or valuation           |                                  |                                  |                 |
| At 1 April 2023             | 3,607                            | 165                              | 3,772           |
| Additions                   | 98                               | -                                | 98              |
| Disposals                   | (83)                             | -                                | (83)            |
| Transfers*                  | -                                | -                                | -               |
| <b>At 31 March 2024</b>     | <b>3,622</b>                     | <b>165</b>                       | <b>3,787</b>    |
| Amortisation                |                                  |                                  |                 |
| At 1 April 2023             | 2,922                            | 152                              | 3,074           |
| Charged in year             | 274                              | -                                | 274             |
| Disposals                   | (83)                             | -                                | (83)            |
| <b>At 31 March 2024</b>     | <b>3,113</b>                     | <b>152</b>                       | <b>3,265</b>    |
| <b>NBV at 31 March 2023</b> | <b>685</b>                       | <b>13</b>                        | <b>698</b>      |
| <b>NBV at 31 March 2024</b> | <b>509</b>                       | <b>13</b>                        | <b>522</b>      |

| Prior Year                  | Intangible software<br>£000's | Intangible Licences<br>£000's | Total<br>£000's |
|-----------------------------|-------------------------------|-------------------------------|-----------------|
| Cost or valuation           |                               |                               |                 |
| At 1 April 2022             | 3,607                         | 165                           | 3,772           |
| Additions                   | 10                            | -                             | 10              |
| Disposals                   | (10)                          | -                             | (10)            |
| <b>At 31 March 2023</b>     | <b>3,607</b>                  | <b>165</b>                    | <b>3,772</b>    |
| Amortisation                | -                             | -                             | -               |
| At 1 April 2022             | 2,668                         | 144                           | 2,812           |
| Charged in year             | 264                           | 8                             | 272             |
| Disposals                   | (10)                          | -                             | (10)            |
| <b>At 31 March 2023</b>     | <b>2,922</b>                  | <b>152</b>                    | <b>3,074</b>    |
| <b>NBV at 31 March 2022</b> | <b>939</b>                    | <b>21</b>                     | <b>960</b>      |
| <b>NBV at 31 March 2023</b> | <b>685</b>                    | <b>13</b>                     | <b>698</b>      |

## 11 Assets classified as held for sale

|                                  | 2023/24<br>£000's | 2022/23<br>£000's |
|----------------------------------|-------------------|-------------------|
| As at 1 April 2023               | -                 | -                 |
| Additions                        | -                 | -                 |
| Disposals                        | -                 | -                 |
| Reclassifications                | 1,000             | -                 |
| Revaluations                     | -                 | -                 |
| Depreciation                     | -                 | -                 |
| Reclassifications (Depreciation) | -                 | -                 |
| <b>As at 31 March 2024</b>       | <b>1,000</b>      | <b>-</b>          |

In March 2024, The four Fronks Road cottages were reclassified as assets held for sale. The net book value of the asset on 1 April 2023 was £1,101k, they were reclassified and valued down to its market value of £1,000k on 31 March 2024.



## 12 Inventory

|                   | 2023/24<br>£000's | 2022/23<br>£000's |
|-------------------|-------------------|-------------------|
| Consumable stores | 2,589             | 2,935             |
| Fuel Oil          | 231               | 267               |
| <b>Total</b>      | <b>2,820</b>      | <b>3,202</b>      |

Inventories are valued using first-in first-out (FIFO) method.

## 13 Trade receivables and other current assets

|                                      | 2023/24<br>£000's | 2022/23<br>£000's |
|--------------------------------------|-------------------|-------------------|
| Amounts falling due within one year: |                   |                   |
| Trade receivables                    | 648               | 466               |
| Other receivables                    | 31                | 23                |
| Prepayments and accrued income*      | 1,358             | 779               |
| VAT recoverable                      | 523               | 391               |
| <b>Total</b>                         | <b>2,560</b>      | <b>1,659</b>      |

\*The increase in receivables in 2023/24 relates to accrued income from the Standard P&I club for the reimbursement of three employee liability claims (£530k).

## 14 Cash and cash equivalents

|   | 2023/24<br>£000's | 2022/23<br>£000's |
|---|-------------------|-------------------|
| Balance at 1 April 2023                         | 649               | 371               |
| Net change in cash and cash equivalent balances | (346)             | 278               |
| <b>Balance at 31 March 2024</b>                 | <b>303</b>        | <b>649</b>        |

The following balances at 31 March were held at:

|                                   |            |            |
|-----------------------------------|------------|------------|
| Commercial banks and cash in hand | 303        | 649        |
| <b>Balance at 31 March 2024</b>   | <b>303</b> | <b>649</b> |

## 15 Financial Instruments

International Financial Reporting Standard 7 - Financial Instruments: Disclosures (IFRS 7) requires disclosure of the role which Financial Instruments have had during the year in creating or changing the risks the Authority faces in undertaking its activities. Due to the largely non-trading nature of the activities of Trinity House and the method of funding from the General Lighthouse Fund, the Authority is not exposed to the degree of financial risk faced by other business entities. The Authority does have borrowing powers under the Merchant Shipping Act 1995, but very limited powers to invest in surplus assets.

As permitted by IFRS 7, debtors and creditors which mature or become payable within 12 months of the Statement of Financial Position date have been omitted from the profile.

### Liquidity Risk

Trinity House relies primarily on advances from the General Lighthouse Fund for its cash requirements and is therefore not exposed to significant liquidity risks, although it is of course dependent indirectly on the liquidity of the General Lighthouse Fund.

### Interest Rate Risk

Trinity House has former operating leases that have become finance leases under IFRS 16. The interest rate that Trinity House uses to discount the future lease payments is provided by DfT. Any fluctuations in these discount rate would change the interest and depreciation expensed in each year, but would not change the cash outflows from the organisation.

Trinity House holds working funds in money-market accounts and is therefore exposed to interest rate fluctuations, although here again these balances are very small and so the risk is insignificant.

### Currency Risks

Trinity House has a limited number of currency transactions and is not therefore exposed to any significant risk in terms of currency fluctuations.

### Fair Values

There is no difference between the book values and fair values of Trinity House's financial assets and liabilities as at 31 March 2024.

## 16 Trade payables and other current liabilities

|  | 2023/24      | 2022/23      |
|--|--------------|--------------|
|  | £000's       | £000's       |
| <b>Amounts falling due within one year</b>           |              |              |
| Other taxation and social security                   | 361          | 441          |
| Trade payables                                       | 693          | 1,097        |
| Other payables                                       | 392          | 432          |
| Inter GLA payables                                   | 54           | 285          |
| Accruals and deferred Income                         | 3,479        | 2,589        |
| Current part of finance leases                       | 561          | 591          |
| <b>Total</b>   | <b>5,540</b> | <b>5,435</b> |
|  |              |              |
|  | 2023/24      | 2022/23      |
|  | £000's       | £000's       |
| <b>Amounts falling due after more than one year:</b> |              |              |
| Leases   | 2,894        | 2,384        |
| <b>Total</b>   | <b>2,894</b> | <b>2,384</b> |

## 17 Lease Liabilities

|   | 2023/24<br>£000's | 2022/23<br>£000's |
|---|-------------------|-------------------|
| <b>Finance lease liabilities</b>                  |                   |                   |
| Current   | 561               | 591               |
| Non-current                                       | 2,894             | 2,384             |
|   | <b>3,455</b>      | <b>2,975</b>      |
| <b>Obligations under finance leases comprise:</b> |                   |                   |
| Not later than one year                           | 561               | 591               |
| Later than one year and not later than five years | 1,357             | 1,195             |
| Later than five years                             | 1,537             | 1,189             |
|   | <b>3,455</b>      | <b>2,975</b>      |
| <b>Amounts recognised in expenditure</b>          |                   |                   |
| Depreciation expense                              | 2,107             | 1,521             |
| Interest expense                                  | 42                | 64                |
| Rental on leases of low value assets              | 2                 | 2                 |
| Variable lease costs                              | 560               | 278               |
|   | <b>2,711</b>      | <b>1,865</b>      |
| <b>Cash flows</b>                                 |                   |                   |
| Interest  | 42                | 64                |
| Repayment of lease liability                      | 607               | 1,266             |
|   | <b>649</b>        | <b>1,330</b>      |
| <b>Movement in Leases</b>                         |                   |                   |
| 01 April 2023                                     | 2,975             | 4,130             |
| New Leases  | 10                | -                 |
| Remeasurements                                    | 1,067             | 111               |
| Lease Payments                                    | (639)             | (1,330)           |
| Interest  | 42                | 64                |
| <b>31 March 2024</b>                              | <b>3,455</b>      | <b>2,975</b>      |

## Lessor Disclosures

Trinity House has no leases where it acts as the lessor that could be classed as finance leases.

Trinity House does have lessor income relating to operating leases. This relates to contracts where Trinity House hires out buoys or other AtoN to companies. The contract is typically for a small starter period, considerably less than the life of the buoy or AtoN. From this point, if the contract is renewed, it is done on a rolling year basis. Income for 2023/24 is shown in the table below:-

As there are no finance leases where Trinity House is the lessor, no maturity analysis of the future payments from finance leases is shown.

|                                     | <b>2023/24</b> | <b>2022/23</b> |
|-------------------------------------|----------------|----------------|
|                                     | <b>£000's</b>  | <b>£000's</b>  |
| <b>Operating leases</b>             |                |                |
| Lease income                        | 809            | 723            |
| Income from variable lease payments | 68             | 445            |
|                                     | <b>877</b>     | <b>1,168</b>   |

Trinity House has three types of operating leases where it acts as a lessor; the rental of buoys to various marine companies, often wind farms; the rental of property to either companies or individuals; and the rental of the cottages to Trinitas Services Ltd, as mentioned in note 23.

The assumptions for future income are that if a contract is within its initial period, then income is only included to the end of that initial period. If a contract is on a rolling year-to-year basis, then it is assumed that this arrangement will last for ten years from the beginning of the rolling period. Any rolling contract that exceeds this ten year period will be assumed to be for 20 years, and so on.

|  | <b>2023/24</b> | <b>2022/23</b> |
|--|----------------|----------------|
|  | <b>£000's</b>  | <b>£000's</b>  |
| Maturity analysis of lease payments receivable |                |                |
| Amounts due:                                   |                |                |
| Within 1 year                                  | 792            | 703            |
| Between 1 and 2 years                          | 747            | 471            |
| Between 2 and 3 years                          | 331            | 446            |
| Between 3 and 4 years                          | 272            | 427            |
| Between 4 and 5 years                          | 171            | 375            |
| After 5 years                                  | 334            | 956            |

## 18 Provisions for liabilities and charges

|                                      | Legal<br>Claim<br>£000's<br>(ii) | DGPS<br>£000's<br>(iii) | Royal<br>Sovereign<br>£000's<br>(iv) | Total<br>£000's |
|--------------------------------------|----------------------------------|-------------------------|--------------------------------------|-----------------|
| Balance at 1 April 2023              | -                                | 1,071                   | 20,299                               | 21,370          |
| Provided in the year                 | 388                              | 67                      | -                                    | 455             |
| Provisions not required written back | -                                | (629)                   | (1,621)                              | (2,250)         |
| Provisions utilised in the year      | -                                | (92)                    | (7,878)                              | (7,970)         |
| Unwinding of discount                | -                                | (34)                    | -                                    | (34)            |
| <b>Balance at 31 March 2024</b>      | <b>388</b>                       | <b>383</b>              | <b>10,800</b>                        | <b>11,571</b>   |

Analysis of expected timing of discounted flows:

|   |            |            |               |               |
|---|------------|------------|---------------|---------------|
| In one year or less, or on demand                 | 388        | 22         | 10,800        | 11,210        |
| Later than one year and not later than five years | -          | 361        | -             | 361           |
| Later than five years                             | -          | -          | -             | -             |
| <b>Balance at 31 March 2024</b>                   | <b>388</b> | <b>383</b> | <b>10,800</b> | <b>11,571</b> |

### Royal Sovereign Lighthouse

As noted on page 18, Trinity House is undertaking a project to decommission and remove the Royal Sovereign Lighthouse. As of 1 April 2023 a provision to the value of £20.3m had been established. As a result of the first phase completion, £7.8m was utilized during the year and a further £1.6m was written back.

### DGPS

Following a comprehensive user consultation process across the maritime sector, the General Lighthouse Authorities (GLAs) concluded that mariners use the GLA DGPS service to improve the accuracy of their reported position and to obtain positional integrity. However, after careful consideration of all available information, the GLAs concluded that Global Navigation Satellite System (GNSS) on its own is sufficient to meet the position accuracy requirements for most mariners.

The system was discontinued on 31 March 2022 and a provision was created to cover the costs to dismantle the equipment and restore the sites to their original condition.

Three sites were removed during the year, Flamborough Head, Nash Point and Point Lynas at a total cost of £92k. Following a review of the remaining sites, and the cost of the three removals in 23/24, there has been a write back of £629k. A new quote for Wormleighton was provided during the year

and an increase of £67k was provided for. The total provision as at 31 March for DGPS is £383k.

### Employers Liability

During 2023/24 Trinity House, with the assistance of their Protection & Indemnity insurance provider, reached agreement on an insured historic personal injury claim. These accounts include a liability and receivable which where both paid and received at the beginning of 2024/25.

## 19a Capital Commitments

Contracted capital commitments at 31 March 2023 not otherwise included in these financial statements:

|                               | <b>2023/24</b> | <b>2022/23</b> |
|-------------------------------|----------------|----------------|
|                               | <b>£000's</b>  | <b>£000's</b>  |
| Property, plant and equipment | 1,434          | 575            |
| Intangible assets             | -              | -              |
|                               | <b>1,434</b>   | <b>575</b>     |

## 19b Other financial commitments

Contracted expenditure commitments at 31 March 2024 not otherwise included in these financial statements:

|   | <b>2023/24</b> | <b>2022/23</b> |
|---|----------------|----------------|
|   | <b>£000's</b>  | <b>£000's</b>  |
| Not later than one year                           | 3,014          | 3,540          |
| Later than one year and not later than five years | 2,811          | 601            |
| Later than five years                             | 454            | -              |
|   | <b>6,279</b>   | <b>4,141</b>   |
| Staff Related Costs                               | 1              | 133            |
| Premises  | 462            | 537            |
| Overheads Inc T&S                                 | 3,912          | 903            |
| Supplies and Service                              | 245            | 372            |
| Afloat Services                                   | 442            | 893            |
| Communications                                    | 95             | 264            |
| Tender Maintenance                                | 252            | 370            |
| Exceptional                                       | 31             | 9              |
| Inventory   | 839            | 660            |
|   | <b>6,279</b>   | <b>4,141</b>   |



## 20 Pension Commitments

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme Where Trinity House is unable to identify its share of the underlying liabilities. A full actuarial Valuation was last carried out 31 March 2016. The valuation exercise is expected to run on a quadrennial basis, however the valuation work was paused whilst the actions of the 2015 Remedy Project were undertaken, further information can be found at the website: [Scheme valuations - Civil Service Pension Scheme](#).

For 2023-24, employer's contributions of £3,274,751 were payable to the PCSPS (2022/23 £3,043,859) at one rates of 28.97% (2022/23: 26.6% to 30.3%) of pensionable pay based on salary bands. The scheme's Actuary usually reviews employer contributions every four years following a full scheme valuation, last valued as at 31 March 2016. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

### **Merchant Navy Officers Pension Fund**

The Board is a Participating Employer of the Merchant Navy Officers Pension Fund (MNOPF), which is a defined benefit scheme providing benefits based on final pensionable salary. The MNOPF is a funded multi-employer scheme but Trinity House is unable to identify its share of the underlying assets and liabilities.

The assets of the scheme are held separately from the General Lighthouse Fund, being held in separate funds managed by trustees of the scheme. No member of the MNOPF is currently employed by Trinity House and as a result no contributions have been made to the scheme in the last six full financial years.

The rules of the MNOPF state that Participating Employers may be called to make lump sum payments to make up deficits. The rules state that an employer will not be regarded as ceasing to be a Participating Employer as a result of ceasing to employ Active Members or other eligible employees.

Requests for additional contributions would normally only arise after the triennial valuation of the scheme and then only if the scheme was in a deficit considered significant enough to require additional contributions as part of recovery plan. The most recent valuation was completed as at 31 March 2021, and no funding call was made to participating employers. The next valuation is due 31 March 2024, as yet to be published.

### **Partnership Pension Accounts**

Employees joining after 1 October 2002 can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution.

On 1 September 2018, the Scheme Manager (Cabinet Office) appointed Legal & General as the single provider of all defined contribution schemes

provided as part of the Civil Service pension arrangements, including the partnership scheme.

Civil Service Pensions no longer manages any partnership pension accounts that members held with Prudential, Scottish Widows, or Standard Life before 01 September 2018.

Employer contributions of £20,909 (2022/23 £20,253) were paid to the appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £647, 0.5% of pensionable pay, were payable to Cabinet Office Civil Superannuation Vote, to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

There were no contributions due to the partnership pension provider at the Statement of Financial Position. There were no contributions that had been prepaid at that date.

### **Contributions Equivalent Premium**

Occasionally we have been required to pay a Contributions Equivalent Premium (CEP) to HMRC when an employee leaves and:

- has less than two years' pensionable service;
- is not entitled to any benefits from a contracted-out salary related scheme; and
- has rights in the state scheme which can be restored by payment of a CEP.

Although contracting out ceased in April 2016, as part of the transfer of the pension scheme to the Civil Service we have been data cleansing our contracted out entitlements. This has not resulted in any CEP payments having to be made during the financial year (2022/23 - nil).

## **21 Contingent Liabilities Disclosed Under IAS 37**

Trinity House has the following contingent liabilities:

### **Lighthouse Estate**

As a result of regular surveys, the Board recognise that there is a raised degree of risk at a number of lighthouse stations and operating bases that may demand a currently unquantified level of future investment as a result of coastal erosion, subsistence and unstable ground/rock formation. Due to the uncertain nature of these events, no provision has been made in the accounts.

The threat of sea level rise to lighthouse stations is continuously monitored with relevant mitigations incorporated into future capital refurbishment projects where appropriate.

### **Marine Insurance**

The GLA's marine protection and indemnity risks are insured through The Standard Club (London Class) Europe which is part of the NorthStandard P&I Club. The mutual method of insuring these risks requires the GLAs to contribute additional premiums (supplementary calls) to cover any claims which cannot be met from funds available. The Standard Club has closed the years up to and including 2020-21. The Standard Club has also reviewed the release calls for the open policy years, 2021-22, 2022-23 and 2023-24, and confirmed that all will remain at nil and no supplementary calls are expected on any open year. Calls for future years remain possible.

### **Harwich Seawall**

Trinity House is working to determine the extent of future repair works to the Harwich buoy yard retaining wall which also serves as part of Harwich's primary flood defenses. The Seawall currently has ongoing degradation and may need repair works in the future.

### **Royal Sovereign Lighthouse**

As mentioned in Note 18, the ongoing work on the decommissioning project for Royal Sovereign has highlighted the complexity of the project, and the significant difference between costs for removing the topside and pillar, and removing the base of the structure from the seabed.

Whilst the lease of the seabed requires removal of the base at the end of the lease, the lease has a remaining term of 109 years and there is no indication that this lease cannot be extended for a significant further period. Given the time period over which any removal could occur, and the highly subjective nature of the cost of carrying out this removal in future periods where technological advances may make the project less expensive, the removal of the base is disclosed as a contingent liability.

### **Merchant Navy Officers' Pension Fund (MNOFF)**

A new actuarial valuation was carried out as at 31 March 2021 which reported that the funding position of the MNOFF had improved sufficiently, and that a new funding call from contributing employers would not be required in respect of the 2021 valuation. Any funding liability will be restricted to the additional deficit contributions sought in June 2013 due to the deficit reported as at 31 March 2012 that cannot be recovered from other employers (e.g. liquidated companies, etc.), who are unable to pay their share in June 2013 and needs to be recovered from those remaining. The Board does not have reliable estimates of this liability and have therefore made no provision, but declares it as a contingent liability.

## Employers' Liability

Prior to 20 February 1988, Trinity House was self insured for Employers' Liability risks under a Certificate of Exemption from the Board of Trade. Therefore, should a claim materialise (and liability/causation be established) for an alleged industrial injury prior to 20 February 1988 there may be a period for which

Trinity House would be responsible for damages and costs as part of an agreed settlement. The majority of any potential settlement would be met by Trinity House's Employers' Liability Insurers and it is anticipated that the self-insured element would not exceed £5k. Any claim will be subject to investigation by Trinity House and its insurers.

## Contractual Obligations

Over time, the organisation deals with a number of staff contractual disputes. The organisation is not able to reliably quantify the likely outflow associated with these due to the extent of the uncertainties associated with estimation.

# 22 Related-Party Transactions

## General Lighthouse Fund

At the 31 March 2024, the balances outstanding with the GLAs were as follows:

|                                     | Balance due to TH |         | Balance due to GLA |         |
|-------------------------------------|-------------------|---------|--------------------|---------|
|                                     | 2023/24           | 2022/23 | 2023/24            | 2022/23 |
|                                     | £000s             | £000s   | £000s              | £000s   |
| Commissioners of Irish Lights (CIL) | -                 | -       | -                  | -       |
| Northern Lighthouse Board (NLB)     | -                 | -       | 54                 | 285     |

The Fund is administered by the DfT which sponsor the three GLAs. For governance purposes, each is considered to be a Non Departmental Public Body (NDPB), however, for financial purposes they are considered to be Public Corporations.

The Authorities are regarded to be related parties. During the year there have been various material transactions between the Fund and the Authorities. Trinity House has received advances of £45,470,000 (2022/23 £36,200,000) from the GLF and incurred expenditure of £1,824,000 (2022/23 £1,613,000) on behalf of all three Authorities.

Neither the Secretary of State for Transport, any key officials with responsibilities for the Fund, or any of Lighthouse Board members, key managerial staff or other related parties have undertaken any material transactions with the Fund during the year.

## **Trinitas Services Ltd**

The Corporation of Trinity House of Deptford Strond has entered into several agreements to lease lighthouse cottages to Trinitas Services Limited, a wholly owned subsidiary of the Corporation. The agreements provides for some 37 lighthouse cottages at 13 locations to be leased to Trinitas until 2032. Trinitas has refurbished the cottages and has a contract with Rural Retreats to manage the letting of them as holiday cottages. At present 32 cottages are let under this agreement.

The freehold interest in the properties remains with Trinity House. The potential uplift in value at the end of the lease period arising from the refurbishments is uncertain. A ground rent is payable during the currency of each lease but there is no premium.

C Juman, Non-Executive Director of the Lighthouse Board, is appointed to the Board of TSL as Chair. Commodore R Dorey, Commodore M Atherton, A Groom and M Glaister are appointed to the Board of TSL as nominees of the Corporate Board responsible for Trinity House Charities, none of whom are members of the Trinity House Lighthouse Board.

## **Corporation of Trinity House of Deptford Strond**

The Corporation of Trinity House of Deptford Strond owns Trinity House Tower Hill and provides rent free accommodation for the use of Trinity House in its capacity as a General Lighthouse Authority. Trinity House reimburses the Corporation for service charges in proportion to the floor area occupied. During 2023-24 Trinity House paid £417,130 to The Corporation of Trinity House in respect of service charges incurred in using office space and facilities at Trinity House, London (£336,133 in 2022/23).

Conversely, the Corporation of Trinity House reimburses Trinity House for the provision of services during the year. The Corporation paid £57,493 to Trinity House in respect of these services during the year (£76,831 in 2022/23).

## **23 Inter-GLA Transactions Ships Agreement**

During the year, Trinity House did not provide the services of any of its vessels to either the NLB or CIL. NLB provided the services of NLV Pharos for 2.38 days under the terms of the GLA Ship Agreement dated 17 November 2010. CIL provided the services of ILV Granuaile for a total of 2.24 days. There was no transfer of funds between the GLAs in respect of these services but the transaction gave rise to a notional expenditure of £60,067 (2022/23 £116,559).

## **24 Losses**

There were no losses in 2023/24 (2022/23 Nil).

## **25 Events after the reporting date**

There have been no post balance sheet events.

## Appendix 1

| <b>FIVE YEAR SUMMARY</b>  | <b>2024</b>     | <b>2023</b>     | <b>2022</b>     | <b>2021</b>     | <b>2020</b>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    |
| Income  |                 |                 |                 |                 |                 |
| Advances from the General Lighthouse Fund                         | 45,820          | 36,200          | 35,900          | 33,500          | 33,700          |
| Other income  | 2,599           | 2,321           | 1,975           | 1,750           | 2,730           |
| Income on behalf of all GLA's                                     | 110             | 5               | 11              | 90              | 62              |
| Grant Income  | 10              | 32              | 21              | 38              | 4               |
| <b>Total</b>  | <b>48,539</b>   | <b>38,558</b>   | <b>37,907</b>   | <b>35,378</b>   | <b>36,496</b>   |
| Expenditure   | -               | -               | -               | -               | -               |
| Staff costs   | (16,876)        | (15,462)        | (15,131)        | (15,922)        | (14,298)        |
| Depreciation  | (7,177)         | (7,180)         | (5,155)         | (5,469)         | (6,451)         |
| Amortisation  | (274)           | (272)           | (384)           | (350)           | (288)           |
| Loss on revaluation   | (137)           | (540)           | 213             | 29              | (38)            |
| Pension cost  | -               | -               | -               | (17)            | -               |
| Other expenditure (including profit/loss on sale of Fixed Assets) | (17,772)        | (18,165)        | (16,762)        | (14,079)        | (14,515)        |
| <b>Total</b>  | <b>(42,236)</b> | <b>(41,619)</b> | <b>(37,219)</b> | <b>(35,808)</b> | <b>(35,590)</b> |
| <b>Net Income/(Expenditure)</b>                                   | <b>6,303</b>    | <b>(3,061)</b>  | <b>688</b>      | <b>(430)</b>    | <b>906</b>      |
| Interest (payable)/receivable                                     | (28)            | (62)            | (124)           | (185)           | (175)           |
| Net Income after Revaluation of investments and interest          | 6,275           | (3,123)         | 564             | (615)           | 731             |
| Net Expenditure on behalf of DfT                                  | (253)           | (261)           | (219)           | (224)           | (208)           |
| Net Expenditure on behalf of all General Lighthouse Authorities   | (1,860)         | (1,613)         | (1,608)         | (1,852)         | (1,992)         |
| <b>Net Income/Expenditure after interest</b>                      | <b>4,162</b>    | <b>(4,997)</b>  | <b>(1,263)</b>  | <b>(2,691)</b>  | <b>(1,469)</b>  |
| Property Plant and Equipment                                      | 94,482          | 94,702          | 112,377         | 107,789         | 120,577         |
| ROU Assets  | 16,004          | 13,224          | 13,972          | 15,596          | -               |
| Intangible Assets   | 522             | 698             | 960             | 1,313           | 984             |
| Non current assets plus/less net current assets/liabilities       | 100,942         | 101,177         | 128,222         | 124,156         | 121,129         |
| Assets less Liabilities   | 97,686          | 84,944          | 108,789         | 108,784         | 117,324         |
| Capital Additions   | 3,986           | 3,701           | 2,638           | 2,103           | 4,262           |
| Average No. of Employees  | 310             | 304             | 303             | 315             | 304             |
| (Including Part Time)   | 17              | 19              | 19              | 19              | 17              |

## Appendix 2

### Further Information

|                                  | 2023/24    |            | 2022/23    |            |
|----------------------------------|------------|------------|------------|------------|
|                                  | Deployed   | Owned      | Deployed   | Owned      |
| Number of non-current assets:    |            |            |            |            |
| Lighthouses <sup>3</sup>         | 65         | 63         | 66         | 64         |
| Lightvessels                     | 7          | 9          | 7          | 9          |
| Lightfloats                      | 1          | 1          | 1          | 1          |
| Buoys <sup>2</sup>               | 447        | 730        | 447        | 746        |
| Beacons                          | 18         | 18         | 18         | 18         |
| Tenders                          | 3          | 3          | 3          | 3          |
| Ancillary Craft                  | 5          | 5          | 5          | 5          |
| Lighthouse overseas <sup>1</sup> | 1          | 1          | 1          | 1          |
| <b>Totals</b>                    | <b>547</b> | <b>846</b> | <b>548</b> | <b>847</b> |

<sup>1</sup>Trinity House owns and has full responsibility for Europa Point Lighthouse (Gibraltar).

<sup>2</sup>The number of buoys deployed will always be less than owned due to the diversity of buoy range, buoys undergoing repairs and refurbishments, others being held on tenders awaiting deployment and emergency wreck marking buoys held at various depots and forward storage areas.

<sup>3</sup>The difference between lighthouses owned and lighthouses deployed arises due to both Farne Island and Skokholm being lighthouse stations, however, Trinity House no longer owns the lighthouse tower.



## Appendix 3

### Sustainability Tables

#### Greenhouse Gas Gross Emissions

##### Scope 1 Direct Emissions (sources owned or controlled)

|                             |                        | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | Baseline |
|-----------------------------|------------------------|---------|---------|---------|---------|---------|----------|
| Gas (natural)               | tonnes-CO <sub>2</sub> | 110     | 77      | 76      | 63      | 52      | 76       |
| Gas (LPG)                   | tonnes-CO <sub>2</sub> | 43      | 60      | 4       | 4       | 5       | 2        |
| Marine Gas Oil (Lighthouse) | tonnes-CO <sub>3</sub> | 0       | 0       | 0       | 0       | 0       | 0        |
| Fugitive Emissions          | tonnes-CO <sub>2</sub> | *       | *       | *       | *       | *       | *        |

##### Scope 2 Indirect Emissions (energy supplied by another party)

|             |                        |     |     |     |     |     |     |
|-------------|------------------------|-----|-----|-----|-----|-----|-----|
| Electricity | tonnes-CO <sub>2</sub> | 501 | 384 | 394 | 468 | 562 | 729 |
|-------------|------------------------|-----|-----|-----|-----|-----|-----|

##### Scope 3 Emissions from business travel

|                                  |                        |       |      |      |      |      |      |
|----------------------------------|------------------------|-------|------|------|------|------|------|
| Domestic air travel              | tonnes-CO <sub>2</sub> | 15    | *    | *    | *    | *    | *    |
| International air travel         | tonnes-CO <sub>2</sub> | 21    | *    | *    | *    | *    | *    |
| Diesel (road fuel)               | tonnes-CO <sub>2</sub> | 72    | 89   | 98   | 92   | 139  | 157  |
| Petrol (road fuel)               | tonnes-CO <sub>2</sub> | 20    | 24   | 16   | *    |      | *    |
| Marine Gas Oil (ship fuel)       | tonnes-CO <sub>2</sub> | 5,564 | 5615 | 7443 | 6917 | 7736 | 7616 |
| Liquid to Gas (ship fuel)        | tonnes-CO <sub>2</sub> | 475   | 463  | 600  | 255  | *    | *    |
| GLA Helicopter                   | tonnes-CO <sub>2</sub> | 235   | 160  | 217  | 123  | 200  | 189  |
| Rail/underground/tram            | tonnes-CO <sub>2</sub> | *     | *    | *    | *    | *    | *    |
| Bus/coach                        | tonnes-CO <sub>2</sub> | *     | *    | *    | *    | *    | *    |
| Hire car/taxi                    | tonnes-CO <sub>2</sub> | 43    | 52   | 47   | 49   | 37   | 81   |
| Private vehicle (owned by staff) | tonnes-CO <sub>2</sub> | 0     | 1    | 2    | *    | *    | *    |

\* data not collected

| <b>Related energy Consumption</b>  |      | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|------------------------------------|------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Office Electricity                 | kWh  | 499,093        | 487,367        | 503,867        | 597,815        | 574,735        | 254,635         |
| Non-office Electricity             | kWh  | 1,719,189      | 1,333,807      | 1,352,392      | 1,252,489      | 1,453,306      | 1,641,414       |
| Renewable Electricity <sup>1</sup> | %    | 100%           | 100%           | 88%            | *              | *              | *               |
| Gas - Natural                      | kWh  | 543,620        | 379,871        | 416,193        | 340,878        | 284,044        | 410,600         |
| Gas - LPG                          | Ltrs | 25,999         | 38,795         | 19,705         | 18,790         | 22,037         | 11,568          |
| Marine Gas Oil (ship fuel)         | Ltrs | 2,007,578      | 1,993,075      | 2,697,655      | 2,479,547      | 2,769,844      | 2,762,960       |
| Liquid to Gas (ship fuel)          | Ltrs | 179,130        | 173,638        | 222,376        | 100,354        | N/A            | N/A             |
| Aviation Fuel                      | Ltrs | 92,372         | 62,972         | 85,232         | 48,720         | 78,652         | 74,592          |

\* data not collected. 1 Supplies from renewable tariffs

| <b>Related business travel</b> |                | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Fleet road travel              | litres of fuel | 38,685         | 47,387         | 49,354         | 36,318         | 47,394         | 49,812          |
| Fleet road travel              | km             | 511,168        | 639,322        | 553,368        | 451,164        | 627,479        | 646,314         |
| Non-fleet travel               | km             | 296,016        | 349,859        | 295,118        | 283,152        | 210,476        | 442,942         |
| Public transport               | km             | *              | *              | *              | *              | *              | *               |
| Domestic flights               | km             | 93,863         | *              | *              | *              | *              | *               |
| International flights          | km             | 238,472        | *              | *              | *              | *              | *               |
| GLA Helicopter                 | Flying Hours   | 330            | 225            | 304            | 174            | 281            | 266             |

\* data not collected

### Financial indicators

| <b>Energy expenditure</b>  |      | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|----------------------------|------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Electricity - office       | £000 | 191            | 137            | 100            | 88             | 76             | 30              |
| Electricity - non-office   | £000 | 675            | 609            | 231            | 218            | 225            | 210             |
| Gas - office               | £000 | 12             | 13             | 1              | 1              | 1              | 1               |
| Gas - non-office           | £000 | 56             | 50             | 30             | 24             | 26             | 19              |
| Marine Gas Oil (ship fuel) | £000 | 1,261          | 1,638          | 1,065          | 547            | 1,069          | 941             |

|                           |      |     |     |     |     |     |     |
|---------------------------|------|-----|-----|-----|-----|-----|-----|
| Liquid to Gas (ship fuel) | £000 | 160 | 176 | 141 | 42  |     |     |
| Diesel/petrol - road      | £000 | 49  | 73  | 141 | 42  | *   | *   |
| Business travel           | £000 | 433 | 378 | 236 | 119 | 420 | 338 |
| GLA Helicopter            | £000 | 123 | 84  | 73  | 38  | 70  | 62  |

\* data not collected

| <b>Car/Vehicle Fleet Composition</b> |                                    | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|--------------------------------------|------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Ultra-Low emissions                  | % of total                         | 27%            | 29%            | 11%            | *              | *              | 0%              |
| Zero Emissions                       | % of total                         | 20%            | 19%            | 23%            | *              | *              | 0%              |
| Other                                | % of total                         | 53%            | 52%            | 66%            | *              | *              | 100%            |
| Target                               | 100% zero or low emissions by 2027 |                |                |                |                |                |                 |

\* data not collected

#### **Waste Management and Minimisation**

|                            |        | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|----------------------------|--------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Waste                      | Tonnes | 650            | 600            | 512            | 601            | 885            | 646             |
| Decommissioning waste      | Tonnes | 1,039          |                |                |                |                |                 |
| Total waste                | Tonnes | 1,689          | 600            | 512            | 601            | 885            | 646             |
| Total waste recycled       | Tonnes | 1,647          | 554            | 478            | 559            | 834            | 614             |
| Total ICT waste recycled   | Tonnes | 14             | 34             | 24             | 12             | 11             | 2               |
| Total waste to landfill    | Tonnes | 28             | 12             | 10             | 30             | 40             | 30              |
| Total expenditure on waste | £000   | 105            | 105            | 88             | 98             | 119            | 76              |

#### **Finite resources**

| <b>Consumption</b>         |          | <b>2023-24</b> | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>Baseline</b> |
|----------------------------|----------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Paper                      | reams A4 | 340            | 379            | 535            | 387            | 789            | 948             |
| Water Consumption - office | m3       | 3,256          | 1,999          | 4,603          | 3,063          | 5,060          | 4,304           |
| Water Consumption - estate | m3       | 4,349          | 5,008          | 7,096          | 7,872          | 10,522         | 7,303           |

**Financial indicators**

|                |      |    |    |    |    |    |    |
|----------------|------|----|----|----|----|----|----|
| Paper          | £000 | 1  | 1  | 1  | 1  | 2  | 2  |
| Water - office | £000 | 7  | 4  | 9  | 6  | 10 | 8  |
| Water - estate | £000 | 14 | 31 | 14 | 16 | 20 | 20 |

