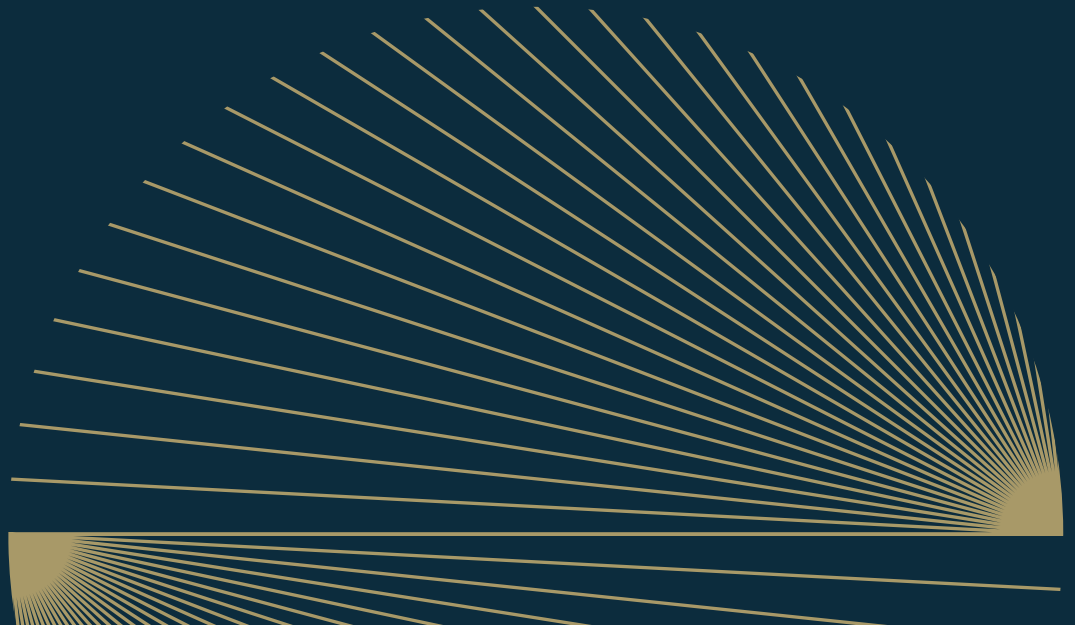




TRINITY HOUSE

Report and Accounts

FOR THE YEAR ENDED 31 MARCH 2022



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Directors of the Lighthouse Board

Vice Admiral Sir A M Massey KCB CBE ¹	Non-Executive Chairman
Captain I McNaught CVO MNM ¹	Chief Executive
Commander N Hare RN ¹	Director of Navigational Requirements
Commodore R W Dorey RFA ¹	Director of Operations
A Damen RA ²	Director of Business Services
A Moore ³	Non-Executive
M Amos ³	Non-Executive
V Owen OBE ³	Non-Executive

Secretary to the Board

T Arculus	Head of Legal & Risk
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¹Member of the Corporation of Trinity House

²Associate Member of the Corporation of Trinity House

³Nominee of the Secretary of State for Transport (DfT) and Associate Member of the Corporation of Trinity House

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

Chairman's Review



I am pleased to open Trinity House's Report and Accounts for 2021-22 by declaring that Trinity House—in respect of its function as a General Lighthouse Authority—has delivered comprehensively and successfully against the aims and objectives set out in our Trinity House Strategy 2018-28.

The first of the strategy's four foundational 'cardinals' is Cardinal One: Determination of Requirements and Safe, Efficient & Secure Delivery, which pertains to the provision of marine aids to navigation according to the exacting standards set by International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA).

Trinity House adheres to a wide variety of standards, guidelines and recommendations set by IALA, but perhaps most prominent is the need for major aids to navigation to be available to the mariner for no less than 99.8% of the time. That figure would be a daunting goal in any industry, and the staff at Trinity House are to be congratulated on meeting it yet again this year: a tremendous achievement.

As our nation settles into 'living with COVID-19', we are thankfully seeing an easing of the constraints under which our staff have recently had to carry out the inspection and maintenance of over 600 general aids to navigation, as well as the inspection and audit of some 11,000 local aids to navigation. Further, new challenges will inevitably emerge to test us as time goes on – the rocketing price of energy and the increasing frequency of extreme weather events are two cases in point. Nonetheless, my colleagues on the Lighthouse Board and I have every confidence in the resolve and inventiveness of our people, both ashore and afloat, in monitoring, managing and delivering our responsibilities. And we will ensure

that our provision of aids to navigation is not impacted at the expense of the mariner's safety. In March 2022, after careful research, consultation and consideration, the GLAs discontinued the Differential GPS function. Technology moves on rapidly, and we must keep pace: which can mean discontinuing established systems as well as introducing exciting new ones. As always, the three GLAs continue their internationally renowned research and development efforts to push forward innovation and resilience in the field of marine aids to navigation. This has been our watchword for more than 500 years, and it continues to guide our efforts and priorities.

Alongside Cardinal One sit three more foundation cardinals, which address 'how' we approach our work, as well as 'what' that work actually is. These relate to being a good employer; promoting a positive culture of learning and innovation; and ensuring that we carefully nurture Trinity House's standing and reputation among our many stakeholders. Under these headings the Lighthouse Board has placed particular emphasis this year on improving the diversity and wellbeing of our workforce; collaborating internationally on enhancing navigational safety; and shaping our response to the climate crisis and its consequences. There will always be more to achieve in these areas, but we are clear on the need to understand our obligations and to do the right thing by our people, the environment and – of course – the mariner.

Finally, I reiterate my thanks to all of our staff at Trinity House, working across a number of disciplines and departments, and now also across a variety of working arrangements as Trinity House continues to explore hybrid ways of working. Whether they are toiling on our ever-busy vessels, in our buoy yards, offices, or perhaps in their re-purposed spare bedrooms, their contribution to the nation's wellbeing and the safety of mariners everywhere deserves respectful recognition and applause.

Alan Massey 3rd November 2022

**Vice Admiral Sir Alan Massey KCB CBE
Non-Executive Chair of the Lighthouse
Board**

Chief Executive's Review



I can report with confidence that Trinity House—in its capacity as the General Lighthouse Authority for England, Wales, the Channel Islands and Gibraltar—has delivered an aids to navigation service that is reliable, efficient and cost-effective.

We have exceeded all recognised international aids to navigation availability standards, operated well within our sanctioned budgets and delivered all of our headline performance objectives. I second Sir Alan's expression of gratitude to the staff, without whom we absolutely could not deliver against our commitment to the safety of all mariners so reliably on a year-on-year basis. Last year—and over the course of the entire pandemic—our people responded superbly to revised ways of working, whether in managing the charities or providing aids to navigation, at sea or ashore.

Picking out some of the highlights, the past year has seen the completion of modernisation projects at St Tudwal's, Lynmouth Foreland and St Catherine's Lighthouses. The installation phases of the projects at Tater Du and Inner Farne Lighthouses commenced recently, and the modernisation of Flamborough Head Lighthouse is due to commence in October.

Looking ahead, we are preparing design work for modernisation projects at Needles, Trevoise Head and Pendeen Lighthouses.

At sea, the support vessels have been hard at work. Behind the scenes, we purchased the residue for an insignificant amount, of the lease of THV *Patricia*; becoming absolute owner of the vessel will make decisions about her future much more straightforward.

The project to replace THV *Patricia* has overcome several difficulties and has made significant

progress; the project team has been evaluating the tenders from shipyards.

The other major project is the removal of Royal Sovereign Lighthouse and I am pleased to say that tenders have been received and are being evaluated. The aids to navigation were switched off at the end of March after over 50 years of service and the station is now marked with temporary buoyage.

At the end of March the General Lighthouse Authorities also switched off the Differential GPS network after consultation with mariners; we will now begin dismantling the infrastructure.

The tri-GLA Research & Development Directorate (GRAD) remains at the cutting edge of maritime technology development including supporting maritime interests in a project to demonstrate a UK Satellite Based Augmentation System that will set out how a maritime safety of life service—analogous to the European EGNOS system—could be provided. GRAD also continues to support resilient Position Navigation and Timing (PNT) through technical development, international standardisation activities and in support of the development of the UK Government's strategy. GRAD is working closely with the Department for Transport and other stakeholders on the potential for eLoran to support a UK resilient PNT architecture.

Lastly, I am delighted that the Supplemental Charter—which among other things confirms the new position of Lighthouse Board Warden—was sealed on 31 January this year and may I congratulate Sir Alan as the first holder of that role

Ian McNaught 3rd November 2022

Captain Ian McNaught CVO MNM
Chief Executive of the Lighthouse Board

Performance Report

Overview

Aims, Objectives and Regulation

Under the Merchant Shipping Act 1995, as amended, 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;
- Within its area 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, Sri Lanka and the Falkland Islands.

Trinity House is a multi-skilled organisation providing a highly technical and specialised professional service. The primary aim of Trinity House 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.

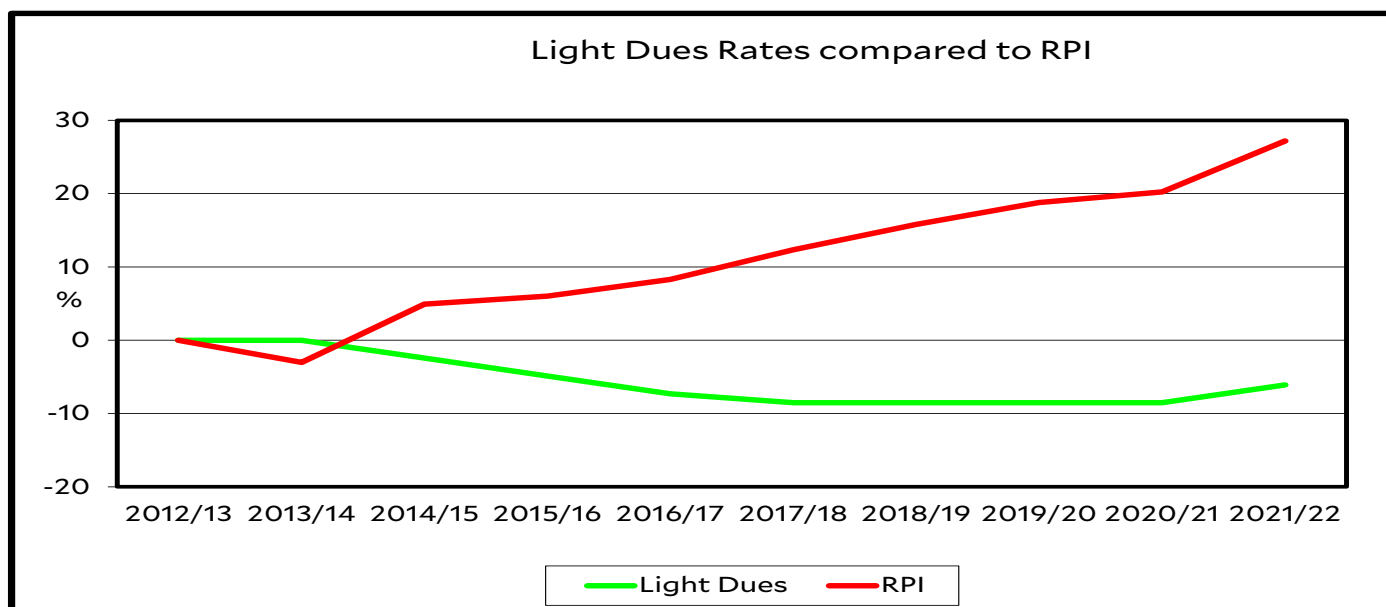
These accounts are prepared by Trinity House in respect of its function as a GLA in accordance with a directive made by the DfT under the powers of the Secretary of State. The accounts are subsequently consolidated to form part of the General Lighthouse Fund (GLF) Accounts.

Performance and Progress

Trinity House is financed by advances made by the Department for Transport (DfT) from the GLF, whose principal income is from Light Dues levied on ships using ports in the United Kingdom and the Isle of Man. The GLF receives additional income from the Irish 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.

Light Dues

Trinity House, the other GLAs and the DfT have worked together to minimise costs and the real terms level of Light Dues. Light Dues have reduced by 40% in real terms since 2010. However, the unprecedented COVID-19 pandemic has both added additional operational costs and led to a significant reduction in Light Dues income, reflecting the major impact it has also had on the shipping industry. The Secretary of State for Transport confirmed on 23 February 2022 that the rate would increase by 2.5p to 41p/Net Ton for the year 2022-23.



Going Concern

These accounts have been prepared on a going concern basis, as Trinity House is satisfied that its activities are sustainable for the near future. The Statement of Financial Position at 31 March 2022 shows net assets of £108,789k. Advances for 2022-23, 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 2022-23 budget in a letter received on 15 December 2021.

Performance Analysis

Financial Performance

The Accounting Policies are reviewed each year in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This review is carried out at the Tri-GLA Accounts Format Working Group each year, and at internal meetings chaired by the Director of Business Services. There have been no changes to the Accounting Policies since last year.

The financial results for the year, set out in the Statement of Comprehensive Net Income, show a deficit of £6,301k for 2021-22 (deficit £2,367k 2020-21). Operating income and expenditure for the year were within management expectations and DfT approved sanction, and the underspend on budget, while continuing to deliver our statutory role, benefited the GLF by reducing upwards pressure on Light Dues levels. Expenditure during the year was again impacted by the effects of COVID 19, although progress was made in catching up on essential maintenance that was postponed from the previous pandemic year. Financial results were impacted this year as a result of increasing the provision in respect of the Royal Sovereign decommissioning by £5,095k, this is based on information gained in the course of a tender exercise to identify a contractor for this project and the significant market movements in offshore energy and decommissioning post pandemic.

Including Other Comprehensive Income, the Statement of Comprehensive Net Income (SoCNI) reports a net profit for the year of £6k (deficit £3,584k 2020-21); this takes account of unrealised gains and losses on Property, Plant and Equipment which have been adjusted in line with market indices. With the exception of land and vessels, most asset categories should increase in value mainly as a result of growing inflationary pressures seen across many sectors of the UK and global economies. The adoption of IFRS 16, and gains on the valuation of the lighthouse estate have resulted in an increase in non-current assets. A net deficit of £8,252k was transferred to the General Reserve (net deficit £4,628k 2020-21).

Losses reported in the SoCNI slightly decreased the net worth of Trinity House, as shown on the Statement of Financial Position (SoFP), to £108,789k, (£108,783k 2020-21). 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 48) shows a deficit of £87k. The cash drawdown was below

budget for the reasons provided in the Actual v Sanction Analysis commentary below, and accruals for 2021-22 do not draw cash until 2022-23. 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. The 2022-23 sanction obtained approval in December 2021; therefore Management believes adequate funds are available to meet future obligations.

The performance of Trinity House against the annual budget limit set by the Secretary of State for Transport as set out below:

	Actual Expenditure	Cash Limits	Variance
	£000s	£000s	£000s
Running Costs	25,999	27,810	(1,811)
Employer Pension Costs	2,837	3,216	(379)
Net Income	(1,434)	(1,050)	(384)
Capital Expenditure	3,562	5,622	(2,060)
Capital Expenditure on Behalf of all GLAs	25	90	(65)
Other Trinity House Costs	1,563	1,730	(167)
Exceptional Expenditure ¹	815	3,946	(3,131)
Expenditure on Behalf of all GLAs	1,582	2,214	(632)
Expenditure on Behalf of DfT	219	225	(6)
Total	35,168	43,803	(8,635)

¹It 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.

Actuals v Sanction Analysis

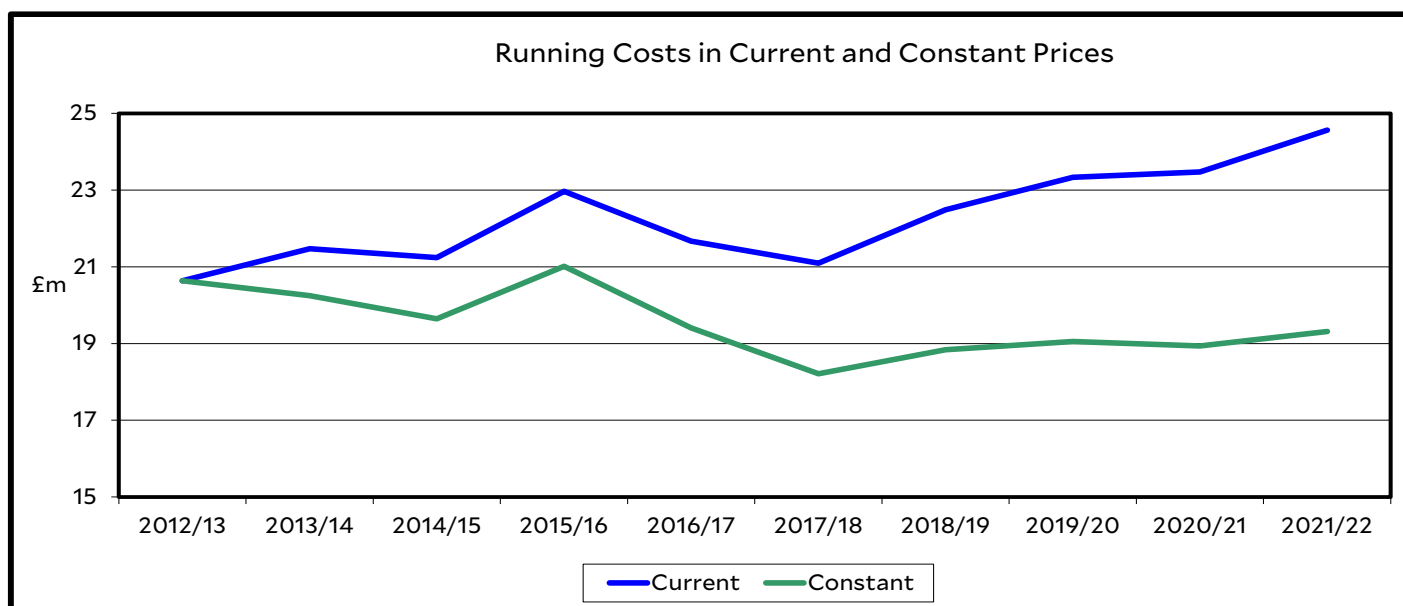
Overall there is an underspend of 8,635k (20%) on the sanctioned budget primarily arising within Staff Costs, Capital Expenditure and the Vessel Replacement & Royal Sovereign projects. The effects of COVID-19 and the subsequent recovery and the effects on the global economy on procurement timelines impacted the Capital Programme and the Vessel Replacement Project and Royal Sovereign decommissioning which accounts for £5m of the underspend. Running cost underspend is largely driven by staff cost which are lower than sanctioned as a result of a number of vacant posts, the ability to recruit, training and integrate new and existing staff members effectively. It is pleasing to report that net income contributions exceeded management expectations during this difficult year.

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 inflation. Running costs have fallen in constant price terms from £20,637k in 2012-13 to £19,316k in 2021-22; a reduction of 6.4%.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Running Costs Inc. Pensions	20,637	21,475	23,127	25,085	23,756	23,287	24,687	26,175	26,356	27,402
Pensions			1,884	2,118	2,089	2,189	2,198	2,843	2,883	2,837
Running costs ¹	20,637	21,475	21,243	22,967	21,667	21,098	22,489	23,332	23,473	24,565
Variance %		4.1%	-1.1%	8.1%	-5.7%	-2.6%	6.6%	3.7%	0.6%	4.7%
Running costs (constant prices)	20,637	20,247	19,644	21,011	19,406	18,215	18,840	19,053	18,939	19,316
Variance %		1.1%	-3.0%	7.0%	-7.6%	-6.1%	3.4%	1.1%	-0.6%	2.0%
Average RPI	244.7	251.7	256.7	259.4	265.0	274.9	283.3	290.6	294.2	311.2

¹Under the current RPI-X regime, pensions are included in running costs, where previously up to 2013-14 these were excluded. Therefore, to ensure comparability, running costs are presented excluding pension costs below. When 2014-15 is the first year in the table above, running costs will be restated.



Main Financial Events

The main financial events during the year were:

- Achieved cost saving targets with running cost expenditure under sanction by £ 2,190k;
- Maintained a satisfactory year-end audit report from NAO;
- Generated £272k of value for money savings;
- Achieved a substantial assurance rating from Head of Internal Audit; and
- Achieved Commercial Income of £1,434k, exceeding budget by 37%.

Expenditure on Tangible and Intangible Non-Current Assets

During the year to 31 March 2022, expenditure on non-current assets was:

	2021/22	2020/21
	£000s	£000s
Work in progress	1,246	1,630
Buildings	-	-
Tenders ¹	970	400
Lightvessels	313	-
Buoys and beacons	61	-
Plant and machinery	480	161
Computer equipment	473	278
Intangible software	44	34
Intangible licences	-	-
Total	3,587	2,503

¹Tenders includes Right-Of-Use (ROU) Assets additions.

Major capital spend during the year took place on Lynmouth Foreland, St. Catherine's and St. Tudwal's Lighthouse modernisation projects, while expenditure was incurred in respect of projects at Flamborough Head, Tater Du and Farne Island which are due to be completed in 2022-23. Both THV *Alert* and Lightvessel 19 underwent Dry Dock and Refit projects during the year and further work was carried out on the project to extend the life of the THV *Patricia*, which is designed to keep the vessel in service until 2025-26. A significant project in the IT Storage Area Network was delivered during the year, in addition to further progress in the decarbonisation of the TH vehicle fleet, with four fully electric and four hybrid electric vehicles purchased.

In addition, Trinity House purchased THV *Patricia* for a nominal fee of £6k from Lloyds Specialist Finance Limited from who it was previously leased.

The Accounts Direction that came into force on 25 September 2019 states that non-current assets shall be valued in line with the Government Financial Reporting Manual (FRM). Trinity House obtained independent valuations for the majority of its assets as at 31 March 2013, with a further full independent valuation carried out as at 31 March 2018. The carrying values will continue to be reviewed annually using a combination of appropriate indices or independent valuations in accordance with our asset policy. Further details can be found under note 8 (page 61).

The Corporation of Trinity House of Deptford Strond owns the Trinity House London building; it is not an asset of the GLF.

Key Performance Indicators (KPIs)

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.

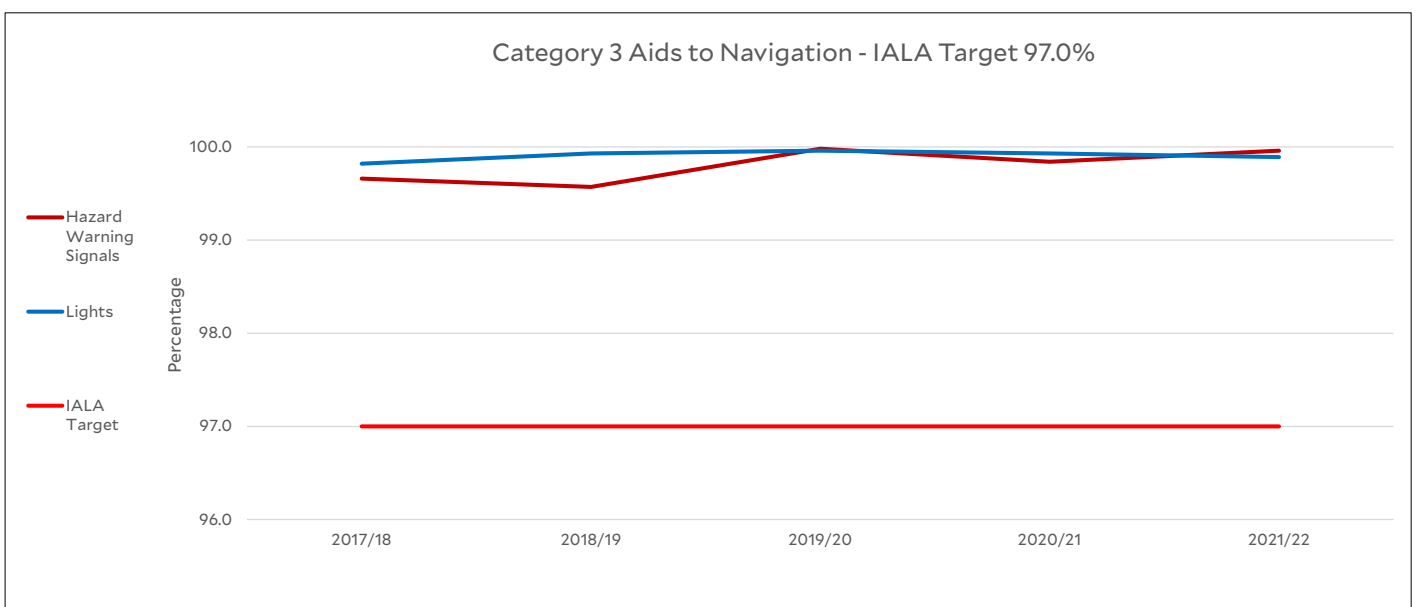
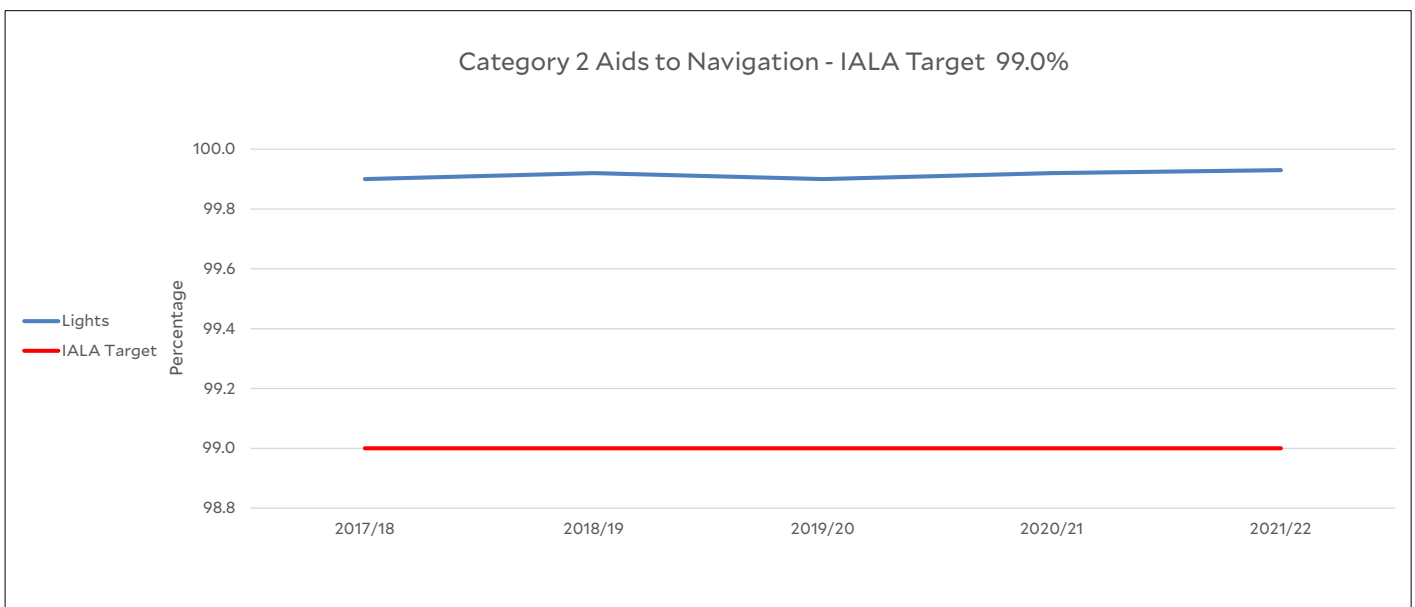
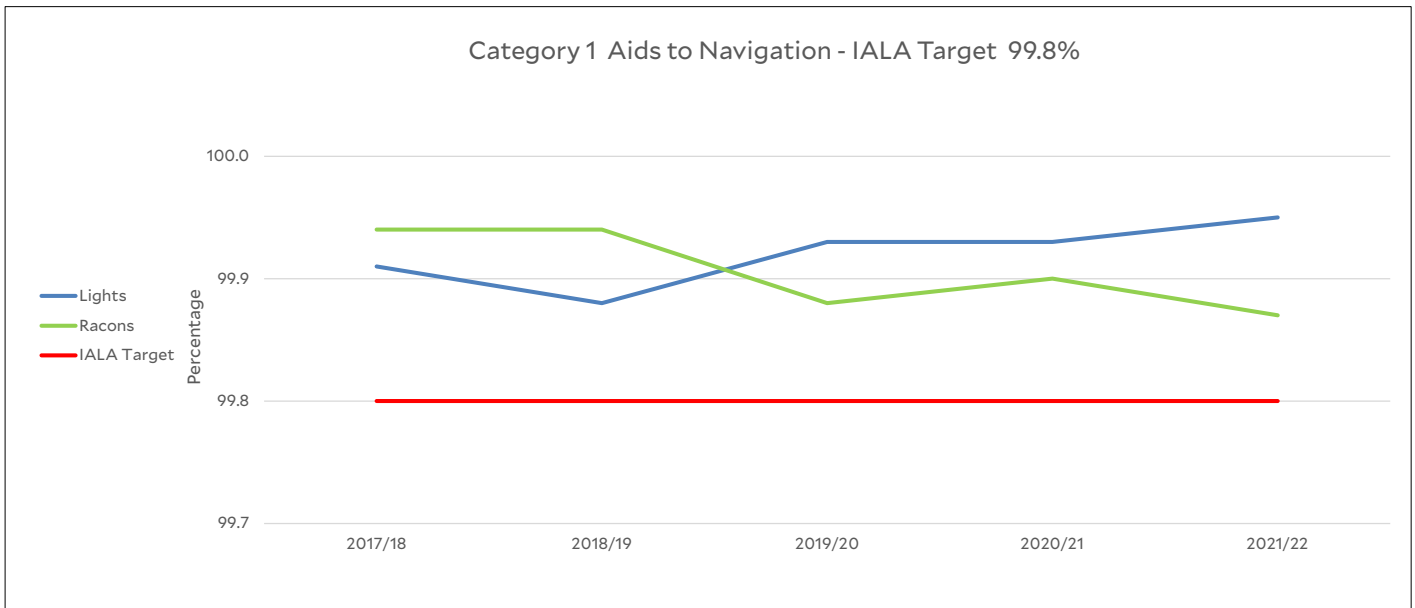
The core business of Trinity House is reflected in its Mission Statement: "To deliver a reliable, efficient and cost effective Aids to Navigation service for the benefit and safety of all mariners". The Board measures its performance against this Mission by the use of different indicators, which together 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 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	2017/18	2018/19	2019/20	2020/21	2021/22
Lights	1	99.8%	99.91	99.88	99.93	99.93	99.95
Racons	1	99.8%	99.94	99.94	99.88	99.90	99.87
Lights	2	99.0%	99.90	99.92	99.90	99.92	99.93
Hazard Warning Signals	3	97.0%	99.66	99.57	99.98	99.84	99.96
Lights	3	97.0%	99.82	99.93	99.96	99.93	99.89



Trinity House's Strategy

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 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. With Brexit now delivered and 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.

During 2020-21 Trinity House reviewed 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.

What it Means to be a Trusted, World Class Aids to Navigation Authority

Trinity House defines "World Class" as follows:

"Our provision of Aids to Navigation, related services and processes are rated by our stakeholders to be the best of the best by excellence in terms of design, performance, quality, stakeholder satisfaction and value."

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 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 usually developed that identifies 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. Our corporate and individual objectives reflect these objectives and actions. During the last year the operational action plan was deferred and the Executive and Senior Management team have worked closely throughout the various phases of the pandemic to deliver on the Corporate Strategy.

Current Developments and Performance

Detailed below are a few of the key achievements during the year against each of the key Cardinals:

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

- Delivered excellent AtoN service availability with Category 1 AtoN at 99.95%, Category 2 AtoN at 99.93% and Category 3 AtoN at 99.89%;
- The Risk Response Criteria measured within the 6 hrs, 12 hrs & 24 hrs areas were 94.88%, 91.13% and 99.26% respectively; (12 hrs and 24hrs threshold met, 6 hrs RRC figure below 95% due to unplanned extended duration of THV *A/ert* repair works, poor weather & storm events in final quarter of 2021-22);
- Successfully migrated offshore monitored AtoNs from Paknet to 4G technology;
- The Buoy Service List was 83.12% completed in 2021-22;
- Determination of AtoN requirements and Safe, Efficient and Secure Delivery using the established risk based Examiners Committee assessment process all of which was achieved while working remotely;
- Processed 694 Marine Management Organisation and Natural Resource Wales applications to determine the navigational requirement;
- Provided the statutory management and superintendence function for 11,314 local aids to navigation;
- Lightvessel 19 & THV *A/ert* drydocked on budget and within anticipated time frame.
- THV *A/ert* crane replaced with modern fit for purpose marine rated crane.
- Retained certification against ISO9001 (Quality Management); ISO 14001 (Environmental Management) and achieved certification to ISO 45001 (Occupational Health and Safety);
- Lynmouth Foreland, Flamborough Head and St. Tudwal's modernisations completed on time and within budget;
- In excess of £1.9m gross commercial income was earned, making an important contribution to the General Lighthouse Fund and offsetting the cost to the Light Dues Payer;
- Adapting to the post-Brexit settlement procurement and supply-chain landscape;
- Worked to continuously improve Data Protection within the organisation;
- Further progress of the Procurement phase of the THV *Patricia* replacement project, negotiations with perspective tenderers ongoing in the spring/summer of 2022.

Cardinal Two – Good Employer

- An extensive programme of Mental Health support is provided, including creating a team of trained first responders and awareness workshops across all offices and depots;
- Hybrid Working trial in under way across office based roles in the service;
- SVS Fleet Catering function reviewed, with ongoing work to support nutritional and dietary education;
- Undertaking Staff Engagement Survey ascertain concerns and views of all staff;
- Continued extensive action taken to protect staff and maintain operations throughout the COVID19 pandemic, while adhering to Government guidance. Examples include:
 - Large scale working from home;
 - COVID-19 Secure workplace supported by external audits to confirm suitability;
 - Revised working practices for those that cannot practically work remotely;
 - Employer provision of COVID-19 testing;
 - Regular communications to staff during COVID-19 pandemic,
 - Updating on news,
 - Policy changes,
 - Health and wellbeing
 - Changes to Government guidance and advice including Trinity House implementation of that guidance
 - Hints and tips on wider life issues affected by lockdowns - home schooling, keeping children entertained, recipes and other lifestyle matters
- Further work to develop Fair Safety Culture throughout the organisation.

Cardinal Three – Reputation Development

- Actively promoted Trinity House at all major National Safety Forums including UKSON, NOREL, SONAC, PMSC, CHWG/CHAS, and VTS Working Groups;
- Continued engagement with DBEIS to ensure the marking schedule for Offshore Oil and Gas Platforms will be updated to fulfil modern requirements;
- Participated fully at Planning Inspectorate hearings to promote Trinity House functions and advise on marine safety;
- Participation at exhibitions including Global Offshore Wind, Oceanology and East of England Energy Group Southern North Sea;
- Commenced new commercial contracts for Dogger Bank Wind Farm, Perenco and Port of Dover.
- Attended IALA ARM Committee and presented at IALA Webinars;
- Supporting the filming and production of Channel 5's Lighthouses: Building the Impossible and for IMarEST's 'Resilient Oceans' video;
- Positive affiliation with scientific agencies have seen a large volume of repeat business utilising Trinity House vessels for buoy deployment and recovery.

Cardinal Four – Innovation and Learning

- Continued the delivery of third party AtoN monitoring for decommissioned oil platforms in the southern North Sea;
- Currently trialling the use of environmentally friendly fuels in THV *Alert*;
- Working under Board direction to establish priorities for technology, innovation and environmental sustainability over the coming years;
- Trinity House successfully continues to deliver the internationally recognised IALA AtoN Manager Training course to National and International Aton providers.

GLA Research & Development (GRAD)

Over the past 12 months, GRAD, the General Lighthouse Authorities research and development team based in Harwich, has continued to research, develop, innovate, and subsequently help drive all the GLAs forward. The reporting period has been a busy year for GRAD, providing research and development across visual signalling, resilient PNT, e-Navigation and supporting the day-to-day GLA AtoN provision. Items of note over this year include the development of an e-Navigation prototype service architecture, the hardware required to provide new digital services to mariners. This architecture was utilised in the demonstration

of authenticated Virtual AtoNs, an important step forward in the provision of secure and enhanced digital AtoN services. The GRAD team has developed prototype authentication systems for AIS and the emerging VHF Data Exchange System (VDES).

GRAD has been supporting the development of resilient positioning, navigation and timing (PNT) at a strategic and technical level. Recognising that GNSS is a key part of resilience and the need for a mix of dissimilar systems, the team has been supporting the development of alternatives and supporting systems, including the use of radar for absolute positioning, VDES R-Mode and the maritime use of Satellite Based Augmentation Systems (SBAS).

Recognising that visual signals are an important component in the mix of systems required for resilient PNT, the team has developed a new 24-sided R&D Light Source (RLS) which supports higher duty flash characters with improved heat dissipation. The visual signalling team has conducted 37 light measurements over the year, seven of which were conducted in the field, with support from the GLAs.

For reputational development, innovation and learning, GRAD represents the GLAs at many international fora. These fora are global, in such bodies as, *inter alia*: the International Telecommunications Union; the International Electro-technical Commission; the Radio Technical Commission for Maritime Services; and, the International Association of Marine Aids to Navigation and Lighthouse Authorities. Moreover, GRAD provides input to, and works with, the Maritime and Coastguard Agency, the UK Hydrographic Office and the International Maritime Organization on many topical items of mutual interest and standardisation.

Sustainability Report

For the first time Trinity House has been included in the latest round of Greening Government Commitments (GGC) and as a result, this is the first time that a dedicated Sustainability Report has been included in the Annual Report and Accounts.

Although this is the first year of inclusion in the GGC, Trinity House has a long history of embedding sustainable solutions into the portfolio of Aids to Navigation that it provides. Solarised navigation buoys and offshore lighthouses were introduced as long ago as the 1990s and energy storage solutions in operation in the 1970s.

Work has been undertaken over the course of the last year to assess the emissions created by Trinity House in the course of delivering its statutory duties and other activities. The table below reflects the Trinity House emissions over the last five years.

The data confirms that our vessels are responsible for the vast majority of the emissions produced by Trinity House. To address this, plans are in place for the next generation of vessels to take advantage of developments in sustainable power systems, with a procurement process underway to replace the THV *Patricia* with a vessel using hybrid technology. In the short term, we are trialling Gas to Liquid Fuels which is a cleaner fuel than Marine Gas Oil that reduces CO₂, NO_x and noise significantly.

Government Greening Commitments Performance Targets

Theme	Measure	Units	2021-22 Actual Performance	2021-22 Target	2024-25 Target	2017-18 Baseline
Mitigating Climate Change	Total emissions	tonnesCO ₂	8,897	8,041	7,434	8,850
	Direct emissions	tonnesCO ₂	80	115	101	78
	ULEV cars	% car fleet	34%	34%	100%	0%
	Domestic Flights	tonnesCO ₂	-	-	-	-
Minimising Waste	Total Waste	tonnes	512	591	550	646
	Waste to landfill	%	2%	5%	5%	5%
	Waste recycled	%	93%	70%	70%	95%
	Paper use	reams	535	677	474	948
Reducing Water Use	Water Use*	m ³	11,830	11,076	10,678	11,607

Gross Emissions						
Scope 1 Direct Emissions (sources owned or controlled)		2021/22	2020/21	2019/20	2018/19	Baseline
Gas (natural)	tonnesCO ₂	76	63	52	47	76
Gas (LPG)	tonnesCO ₂	4	4	5	5	2
Scope 2 Indirect Emissions (energy supplied by another party)						
Electricity	tonnesCO ₂	394	468	562	638	729
Scope 3 Emissions from business travel						
Domestic air travel	tonnesCO ₂	*	*	*	*	*
International air travel	tonnesCO ₂	*	*	*	*	*
Diesel (road fuel)	tonnesCO ₂	98	92	139	167	157
Petrol (road fuel)	tonnesCO ₂	16	*	*	*	*
Marine Gas Oil (ship fuel)	tonnesCO ₂	7,443	6,917	7,736	7,937	7,616
Liquid to Gas (ship fuel)	tonnesCO ₂	600	255	*	*	*
GLA Helicopter	tonnesCO ₂	217	123	200	202	189
Rail/underground/tram	tonnesCO ₂	*	*	*	*	*
Bus/coach	tonnesCO ₂	*	*	*	*	*
Hire car/taxi	tonnesCO ₂	47	49	37	60	81
Private vehicle (owned by staff)	tonnesCO ₂	2	*	*	*	*
Related energy Consumption						
Office Electricity	kWh	503,867	597,815	574,735	521,066	254,635
Non-office Electricity	kWh	1,352,392	1,252,489	1,453,306	1,556,119	1,641,414
Renewable Electricity (supplies from renewable only tariffs)	%	88%	*	*	*	*
Gas - Natural	kWh	416,193	340,878	284,044	255,303	410,600
Gas - LPG	Ltrs	2,835	18,790	22,037	21,615	11,568
Marine fuel MGO	Ltrs	2,682,053	2,579,901	2,769,844	2,851,579	2,762,960
Marine fuel GTL	Ltrs	237,978	*	*	*	*
Aviation Fuel	Ltrs	85,232	48,720	78,652	79,744	74,592
Related business travel						
Fleet road travel	litres of fuel	49,354	36,318	47,394	48,667	49,812
Fleet road travel	km	553,368	451,164	627,479	697,443	646,314
Non-fleet travel	km	295,118	283,152	210,476	334,450	442,942
Public transport	km	*	*	*	*	*
Domestic flights	km	*	*	*	*	*
International flights	km	*	*	*	*	*
GLA Helicopter	Flying Hours	304	174	281	284	266
Financial indicators						
Energy expenditure						
Electricity - office	£000	100	88	76	50	30
Electricity - non-office	£000	231	218	225	208	210
Gas - office	£000	1	1	1	1	1

		2021/22	2020/21	2019/20	2018/19	Baseline
Gas - non-office	£000	30	24	26	23	19
Diesel - marine	£000	1,206	589	1,069	1128	941
Diesel/petrol - road	£000	141	42	*	*	*
Business travel	£000	236	119	420	393	338
GLA Helicopter	£000	73	38	70	69	62
Car/Vehicle Fleet Composition						
Ultra-Low emissions	% of total	11%	*	*	*	0%
Zero Emissions	% of total	23%	*	*	*	0%
Other	% of total	66%	*	*	*	100%
Target		100% zero or low emissions by 2027				
Waste management and minimisation						
		2021/22	2020/21	2019/20	2018/19	Baseline
Total waste arising	Tonnes	512	601	885	766	646
Total waste recycled	Tonnes	478	559	834	702	614
Total ICT waste recycled, reused and recovered (externally)	Tonnes	24	12	11	3	2
Total waste composted/ food waste from 2022	Tonnes	-	-	-	-	-
Total waste incinerated with energy recovery	Tonnes	0.29	0.29	0.29	0.29	0.29
Total waste incinerated without energy recovery	Tonnes	-	-	-	-	-
Total waste to landfill	Tonnes	10	30	40	61	30
Total expenditure on waste	£000	88	98	119	85	76
Finite resources						
Consumption		2021/22	2020/21	2019/20	2018/19	Baseline
Paper	reams A4 equivalent	535	387	789	883	948
Water Consumption - office	m3	4,603	3,063	5,060	4,318	4,304
Water Consumption - estate	m3	7,227	7,872	10,522	7,443	7,303
Other - any other finite resources (if material)	m3					
Financial indicators						
Paper	£000	1	1	2	2	2
Water - office	£000	8.7	5.6	9.8	8.4	8.3
Water - estate	£000	14	16	20	24	20

- Non fleet travel increased during 2020-21 caused by the alternative travel arrangements put in place during the pandemic.
- Marine diesel spend is highly volatile as a result of Trinity House's exposure to world oil prices and USD/GBP exchange rate fluctuations.
- Waste generated per annum and its variability is influenced by the nature of Trinity House lighthouse modernisation program and technology obsolescence. During 2019-2021 Trinity House undertook the full refurbishment of Lundy North Lighthouse which is the main driver of the increased waste generation during that period.

* Non data available. Trinity House is working to increase and improve the range of measures it is able to report on, and is looking at ways it can develop its reporting to cover other metrics within the GGC requirements.

DEVELOPING OUR ROUTE TO NET ZERO BY 2050

During 2021 the Lighthouse Board developed in outline an approach—to be phased over the coming years—towards formulating a climate change impact assessment that could be applied to Trinity House’s statutory role and delivery methods. This section sets out the three areas Trinity House will be focusing on:

Understanding the UK Government’s goals as they apply to Trinity House (‘TH’);
 TH’s performance to date and near-term activities for climate change impact and adaption;
 TH’s long term goals - climate change impact and adoption, especially the impact on vessel replacement timelines (if any).

1 Understanding the UK Government’s goals as they apply to TH:

Trinity House is at the forefront of supporting the UK Government’s “The Ten Point Plan for a Green Industrial Revolution” with a direct correlation of TH statutory activities and investment plans dovetailing seamlessly and supporting the UK Government in the following areas:

Ref:	The ten point plan for a green industrial revolution:	Anticipated future activities 2022/26:
1	Advancing Offshore Wind – 40Gw by 2030 More than 90% of current and proposed development off-shore sites are in TH statutory areas of responsibility in England and Wales	Seeking opportunities to work in partnership with: The Crown Estate, the Maritime Sponsor team, GRAD, NLB, IL, MCA and UKHO to safely develop the UK’s offshore wind capability. Exploiting its reserve capacity, Trinity House also is commercially active by significant reoccurring buoy rental opportunities and monitoring services.
4	Accelerating the Shift to Zero Emission Vehicles	Replace pool and van vehicles towards Ultra low emissions (ULEV) and Zero Emissions (OZEV) on routine basis if our requirements allow and seek to deliver a zero emission pool vehicle fleet before 2027. ULEV and OLEV solutions for Field Operations Vans being explored & monitored (currently 2 EV vans) with anticipated ULEV AND OZEV replacement cycle to be completed by 2027 or derogation in place depending on specific unique GLA requirements. Expansion of charging infrastructure across the remote lighthouse estate and our operational locations.

6	Jet zero and Green Ships	<p>THV <i>Patricia</i> replacement vessel – reduced emission hybrid plug-in propulsion by 2025-26</p> <p>Invest in Harwich shore power vessel charging infrastructure to maximise the existing and future vessel emissions reductions.</p> <p>Develop and agree with DfT the future vessel replacement schedule to meet net zero by 2050</p> <p>Helicopter replacement contract – stronger focus on environmental performance / Jet zero options</p>
7	Green Buildings	<p>Energy survey / review of existing estate emissions and reduction opportunities</p> <p>Harwich Buoy Yard and Office carbon neutral retrofit program.</p> <p>Develop roadmap for net zero by 2050.</p> <p>Integrate carbon neutrality ambition for all operations and generate & export to grid excess electricity to offset emissions within TH estate.</p> <p>Develop a plan to assess the feasibility and / or alternative options of equivalent outcomes to install at our locations localised energy and storage solutions during 2022-24 with anticipated roll out thereafter.</p> <p>Behavioural change program across TH (space heating & low emission travel modes)</p> <p>Harwich and other operational buildings net zero refurbishment program.</p> <p>Explore lighthouse building conditioning by means of heat pumps roll out to replace existing carbon and energy intensive building conditioning solutions.</p>
9	Protecting our Natural Environment	<p>Continue to assess the impact of TH operations on the environment and reflect latest learnings while a pro-active stance on integrating energy saving and generating technologies for our buildings.</p> <p>Impact assessment of climate change and adoption requirements for statutory delivery and execution.</p> <p>Work with statutory nature conservation bodies and other stakeholders to enable renewable energy roll out and integration across the estate.</p> <p>Sustainable supply chain criteria to be developed and made part of procurement policies to cover sustainable sourcing, waste and packaging.</p> <p>Optimise TRI-GLA coordinated fleet and helicopter usage with the aim to reduce emission for planned flights / positioning.</p> <p>Annual emissions budgets and target reductions</p> <p>Explore ability to mass roll out of renewable energy generation and storage across TH Estate to deliver 100% renewable energy on a net basis by 2050 and offset TH exposure to energy price increases.</p>

2. TH performance to date and near-term other activities

Trinity House's environmental impact and emission reduction approach over the last 50 years is evidenced in the widespread solarisation of our aids to navigation (AtoN) and estate, as well as the use of energy storage solutions since the mid-1970s. The table below shows AtoN, vessels and operational sites main power sources and the estimated number of days the AtoN operate on a carbon neutral basis:

Aids to Navigation and operational energy mix	Deployed	2020/21AtoN Carbon neutral days
Solarised Buoys and Beacons	588	100%
Solarised Lighthouses	18	100%
Solarised Lighthouses with genset back up	11	95%
Solarised Lighthouses with grid back up	1	100%
Aids to Navigation and operational energy mix	Deployed	2020/21AtoN Carbon neutral days
Solarised/wind energy powered Lighthouses with genset back up	2	95%
Solarised Lightvessels and Floats	8	100%
Tenders operating on Marine Gas Oil	2	0%
Tenders operating on cleaner burning Gas to Liquid Diesel	1	0%
Grid connected Lighthouses	34	Grid carbon energy mix performance
BYs and operational buildings with solar panel offset	2	
Grid connected operational buildings	3	
	670	

Our continuous investment in energy generation, efficiency, storage and the mitigation of environmental risks associated with fuel transfers enables TH to reduce its emissions while at the same time protecting TH against rising energy prices.

To date this has been achieved without detriment to our statutory safety function and the following recent innovations and investments speak testament of some of our achievements:

- A remote island off-grid 24/7/365 diesel-powered lighthouse being solarised, reducing its diesel fuel reduction from 30,000ltr to less than 1,500ltr per annum and now operating most days completely carbon neutral.
- The increased energy generation and storage capacity of our in-house developed buoy superstructures has not only created the opportunity to replace the Channel Lightvessel with a Type 1 buoy without any loss of statutory functionality but also continues to deploy an array of third party commercial income generating equipment. Being able to package some of our lightvessel AtoN capabilities on a Type 1 buoy results in significant opportunities to reduce future maintenance, reinvestment capital requirements and dispose of some of our legacy estate. The development of the Lightweight Aluminium Superstructure of the Type 2 buoy also future proofs the design, ready to accept future eNav or other Big Data communications, building on successful Met Data trials
- Successful completion of the cleaner burning Gas to Liquid diesel fuel trial instead of MGO on THV *Alert* showing significant CO₂, NO_x and noise reductions and now permanent.

3 TH long term goals

TH recognises it needs to better understand the impact of climate change on its statutory function now and in the future. The Lighthouse Board therefore has set itself the following objectives for the period 2022-26:

- Investigate and gain a better understanding of how expected climate change impacts such as rising sea levels, more frequent adverse weather events combined with rising temperatures may impact on:
- The statutory delivery and the way TH interacts with other (statutory) stakeholders in this domain;
- Operational estate impacts;
- Competing sea space priorities and usage impact assessment on the safety of the mariner and the future aids to navigation TH will need to develop further and deploy to meet the increasing risks and demands.
- GRAD (and also directly commissioned) research will be a key aspect of understanding these aspects to enable further development of TH Strategy in these areas.
- Adopt and implement carbon neutral technology investment as a matter of course in our remaining grid connected lighthouse estate to avoid emissions at station level and offset emissions within the wider TH estate.
- To deliver total tier 1 and 2 emission reduction targets of 25% by 2027/28 (16% direct).
- Adopt and implement Net Zero technology investment in to the wider TH statutory operations routinely.
- Behaviour changes to reduce emission and environmental impacts covering areas such as improved recycling rates, waste management, and lowest environmental impact travel mode, space heating and cooling.
- [Environmental and emissions benefits analysis for each investment decision with the aim to integrate carbon neutrality and the concept of 'Reduce, Reuse and Recycle' as part of TH investment decisions as a precursor for future Net Zero statutory delivery]

TH vessels' carbon emissions cover circa 85% of TH scope 1 emission and this has a wide ranging impact on TH as a result of the typical 2.7m litres of Marine Gas Oil (MGO) the vessels require to deliver TH statutory function each year. With TH vessel economical life spans of 25-40 yrs and THV *Alert* and THV *Galatea* in operation since 2006, TH has developed a skeleton replacement outline to deliver the UK Government Net Zero by 2050 ambition as follows:

Vessel Name	Year in service	Target life cycle / in service	No later than	Current propulsion technology / fuel	Anticipated propulsion technology / fuel	Further comments
THV <i>Patricia</i>	1982	n/a	2025-2026	Diesel Electric	Diesel Electric / Hybrid	Prepare for mid-life alternative fuel propulsion (*) (2040-2045)
THV <i>Galatea</i>	2007	25yrs 2031-2033	2035-2037	Diesel Electric	Hybrid with shore-side charging combined with alternative fuel or diesel subject to availability and suitability	Prepare for mid-life alternative fuel propulsion (*) (2045-2050) if required.
THV <i>Alert</i>	2006	20yrs 2025-2027	2030-2032	Diesel	Alternative Fuel / Hybrid / Battery / full electric using the future Harwich shore-side charging infrastructure	Maximise the Harwich Shore power infrastructure investment

(* Subject to large scale alternative fuel availability and other related propulsion technology developments.)

With TH's essential statutory safety delivery requirements and external thresholds of 99.8% availability TH prioritises durability and reliability in its investment decisions and therefore TH proposed vessel replacement schedule depends on sufficient alternative fuels and reliable proven propulsion technology availability at acceptable cost. The International Energy Agency anticipates this to occur on a meaningful scale during the 2040-50 period. However, subject to Department support and funding availability TH can explore an accelerated Net Zero delivery if so desired ahead of the proposed vessel replacement window.

Ian McNaught 3rd November 2022

Captain Ian McNaught
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 27). 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, and to maximise efficiencies and realise savings.

Conflicts of Interest

The register of interests is maintained by the Secretary to the Board, and is published on our website. Further details of how executive and non-executive Board members handle potential or actual conflicts of interests are addressed on page 36. Note that no conflicts of interest were identified during 2021/22 that required Management intervention.

Finance Leasing Arrangements

There is exposure on the finance leases for the ships to a change in the main rate of Corporation Tax. During the creation of the ships finance leases, Trinity House evaluated the option of eliminating this exposure; however, it was found that the financial risks were not significant. A 1% upward/downward change in Corporation Tax would result in a charge or benefit of £4,900 respectively per annum.

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 (Chapter 9, Regulation 113-2a). 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 nine days (2020/21 - 13 days).

Personal Data Related Incidents

During 2021/22, 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 36.

Events After The Year End

These are covered in note 26 to the accounts.

Risks and Uncertainties

Trinity House's approach to risk takes account of its statutory safety of navigation remit, its unique ring-fenced funding regime and the limited resources therefore available to finance loss. Its overall risk management strategy, which aims to ensure effective internal control, is to:

- Identify and define significant risks which could affect the achievement of key organisational aims and objectives;
- Assign ownership of those risks;
- Assess and evaluate the significance of the risks in terms of probability and impact before and after mitigation using recognised standards;
- Respond to those risks and uncertainties through risk management controls, seeking to contain them to acceptable levels having regard to risk appetite;
- Consider potential opportunities arising;
- Review and report to the Executive and Audit and Risk Assurance Committees and the Board regularly on those risks and opportunities;
- Embed risk management as an intrinsic part of its organisational processes by adopting a structured, hierarchical approach to risk management at all levels within the organisation.

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

Losses

There were no losses during 2021/22.

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, directed 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, in its capacity as a General Lighthouse Authority. 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;
- 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 2021-22 was of the opinion that ‘there are no significant weaknesses that fall within the scope of issues that should be reported in the Governance Statement’.

Trinity House Lighthouse Board and its Committees

Lighthouse Board

The Corporation of Trinity House 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 on 9 March 2021. The document is currently undergoing a review and being updated to reflect the new governance arrangements.

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

The Board met formally on eight occasions during 2021-22, which included an extraordinary meeting in April. The July meeting included a session on strategy. Having regard to its main responsibility of providing a reliable and efficient aids to navigation service for the benefit and safety of all mariners, the coverage of its work included:

- Review and approval of Trinity House Strategy;
- Review and approval of the Corporate Plan for 2021-26 and Annual Report and Accounts for 2019-20;
- Responding to the challenges of the COVID-19 pandemic to ensure the welfare of staff and the continuing delivery of the statutory function, and return to normal pre-pandemic levels of activity as the crisis abated;
- 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 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;
- Monitoring of the RPI-x regime and consideration of its future after the end of its second 5 year period;
- 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; and
- Appointment of a Lead Non-executive Director.

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 2021 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 at its January 2022 meeting. 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. In terms of the questionnaire, all responses were either in the 'Strongly Agree' or 'Partially Agree' range with the exception of those summarised in the table below.

Areas of partial disagreement were:

The board is provided with timely and robust post-evaluation reviews for all major projects and programmes, including an examination of whether all intended benefits were realised.
The board is clear on its risk appetite.
The board is satisfied there have been no problems with regulatory and similar requirements, and that sound health and safety, employment and other practices are implemented to protect the organisation against unnecessary litigation and reputation risk.
The board is aware of changing demand patterns and is confident that these can be met from the resources available and within the organisation's statutory remit.
The board is aware of the organisation's information needs. Any exceptions to best practice over data acquisition, usage, storage and destruction are reported.
There is a proper discussion (not just nodding through) by the board of reports from the audit committee, ensuring all members are aware of the issues discussed and their resolution.
Induction and development programmes ensure board members remain up-to-date throughout their time on the board.
The board constantly strives to improve its effectiveness by ensuring its own performance appraisal replicates good practice elsewhere.
The board draws up action plans following its performance evaluations. The actions include behavioural and qualitative aspects, where appropriate.
The board regularly reviews progress against its performance appraisal action plan.

Areas of strong disagreement were:

A senior independent director role exists to strengthen the position of the non-executives.
Overall, do the questionnaire responses accurately portray the board's performance?
The Board had undertaken the same exercise in 2020-21 and had identified some areas where some Board members partially or strongly disagreed. Of these areas, some remained of concern to the Board in 2021-22. These areas were:
The board is provided with timely and robust post-evaluation reviews for all major projects and programmes, including an examination of whether all intended benefits were realised.
The board is clear on its risk appetite.
Induction and development programmes ensure board members remain up-to-date throughout their time on the board.
The board constantly strives to improve its effectiveness by ensuring its own performance appraisal replicates good practice elsewhere.
The board draws up action plans following its performance evaluations. The actions include behavioural and qualitative aspects, where appropriate.

The board regularly reviews progress against its performance appraisal action plan.

Attention has been given to making improvements to the areas where the Board partially or strongly disagreed and an action plan has been agreed and implemented.

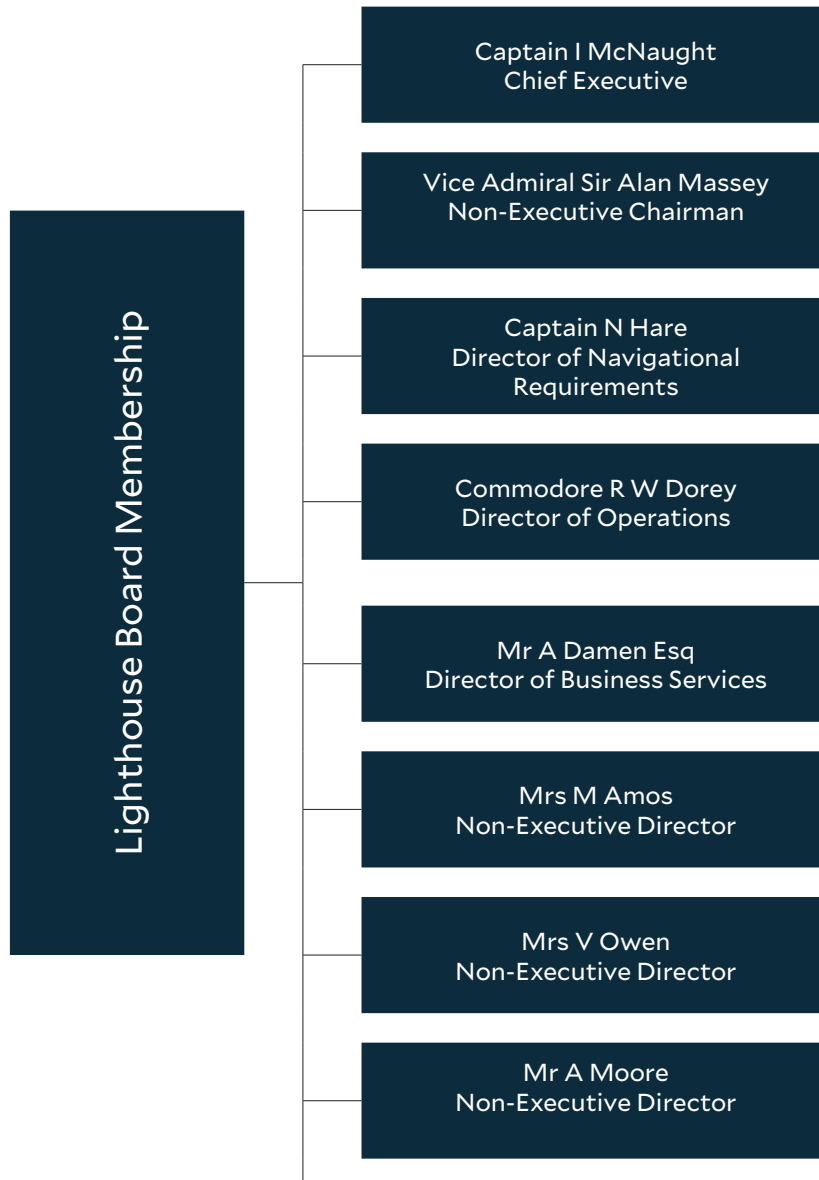
Information Provided to the Board

During 2021-22, the Government Internal Audit Agency undertook an internal audit of the governance process. They noted that the Board Pack, containing the agenda and papers for the Lighthouse Board meetings, should have greater Executive ownership to ensure that key messages are included for discussion at the Lighthouse Board. In response, a new agenda format has been agreed.

The Lighthouse Board comprises a balance of:

Four Voting Executive Members (Three Elder Brethren and the Director of Business Services)

Four Voting Non Executive Members (one Elder Brother and three nominated by the Secretary of State for Transport).



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	Highlights
Executive Chair: Captain I McNaught	Operational management of the organisation.	<ul style="list-style-type: none"> • Ongoing scrutiny of Headline Performance Objectives, KPIs, key health & safety, environmental, finance, operational, planning and business continuity matters to contribute to effective internal control; • Monitoring of Trinity House's Service-wide response consequent to the COVID-19 pandemic; • 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; • 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 in addition those relating to the New Vessel Procurement programme, Royal Sovereign Lighthouse decommissioning, resourcing, <i>Patricia</i> future disposal options, Data Protection, Brexit and emerging risk issues; • 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 wind farm developments; • Monitoring and review of risk issues relating to TH's potential participation in certain Crown Estate Offshore Wind Evidence and Change programme (OWEC) projects; • 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 THV <i>Alert</i> and THV <i>Galatea</i> and consideration of extensions thereto.

<p>Audit and Risk Assurance</p> <p>Chair: Dr M Amos</p>	<p>Review of organisational controls, risk, governance, finances and systems.</p>	<ul style="list-style-type: none"> • 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; • Consideration of other risk management issues e.g. any cases of fraud, bribery or whistle blowing; • 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.
<p>Lighthouse Board Remuneration Committee</p> <p>Chair: Mrs V Owen</p>	<p>Assessment of Executive Directors' performance, remuneration, bonuses and corporate performance.</p>	<ul style="list-style-type: none"> • Assessment of Executive Directors' performance, remuneration, bonuses and corporate performance; • Further develop a new Executive Appraisal / Performance scheme; • Talent / Capability Management**; and • The Terms of Reference were reviewed as part of the Government Internal Audit Agency audit.
<p>Executive Remuneration</p> <p>Chair: Mr A Damen</p>	<p>Assessment of staff remuneration, manpower requirements and organisational structure.</p>	<ul style="list-style-type: none"> • Consideration of the pay remit business case, approach and progress reports; • Review of performance related pay scheme; • Structure changes and post revisions; • Gender Pay Gap Reporting; and • Talent / Capability Management**
<p>Examiners</p> <p>Chair:</p> <p>Commander N Hare</p>	<p>All requirements for the service's provision of Aids to Navigation.</p>	<ul style="list-style-type: none"> • Annual review of Major Floating Aids; • Discontinuation of DGPS service; • Coquet Lighthouse Lease Extension; • Hurst Point PEL Range; • Paknet Monitoring; • Review of Whitby, North Foreland and St Anthony range and sector; • Review of St Ann's and Point Lynas range and sector; • Full review of Skerries Lighthouse navigation requirement; • Grounding of MT Chem Alya in Needles Channel; and • Lighthouse Board members attended an Examiners meeting for familiarisation.

Nominations Chair: Mrs V Owen	Proposing Executive appointments (other than Chief Executive) to the Lighthouse Board***.	<ul style="list-style-type: none"> The Nominations Committee did not meet in the 2021-22 financial year, as no new appointments were made to the Lighthouse Board during the year; The Terms of Reference were reviewed as part of the Government Internal Audit Agency audit.
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* A number of items were also considered out of committee by the Executive during 2021-22 and decisions ratified at the next meeting.

** The Directors' Remuneration and Executive Remuneration Committees have collaborated jointly through the Lighthouse Board looking at making improvements to how Trinity House manage talent and capability improvement through a multi-year project known internally as TH2040 Workforce.

*** There was a decision following the Government Internal Audit Agency's review of Trinity House's governance to expand its remit to include governance and to meet at least once annually rather than ad hoc. The Terms of Reference will be updated to reflect this.

Attendance by Lighthouse Board members at Board and Committee meetings during 2021-22 was as follows:

Members	LHB	Executive Committee	Audit and Risk Assurance Committee	Directors' Remuneration Committee	Executive Remuneration Committee	Examiners	Nominations Committee
Captain I McNaught ⁱ	8 (of 8)	6 (of 6)	4 (of 4)	*	3 (of 3)	7 (of 7)	0 (of 0)
Commodore R W Dorey	8 (of 8)	6 (of 6)	*	*	3 (of 3)	7 (of 7)	0 (of 0)
Mr A Damen ⁱ	8 (of 8)	6 (of 6)	4 (of 4)	*	3 (of 3)	*	*
Commander N Hare ⁱⁱⁱ	8 (of 8)	6 (of 6)	*	*	3 (of 3)	7 (of 7)	*
Vice Admiral Sir Alan Massey (NE) ^{vi}	8 (of 8)	*	3 (of 4)	4 (of 4)	*	* i i	0 (of 0)
Dr M Amos (NE)	7 (of 8)	*	4 (of 4)	*	*	*	*
Mrs V Owen (NE)	8 (of 8)	*	4 (of 4)	4 (of 4)	*	*	0 (of 0)
Mr A Moore (NE) ^v	8 (of 8)	*	3 (of 4)	4 (of 4)	*	* i i	*

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 Alan Massey and Mr Alan Moore attended the Examiners Committee on 07 September 2021 for familiarisation

iii Nominations Committee did not meet during 2021-2022 as no Executive Directors' roles were vacant

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. These responsibilities were formally set out in a letter dated 4 February 2010 to the then Executive Chairman (now Chief Executive) from Robert Devereux, the then Principal Accounting Officer of the Department for Transport.

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 key decisions.

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.

Some changes to the design and implementation of internal controls introduced last year in response to COVID-19 have become embedded during 2021-22. In particular, the wider application of electronic signatures. Internal audit continue to provide assurance on the effectiveness of these controls.

The system of internal control has been in place in Trinity House for the year ended 31 March 2022 and up to the date of the approval of the Annual Report and Accounts.

Risk Categories

During 2021-22 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.

Risk Culture

The culture is one of close management and control of risks. Detailed policies and processes are in place for key activities. All 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 monitored and it is acknowledged that an adverse or minimalist approach in some areas could result in missed opportunities. During a risk workshop in November 2021, Trinity House's Executive Directors, Senior Management Team and other risk owners reviewed the organisation's risk appetite against the Risk Appetite Guidance Note, issued by the UK Government Finance Function, in August 2021. The risk appetite against risks on the Organisational Risk Register were updated where appropriate with most now at minimal or open.

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;
- 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 staff;
- Publication of all Risk Registers onto the company's document management system;
- In-house expertise provided by the Legal & 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; the last comprehensive review was undertaken in October 2021. 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, 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 risk registers were formally reviewed by the responsible Director and Manager at quarterly intervals during 2021-22, although amendments are made in the intervening time in the light of changes in the risk profile.

Risks are reviewed, the probability of the risk event occurring and the impact that the occurrence would have both before and after controls have been put in place is evaluated and whether there is a change in the probability and impact categories is determined. 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 and Safe Work Instructions to ensure safe operations.
-

The format of the Trinity House risk registers was discussed in detail at a risk workshop held in November 2021. A proposed new format has been identified internally, which was subject to independent review by both Marsh Ltd and the Government Internal Audit Agency during 2021-22.

A risk dashboard provides a graphical presentation of the 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 Consultative Groups, 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 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.

Improvement circles, where cross departmental teams are brought together as and when appropriate to work on and resolve day to day issues or to improve working practices, are used productively and effectively.

Changes to Risk Profile

The key changes to the risk profile of Trinity House during the year ended 31 March 2022 were the risks, uncertainties and opportunities introduced as a result of:

1. The impact from the COVID-19 pandemic has continued to provide challenges to Trinity House. Fortunately the impact has been mitigated and Trinity House has continued to operate as normal and deliver its statutory duties. Trinity House vessel crews and buoyyard operatives have continued to deliver their duties in COVID-19 secure environments. Changes to working arrangement that Trinity House brought in at the start of the pandemic are well embedded, and a trial of hybrid working arrangements is ongoing. The pandemic has affected shipping and has resulted in a reduction in Light Dues receipts and the size of the General Lighthouse Fund, which may translate into additional financial pressures in future;
2. Failure to prepare, adapt current ways of working, and implement new legislation which could be introduced to reduce the impact from climate change;
3. The potential for insufficient ship resources due to the increased risk of THV *Patricia* being unable to sustain her operational capabilities, which could impact on the delivery of Trinity House's statutory duties and the performance of extraneous services, is increasing, though this risk continues to be addressed and mitigated;
4. The project to remove Royal Sovereign Lighthouse poses many risks to Trinity House, mainly financial due to the anticipated cost of the project. All risks have been considered and addressed by the Project Board, and the Invitation to Tender has been issued to identify a suitable contractor to undertake the decommissioning work;
5. The risk from Global Navigation Satellite System (GNSS) vulnerability in terms of its use as an aid to navigation is considered a reducing risk. In light of this, the General Lighthouse Authorities will discontinue the Differential Global Positioning System (DGPS) it provides from 31 March 2022;
6. Failing to adequately resource Trinity House due to recruitment and retention issues, which has seen this risk increase due to a rise in staff turnover during the pandemic, and the demographic of the current workforce, are being mitigated by the TH2040 Workforce project and with the implementation of a hybrid working trial for staff who are able to work remotely;
7. The project to procure a new vessel is progressing and the Invitation to Tender has been issued. As result, this is a decreasing risk to Trinity House;
8. Failure to comply with Health & Safety Legislation, adherence to codes of practice and HSE Guidance, in order to provide safe practices and working environments for all staff and visitors; and
9. The outcome of the trade deal between the UK Government and the EU, and the financial impact from the pandemic, could present further challenges to Trinity House operations, staffing levels and its supply chain.

The Trinity House Audit & Risk Assurance Committee is provided with a report from the Board Secretary 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-notices) and is available for public inspection. Access can be obtained by contacting the Board Secretary at Trinity House, Tower Hill, London.

There were no conflicts of interest identified during 2021-22 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 2022.

The Fraud and Bribery Risk Register evidences that there were no incidences of fraud or bribery reported during 2021-22. 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 December 2021 continued to reflect the improvements made in response to the actions identified from the first assessment. The 2021 assessment score remains at 95%, the same as 2020 as opposed to 84% in 2019.

Information Risk

During 2021-22 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 annually review and sign. 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.

There were no reportable personal data breaches involving Trinity House as a Data Controller in 2021-22. Data Protection procedures continue to be kept under review having regard to the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). Procedures exist for handling data subject requests and an on-going programme of works is in place to enhance 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. A cross-functional Data Protection Steering Group meets regularly to consider continuous improvement measures around information handling and data protection.

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 included regular bulletins during cyber security month in October 2021. A 'Security and Compliance' dashboard is also reported to the Audit & Risk Assurance Committee periodically.

Management Assurance Statement

The Management Assurance Statement for 2021-22 was completed in accordance with the Department for Transport Group's requirements.

Where possible a more principles based approach has been used for the last five years 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 directorate/public body performance management, knowledge and information management and cyber security of third party suppliers which all scored moderate. For performance management, a consultancy review by the Government Internal Audit Agency noted some improvement opportunities primarily around the development of a KPI framework. 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, with effect from January 2022, 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 continue to review including emerging guidance and apply proportionately.

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 eight 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 six occasions this year and leads on the implementation of plans and reviews progress and performance. Risk management is formally reviewed by Directors and Senior Managers 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 Lighthouse Board and 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

During 2021-22 Trinity House received no ministerial directions.

Head of Internal Audit Opinion

“On the basis of the evidence obtained during 2021-22, I am able to provide an overall ‘Substantial’ assurance rating on the adequacy and effectiveness of Trinity House’s arrangements for corporate governance, risk management, and control processes.

There are no significant weaknesses that in my opinion fall within the scope of issues that should be reported in the Governance Statement.”

Chief Executive Opinion

There have been no significant internal control or governance problems in the year ended 31 March 2022. Therefore, I can report that corporate governance and risk management within Trinity House remains robust and effective and comply with the best practice 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.

Ian McNaught

3rd November 2022

Captain Ian McNaught
Chief Executive of the Lighthouse Board

Remuneration and Staff Report

Within the requirements of governmental pay policy, Trinity House operates a remuneration strategy based on spot rate salaries informed by job evaluation and market testing. A Staff Survey reiterated staff concerns about the effects of ten years of below inflation pay rises and market competitiveness, limited career opportunities and flexible working arrangements. These concerns, combined with an ageing workforce, of which many have the option to retire within ten years, has led to a review of the required future workforce capabilities, career support and training requirements supported by a revised pay structure. While progress has been hampered by the COVID-19 pandemic a business case for implementation of the new arrangements was submitted to Department for Transport. Senior staff are in the process of working with DfT officials to make revisions to resolve their comments and objections and still hope to achieve DfT support for a submission to Cabinet Office in due course.

Trinity House operates a performance related pay (PRP) and bonus system to incentivise staff. The current system is designed to increase staff awareness and understanding of corporate level objectives and ensure that personal objectives link to departmental and strategic objectives. An annual staff bonus is linked to the appraisal cycle. PRP, individual and team bonus allocation is determined by individual performance and organisational level success against the year's corporate strategic and Board set objectives.

Directors' rates of pay are determined using the same methodology as that applied to staff. 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) ¹		Total (£000s)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
I McNaught	125-130	125-130	15-20	10-15	-	1700	90,000	71,000	230-235	215-220
A Damen	85-90	85-90	10-15	5-10	-	800	40,000	38,000	140-145	135-140
R Barker ²	-	45-50	-	-	-	700	-	17,000	-	65-70
R W Dorey	90-95	90-95	10-15	5-10	-	1100	29,000	52,000	130-135	155-160
N Hare	90-95	55-60	10-15	0-5	-	-	40,000	24,000	140-145	80-85
A Massey	35-40	35-40	-	-	700	-	-	-	35-40	35-40
D Ring ³	-	10-15	-	-	-	400	-	-	-	10-15
M Amos	15-20	15-20	-	-	300	300	-	-	15-20	15-20
V Owen	15-20	15-20	-	-	300	100	-	-	15-20	15-20
A Moore	15-20	5-10	-	-	1100	-	-	-	20-25	5-10

¹The 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.

²Retired 13 September 2020 (2020-21 full year equivalent salary £90k-£95k)

³Retired 30 November 2020 (2020-21 full year equivalent salary £15k-20k)

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.

Performance Related Pay

Performance Related Pay (PRP) is awarded in recognition of the attainment of set objectives as part of the appraisal process. PRP relates to the performance in the relevant financial year.

Pay Multiples

Percentage change in salary and bonuses for the highest paid director and staff average for 2021/22	Salary and Allowance	Bonus Payments
Staff Average	0.2%	21.4%
Highest Paid Director	0.0%	40.0%

Trinity House is obliged to comply with the Civil Service Pay Guidance published by the Government, as a result there was a 0% pay award during 2021/22.

The year on year increase in 2022 was due to the temporary decrease in the maximum bonus available in the previous year. The amount paid did not exceed the Government threshold.

	2021-22	2020-21
Band of highest paid directors total remuneration (£000s)	140-145	140-145
Median Remuneration (3)	£34,454	£34,012
Ratio	4.2	4.2
25th Percentile Remuneration (£)	£27,786	£27,322
Ratio	5.2	5.3
75th Percentile Remuneration (£)	£45,051	£44,913
Ratio	3.2	3.2

	Lower quartile		Median		Upper quartile	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Salary	26,786	26,786	33,454	33,345	43,076	43,076
Total Pay and Benefits	27,786	27,322	34,454	34,012	45,051	44,913

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 2021-22 was £140k-£145k (2020-21: £140k- £145k).

This was 4.2 times the median remuneration of the workforce, which was £34,454 (2020-21: 4.2 times and £34,012); 5.2 times the lower quartile remuneration of the workforce, which was £27,786 (2020-21: 5.3 times £27,322); and 3.2 times the upper quartile remuneration of the workforce, which was £45,051 (2020-21: 3.2 times £44,913).

In 2021-22, no employees (2020-21, Nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £16,162 to £100k-£105k (2020-21 £16,391 to £105k-£110k).

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 employed on fixed term contracts for a period of up to three years; the term may be extended where appropriate.

Non-Executive Director	Contract Start	Expiry Date
A Massey	22 January 2020	21 January 2023
M Amos (Contract renewed in 2020 for a further three years)	16 May 2017	15 May 2023
V Owen (Contract renewed in 2021 for a further three years)	14 September 2018	13 September 2024
A Moore	1 December 2020	30 November 2023

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

Pension Benefits

All Executive Board Members of Trinity House (including the Chief Executive) 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 2022	Cash equivalent transfer value at 31 March 2021	Real increase in cash equivalent transfer value	Employer contribution to partnership pension account
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
I McNaught	5-7.5	-	35-40	-	655	586	75	-
R W Dorey	0-2.5	-	50-55	140-145	1181	1,097	15	-
A Damen	0-2.5	-	10-15	-	157	127	20	-
N Hare	0-2.5	-	0-5	-	60	22	30	-

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 into the PCSPS or CSO. 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 71) contains further information on pensions for all staff.

Staff Report: Other

Staff Costs

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

	2021-22 £000s	2020-21 £000s
Total Staff Costs	15,131	15,939

Details of staff costs can be found at note 4 on page 58.

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

	2021-22 Total	2021-22 Permanent Staff	2021-22 Others	2020-21 Total
Directly employed	283.5	283.5	-	298.8
Other	16.6	-	16.6	14.2
Staff engaged on capital projects	2.9	2.9	-	2.1
Total	303.0	286.4	16.6	315.1

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
< £10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,000 - £50,000	-	-	-	1	-	1
£50,000 - £100,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	1	-	1
Total resource cost (£s)	-	-	-	31,113	-	31,113

Diversity Information

The Government Financial Reporting Manual (FRoM) guidance requires Trinity House to disclose the number of persons of each gender who are employees of the entity as at 31 March 2022.

	Male	Female
Executive Directors	4	0
Non-Executive Directors	2	2
Senior Managers	9	0
Employees	205	78

Sickness Absence

Sickness absence during the last two years was:

	2021-22	2020-21
Total number of days lost due to sickness	2,450	2,168
Average number of days lost per employee	8.63	7.5

Staff Relations

Trinity House is obliged to comply with the Civil Service Pay Guidance published by the Government. Due to a national Civil Service pay pause, pay negotiations were restricted and a pay award limited to staff earning less than £24,000 was imposed without agreement with the unions.

Off-Payroll Engagements

Trinity House has not entered into any off-payroll engagements during 2021-22 (2020-21 £nil).

Expenditure on Consultancy

The amount spent on consultancy was £nil (2020-21 £nil).

Staff Policies

Trinity House has a comprehensive set of Human Resources Policies and Procedures focused on how we can get the best out of managers and staff. These policies are supported by a Training Plan that aims to develop employees and encourage them to continuously improve their skills and knowledge, leading to the maintenance and development of Trinity House's capability to deliver its aims and objectives, both now and in the future.

Every individual's performance and achievements are assessed in relation to objectives and behavioural and technical competencies. Employees are encouraged to develop through the performance review system, whereby personal development plans are produced on an annual basis for every member of staff. An external reviewer has praised this process for its effectiveness.

In addition, Departmental Managers identify skills gaps through careful strategic analysis, and organisation-wide development initiatives introduced as a result. For example, Trinity House invested in leadership development in recent years, which has led to increased competence and confidence amongst our managers regarding people management matters.

The structure of the organisation is based around three main directorates: Operations, Business Services and Navigation. There is also a Secretariat, providing legal and risk services, health and safety services and supporting the Chief Executive.

Trinity House is responsible for two inter-GLA Functions: GLA Research and Development (GRAD), 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 Lighthouse Service 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 co-ordinated planning, with a GLA Planning Co-ordinator carrying out this role on behalf of all three GLAs. Subsequently, this has become a permanent arrangement.

Equal Opportunities

Trinity House is an equal opportunity employer, and 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 (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. These are known as “protected characteristics”. Diversity remains high on the Board agenda and Trinity House will continue to enhance its support to ensure Trinity Houses staff profile and equal opportunities reflect the society we operate in.

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. We are confident that recruitment decisions are based on the best candidate for the role. However, the reality is that with relatively few females entering the courses leading to engineering and seafaring roles, the potential candidates are more likely to be male for some years to come. Where possible, 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.

It is recognised by Trinity House that ensuring equal opportunities for disabled people may involve making adjustments to the working environment. Adjustments will be made wherever reasonably practical. The nature of the duties at lighthouses and at sea imposes some limitations on the employment of disabled staff. A Genuine Occupational Qualification covers these posts.

Employee Involvement

Trinity House is committed to employee involvement and communicates with them using a variety of methods. Team meetings are established across the service, providing the most frequent and direct link between Senior Managers and their teams in their entirety. Two-way communication is encouraged during these meetings and staff contribute their ideas to departmental plans. The Chief Executive and the Directors make face-to-face presentations to staff on important matters and on a regular basis to ensure staff are kept up to date on recent developments and future plans. A communications policy has been developed to ensure key messages are communicated to staff in a timely manner.

Parliamentary Accountability Disclosures and Audit Report

Losses and Special Payments

There were no losses during 2021/22 (2020/21 £50k- technology obsolescence).

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.

Ian McNaught

3rd November 2022

Captain Ian McNaught
Chief Executive of the Lighthouse Board

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	2021-22 £000s	2020-21 £000s
Income			
Advances from the GLF		35,900	33,500
Other income	3a	1,975	1,750
Income on behalf of all GLAs	3b	11	90
Grant income		21	38
		37,907	35,378
Expenditure			
Staff costs	4	15,131	15,939
Depreciation - PPE	8	5,155	5,469
Depreciation - ROU	9	1,729	1,936
Amortisation	10	384	350
Loss on revaluation		(213)	(29)
Other expenditure	5a	16,762	13,376
Decommissioning provisions	18	5,260	704
		44,208	37,745
Net expenditure		(6,301)	(2,367)
Net interest payable	6	124	185
Net expenditure after interest		(6,425)	(2,552)
Net expenditure on behalf of DfT			
Other costs	5b	219	224
		219	224
Net expenditure on behalf of all GLAs			
Staff costs	5c	1,007	1,106
Other costs	5c	601	746
		1,608	1,852
Deficit for the year		(8,252)	(4,628)
Other comprehensive income			
Net gain on revaluation of property, plant and equipment		8,258	1,044
Total Comprehensive Income		6	(3,584)

Notes on page 50 to 75 form part of these accounts.

Statement of Financial Position as at 31 March 2022

	Note	2021-22 £000s	2020-21 £000s
Non-current assets			
Property, plant & equipment	8	112,377	107,788
Right of use assets	9	13,972	15,596
Intangible assets	10	960	1,313
		127,309	124,697
Current assets			
Assets classified as held for sale	11	-	-
Inventories	12	4,171	3,508
Trade and other receivables	13	1,922	1,764
Cash and cash equivalents	14	371	458
		6,464	5,730
Total assets		133,773	130,427
Current liabilities			
Trade and other payables	16	5,551	6,272
Provisions: current element	18	-	-
		5,551	6,272
Non current assets plus/less net current assets/liabilities		128,222	124,155
Non-current liabilities			
Other payables	16	2,864	4,063
Provisions: non-current element	18	16,569	11,309
		19,433	15,372
Assets less liabilities		108,789	108,783
Reserves			
General reserve		19,596	24,430
Revaluation reserve		89,193	84,353
Total reserves		108,789	108,783

The financial statements on pages 46 to 49 and related notes were approved by the Lighthouse Board on October 2022 and signed on its behalf by:

Ian McNaught 3rd November 2022

Captain Ian McNaught
Chief Executive of the Lighthouse Board

Statement of Cashflows for the year ended 31 March 2022

	Note	2021-22 £000s	2020-21 £000s
Cashflows from operating activities			
Net deficit after interest		(8,252)	(4,628)
Depreciation - PPE	8	5,155	5,469
Depreciation - ROU	9	1,774	1,979
Amortisation	10	384	350
Impairments	7	1,114	1,044
(Gain)/Loss on revaluation of land and buildings	8	686	(28)
Loss on disposal of intangibles	10	13	23
Loss on disposal of property, plant and equipment	5a	126	1
(Increase)/Decrease in trade and other receivables	13	(158)	18
Increase in inventories	12	(663)	(92)
Decrease in trade payables	16	(68)	(266)
Use of provisions	18	5,260	704
Net cash outflow from operating activities		5,371	4,574
Cash flow from investing activities			
Purchase of property, plant and equipment	8	(2,594)	(2,069)
Capitalisation of ROU assets (vessels)	9	(949)	(400)
Purchase of intangible assets	10	(44)	(34)
Proceeds of disposal of property, plant and equipment		48	-
Proceeds of disposal of assets held for sale		-	-
Net cash outflow from investing activities		(3,539)	(2,503)
Cash flows from financing activities			
Capital element of payments in respect of finance leases		(1,919)	(2,224)
Net cash flow from financing activities		(1,919)	(2,224)
Net cash flow from all activities		(87)	(153)
Net decrease in cash and cash equivalents in the period		(87)	(153)
Cash and cash equivalents at the beginning of the period		458	611
Cash and cash equivalents at the end of the period		371	458

Statement of Changes in Equity for the year ended 31 March 2022

	General Reserve	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
Changes in equity for 2020-21		1,044	1,044
Net gain on revaluation of property, plant and equipment	-	(3,801)	-
Release of reserves to statement of comprehensive net income	3,801	-	(4,628)
Retained deficit	(4,628)		
Total recognised income and expense for 2020-21	(827)	(2,757)	(3,584)
Balance at 31 March 2021	24,430	84,353	108,783
Changes in equity for 2021-22			
Net gain on revaluation of property, plant and equipment	-	8,258	8,258
Release of reserves to statement of comprehensive net income	3,418	(3,418)	-
Retained deficit	(8,252)	-	(8,252)
Total recognised income and expense for 2021-22	(4,834)	4,840	6
Balance at 31 March 2022	19,596	89,193	108,789

General reserve:

The general reserve represents the accumulated surplus of the organisation.

Revaluation reserve:

This represents any increase in an assets carrying amount as a result of revaluation. If the assets carrying amount is decreased as a result of a later revaluation, any previous revaluation gain is released back to the asset to the extent that it covers the decrease in valuation. Any decrease in valuation in excess of a previous gain is recognised in the Statement of Comprehensive Net Income. When an asset is derecognised, any gain held in respect of that asset is transferred directly to the general reserve.

Notes to the Accounts for the year 31 March 2022

1 Statement of Accounting Policies

a) Accounting Convention

These accounts have been prepared in accordance with the 2021-22 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 2022 discloses net assets of £108,789,000.

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.

During 2014-15, the pension liabilities of the Trinity House Pension Scheme were transferred to the PCSPS and the corresponding liability relating to this transfer recognised in the accounts of the General Lighthouse Fund.

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 dependant 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.

Subsequent costs of day-to-day servicing are expensed as incurred. Where regular major inspections of assets are required for their continuing operation, the costs of such inspections are capitalised and the carrying value of the previous inspection is derecognised, for example Dry Dock and Repair (DD&R) of ships.

Expenditure on renewal of structures is capitalised when the planned maintenance spend enhances or replaces the service potential of the structure. All routine maintenance expenditure is charged to the Statement of Comprehensive Net Income.

Internal staff costs that can be attributed directly to the construction of an asset, including renewals of capitalised structures, are capitalised.

Operating software, without which related hardware cannot operate, is capitalised, with the value of the related hardware, as property, plant and equipment. Application software, which is not an integral part of the related hardware, is capitalised separately as an intangible non-current asset.

Any gains or losses on the eventual disposal of property, plant and equipment are recognised in the Statement of Comprehensive Net Income when the asset is derecognised. Gains are not classed as revenue.

Valuation

After recognition, the item of property, plant and equipment is carried at Fair Value in accordance with IAS16 as adapted for the public sector in the current FReM. The assets are expressed at their current value at regular valuation or through the application of Modified Historic Cost Accounting. For assets of low value and/or with a useful life of five years or less, depreciated historic cost (DHC) is considered as a proxy for fair value.

Asset Class	Valuation Method	Valued By
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 ¹	Market Value	Specified as Obsolete, Assets Held for Sale or Investment Assets. Professional Valuation annually. Professional Valuation Annually
Tenders, Ancillary Craft and Lightvessels	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.
Buoys	Fair Value	RICS Valuation Statement (UKVS) 1.1 Professional valuation every five years. Value plus indices in intervening years.
Beacons	Fair Value	No Additional Valuation required RICS Valuation Statement (UKVS) 4.1 & 4.3 Professional valuation as base cost, plus indices annually thereafter.
Plant & Machinery - Low value or short life	Depreciated Historic Cost	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.
Plant & Machinery - Not included above.	Fair Value	
Plant & Machinery - at lighthouses	Fair Value using Depreciated Replacement Cost principles	

¹Non 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:

CATEGORIES	DEPRECIATION LIVES
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 <i>Patricia</i> & RIV <i>Alert</i>	2.5 years (30 months)
THV <i>Galatea</i>	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	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
Racones and radio beacons	15 years
Depots and 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 available).

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 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 GLA's.

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 2022 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 2022, 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 two provisions during 2021-22. 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 2022, 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 2022 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 Income

a) Income - Trinity House

	2021-22 £000s	2020-21 £000s
Buoy rental	419	747
Property rental	325	167
Tender hire	683	552
Sundry receipts	548	284
Total	1,975	1,750

b) Income on Behalf of All GLAs

	2021-22 £000s	2020-21 £000s
Contributions towards Radio Navigation projects	11	16
Tri-GLA income	-	74
Total	11	90

4 Staff Numbers and Related Costs

	2021-22 Permanently employed staff £000s	2021-22 Others £000s	2021-22 Total £000s	2020-21 Total £000s
Wages and salaries	11,579	403	11,982	12,636
Social security costs	1,269	-	1,269	1,347
	12,848	403	13,251	13,983
Employers PCSPC Contributions	3,039	-	3,039	3,105
Other pension contributions	19	-	19	17
Redundancy costs	-	-	-	31
Sub Total	15,906	403	16,309	17,136
Less: recoveries in respect of outward secondments	-	-	-	-
Total Net Costs	15,906	403	16,309	17,136
Included in the previous table are:				
Research and development salaries	709	-	709	799
Light Dues salaries	298	-	298	307
Staff costs capitalised in fixed assets	171	-	171	91
Staff costs shown under expenditure of Trinity House	14,728	403	15,131	15,939

Staff costs comprise:

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

	2021-22 Permanently employed staff	2021-22 Others	2021-22 Total	2020-21 Total
Directly employed	283.5	0.0	283.5	298.8
Other	0.0	16.6	16.6	14.2
Staff engaged on capital projects	2.9	0.0	2.9	2.1
Total	286.4	16.6	303.0	315.1

5 Expenditure

a) Other Expenditure

	Note	2021-22 £000s	2020-21 £000s
Running costs		14,610	12,309
Rentals under operating leases		-	-
Non-cash items			
Impairments	7	2,013	1,043
Profit on disposal of property, plant and equipment	8	139	24
		16,762	13,376
Interest charges	6	124	185
Non-cash items			
Depreciation - PPE	8	5,155	5,469
Depreciation - ROU	9	1,729	1,936
Amortisation	10	384	350
(Gain)/Loss on revaluation of assets		(213)	(29)
Total		23,941	21,287

b) Net Expenditure on Behalf of DfT

	2021-22 £000s	2020-21 £000s
Staff and accommodation	85	90
Audit ¹	102	102
Professional services	32	32
Sombrero	-	-
Total	219	224

¹The above figure relates to the £102k 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 2021-22 GLF fee that relates to the C&AG's review of Trinity House's transactions and balances contributing to this audit opinion is £23k (2020-21 £23k).

c) Net Expenditure On Behalf Of All General Lighthouse Authorities

	2021-22 £000s	2020-21 £000s
Light Dues collection costs	630	616
Imperial Lighthouse Service pensions	26	34
Research and Development	952	1,202
Special sanction R&D including eLoran	-	-
Wreck removal	-	-
Total	1,608	1,852

Salary costs included in the above:

	2021-22 £000s	2020-21 £000s
Research and Development	709	799
Light Dues	298	307
Total	1,007	1,106

6 Interest Payable/Receivable

	2021-22 £000s	2020-21 £000s
Deposit interest receivable	-	-
Interest payable on leases	124	185
Total	124	185

7 Impairments

During the year, impairments totalled £2,013k. Works on both THV *Alert* and THV *Patricia* exceeded the fair value of the assets resulting in an impairment of £338k and £281k respectively. The depreciated replacement cost (DRC) for St Catherine's Lighthouse could not support the full value of the investment to modernise this station in the Isle of Wight for a further 10 to 20 yrs use and resulted in an impairment on Plant & Equipment of £324k. There was also an impairment on the Lynmouth Foreland Modernisation project of £171k.

In March 2022, the Lighthouse Board agreed to sell Lightvessel 9. The asset was transferred from property, plant and equipment to an asset held for sale at its market value of £1, resulting in an impairment of £899k.

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

Current Year

	Land £000s	Buildings £000s	L'vessels £000s	Tenders & Craft £000s	Buoys & Beacons £000s	IT £000s	Plant & M'nery £000s	POA ² & AUC ³ £000s	Total £000s
Cost or valuation									
At 1 April 2021	6,032	72,856	9,810	161	5,350	1,422	12,499	343	108,473
Additions	-	-	313	21	61	473	480	1,246	2,594
Disposals	-	-	(100)	-	-	(123)	(62)	-	(285)
Impairments	-	-	-	-	-	-	(516)	-	(516)
Reclassifications	-	-	(900)	-	-	-	-	-	(900)
Revaluations	-	2,408	(313)	35	3,073	(211)	(577)	-	4,415
Transfers	-	-	-	-	-	-	1,180	(1,180)	-
At 31 March 2022	6,032	75,264	8,810	217	8,484	1,561	13,004	409	113,781
Depreciation									
At 1 April 2021	-	-	-	6	-	319	360	-	685
Charged in year	-	2,199	568	23	212	342	1,811	-	5,155
Disposals	-	-	5	-	-	(60)	(56)	-	(111)
Impairments	-	-	-	-	-	-	(20)	-	(20)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,086)	(573)	(17)	(212)	(223)	(1,194)	-	(4,305)
At 31 March 2022	-	113	-	12	-	378	901	-	1,404
Net book value at 31 March 2021	6,032	72,856	9,810	155	5,350	1,103	12,139	343	107,788
Net book value at 31 March 2022	6,032	75,151	8,810	205	8,484	1,183	12,103	409	112,377
Asset financing:									
Owned	6,032	75,151	8,810	205	8,484	1,183	12,103	409	112,377
Finance leased	-	-	-	-	-	-	-	-	-
Net book value at 31 March 2022	6,032	75,151	8,810	205	8,484	1,183	12,103	409	112,377

²Payments on accounts

³Assets under construction

Prior Year

	Land £000s	Buildings £000s	L'vessels £000s	Tenders & Craft £000s	Buoys & Beacons £000s	IT £000s	Plant & M'nery £000s	POA ² & AUC ³ £000s	Total £000s
Cost or valuation									
At 1 April 2020	6,069	73,525	10,660	105	4,519	1,467	14,303	1,577	112,225
Additions	-	-	-	-	-	278	161	1,630	2,069
Disposals	-	-	-	-	(1)	(58)	(1)	-	(60)
Impairments	-	(192)	-	-	-	-	(278)	-	(470)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	(37)	(1,298)	(850)	56	832	(265)	(2,323)	-	(3,885)
Transfers	-	821	-	-	-	-	637	(2,864)	(1,406)
At 31 March 2021	6,032	72,856	9,810	161	5,350	1,422	12,499	343	108,473
Depreciation									
At 1 April 2020	-	-	-	-	-	311	200	-	511
Charged in year	-	2,261	932	18	180	331	1,747	-	5,469
Disposals	-	-	-	-	-	(58)	-	-	(58)
Impairments	-	(4)	-	-	-	-	(39)	-	(43)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,257)	(932)	(12)	(180)	(265)	(1,548)	-	(5,194)
At 31 March 2021	-	-	-	6	-	319	360	-	685
Net book value at 31 March 2020	6,069	73,525	10,660	105	4,519	1,156	14,103	1,577	111,714
Net book value at 31 March 2021	6,032	72,856	9,810	155	5,350	1,103	12,139	343	107,788
Asset financing:									
Owned	6,032	72,855	9,810	155	5,350	1,103	12,139	343	107,788
Finance leased	-	-	-	-	-	-	-	-	-
Net book value at 31 March 2021	6,032	72,856	9,810	155	5,350	1,103	12,139	343	107,788

⁴Payments on accounts

⁵Assets 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 (FRM). 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 2022 by:

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

⁶DVS 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 2022 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 2021-22 revaluation is set out below:

	£000s
Gains on property, plant and equipment (via SOCNI)	(213)
Gains on property, plant and equipment (via OCI)	(8,832)
Losses on property, plant and equipment (via OCI)	574
	(8,471)

Revaluation movements 2021-22	£000s
Revaluation movements cost (PPE note)	4,415
Revaluation movements cost (ROU note)	(1,357)
Revaluation movement accumulated depreciation (PPE note)	4,305
Revaluation movement accumulated depreciation (ROU note)	1,109
	8,471

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 to pool vehicles and vans. The sale of the vehicles and vans totalled £29k. In total, a loss on disposal of £139k was made, which included the sale of Lightvessel 20 which was sold for £1. The lightvessel had a net book value of £95k and a revaluation reserve of £72k prior to its sale. (2020/21 £Nil).

9 Right of Use Assets

Current Year

	Land £000s	Tenders & Craft £000s	Plant & Equipment £000s	Total £000s
Cost or valuation				
At 1 April 2021	2,110	11,650	2,883	16,643
Additions - Leases	-	-	-	-
Additions - Tenders & Craft	-	949	-	949
Disposals	-	-	-	-
Impairments	-	(618)	-	(618)
Reclassifications	-	-	-	-
Revaluations	-	(1,357)	-	(1,357)
Remeasurement	-	-	67	67
Transfers	-	-	-	-
At 31 March 2022	2,110	10,624	2,950	15,684
Depreciation				
At 1 April 2021	193	-	854	1,047
Charged in year	106	1,233	435	1,774
Disposals	-	-	-	-
Revaluations	-	(1,109)	-	(1,109)
At 31 March 2022	299	124	1,289	1,712
Net book value at 31 March 2021	1,917	11,650	2,029	15,596
Net book value at 31 March 2022	1,811	10,500	1,661	13,972

Prior Year

	Land	Tenders & Craft	Plant & Equipment	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 April 2020	2,110	13,065	1,569	16,744
Additions - Leases	-	-	-	-
Additions - Tenders & Craft	-	400	-	400
Disposals	-	(289)	-	(289)
Impairments	-	(617)	-	(617)
Reclassifications	-	-	-	-
Revaluations	-	(1,606)	-	(1,606)
Remeasurement	-	-	1,314	1314
Transfers	-	697	-	697
At 31 March 2021	2,110	11,650	2,883	16,643
Depreciation				
At 1 April 2020	87	215	425	727
Charged in year	106	1,444	429	1,979
Disposals	-	(289)	-	(289)
Revaluations	-	(1,370)	-	(1,370)
At 31 March 2021	193	-	854	1,047
Net book value at 31 March 2020	2,023	12,850	1,144	16,017
Net book value at 31 March 2021	1,917	11,650	2,029	15,596

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 two areas of land, Bathside Bay and the Harwich Pier, 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 three Trinity House vessels; THV *Alert*, THV *Galatea* and THV *Patricia*. 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 (£1,774k), and the value charged in the Statement of Comprehensive Net Expenditure (£1,729k). This is due to the depreciation on the ROU Asset related to the Tri-GLA Helicopter contract. During 2021-22 10.16% of the Helicopter flying hours were for the Lynmouth Foreland, St Tudwall's and Farne Island modernisation projects, and therefore 10.16% of the depreciation charged on the Helicopter ROU asset, £44,188 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

Current Year

	Intangible software £000s	Intangible licences £000s	Total £000s
Cost or valuation			
At 1 April 2021	3,637	165	3,802
Additions	44	-	44
Disposals	(74)	-	(74)
Transfers	-	-	-
At 31 March 2022	3,607	165	3,772
Amortisation			
At 1 April 2021	2,376	113	2,489
Charged in year	353	31	384
Disposals	(61)	-	(61)
At 31 March 2022	2,668	144	2,812
Net book value at 31 March 2021	1,261	52	1,313
Net book value at 31 March 2022	939	21	960

Prior Year

	Intangible software £000s	Intangible licences £000s	Total £000s
Cost or valuation			
At 1 April 2020	3,148	165	3,313
Additions	34	-	34
Disposals	(254)	-	(254)
Transfers	709	-	709
At 31 March 2021	3,637	165	3,802
Amortisation			
At 1 April 2020	2,265	105	2,370
Charged in year	342	8	350
Disposals	(231)	-	(231)
At 31 March 2021	2,376	113	2,489
Net book value at 31 March 2020	883	60	943
Net book value at 31 March 2021	1,261	52	1,313

11 Assets Classified as Held for Sale

	2021-22 £000s	2020-21 £000s
As at 1 April	-	-
Additions	-	-
Disposals	900	-
Reclassifications	-	-
Revaluations	-	-
Depreciation	-	-
Revaluations (Depreciation)	-	-
Impairments	(900)	-
As at 31 March	-	-

In March 2022, Lightvessel 9 was reclassified as an asset held for sale. The net book value of the asset on 1 April 2021 was £900k, it was reclassified and valued down to its market value of £1 on 31 March 2022.

12 Inventories

Inventories are valued using the First-In First-Out (FIFO) method.

	2021-22 £000s	2020-21 £000s
Consumable stores	3,825	3,376
Fuel oil	346	132
Total	4,171	3,508

13 Trade Receivables and Other Current Assets

	2021-22 £000s	2020-21 £000s
Amounts falling due within one year:		
Trade receivables	517	304
Other receivables	55	16
Inter GLA debtors	12	9
Prepayments and accrued income	945	856
VAT recoverable	393	579
Total	1,922	1,764

14 Cash and Cash Equivalents

	2020-21 £000s	2020-21 £000s
Balance at 1 April 2021	458	611
Net change in cash and cash equivalent balances	(87)	(153)
Balance at 31 March 2022	371	458
The following balances at 31 March were held at:		
Commercial banks and cash in hand	371	458
Short term investments	-	-
Balance at 31 March 2022	371	458

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 dependant indirectly on the liquidity of the General Lighthouse Fund.

Interest Rate Risk

Trinity House have two finance leases on THV *Galatea* and THV *Alert*. It is not considered that these present any exposure to interest rate risk:

- The interest rate for the finance lease for the THV *Alert* was fixed on 9 August 2006 and therefore exposes no risk and the primary period expired on 14 April 2021; and
- The interest rate for the finance lease for the THV *Galatea* was fixed on 24 December 2008 and therefore exposes no risk.

In addition to the above, Trinity House also 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 2022.

16 Trade Payables and Other Current Liabilities

	2021-22 £000s	2020-21 £000s
Amounts falling due within one year:		
Other taxation and social security	350	415
Trade payables	772	847
Other payables	378	429
Inter GLA payables	285	223
Accruals and deferred income	2,500	2,439
Current part of finance leases	1,266	1,919
Total	5,551	6,272
	2021-22 £000s	2020-21 £000s
Amounts falling due after more than one year:		
Finance leases	2,864	4,063
Total	2,864	4,063

17 Lease Liabilities

	2021-22 £000s	2020-21 £000s
Finance lease liabilities		
Current	1,266	1,919
Non-current	2,864	4,063
	4,130	5,982
Obligations under finance leases comprise:		
Not later than one year	1,266	1,919
Later than one year and not later than five years	1,591	2,403
Later than five years	1,273	1,660
	4,130	5,982
Amounts recognised in expenditure		
Depreciation expense	1,729	1,936
Interest expense	124	185
Rental on leases of low-value assets	6	5
Rental of leases expiring within 12 months	-	-
Variable lease costs	473	112
	2,332	2,238
Cash flows		
Interest	139	188
Repayment of lease liability	1,919	2,224
	2,058	2,412

Movement in Leases:	2021-22 £000s	2020-21 £000s
1 April 2021	5,982	6,892
New Leases	-	-
Remeasurements	67	1,314
Lease Payments	(2,058)	(2,411)
Interest	139	188
31 March 2022	4,130	5,982

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 2021-22 is shown in the table below:-

	2021-22 £000s	2020-21 £000s
Finance leases	-	-
Selling profit or loss	-	-
Finance income	-	-
Income from variable lease payments	-	-
Operating leases		
Lease income	588	614
Income from variable lease payments	63	248
	651	862

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

Trinity House has three types of operating leases where it acts as a lessor; the rental of buoys to various marine companies, often windfarms; 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.

Amounts due	2021-22 £000s	2020-21 £000s
Within one year	404	437
Between one and two years	363	313
Between two and three years	363	278
Between three and four years	338	278
Between four and five years	321	262
After five years	591	763
	2,380	2,331

18 Provisions for Liabilities and Charges

	DGPS £000s	Royal Sovereign £000s	Total £000s
Balance at 1 April 2021	961	10,348	11,309
Provided in the year	165	5,095	5,260
Balance at 31 March 2022	1,126	15,443	16,569

Royal Sovereign Lighthouse

Trinity House commissioned Royal Sovereign Lighthouse in 1971 and was built using post tension concrete construction, was built in two sections on the beach at Newhaven and designed for a 50-year life. The lighthouse is sited upon the Royal Sovereign Shoal, which has been marked since 1875. As part of its routine periodic survey and modernisation/maintenance regime, and more recently detailed surveys in advance of the planned modernisation project in 2019-20, the surveys revealed advancing structural concrete delamination.

While a substantial re-engineering and repair programme in the range of £6m-£7m could have extended the life of Royal Sovereign Lighthouse, Trinity House also considered the long term viability of the site. Trinity House made the decision to decommission the lighthouse and funding was secured from the DfT. After considering a number of options the Board supported the decommissioning of Royal Sovereign, and recorded a £9.6m provision as of 31 March 2020, covering the removal of the topside and pillar within a three-year horizon.

A tender exercise was carried out during 2021-22 to identify a contractor. As a result of the tender responses, the provision has been increased by £5m to £15.4m.

The timing of the base removal, and the environmental impact, remains wholly uncertain and is therefore reported as a contingent liability.

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.

Therefore, the GLAs concluded that their DGPS system is now redundant in view of available shipborne systems, and decided that the system would be discontinued as an aid-to-navigation, while also recognising the need to provide adequate notice and continuity of service for some mariners. It was decided that the GLA DGPS system should remain available until March 2022, with some further GLA Research & Development (GRAD) testing in the subsequent years, and thereafter all redundant infrastructure and equipment will be removed from sites.

Operating from seven operational sites across the GLA's areas of responsibility, and typically at freehold lighthouse locations, DGPS equipment consisting of antennas, earth mats and racks with computer equipment will need to be removed. Decommissioning costs for all sites are estimated to be approximately £1,126k, and is recognised as a provision.

19 Capital Commitments

	2021-22 £000s	2020-21 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	659	372
Intangible assets	12	29
Total	671	401

20 Other Financial Commitments

Trinity House has not entered into any non-cancellable contracts (which are not leases or PFI contracts), during the year (2020-21 Nil).

21 Pension Commitments

All commitments relating to the Trinity House Lighthouse Service pension scheme were transferred to the PCSPS on 1 April 2014. This transfer was approved by the Secretary of State for Transport, the Cabinet Office and HM Treasury. All associated pension liabilities have been removed from these accounts as responsibility for pensions is now a matter for the Cabinet Office.

There was no change in pension benefit and member transfer were made without members' consent. From 1 April 2014, Trinity House became liable for paying an employer's contribution in respect of staff that transferred.

Details of contributions to the PCSPS and the new Public Service (Civil Service and Others) Pension Regulation 2014 are included in the Remuneration and Staff Report section.

Merchant Navy Officers Pension Fund

The Board is a Participating Employer of the Merchant Navy Officers Pension Fund (MNOFF), which is a defined benefit scheme providing benefits based on final pensionable salary. The MNOFF 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 MNOFF 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 MNOFF 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.

Partnership Pension Accounts

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

Employer contributions of:

2021-22	2020-21
£19,166	£17,057*

*Restated figure

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 £615, 0.5% of pensionable pay, were payable to the PCSPS 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 (2020-21 - nil).

22 Contingent Liabilities Disclosed Under IAS 37

Trinity House has the following contingent liabilities:

Lighthouse Estate

As a result of regular surveys, the Board recognises that there is a raised degree of risk at a number of stations that may demand a currently unquantified level of future investment. These risks may involve the damage or loss of station itself, or damage to the surrounding environment that would require remedial work. These stations are:

- Alderney
- Beachy Head
- Bull Point
- Crow Point
- Flamborough Head
- Hilbre
- Hurst Point
- Mumbles
- Penlee Point
- Portland Bill
- South Stack
- St Catherine's
- Trevoise Head
- Various helideck structures
- Whitby
- Wolf Rock
- Wormleighton

The individual risk of these liabilities occurring for any single site is low, and regular assessment of each individual site is taken to mitigate the risks.

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 defences. 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 112 years. 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 (MNOFP)

A new actuarial valuation was carried out as at 31 March 2021 which reported that the funding position of the MNOFP 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.

23 Related-Party Transactions

General Lighthouse Fund

At the 31 March 2022, the balances outstanding with the GLAs were as follows:

	Balance due to TH		Balance due to GLA	
	2021-22 £000s	2020-21 £000s	2021-22 £000s	2020-21 £000s
Commissioners of Irish Lights (CIL)	7	5	-	-
Northern Lighthouse Board (NLB)	4	9	285	229

The Fund is administered by the Department for Transport which sponsor the three General Lighthouse Authorities (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. The Board has received advances of £35,900,000 (2020-21 £33,500,000) from the General Lighthouse Fund and incurred expenditure of £1,608,000 (2020-21 £1,852,000) 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.

Dr M Amos, Non-Executive Director of the Lighthouse Board, is appointed to the Board of TSL as Chair. Commodore R Dorey, Director of Operations, is appointed to the Board of TSL as a nominee of the Corporate Board, responsible for Trinity House charities. 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 2021-22 Trinity House paid £321,436 to The Corporation of Trinity House in respect of service charges incurred in using office space and facilities at Trinity House, London (£317,513 in 2020-21).

Conversely, the Corporation of Trinity House reimburses Trinity House for the provision of services during the year. The Corporation paid £78,974 to Trinity House in respect of these services during the year (£75,010 in 2020-21).

24 Inter-GLA Transactions

Ships Agreement

During the year, Trinity House did not provide the services of any of its vessels to either the Northern Lighthouse Board (NLB) or the Commissioners of Irish Lights (CIL). NLB provided the services of Polestar for 1.06 days under the terms of the GLA Ship Agreement dated 17 November 2010. There was no transfer of funds between the GLAs in respect of these services but the transaction gave rise to a notional expenditure of £11,875 (2020-21 -nil).

25 Losses

There were no losses in 2021-22 (2020-21 £50k).

26 Events After the Reporting Date

There have been no post balance sheet events.

APPENDIX 1

Five Year Summary

	2021-22	2020-21	2019-20	2018-19	2017-18
	£000s	£000s	£000s	£000s	£000s
Income					
Advances from the General Lighthouse Fund	35,900	33,500	35,740	33,700	33,200
Other income	1,975	1,750	2,558	2,730	2,465
Income on behalf of all GLAs	11	90	63	62	38
Grant income	21	38	44	4	23
Total	37,907	35,378	38,405	36,496	35,726
Expenditure					
Staff costs	15,131	15,939	15,340	14,298	13,611
Depreciation ¹	5,155	5,469	6,461	6,451	6,620
Amortisation	384	350	332	288	214
Loss on revaluation	(213)	(29)	(77)	38	896
Pension cost	-	-	-	-	-
Other expenditure	16,869	13,376	24,790	14,515	12,367
Total	37,326	35,105	46,846	35,590	33,708
Exceptional items:	-	-	-	-	-
Net income	581	273	(8,441)	906	2,018
Interest payable/receivable	124	185	202	175	218
Net income after revaluation and interest	457	88	(8,643)	731	1,800
Net expenditure on behalf of DfT	219	224	259	208	187
Net expenditure on behalf of all GLAs	1,608	1,852	1,986	1,992	3,411
Net income after interest	(1,370)	(1,988)	(10,888)	(1,469)	(1,798)
Property, plant and equipment	112,377	107,788	111,714	120,577	123,735
ROU Assets	13,972	15,596	16,017	-	-
Intangible assets	930	1,313	943	984	959
Assets less current liabilities	125,115	124,155	127,630	121,139	123,689
Assets less liabilities	108,682	108,783	112,367	117,324	118,224
Capital additions	2,638	2,607	4,983	4,262	3,911
Average number of employees	303	315	311	309	304
Part-time included above	17	18	19	17	17

¹Depreciation includes ROU Assets

APPENDIX 2

Further Information

	2021-22		2020-21	
	Deployed	Owned	Deployed	Owned
Number of non-current assets:				
Lighthouses ³	66	64	66	64
Lightvessels	7	11	7	12
Lightfloats	1	1	1	1
Buoys ²	446	746	440	741
Beacons	18	18	18	18
Tenders	3	3	3	3
Ancillary Craft	5	5	5	5
Lighthouse abroad ¹	1	1	1	1
Totals	547	849	541	845

¹Trinity House owns and has full responsibility for Europa Point (Gibraltar).

²The 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.

³The 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.