

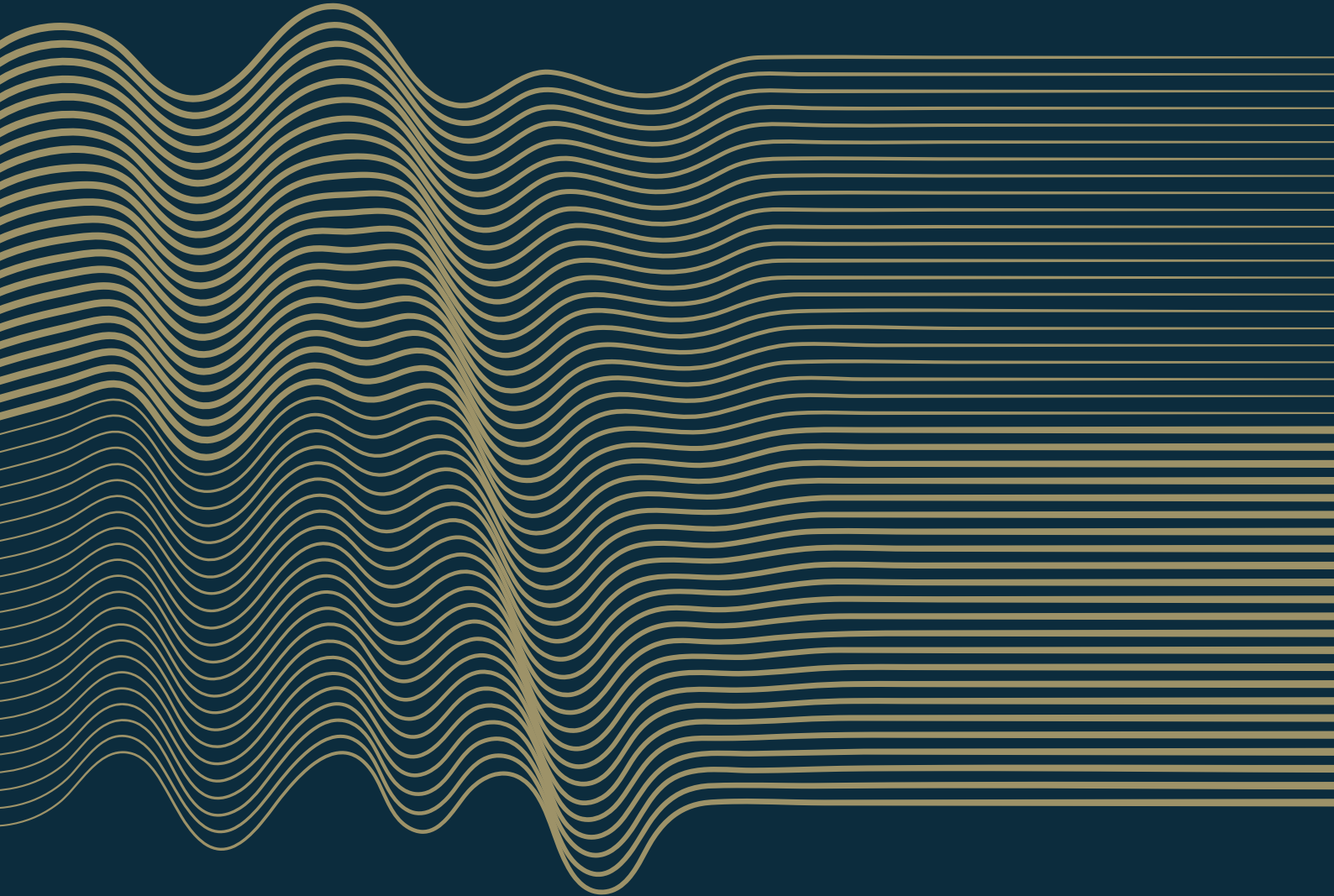


TRINITY HOUSE

# Report and Accounts

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FOR THE YEAR ENDED 31 MARCH 2023



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## Directors of the Lighthouse Board

Vice Admiral Sir A M Massey KCB CBE <sup>1,5</sup>	Non-Executive Chair
Captain I McNaught CVO MNM <sup>1</sup>	Chief Executive
Commander N Hare RN <sup>1</sup>	Executive Director of Navigational Requirements
Commodore R W Dorey RFA <sup>1</sup>	Executive Director of Operations
A Damen RA <sup>2</sup>	Executive Director of Business Services
N Gull <sup>4</sup>	Board Advisor (People and Culture)
A Moore <sup>3</sup>	Non-Executive
M Amos <sup>3</sup>	Non-Executive
V Owen OBE <sup>3,6</sup>	Non-Executive/Deputy Chair

## Secretary to the Board

T Arculus	Head of Legal & Estates
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<sup>1</sup>Member of the Corporation of Trinity House

<sup>2</sup>Associate Member of the Corporation of Trinity House

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

<sup>4</sup>Non voting Executive Director

<sup>5</sup>Stood down from position 1 November 2023

<sup>6</sup>Appointed Deputy Chair 22 November 2023

## 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

## Deputy Chair's' Foreword



I am pleased to open Trinity House's Report and Accounts for 2022-23 by reporting that Trinity House—in respect of its function as a General Lighthouse Authority (GLA)—continues to deliver comprehensively and successfully against the aims and objectives set out in the Trinity House Strategy 2018-28.

The strategy that underpins the organisation's function as a GLA is based around four core 'cardinals'. Cardinal One is the 'Determination of requirements and safe, efficient and secure delivery', and pertains to the GLA's provision of over 600 marine aids to navigation, as well as the superintendence of over 11,000 local aids to navigation.

It is only too easy to take for granted that Trinity House reports—year after year—that it has met the exacting aid to navigation standards set by the International Association of Marine Aids to Navigation (IALA). At their most demanding, the standards call for an availability rate of 99.8% for major aids to navigation. Trinity House has again exceeded this rate.

The second of Trinity House's core strategic 'cardinals' sets out its aim to continuously improve its offering as a good employer of people. To that end, it is developing a robust People Strategy dedicated to creating the right conditions to ensure it successfully attracts, motivates, develops and retains a capable, diverse and flexible workforce. Modernisation and transformation are the guiding lights for this endeavour, with the skills and wellbeing of its workforce at its heart.

The proposed People Strategy themes—six of them, aligned to the GLA's mission, vision, values

and corporate strategic objectives—set out a pathway that clearly demonstrates that Trinity House is determined to improve timely and ready for the future, while still enabling safe and effective delivery of its core maritime safety services. The themes also renew focus on its people, ensuring it has the right people and capabilities, as well as the means to value and reward them, invest in them and improve their working lives.

I will take this opportunity to reiterate the gratitude of the Lighthouse Board to all employees at Trinity House, all working in their various positions and disciplines toward a shared and incredibly worthwhile aim, and to such great effect.

Finally, I would like to note the imminent retirement of Captain Ian McNaught as Deputy Master and Chief Executive of Trinity House. Ian has made an immeasurable contribution to Trinity House, its people and its wonderful global reputation, in the course of almost 12 years of dedicated, sustained hard work and unflagging personal charm. I wish him every happiness and fulfilment in his retirement.

**Valerie Owen**  
**Deputy Chair, Non-Executive Director 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—continues to deliver an aids to navigation service that is reliable, efficient and cost-effective.

Picking out a few highlights from April 2022 to March 2023, I want to start by expressing how good it felt to be able to resume our annual employee awards ceremony on 14 November after the two year gap caused by Covid-19. It is valuable to recognise and reward our excellent people—in a small but meaningful way—for their various exceptional efforts, achievements and long service.

As great as it is to read out the citations and present the award, it is more deeply gratifying to see our people brought together in one place from Swansea, St Just, Harwich, London, THV *Galatea*, THV *Patricia* and THV *Alert*. It is relatively rare that we are able to bring them together simultaneously—and only in limited groups, more's the pity—but it is always a joy, and a welcome reminder that we employ such friendly and personable people.

The aforementioned People Strategy will be our commitment to do more to foster that sense of communal wellbeing and investment in people, and will be key to how Trinity House moves forward.

During this reporting period, our teams were busy with major modernisation projects including the lighthouses at Flamborough Head, Inner Farne and Tater Du, all completed before the end of the last financial year and all displaying some level of ingenuity and adaptability in overcoming the challenges presented at each location.

We successfully completed the competitive procurement phase for the Royal Sovereign Lighthouse decommissioning and I signed the contract on 4 April 2023. The project has now moved into the execution phase which will see the lighthouse being decommissioned by our contractor

Herboshe-Kiere - in a multi-stage process—removing first the accommodation block followed by the supporting pillar between 2023-2036. The completion of this project will be addressing our main aspects of our 1970's legacy.

Unfortunately, late May 2023, we concluded that Trinity House could not award a contract for the replacement of THV *Patricia*. The decision was made following a procurement process which was conducted in accordance with the Public Contract Regulations 2015 which resulted in no bids that fully met Trinity House's requirements. A new procurement process will commence in due course.

In other good news, the Navigation team built and launched a new online platform (Local Aids to Navigation Reporting System, or 'LARS') to support the superintendence and management of local lights; it provides a single platform for communication with our stakeholders on the inspection, audit and availability of local lights that will help us perform a core part of our statutory duty more efficiently.

I will retire in February 2024. In my time here we have made a number of behind-the-scenes evolutions and refinements that—while they do not necessarily make the big headlines—improve how we govern, how we operate safety at sea services, how we use technology and how we seek to work 'for the benefit and safety of all mariners'.

These evolutions—coupled with our measure-twice-cut-once approach—have been our stock-in-trade for centuries, and will continue to serve us well in the future as we position ourselves to undertake (among other things) the next tri-GLA Aids to Navigation Review, research and development into GNSS vulnerability, increase our commitment to adopting best practice around sustainability in the environment and deliver a replacement for THV *Patricia*.

While I do not have room here to list the sheer breadth of Trinity House activity taking place across our island nation during any given day—whether at sea, at remote shore locations or in offices and meeting rooms—I can assure you that we are deeply woven into the character and wellbeing of this island nation.

I second Valerie'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.

**Captain Ian McNaught CVO MNM**  
**Chief Executive of the Lighthouse Board**

# Performance Report

## Overview

### Aims, Objectives and Regulation

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

- The provision, maintenance, alteration, inspection and control of lighthouses, buoys and beacons;
- 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 in its capacity as a GLA per our mission statement is:

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

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

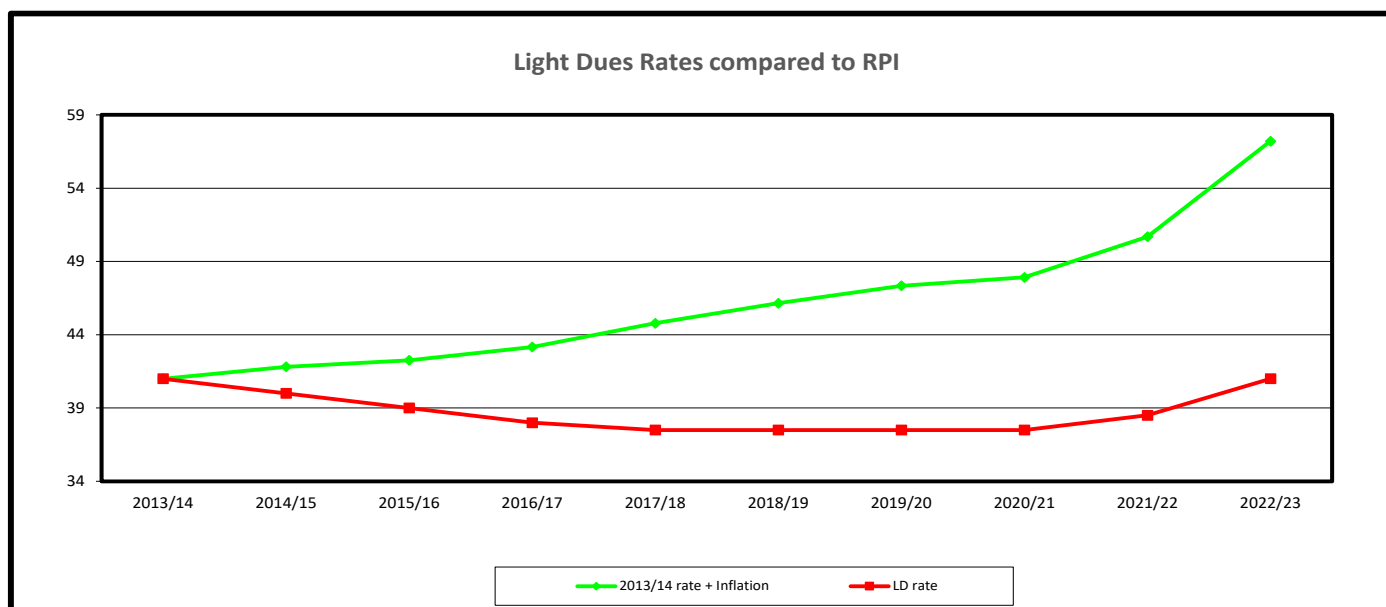
These accounts are prepared by Trinity House in respect of its function as a GLA in accordance with a directive made by the Department for Transport (DfT) under the powers of the Secretary of State. The accounts are subsequently consolidated to form part of the General Lighthouse Fund (GLF) Accounts.

### Performance and Progress

Trinity House is financed by advances made by the DfT from the GLF, 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 work together to minimise costs and contain the level of Light Dues. However, the unprecedented COVID-19 pandemic and subsequent inflationary increases in the wider economic environment, has increased operational costs and led to a significant reduction in Light Dues income. To maintain income the Secretary of State for Transport increased the main Light Dues rate to 41 pence per net ton for the year 2022-23 and to 45 pence per net ton for 2023-24.



## 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 2023 shows net assets of £84,944k. Advances for 2023-24, 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 2023-24 budget in a letter received on 24 February 2023.

## 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 £7,863k for 2022-23 (deficit £6,301k 2021-22). Operating income and expenditure for the year were within management expectations and DfT approved sanction. Financial results were impacted this year as a result of increasing the provision in respect of the Royal Sovereign decommissioning by £4,857k, following the completion of the competitive procurement process. The contract for the decommission project was signed by Trinity House and Herbosch Kiere on 4 April 2023. The first stage payment of the project was made in August 2023, and the contract provides for a three year performance window.

Including Other Comprehensive Income, the Statement of Comprehensive Net Income (SoCNI) reports a net deficit for the year of £23,845k (profit £6k 2021-22); this takes account of unrealised gains and losses on Property, Plant and Equipment which have been adjusted in line with upward market indices. With the exception of land and vessels, most asset categories have decreased in value mainly as a result of a change in the methodology of the 'offshore' lighthouses following this year's revaluation exercise. The previous offshore jacketed pile technology was replaced with a monopole type "wind turbine structure", which reflected and captures the technology progress made in the offshore renewable industries. This change, on its own, reduced the value of six lighthouses by £23m. The adoption of IFRS 16, and losses on the valuation of the lighthouse estate have resulted in an decrease in non-current assets. A net deficit of £9,799k was transferred to the General Reserve (net deficit £8,252k 2021-22).

Losses reported in the SoCNI decreased the net worth of Trinity House, as shown on the Statement of Financial Position (SoFP), to £84,944k, (£108,789k 2021-22). Most of the Trinity House assets are held at Fair Value and re-assessed annually showing significant strength in Trinity House's financial position.



The Net Cashflow from all activities (page 46) shows a surplus of £278k. The cash drawdown was below budget for the reasons provided in the Actual v Sanction Analysis commentary below, and accruals for 2022-23 do not draw cash until 2023-24. 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 2023-24 sanction obtained approval in February 2023; 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:

	<b>Actual Expenditure</b>	<b>Cash Limits</b>	<b>Variance</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Running Costs	28,026	28,524	(498)
Employer Pension Costs	2,858	3,370	(512)
Net Income	(1,872)	(1,273)	(599)
Capital Expenditure	4,694	6,799	(2,105)
Capital Expenditure on Behalf of all GLAs	-	45	(45)
Other Trinity House Costs	873	992	(119)
Exceptional Expenditure <sup>1</sup>	869	5,568	(4,699)
Expenditure on Behalf of all GLAs	1,566	2,203	(637)
Expenditure on Behalf of DfT	261	232	29
<b>Total</b>	<b>37,275</b>	<b>46,460</b>	<b>(9,185)</b>

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

## Actuals v Sanction Analysis

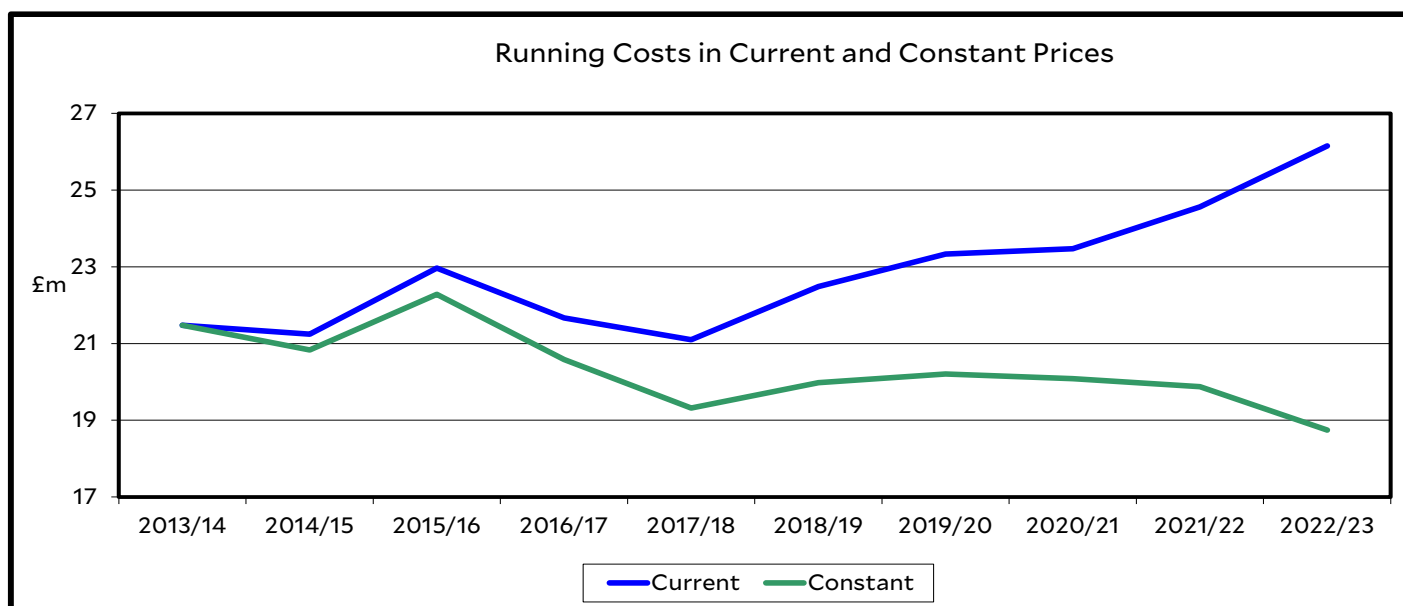
Overall there is an underspend of 9,185k (20%) on the sanctioned budget primarily arising within Staff Costs, Capital Expenditure and the Vessel Replacement & Royal Sovereign projects. The Royal Sovereign contract was due to be signed during 2022-23, however, due to delays around the procurement process, this was not signed until April 2023, therefore delaying the initial payment, creating an underspend for 2022-23 of £4,700k. Running cost underspend of £1,609k is largely driven by staff costs which are lower than sanctioned as a result of a large number of vacant posts, impacted by, the ability to retain, recruit, train and integrate new and existing staff members effectively. It is pleasing to report that net income contributions still exceeded management expectations, and Trinity House managed to fund rising fuel and energy costs out of the existing sanction.

## 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 £21,475k in 2013-14 to £18,846k in 2022-23; a reduction of 12.7%.

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Running Costs Inc. Pensions	21,475	23,127	25,085	23,756	23,287	24,687	26,175	26,356	27,402	29,012
Pensions		1,884	2,118	2,089	2,189	2,198	2,843	2,883	2,837	2,858
Running costs <sup>1</sup>	21,475	21,243	22,967	21,667	21,098	22,489	23,332	23,473	24,565	26,154
Variance %		-1.1%	8.1%	-5.7%	-2.6%	6.6%	3.7%	0.6%	4.7%	6.5%
Running costs (constant prices)	21,475	20,835	22,285	20,583	19,319	19,983	20,209	20,087	19,874	18,746
Variance %		-3.0%	7.0%	-7.6%	-6.1%	3.4%	1.1%	-0.6%	-1.1%	-5.7%
Average RPI	251.7	256.7	259.4	265.0	274.9	283.3	290.6	294.2	311.2	351.2

<sup>1</sup>Under 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 and Governance Events

The main financial events during the year were:

- Achieved cost saving targets with running cost expenditure under sanction by £ 1,010k;
- Maintained a satisfactory year-end audit report from NAO;
- Achieved a moderate assurance rating from Head of Internal Audit;
- Achieved Commercial Income of £1,872k, exceeding budget by 47%;
- Awarded DfT approval for Royal Sovereign project; and
- Absorbed rising inflationary pressure of fuel and energy costs within existing sanction.

## Expenditure on Tangible and Intangible Non-Current Assets

During the year to 31 March 2023, expenditure on non-current assets was:

	2022-23	2021-22
	£000s	£000s
Work in progress	1,252	1,246
Buildings	-	-
Tenders <sup>1</sup>	2,782	970
Lightvessels	-	313
Buoys and beacons	508	61
Plant and machinery	154	480
Computer equipment	425	473
Intangible software	10	44
Intangible licences	-	-
<b>Total</b>	<b>5,131</b>	<b>3,587</b>

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

Major capital spend during the year took place on Flamborough Head, Tater Du and Farne Lighthouse modernisation projects, while expenditure was incurred in respect of projects at Needles, Pendeen and Trevoise Head, which are due to be completed in 2023-24. Both THV *Galatea* and THV *Patricia* 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. The audio visual systems including video conferencing was updated during the year, along with an upgrade to the wireless networking.

The Accounts Direction that came into force on 16 December 2021 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 and 31 March 2023. 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 59).

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.

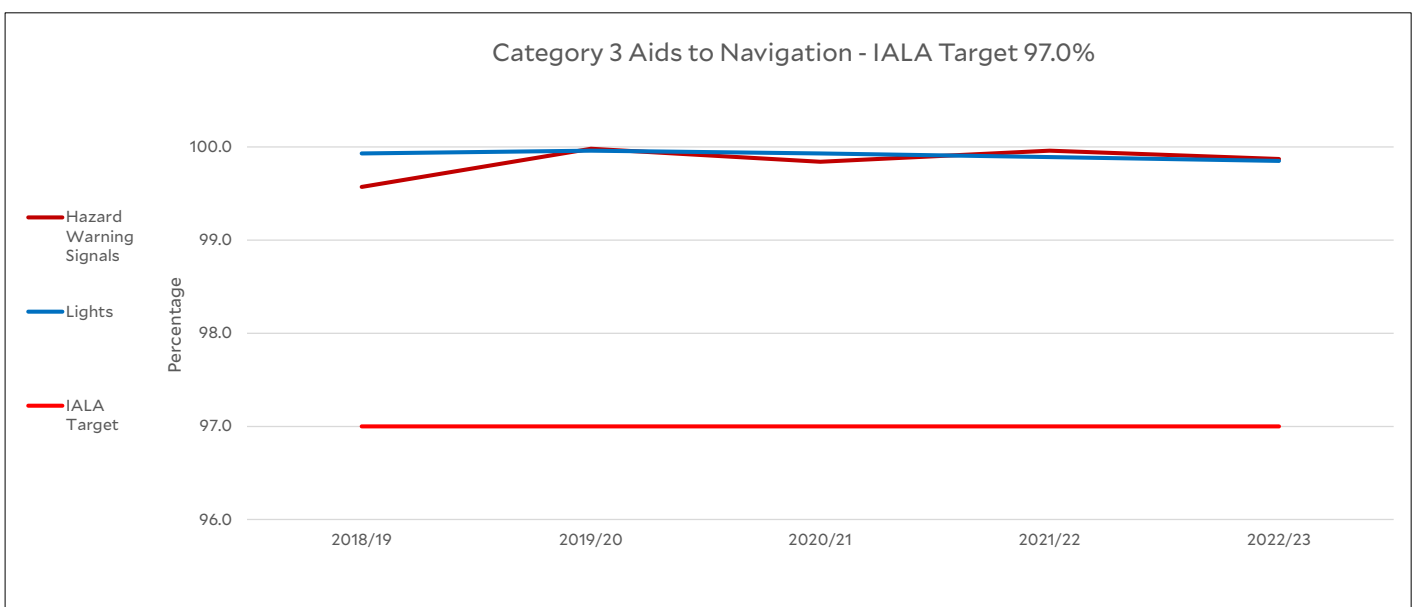
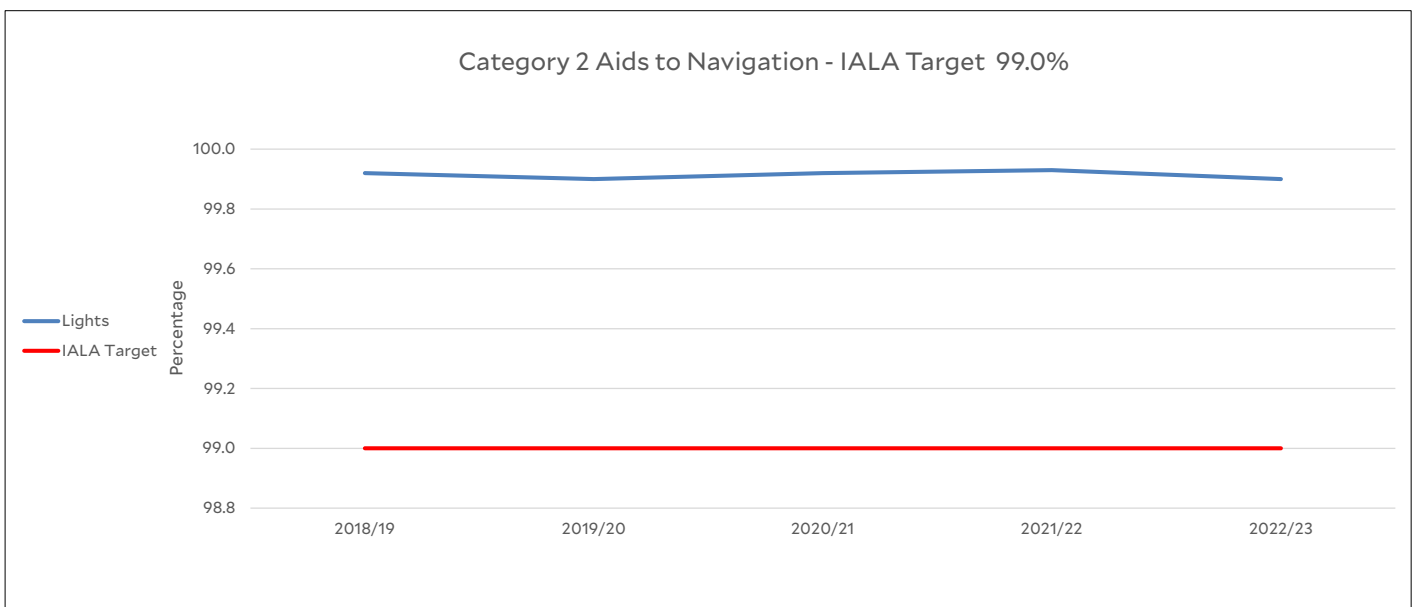
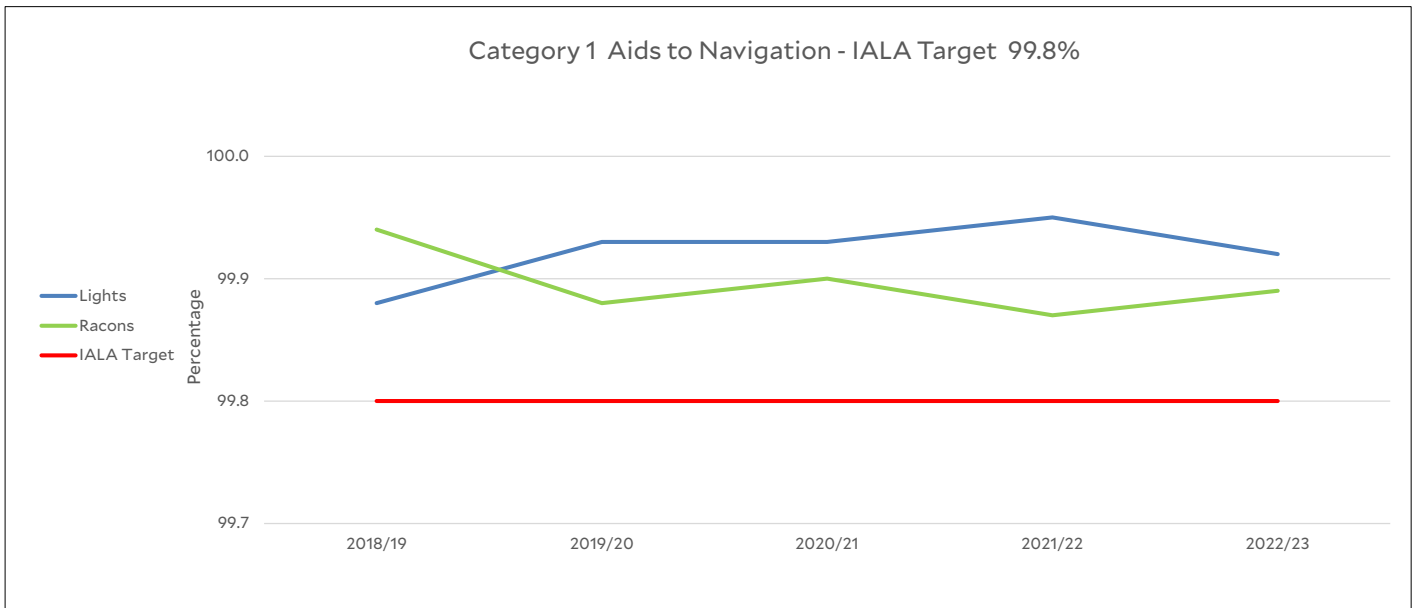
The core business of Trinity House is reflected in its Mission Statement: “To deliver a reliable, efficient and cost effective Aids to Navigation service for the benefit and safety of all mariners”. The Board measures its performance against this Mission by the use of different indicators, which together 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	2018-19	2019-20	2020-21	2021-22	2022-23
Lights	1	99.8%	99.88	99.93	99.93	99.95	99.92
Racons	1	99.8%	99.94	99.88	99.90	99.87	99.89
Lights	2	99.0%	99.92	99.90	99.92	99.93	99.90
Hazard Warning Signals	3	97.0%	99.57	99.98	99.84	99.96	99.87
Lights	3	97.0%	99.93	99.96	99.93	99.89	99.85



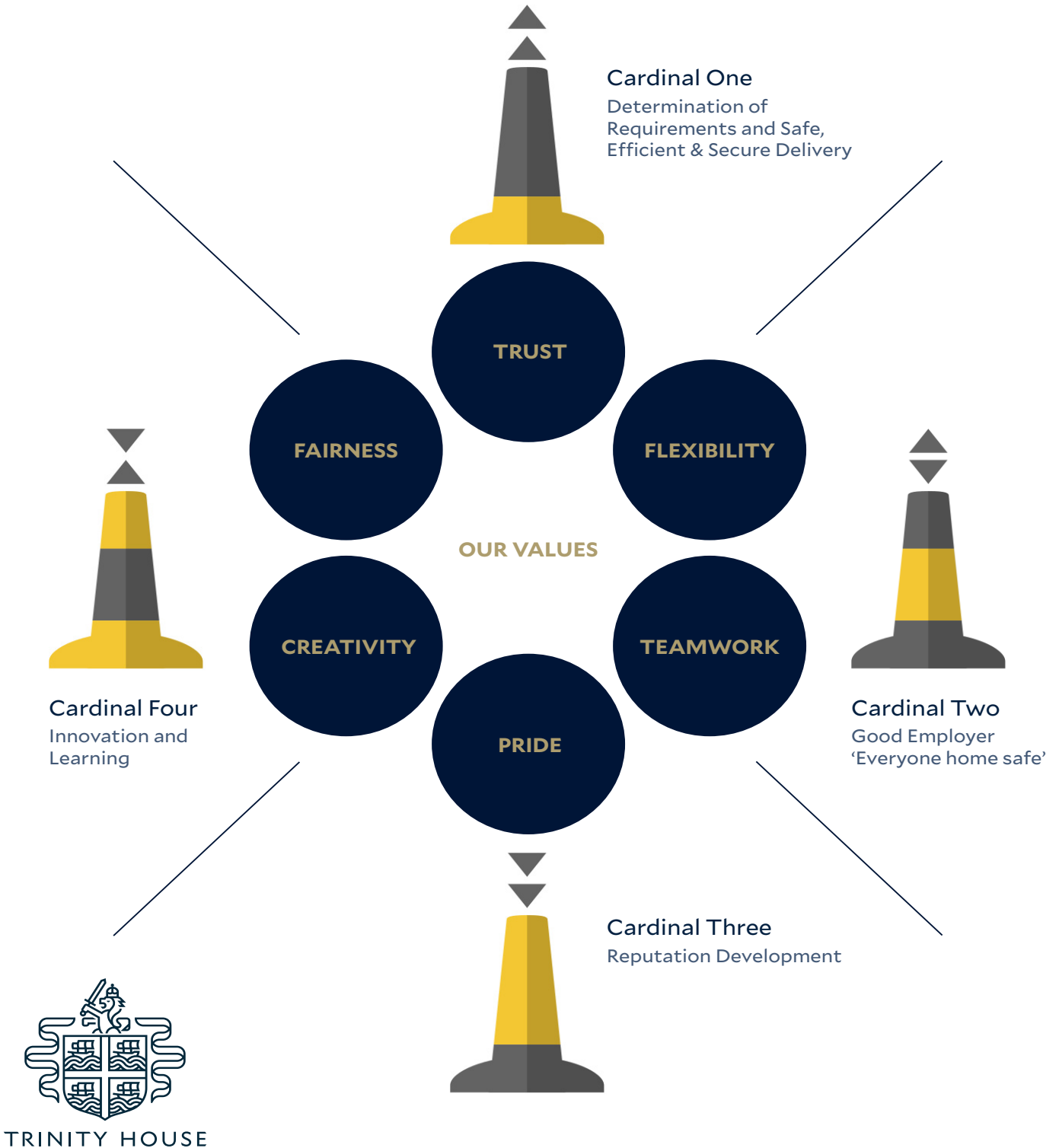
# Trinity House's Strategy

## 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.

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

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

### Values

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

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

### 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, GLAs and our Staff.

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

### Trinity House's Priorities

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

- Cardinal One – Determination of Requirements and Safe, Efficient & Secure Delivery Supported by:
- Cardinal Two – Good Employer
- Cardinal Three – Reputation Development
- Cardinal Four – Innovation and Learning

### Implementation and Delivery

In order to progress and achieve our goals in terms of these Cardinals, an operational plan is developed that identifies 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.

### Current Developments and Performance

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

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

Our goals for this Cardinal are:

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

#### Setting and Reviewing Requirements

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

- The Committee considered the re-engineering of Cromer, Nash Point and Coquet lighthouses and agreed to the reduction in light range in all three cases to the standard 18nm LED source.
- Noting the rapidly moving seabed in the approaches to the River Deben, the committee approved a change of a port hand lateral mark to a starboard mark and the repositioning of the other marks in the channel.
- The Committee agreed to the discontinuance of the lit Knoll Buoy having considered traffic patterns and having undertaken a two month public consultation that had resulted in only one objection.
- The Committee commenced the five-yearly complete review of AtoN.

In 2022 the Examiners considered 632 applications to add, change or remove seamarks. These applications came mostly from the Marine Management Organisation, National Resources Wales, Department for Business, Energy & Industrial Strategy (BEIS) with others coming directly into Trinity House. This was a reduction of 13% on the previous year, most probably due to authorities having caught up with the backlog of applications caused by the pandemic. Applications continue to cover the broad spectrum of marine activities ranging from the placing of yacht racing marks to the marking of offshore wind farms and the decommissioning of oil and gas platforms. Applications are now increasing for avian nesting structures as part of the derogation and compensatory measures for wind farms.

There were twelve new wrecks considered by DNR on behalf of Examiners. Seven of the wrecks were attended by TH vessels, but none required the deployment of Emergency Wreck Marking Buoys.

41 Trinity House Notices to Mariners were issued advising of changes to Trinity House aids to navigation and safety of navigation related matters.

The capital plan for the modernisation of the lighthouse estate for this financial year was delivered with a 5% saving on the agreed budget. Modernisation Projects were completed at Flamborough Head, Tater Du and Inner Farne Island. While preliminary works and procurement activity was carried out on Needles, Pendeen and Trevoise which are planned to be delivered in 2023-24.

Aids to Navigation availability during the year was Category 1 99.92% (target 99.8%), Category 2 99.90% (target 99.0%) and Category 3 99.85% (97.0%), as a result all categories of Aid to Navigation operated above the IALA minimum standards.

The Risk Response Criteria measured within the 6 hours, 12 hours & 24 hours areas were 97.51%, 90.89%

and 99.23% respectively; all measures were achieved within the agreed targets.

THV *Galatea* underwent a significant Dry Dock and Repair at the UK Docks facility in Teesport, while work continued on the reliability investment in THV *Patricia* to ensure the vessel remains fit for purpose while the replacement project continues its work. THV *Alert* also underwent a major engine overhaul during the year.

The fleet of offshore monitored aids to navigation was successfully migrated from Paknet to 4G technology as a result of the imminent withdrawal of the Paknet system by its operator Vodafone.

In excess of £2.5m gross commercial income was earned, making an important contribution to the General Lighthouse Fund and offsetting the cost to the light dues payer.

### **Cardinal Two – Good Employer**

Trinity House continues to strive to be an employer of choice. Recognising the external challenges and risks that we face that impact attraction and retention of our employees, Trinity House has during the year, been developing a comprehensive people strategy.

The objective of the strategy is to “successfully attract, motivate, develop and retain a diverse, capable and flexible workforce”. The strategy themes and clearly stated objectives have been established to ensure we have the right skills when we need them to safely deliver our mission.

The strategy reflects our people priorities for the medium term, which include pay & reward, resourcing and communication.

We are in the process of refreshing our values, will be incorporated into our strategic objectives and threaded through our people strategy. These will continue to ensure transparency and fairness within a respectful, diverse and inclusive environment.

Over the last year, Trinity House has also begun a journey of modernising pay and other terms and conditions, including establishing a new pay and grading structure for shoreside employees and a pay policy that clearly sets out how Trinity House make pay decisions. We are committed to submitting a transformation business case to the DfT for the 2022-23 pay remit year to address our people priorities.

Following a full employee survey in November 2021 Trinity House has taken the main themes of the feedback to improve communications and support the development of our leaders. The Lighthouse Board has agreed an engagement approach, which is to hold two pulse surveys in 2023 and a full employee survey in 2024. Trinity House is also introducing a team briefing structure and is planning to implement an Intranet early 2024. This investment in communication and engagement is at the heart of our people strategy.

### **Cardinal Three – Reputation Development**

Trinity House enjoys a reputation as a leading voice in the maritime community in general and as a leading member of the international aids to navigation community in particular. We seek to maintain and enhance this reputation by engagement with all stakeholders of the organisation, for example.

- Working extensively with Department for Transport (DfT) and wider Government as Trinity House and via General Lighthouse Authorities Research and Development (GRAD) on wider General Lighthouse Authority and national interests such as resilient PNT / E-Loran, Renewable Energy offshore developments.
- Taking a leading role to pro-actively engage with the wider maritime community via the Joint User Group meetings it chairs. The latest one took place in May 2023.
- Periodically Trinity House engages a third party survey company which initiates a deep dive survey on our reputation with all our stakeholders.
- In September 2023, we showcased Trinity House’s capability and presence at London International Shipping Week by bringing THV *Galatea* into London and used this as a platform for DfT and our own Trinity House events for wider maritime stakeholders.
- Trinity House retains a strong presence at the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) by active participation and contributions via GRAD and our own



- colleagues having leading positions at IALA council level and committees.
- Via the wider Corporation of Trinity House, we are the preeminent maritime charity that assists and funds some of the leading “ground” level charities and a number of Executive Directors have trustee roles in those charities.
- Trinity House Cadet Scheme – for which the GLA function provides positions on Trinity House vessels, is a well-recognised feeder of quality officers for the UK maritime industry and creating a number of junior ambassadors at no expense to the GLF.
- Developing an outreach policy in respect of schools and colleges, to encourage career options in the maritime and engineering sectors.

## Cardinal Four – Innovation and Learning

Our goals for this Cardinal are:

- Build upon tradition and heritage and move forward with innovation and learning as key drivers in securing the future of the GLA;
- Develop and design AtoN as identified in 2030 Navigating the Future including solutions that demand less power, reduce the requirement for maintenance and reduce costs;
- Embed innovation and learning objectives throughout our organisation to drive innovation at an accelerated pace;
- Design and develop innovative solutions for mitigating our response to new wrecks and dangers;
- Learn from the experiences of ourselves and others;
- Engage proactively with developments in the use of autonomy in the maritime arena, ensuring we are at the forefront of associated AtoN technology and regulatory change;
- Remain alert to emerging technology in the maritime space including the impact of the Blue Economy and the proliferation of offshore renewable energy;
- Explore the opportunities to build research and development alliances inside and outside our industry to improve and accelerate the development of our AtoNs.

We believe innovation and learning is embedded in our organisation at all levels. Over the last year significant progress has been made in respect of;

### Aids to Navigation and associated technologies:

Building on work started in 2021-22 on a number of innovations in the Engineering and Operations work streams, which continued during 2022-23 and saw real progress in the development of key metrics and data sources to identify the root cause of AtoN casualties and improve on avoiding those in future. Creating an Asset register combined with identified risks to drive better investment and maintenance decisions combined with a separate work stream covering technology obsolescence. In addition, work is constantly ongoing horizon scanning for new technologies that support and accelerate the transition to net zero carbon.

Over the 2022-23 work plan, GRAD undertook a number of projects in support of GLA strategic goals. Looking to the future and the evolution of digital services, GRAD has further developed its e-Navigation service architecture which provides a platform for system development and can be used to provide virtual aids to navigation (VAtoN) today. Further, the software enables future GLA services to be authenticated, to ensure safety of life information issued by us and has not been spoofed or manipulated in any way. This year, GRAD has worked with international partners to further enhance and improve the algorithms used to authenticate data, making it more easily applied to AIS and VDES transmissions in the future.

A number of other projects have commenced that will help define the shape of our AtoN service in the future, including initial stages of implementing a programme of work on the impact of climate change, considering not just sea levels, but aspects such as salinity and how weather changes can influence solar models. In support of today’s AtoNs, the visual signalling team has tested 20 lamps on the indoor and outdoor light ranges and measured seven stations in the field this year. They have also developed a new software tool on the expected performance of a light source when used within a rotating optic, which will help GLA colleagues when re-engineering the lighthouse estate.

## Sustainability:

Climate Change adaptation is a High Level priority for the Trinity House Board, demonstrated by it being one of the highest ranking risks on the organisations Corporate Risk Register, and is reviewed by the Board on a quarterly basis. The reviews are informed by reporting on the more detailed Climate Change Risk Register, Climate Change Adaptation Report (CCAR), Greening Government Commitment Reporting (GGC) as well as the work of the Environment Working Group (EWG).

Trinity House has embedded climate change adaptation into its operations through its 20-year asset plan which informs its overall Engineering Strategy. The Strategy is informed by through-life management of all assets, principally through the capture of all issues in the Risk and Opportunity Register for each asset, taking into account data provided by the CCAR. The careful analysis of the Risks and Opportunities identified provides a clear framework for identifying and prioritising the investment and work over the next 5 and 20 years.

Trinity House continues to make progress in decarbonising its Aids to Navigation (Aton) portfolio, both afloat and onshore. All floating Atons have for many years been solarised, producing zero emissions within the daily operation, technological developments are now allowing offshore Island Lighthouse stations to operate almost totally solarised with only minimal requirement for diesel powered intervention. This model will be utilised in the upcoming modernisation of Skerries Lighthouse.

Successful completion of the cleaner burning Gas to Liquid diesel fuel trial instead of MGO on THV Alert has shown significant CO<sub>2</sub>, NO<sub>x</sub> and noise reductions and has now been adopted on a permanent basis. Moving forward we are also evaluating the potential to introduce HVO fuel in our fleet and Aton estate, which, as it originates from fossil free sources, could reduce carbon emissions in these areas by up to 90%. During the year, we completed a number of desktop studies to investigate the ability to operate some of our shore based lighthouse and cottage estate on a reduced environmental impact footprint including building conditioning. We purposely approached this without constraints around planning and listed building considerations and using a so called digital twin environmental performance model of the lighthouse and cottages on those sites we concluded that we can achieve carbon neutrality or even a carbon positive situation with existing solar, energy storage and heat pump based technologies. In the coming year, resources permitting, we seek to select a trial site and test these findings in the field for achievability and reliability.

Good progress has been made in respect of the transfer to Zero Emission Vehicles with the elimination of Diesel powered cars from the Trinity House fleet, all cars currently in the fleet are now either ULEV or EV powered. Telematics equipment has now been installed into all vehicles, to aid our understanding of our requirements of the whole vehicle fleet, both cars and vans, to enable us to better plan for the introduction of zero emission vehicle fleet by 2027. In addition, we are expanding the charging infrastructure across the Depot and Lighthouse Estate.

A recent internal reorganisation has seen the appointment of a new Head of Safety and Environment as a Senior Management role, underlining the importance of Sustainability issues to Trinity House, and we are currently looking to recruit a dedicated Environment Lead to further enhance our environmental response.

## GLA Research & Development (GRAD)

Over the past 12 months, GRAD, the General Lighthouse Authorities' research and development team based in Harwich, has provided research and development across visual signalling, resilient PNT, e Navigation and supported the day-to-day GLA AtoN provision.

Items of note over this year include coordinating the new tri-GLA "2040: Navigating the Future" strategy, which sets out the GLAs' vision of marine AtoN and the maritime operating environment over that period. It considers a navigation environment that is complex, with a growing range of users with different levels of autonomy, recognising that marine aids to navigation remain critical and will need to evolve to support safe navigation. GRAD work supports this, whether it's in the development of new digital AtoN services, resilient PNT solutions or the enhancement of visual signals.

When considering the growth of digital systems and the opportunities that await in that area, the team has further developed our prototype e-Navigation architecture; the hardware and software that is

helping to define future digital services. Over this year, GRAD has implemented new security standards (i.e. SECOM) and applied new data formats (S100/S200). These changes allow GRAD to support the development and testing of emerging standards. These innovations place the GLAs at the forefront of this emerging AtoN service area.

Following on from our success last year in developing authentication options for virtual AtoN, GRAD has worked with international partners to hone the approach. The outcome has a reduced overheads and can provide a more efficient authentication option. The next stage is to test this approach, and if successful, move towards international recognition and standardisation.

GRAD has supported UK Government deliberations on resilient PNT by providing technical expertise on complementary positioning and timing systems, as well as how they could be combined and standardized to support maritime operations. Work on the development of complementary systems such as VDES R-Mode, Radar absolute positioning and eLoran have continued with GRAD working with international partners to progress these technologies and support international standardisation activities.

Integrity of the presented PNT information is critical; the mariner needs to know they can trust the information, especially if there is limited corroborating data available. GRAD is part of a consortium of industry and academia undertaking an ESA NAVISP funded project that is considering this problem. The INSPIRe project is investigating how information from Space Based Augmentation Systems (SBAS) and information from the mariner's receiver can be used to provide a comprehensive integrity solution. The overall aim is to develop a scalable and novel approach that can help mariners know when to trust the data or not.

The visual signalling team has enjoyed a busy and successful year, completing seven field light measurements across the GLA estate, and testing the performance of many other lanterns within the indoor and outdoor light ranges. These tests confirm the performance of lanterns before they are deployed ensuring they meet the navigation requirement. The visual signalling team has also developed a software tool to help GLA colleagues identify the best light source for the optic when they re-engineer lighthouses.

GRAD represents the GLAs at many international fora, including inter alia: the International Association of Marine Aids to Navigation and Lighthouse Authorities; the International Telecommunications Union; the International Electro-technical Commission and the Radio Technical Commission for Maritime Services. GRAD also 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. GRAD routinely publishes details of its work in national and international technical journals and publications, helping to share the knowledge for the safety and benefit of all mariners.

### **Vessel Replacement Project**

The Vessel Replacement Project has been ongoing throughout the financial year; however, Trinity House could not award a contract for the replacement of THV *Patricia* under the pursued procurement process and intends to commence a new procurement process in due course.

The decision was made following a procurement process which was conducted in accordance with the Public Contracts Regulations 2015. The process resulted in no bids that fully met Trinity House's requirements, and therefore no award could be made.

The requirement for Trinity House to replace the multi-function tender THV *Patricia* (built in 1982) was agreed by the Maritime Minister following the conclusion of a thorough Fleet Review in 2018 that a layered fleet of seven ships provides the most pragmatic solution to meet the three General Lighthouse Authorities' statutory obligations.

Delivery of its statutory obligations to provide aids to navigation for the safety of navigation within its areas of responsibility remains the core business of Trinity House.

THV *Patricia* completed dry-docking this year, has been fully recertified to UK Flag State requirements, and can, for the time being, continue to operate safely with our experienced crews. THV *Patricia* capability and availability is significantly affected due to her age and obsolescence. This has resulted in a far higher use of THV *Galatea* than expected also coming to end of life.

A lessons learned report has delivered and approved by the September 2023 Light house board which included 12 recommendations. The project team have been working towards delivery of these recommendations with an aim to return to market as soon as is feasible. One of the recommendations was to conduct pre-market research prior to returning to competition, this to be led by an industry specialist. Prior to the pre-market engagement and in line with other recommendations, work has also been ongoing to ensure that the specification, commercial offering and procurement strategy are fit for purpose and will give the best chance of a healthy competition.

With the high-level specification requirements now agreed, the work can now progress to ensure that the design and build delivered to the market is buildable. A number of costed options that were present in the previous specification will be removed to ensure that the specification is as straight forward and simple to cost as possible.

The Outline Business Case has been updated through a number of workshop events and will be presented to the Steering Group and Project Board for review before being passed to Lighthouse Board with a recommendation for approval to pass to DfT investment boards.

### **Royal Sovereign Lighthouse**

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

Royal Sovereign Lighthouse provided over 50 years of reliable service as an aid to navigation, one of over 600 that Trinity House operates for the benefit and safety of the mariner.

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

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

The contract—worth approximately £16 million—was signed at Trinity House's London headquarters on 4 April 2023, including a three year performance window, giving the contractor the necessary flexibility to work with the changing and challenging marine conditions.

The works—subject to sea conditions—is planned to commence from August 2023, and will include removing the cabin, the lighthouse tower and the concrete pillar. The lantern tower will be brought ashore to Shoreham temporarily, while Trinity House investigates options for retaining the tower within the local area for the benefit of the community.

## Sustainability Report

A full breakdown of Trinity House's sustainability metrics is provided in the table below as well as a more detailed breakdown in Appendix 3.

2022-23 performance shows that Trinity House is on track to meet six out of our nine quantitative Government Greening Commitment (GGC) Targets set against the 2017-18 baseline.

### Government Greening Commitments Performance Targets

Theme	Measure	Units	2022-23 Actual Performance	2021-22 Actual Performance	2024-25 Target	2017-18 Baseline
Mitigating Climate Change	Total emissions	tonnesCO <sub>2</sub>	6,925	8,897	7,434	8,850
	Direct emissions	tonnesCO <sub>2</sub>	137	80	59	78
	ULEV cars	% car fleet	52%	34%	100%	0%
	Domestic Flights	tonnesCO <sub>2</sub>	*	*	*	*
Minimising Waste	Total Waste	tonnes	600	512	550	646
	Waste to landfill	%	2.0%	2%	5%	5%
	Waste recycled	%	97.7%	93%	70%	95%
	Paper use	reams	379	535	474	948
Reducing Water Use	Water Use	m <sup>3</sup>	11,365	11,699	10,678	11,607

\* Data not collected

Trinity House has seen a reduction of 1,972 tonnes of CO<sub>2</sub> compared to 2021-22. The main driver for this reduction is the decrease in marine gas oil (MGO) emissions of 1,828 tonnes (25%). During 2022-23 THV *Galatea* and THV *Patricia* both underwent drydocks and therefore were out of service for a number of weeks. THV *Patricia* also experienced further issues with onboard machinery which resulted in the vessel being unable to sail.

THV *Alert* has also seen a reduction of 137 tonnesCO<sub>2</sub> (23%). The commander of THV *Alert* has been leading an initiative on the vessel's fuel consumption, in an effort to better record and monitor the fuel usage, and opportunities for savings. Results have shown fuel savings made in litres, when steaming at slower speeds versus the traditional 1200 rpm, 1300 rpm and 1400 rpm and the resulting effect on passage time.

Trinity House operated the Tri-GLA helicopter for 79 hours less than in 2021-22, resulting in a reduction of 57 tonnes CO<sub>2</sub> (26%).

Other variances are set out below:

- Increase in LPG gas. Swansea depot use LPG in both the buoy yard and office. The Dogger Bank contract required a large volume of buoys to be prepared during the winter months which uses more gas to cure the paint.
- There has been an increase in kilometres driven from both fleet and non fleet vehicles. Kilometres driven are now comparable to pre-COVID times. During 2022-23 the Engineering and Operations Department worked on 3 modernisation projects from Flamborough in Yorkshire to Tater Du in Cornwall.
- Car/Vehicle fleet composition - we are still on target to reduce our diesel vehicles with the purchase of more ultra low and zero emission vehicles. 12 diesel vehicles were disposed of during 2022-23.
- Paper reduction of 156 reams (29%)
- Office water consumption has been reduced by 2,603m<sup>3</sup>. Water usage around the estate has increased significantly, this is due to the onshore modernisation projects.

The expenses system used to analyse information on travel has recently been adapted to capture flight information. The 2023-24 sustainability report will contain data on flights, both domestic and international.

## Environmental Plan

A Corporate Environmental Plan with both perennial and new objectives is developed and published annually. The Plan for 2023-24 includes 13 objectives summarised under the following headings:

### Sustainability:

- Work towards appropriate sustainability goals in line with the UK Government's Clean Maritime Plan and / or associated UK initiatives such as achieving net zero by 2050
- Implement a long-term strategy and action plan to achieve decarbonisation
- Investigate harvesting of rainwater from Buoy Yard roofs
- Review set up of current solar panels on Buoy Yard roof with the aim of replacing with a more efficient system
- Review Trinity House Harwich Building Net Zero Carbon Feasibility Report and deliver improvements
- Support GRAD with developing standardised measurement systems for building conditioning reporting and Government Greening Commitments
- Working with the Executive Committee, develop Trinity House's position and policy on Heritage.
- Monitor and reduce the use of single use plastics and reduce avoidable plastic waste. Monitor and reduce paper usage. Monitor waste figures and analyse trends in waste management data.

### Removal of hazards:

- Remove mercury bearings from all lighthouses.

### Other:

- Review and update the Risk Index on the Environmental Aspects and Impacts Register

## Decarbonisation and the journey towards net zero by 2050

The Trinity House Corporate Plan includes an objective to 'develop and implement a measured, phased approach to making our wider operations net zero by 2050 within the constraints of available technology development, timelines and funding'. This will involve the creation and implementation of a decarbonisation plan.

Decarbonisation is identified as a multi-year objective. The principal work done so far in relation to this objective is via the development of the TH Strategy since decarbonisation affects the prime emission of the ships, the estate and ways of working. The pending Strategy will shape the development of the organisational values which will incorporate health, safety, sustainability and the environment. There will need to be a balance between TH's environmental ambitions and the need to meet statutory AtoN duties. TH needs to embrace developing technologies which may improve environmental performance whilst facilitating statutory delivery.

The Strategy and subsequent policy development and execution, will make clear what the organisation is going to look like in the future. The plan for decarbonisation will be guided by this and the decarbonisation plan and its associated action plan will follow the development of the TH Strategy.

In the meantime, several workstreams are ongoing which will help to advance the objective of decarbonisation.

### Tri-GLA Environmental Improvements Workshop

A workshop on new technology and sustainability was held at the Inter-GLA committees (IGC) Forum in January 2023 at which the GLAs discussed their ideas and experiences of the ways in which new technologies and different ways of operating could result in environmental improvements. A number of actions are perused via GRAD to identify the future opportunities.

### Greening Government Commitments

The Greening Government Commitments (GGCs) set out the actions UK government departments and their agencies will take to reduce their impacts on the environment in the period 2021 to 2025.

Targets include:

- Reduction of water consumption
- Reduction of greenhouse gas emissions
- Minimisation of waste and promotion of resource efficiency
- Sustainable procurement
- Nature Recovery Plans
- Climate Change Adaptation Strategies
- Reduction of environmental impacts from ICT and digital services.

Trinity House is required to report to government on these matters annually as set out in this section and appendix 3.

The GGC reporting process continues to build a database of information to allow effective progress monitoring in addition to meaningful comparison and analysis of trends.

GRAD, in consultation with the Tri-GLA Sustainability Working Group, is working on a scope of works to obtain external support for developing baselines for the Greening Government Commitments reporting requirements. This will provide a basis from which to drive further improvements in performance.

TH continues to purchase electric vehicles and has installed more EV charging points at its depots.

### **THV *Alert* Fuel**

Following a successful trial, THV *Alert* is now running on Gas to Liquid (GTL) fuel which is less polluting than MGO following a number of real time exhaust emission verifications.

### **New Head of Safety and Environment**

To better coordinate Trinity House's effort to achieve net zero, the Board has taken the decision to reorganise the senior management structure, and has created the role of Head of Safety and Environment (HSE). In turn, another new role of Environmental & Sustainability Lead will report to the HSE. The creation of these new roles underlines the Board's focus on health and safety as well as the achievement of various Government environmental targets over the coming years. The next baseline year, as directed by DfT is 2024/25. This gives us an opportunity to review what we do well, and what our main gaps are in line with the GGC. We aim to pull together our Sustainability strategy, and establish how we compare to other companies (not just GLA's) using the Ecovadis baseline questionnaire. We will review our reporting processes, to ensure that we have the most accurate data that can easily be collected and collated. Ideally we will widen our focus, involving our front line staff to bring Environmental Social Governance to the fore.

The health and safety focus will become much more people centric. 2024/25 will see H&S re-establish the basics of health and safety, using the knowledge of our front line. We need to make sure that we tighten our processes around reporting, data analysis and communication. We have accomplished safety co-ordinators who will be instrumental in delivering this program over the coming year. A major part of the journey will be that we ensure our documented guidance are in plain English, streamlined and easy to follow. A full review of these is planned over the coming year. We want to give our workers autonomy ensuring they have the support they need when they need it.

*Ian McNaught 11 January 2024*

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

### Conflicts of Interest

The register of interests is maintained by the Secretary to the Board, and is available for inspection via our website. Further details of how executive and non-executive Board members handle potential or actual conflicts of interests are addressed on page 34. No conflicts of interest were identified during 2022-23 that required Management intervention. Subsequent to 31 March 2023, a conflict of interest, affecting one Board member and their position within another entity was notified by this Board member and has subsequently been resolved by the Board member selflessly standing down from the Board.

### Finance Leasing Arrangements

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

### Payment of Creditors Policy

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

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

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

The average credit taken from Trade Payables during the year was 12 days (2021-22 - 9 days).

### Personal Data Related Incidents

During 2022-23, Trinity House continued to comply with the Cabinet Office guidance on information risk management to the extent that is relevant and with its own Policy on Information Risk. Information Risk is covered in more detail on page 34.

### Events After The Year End

These are covered in note 26 to the accounts.



## 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 2022-23.

## Statement of Accounting Officer's Responsibilities

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

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

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

The Accounting Officer of the Department for Transport has designated the Chief Executive as the Accounting Officer of Trinity House. The responsibilities of the Accounting Officer include responsibility for the propriety and regularity of the funds allocated to Trinity House in its capacity as a General Lighthouse Authority, including keeping proper records and safeguarding the assets of Trinity House, 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 2022-23 was of the opinion that 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. His opinion is a key element of the assurance framework and is used to inform Trinity House's Governance Statement.

### Trinity House Lighthouse Board and its Committees

#### 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 in March 2022.

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.

Occasions during 2022-23, which included extraordinary meetings in June 2022 and February 2023. In addition, Strategy Sessions were held in July 2022 and on 31 January – 1 February 2023. 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 2022-27 and Annual Report and Accounts for 2021-22;
- Adjusting to new and improved ways of working after the challenges of the COVID-19 pandemic;
- 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;
- Consideration of potential future initiatives for Trinity House;
- Reviews of the nature and extent of the corporate and organisational risks faced by the organisation in the implementation of its Strategy;

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

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

## Authorities.

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

In autumn 2022 the Board members were asked to individually consider the Board's performance and effectiveness against the Board Evaluation questionnaire 'Unlocking your board's full potential' published by the National Audit Office. The results were collated and the findings presented to the Board. The Board considered its Articles of Constitution and Terms of Reference and concluded that it met them and discharged its statutory role effectively having regard *inter alia* to its performance against IALA and other recommendations. 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 where one or more Board members were in partial and strong disagreement with the statement were (Partial unless shown):

The board has a good understanding of the performance of the organisation relative to other bodies, where appropriate
Relations with the sponsor department are productive and supported by regular and open communication. [STRONG]
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 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. [STRONG]
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.
No substantial, unexpected problems have emerged which the board should have been aware of earlier.
Induction and development programmes ensure board members remain up-to-date throughout their time on the board.
Working as a team, the board has the right blend of skills, expertise and personalities, and the appropriate degree of diversity, to enable it to face today's and tomorrow's challenges successfully. Appointments place significant emphasis on succession planning both with regard to independent and non-executive directors' positions.
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.

The Board had undertaken the same exercise in 2021-22 and had identified some areas where some Board members partially or strongly disagreed. Of these areas, some remained of concern to the Board. 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 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.
Induction and development programmes ensure board members remain up-to-date throughout their time on the board.
The board draws up action plans following its performance evaluations. The actions include behavioural and qualitative aspects, where appropriate.

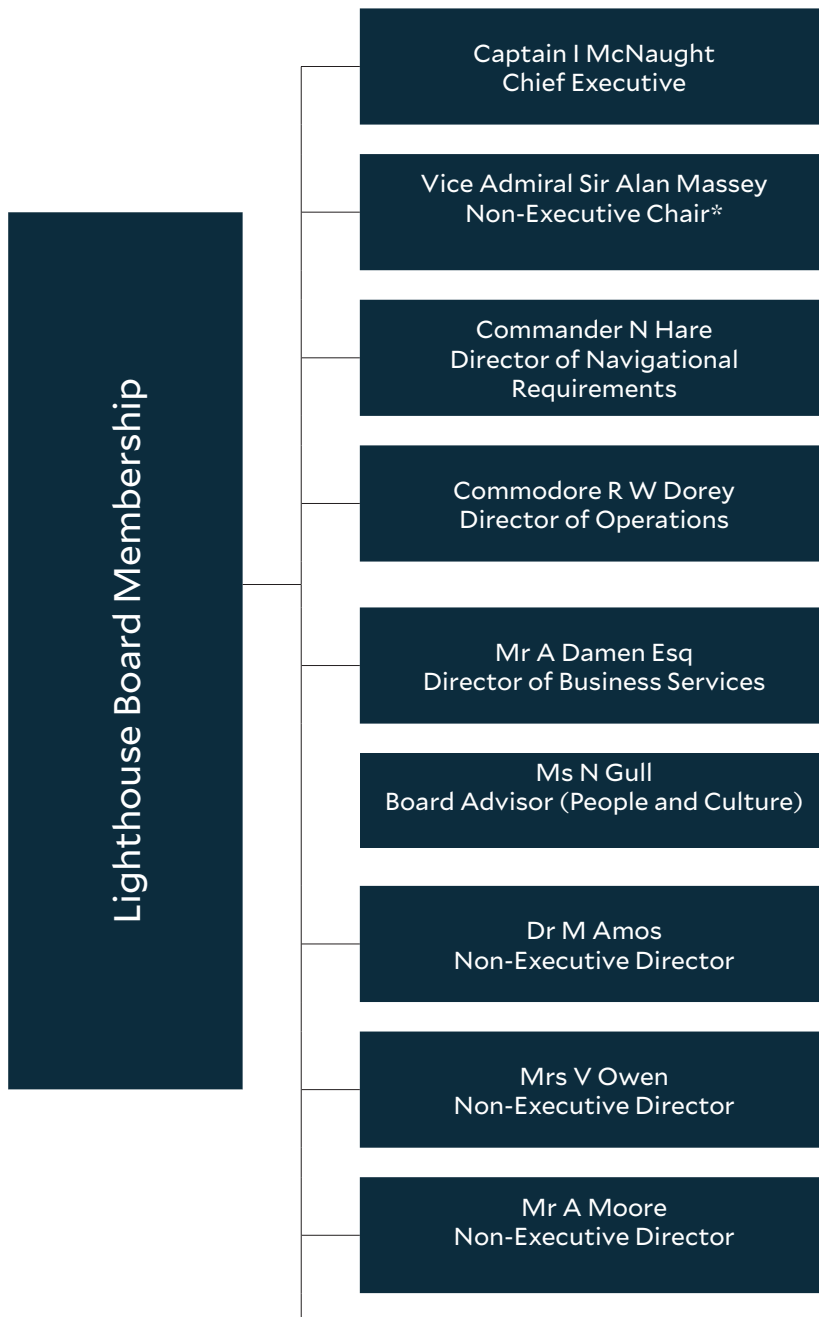
The board regularly reviews progress against its performance appraisal action plan.

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.

The Lighthouse Board comprises a balance of:

- 4 Voting Executive Members (Three Elder Brethren and the Director of Business Services)
- 4 Voting Non Executive Members (one Elder Brother and 3 nominated by the Secretary of State for Transport).

In addition, during 2022-23, a Board Advisor (People and Culture), Ms Natalie Gull, has been appointed on a fixed term basis. The Board Advisor (People and Culture) has the status of the Board Member and attends meetings of the Board but has no voting rights.



\* Vice Admiral Sir Alan Massey stood down from position of Chair of the Lighthouse Board on 1 November 2023.

## 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"> <li>• Ongoing scrutiny of Headline Performance Objectives, KPIs, key health &amp; safety, environmental, finance, operational, planning and business continuity matters to contribute to effective internal control;</li> <li>• Review of Trinity House policies and monitoring the robustness of Trinity House's Management System;</li> <li>• Approval of various Project Initiation Documents, project briefs and mandates;</li> <li>• Scrutiny of proposed additional revenue and capital spend including in addition contingency works;</li> <li>• Scrutiny of matters arising at Joint Strategic Board and the furtherance of inter-GLA Cooperation;</li> <li>• 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;</li> <li>• Monitoring initiatives in respect of Trinity House's high level engagement at IALA and Trinity House's contribution to Maritime UK;</li> <li>• Monitoring Trinity House's response to wrecks, hazards and new dangers together with the navigational safety and legal aspects of offshore wind farm developments;</li> <li>• Monitoring and review of risk issues for TH relating to Crown Estate Offshore Wind Evidence and Change programme (OWEC) projects;</li> <li>• Monitoring and development of commercial work initiatives and collaborative working arrangements with third parties;</li> <li>• Review of Research &amp; Development work undertaken by GRAD;</li> <li>• Review of property and legal matters affecting the Trinity House Estate; and</li> <li>• Review of Trinity House vessel lease commitments in respect of THV <i>Alert</i> and THV <i>Galatea</i> and consideration of extensions thereto.</li> </ul>

<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"> <li>• Scrutiny of the Annual Report &amp; Accounts;</li> <li>• Review of Risk Registers;</li> <li>• Review of progress against the internal audit plan;</li> <li>• Review of internal audit reports and findings including the Head of Internal Audit's annual report and opinion;</li> <li>• Review of the Register of Members' Interests and Hospitality Register;</li> <li>• Consideration of other risk management issues e.g. any cases of fraud, bribery or whistle blowing;</li> <li>• Review of its work and effectiveness in accordance with the recommendations of the HM Treasury's Audit &amp; Risk Assurance Committee Handbook;</li> <li>• Review of Cyber Security controls within Trinity House; and</li> <li>• Review of Data Protection arrangements.</li> </ul>
<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"> <li>• Review of reward and recognition arrangements; and</li> <li>• Assessment of Executive Directors' performance, remuneration, bonuses and corporate performance against headline objectives.</li> </ul>
<p>Executive Remuneration</p> <p>Chair: Mr A Damen</p>	<p>Assessment of employee remuneration, manpower requirements and organisational structure.</p>	<ul style="list-style-type: none"> <li>• Consideration of the pay remit business case, approach and progress reports;</li> <li>• Review of performance related pay scheme;</li> <li>• Structure changes and post revisions; and</li> <li>• Gender Pay Gap Reporting and action plan.</li> </ul>
<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"> <li>• Hazard Warning Signal review of requirements;</li> <li>• Review of Lights displayed 24 hours;</li> <li>• Annual review of Major Floating Aids;</li> <li>• Coquet Lighthouse Navigation Requirement;</li> <li>• Cromer Lighthouse Navigation Requirement;</li> <li>• Racon provision at Cromer and Skerries;</li> <li>• Temporary AtoN requirement at Skerries Lighthouse during engineering works;</li> <li>• Holm Channel Buoyage;</li> <li>• Deben and Ore Buoyage;</li> <li>• Lightning Knoll Buoy discontinuance;</li> <li>• Royal Sovereign Lighthouse decommissioning;</li> <li>• Shipping incident near to North Shipwash Buoy with traffic analysis and reports from MAIB and Local Harbour consultations.</li> </ul>
<p>Nominations</p> <p>Chair: Mrs V Owen</p>	<p>Proposing Executive appointments (other than Chief Executive) to the Lighthouse Board***.</p>	<ul style="list-style-type: none"> <li>• Discussing the person requirements for a new Secretary of State NED.</li> <li>• Discussing the requirements for the Board Advisor (People and Culture).</li> <li>• Discussing the organisation's approach to Environmental, Social and Governance (ESG)</li> <li>• Expansion of the committee to become Nominations and Governance Committee.</li> </ul>

Attendance by Lighthouse Board members at Board and Committee meetings during 2022-23 was as follows:

Members	LHB	Executive Committee	Audit and Risk Assurance Committee	Directors' Remuneration Committee	Executive Remuneration Committee	Examiners	Nominations Committee
Captain I McNaught <sup>i</sup>	9(of 9)	6(of 6)	2(of 3)	3(of 3)	4(of 4)	6(of 6)	4(of 4)
Commodore R W Dorey	9(of 9)	6(of 6)	*	*	4(of 4)	3(of 6)	4(of 4)
Mr A Damen <sup>i</sup>	8(of 9)	6(of 6)	3(of 3)	*	4(of 4)	*	* iv
Commander N Hare <sup>iii</sup>	9(of 9)	6(of 6)	*	*	4(of 4)	6(of 6)	*
Vice Admiral Sir Alan Massey (NE) <sup>ii</sup>	9(of 9)	*	3(of 3)	3(of 3)	*	* ii	4(of 4)
Dr M Amos (NE)	8(of 9)	*	3(of 3)	*	*	*	*
Mrs V Owen (NE)	9(of 9)	*	3(of 3)	3(of 3)	*	*	4(of 4)
Mr A Moore (NE)	9(of 9)	*	3(of 3)	3(of 3)	*	*	3 (of 4)

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

\*Not members of the Committee

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

ii Sir A Massey attended the Examiners Committee on 23 August 2022 as an observer. Stood down from Chair of the Lighthouse Board on 1 November 2023.

iii The LHB meetings included an extraordinary meeting on 28 June 2022 and another on 27 February 2023

iv Mr A Damen attended a meeting of the Nominations Committee in September 2022 at which arrangements for the appointment of the Board Advisor (People and Culture) were discussed.

## 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 previously introduced in response to COVID-19 have now become embedded within Trinity House. Notably the wider application of electronic signatures and electronic records. 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 2023 and up to the date of the approval of the Annual Report and Accounts.

## Risk Categories

During 2022-23 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. The UK Government Finance Function issued the current version of its Risk Appetite Guidance Note in August 2021. Trinity House's Executive Directors, Senior Management Team and other risk owners attended a risk workshop in November 2021 to consider the new guidance and review the risk appetite for each of the risks listed in the organisational risk register. The risk appetites were updated where appropriate with most now minimal or open, to reflect current practices in the pursuance of research or commercial activities. 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 employees;
- 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. 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 2022-23, 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.

A proposed new format for Trinity House risk registers has been identified internally. The Trinity House risk registers were discussed in detail at a risk management workshop held during November 2021 attended by Directors, senior managers and other risk owners and work is currently ongoing on improvements to the risk registers throughout the organisation. Another risk management workshop was held in February 2023 to further discuss the proposed new format and to identify further improvements before templates are produced for existing Departmental and Organisational registers. The new format of risk registers has been rolled out and work is being done by risk owners to transfer risk into the new format.

A risk dashboard provides a graphical presentation of the high level corporate risks to the Lighthouse Board members for their monitoring and management of risks.

## Stakeholders and Risk

External stakeholders are involved in managing risks through the Joint User 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. An employee survey was conducted in 2021-22. From the results of this survey, an agreed set of themes and an action plan have been developed. Many of the themes are already being addressed, but it is on the Senior Management Team's agenda to review and monitor progress.

## Changes to Risk Profile

The key changes to the risk profile of Trinity House during the year ended 31 March 2023 were the risks, uncertainties and opportunities introduced as a result of:

1. The risk associated with the COVID-19 pandemic has been de-escalated from the high level risk register, as its impact is now minimal;
2. Recruitment and retention of employees remains a key risk to the organisation due to the increase in the cost of living and ongoing Government pay constraints. A number of employees have left the organisation over the past 2 years due to higher salaries offered by other employers and recruitment campaigns to fill vacant positions have not always been successful;
3. Failure to prepare, adapt current ways of working, and implement new legislation which could be introduced to reduce the impact from climate change;
4. The high level of inflation is presenting budgetary problems, as the increase in the cost of energy and supplies has exceeded budget predictions in the Corporate Plan. Careful management of the operational budget has been necessary to ensure that key functions continue to be delivered;
5. The possibility of energy shortages over the winter months initiated an exercise of the Business Continuity Plan to consider this threat further. A list of recommendations to help reduce and mitigate the impact on the Service were identified which have been implemented or are being progressed where possible;
6. 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;
7. Cyber security remains a key risk to the organisation and the probability of a cyber incident has increased in light of the Ukraine conflict and the threat posed from hostile state sponsored cyber actors. An exercise of the Business Continuity Plan to consider the impact of a hypothetical cyber-attack was held in May 2022, which identified a number of improvements that have been implemented;
8. 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. The tender process has been held and a suitable contractor has been appointed to undertake the decommissioning works;
9. The risk from Global Navigation Satellite System (GNSS) vulnerability and the added pressure that this could place on Trinity House if a number of wrecks were caused by interference with ships navigational signals, is considered a reducing risk due to the mitigation measures in particular the work done by GRAD;
10. The Procurement function has been affected by a lack of procurement resources, delays or increased lead times and reduced availability of supply chain items, which have reduced its ability to provide all supplies required to conduct operational functions;
11. A new Geopolitical Turmoil risk has been identified, which replaces and expands on the former EU Exit risk, to more accurately reflect the risk to supply chain disruption to energy supplies (specifically diesel) in light of current global issues;
12. Potential 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 employees and visitors is considered to be a key risk due to the potential severity of the consequences;
13. An increase in the likelihood of industrial action by shore employees and SVS crew has increased due to the rise in the cost of living. The potential impact from employees taking strike action is not fully known as Trinity House does not know how many employees are members of the Trades Unions. The Business Continuity Plan will provide the basis for Trinity House's response to any strikes;
14. The ability of management to deliver their high level duties has also been affected by the recruitment and retention risk, as they often have to fill in for certain duties under their responsibility until either new employees are appointed or trained to a proficient level; and
15. The high turnover of employees has also highlighted the potential risk of governance failures or pressures which could increase the opportunity for employees to commit fraud. This risk is largely being mitigated through strict processes and fraud awareness training for all employees.

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-notice](http://www.trinityhouse.co.uk/legal-notice)) 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 2022-23 that required management intervention. There is a clear documented procedure to ensure that all Directors, Managers and employees 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 2023.

As noted on page 23, a conflict of interest was notified by a Board member subsequent to 31 March 2023 and has been satisfactorily addressed.

The Fraud and Bribery Risk Register evidences that there were no incidences of fraud or bribery reported during 2022-23. 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 2022 continued to reflect the improvements made in response to the actions identified from the first assessment. The 2022 assessment score of 94% is consistent with the 2020 and 2021 scores of 95%. Some areas for improvement in the area of *identify risks* were identified. Mainly, the Trinity House Fraud and Bribery Register to acknowledge the fraud risks associated with hybrid working e.g. individuals working in isolation; working unusual hours, access to / use of computers at unusual hours and lack of supervision; cost of living crisis and personnel believing they receive inadequate compensation and / or rewards.

## Information Risk

During 2022-23 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 employees are required to annually review and sign-up to. These instructions are reviewed and updated annually by the Head of IT. There is also a set of (cyber) security principles which are periodically communicated to all employees. 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 was one reportable personal data breach involving Trinity House as a Data Controller in 2022-23 (2021-22 Nil), this was dealt with promptly and to the satisfaction of the Information Commissioner's Office (ICO).

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 every six months 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 employee awareness campaign exists and includes periodic employee bulletins. A 'Security and Compliance' dashboard is also reported to the Audit & Risk Assurance Committee.

## Management Assurance Statement

The Management Assurance Statement for 2022-23 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 6 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 external assurance: recommendations, directorate/public body performance management, knowledge and information management and cyber security of third party suppliers which all scored moderate. External assurance: recommendations scored moderate this year because in 2020-21, the NAO made two low risk recommendations of which one has been superseded by a new recommendation and the other has been carried forward to the 2021-22 report. The original 2020-21 recommendation could not be actioned this year as a result of the resources constrains in the finance department. For performance management, a consultancy review by the Government Internal Audit Agency noted some improvement opportunities primarily around the development of a KPI framework. KPIs will be aligned to the strategy and 2023-2028 Corporate Plan. Knowledge and information management remains at moderate due to some employees being reliant on locally maintained records, for example email holdings and on local drives. Although, email archives are now set to automatically truncate (delete) emails beyond seven years old. With regards to cyber security of third party suppliers, Trinity House will 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 9 times during 2022/23 decide policy, provide strategic direction and review progress. The Board receives Audit & Risk Assurance Committee minutes and reports covering areas such as risk management. The Board also formally reviews its own effectiveness and that of the Audit & Risk Assurance Committee on an annual basis;
- The Executive Committee which met on 6 occasions this year and leads on the implementation of plans and reviews progress and performance. Risk management is formally reviewed by Directors 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

There were no new ministerial directions during 2022-23

## Head of Internal Audit Opinion

*I can provide Moderate (yellow) assurance this year, down from a Substantial (green) opinion last year (though still positive and in line with most public sector organisations). This reflects my engagement with Trinity House staff and management and assurance drawn from Trinity House's own internal audit activities.*

*My opinion is a key element of the assurance framework and can be used to inform Trinity House's Governance Statement.*

## Chief Executive Opinion

Whilst there have been no direct internal control, risk management or governance problems in the year ended 31 March 2023, the Head of Internal Audit's opinion of moderate (previously substantial) does highlight the ongoing requirement to improve and enhance the adequacy and effectiveness of Trinity House control framework in the ever changing threat landscape and emerging new technologies, processes and systems. I acknowledge an ongoing need to invest in our colleagues' awareness, training, technology, governance, control framework and wider developments. Our framework of governance, risk management and control generally remains sound and effective and is in compliance 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 11 January 2024*

**Captain Ian McNaught**  
**Chief Executive of the Lighthouse Board**

## Remuneration and Employee Report

As a non-departmental public body, sponsored by the Department for Transport (DfT), Trinity House (TH) must make pay awards in accordance with the Civil Service Pay Remit Guidelines, which are published each year. The pay remit year runs from 1 August to 31 July.

As part of the Government's 2022-23 pay remit, Trinity House submitted a pay flexibility business case to the DfT in December 2022 requesting an additional 1% above the 2% pay remit guidance. This set out TH's commitment to addressing pay and retention challenges, putting in place a pay structure for shore side employees that would link competency progression. This set the foundations for TH's intent to submit a transformation business case for the 2023-24 pay remit. The business case for 2022-23 also committed to establishing a clear pay policy for all employees.

Pay decisions for TH employees below Executive level are made by the Executive Remuneration Committee and pay decisions for the Executive team are made by the Lighthouse Board Remuneration Committee. Both committees consider both annual pay awards and PRP/bonus.

The current Performance Related Pay/bonus arrangements are linked to corporate level 'headline performance objectives' (HPOs), agreed by Lighthouse Board and cascaded throughout the organisation as part of the annual appraisal cycle.

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

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

Officials	Salary payments (£000s)		Performance Related Pay (£000s)		Benefits in Kind (to nearest £100)		Pension Benefits (to nearest £1,000) <sup>1</sup>		Total (£000s)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
I McNaught	125-130	125-130	10-15	15-20	-	-	168,000	90,000	305-310	230-235
A Damen	90-95	85-90	5-10	10-15	-	-	39,000	40,000	135-140	140-145
R W Dorey	90-95	90-95	5-10	10-15	-	-	-39,000	29,000	60-65	130-135
N Hare	90-95	90-95	5-10	10-15	-	-	40,000	40,000	140-145	140-145
N Gull <sup>2</sup>	45-50	-	0-5	-	-	-	21,000	-	70-75	-
A Massey <sup>3</sup>	35-40	35-40			100	700	-	-	35-40	35-40
M Amos	15-20	15-20			700	300	-	-	15-20	15-20
V Owen <sup>4</sup>	15-20	15-20			700	300	-	-	15-20	15-20
A Moore	15-20	15-20			1,800	1,100	-	-	20-25	20-25

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

<sup>2</sup> Appointed 26 September 2022 (2022-23 full year equivalent salary £90k-£95k)

<sup>3</sup> Vice Admiral Sir Alan Massey stood down from position of Chair to the Lighthouse Board on 1 November 2023.

<sup>4</sup> V Owen Appointed Deputy Chair to the Lighthouse Board 22 November 2023

During 2022-23 the Lighthouse Board Remuneration Committee, with the support of the Department for Transport, market tested the Executives' pay and Performance Related Pay and, following consultation with those affected, the pay and Performance Related Pay were revised as follows:

- Removal of the contractual Performance Related Pay arrangements which compromised a bonus of up to 20% of annual salary, with the maxima set each year.
- Consolidation of a proportion of the Performance Related Pay element into base pay from the 1st April 2023 at 7%, which represents a lower rate than historic Performance Related Pay earnings trends of between 9.75 and 13%.

The Lighthouse Board Remuneration Committee further agreed that with effect from 1 April 2023, the Executive team's pay and Performance Related Pay arrangements would broadly align with the principles of the Senior Civil Service (SCS) pay remit guidelines, which is published annually and informed the

Department for Transport accordingly of the revised arrangements. This expressly includes pay reviews and the adoption of the discretionary Senior Civil Service Performance Related Pay.

Together with the CEO the Lighthouse Board Remuneration Committee has set Individual Directors performance objectives derived from the overarching Headline Performance Objectives, through the annual performance appraisal process.

The Lighthouse Board Remuneration Committee will regularly review individual Director performance against the agreed targets and use the Performance Related Pay criteria outlined in the Senior Civil Service arrangements for the 2023-24 appraisal year. Any Performance Related Pay payment(s) agreed are discretionary.

## Official Benefits in Kind

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

## Directors 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 employee average for 2022-23	Salary and Allowance	Bonus Payments
Employee Average	5.2%	8.7%
Highest Paid Director*	3.9%	-28.6%

In 2022-23 Trinity House achieved an overall 3% pay award. The average increase of 5.2% reflected in the above table takes into account internal promotions, re-evaluation of jobs, additional overtime and employees moving through their competency progression.

\* The highest paid Directors salary and allowance is calculated in accordance with the FReM, which is based on the mid-point of the banded salary for 2022-23 £130k-135k (2021-22 £125k-130k).

	2022-23	2020-21 (Restated)
Band of highest paid directors total remuneration (£000s)	140-145	140-145
Median Remuneration (3)	£40,339	£36,679
Ratio	3.6	3.9
25th Percentile Remuneration (£)	£30,540	£29,429
Ratio	4.7	4.9
75th Percentile Remuneration (£)	£51,077	£49,407
Ratio	2.8	2.9

	Lower quartile £		Median £		Upper quartile £	
	2022-23	*2021-22	2022-23	*2021-22	2022-23	*2021-22
Salary	27,403	27,403	34,466	33,454	44,236	43,076
Total Pay and Benefits	30,540	29,429	40,339	36,679	51,077	49,407

\*Figures for 2021-22 restated to include overtime, allowances and full Performance Related Pay in line with guidance

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 2022-23 was £140k-£145k (2021-22: £140k- £145k).

This was 3.6 times the median remuneration of the workforce, which was £40,339 (2021-22: 3.9 times and £36,679); 4.7 times the lower quartile remuneration of the workforce, which was £30,540 (2021-22: 4.9 times £29,429); and 2.8 times the upper quartile remuneration of the workforce, which was £51,077 (2021-22: 2.9 times £49,407).

In 2022-23, no employees (2021-22, Nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £18,797 to £100k-£105k (2020-21 £16,162 to £100k-£105k).

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

## Service Contracts

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

Non-Executive Director	First Appointed	Re-appointed	Years To Date at 31 March 2023	Term Expiry
Sir Alan Massey*	22.01.2020	22.01.2023	3	21.01.2026
Valerie Owen	14.09.2018	14.09.21	4	13.09.2024
Dr Margaret Amos	16.05.2017	16.05.20 extended again May 2023	6	31.10.2023
Alan Moore	01.12.2020		2	30.11.2023

\* Vice Admiral Sir Alan Massey stood down from position of Chair of the Lighthouse Board on 1 November 2023.

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

## Pension Benefits

All Executive Board Members of Trinity House (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 2023	Cash equivalent transfer value at 31 March 2022	Real increase in cash equivalent transfer value	Employer contribution to partnership pension account
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
I McNaught	7.5-10	-	45-50	-	745	655	81	-
R W Dorey	-	-	55-60	140-145	1,277	1,181	-55	-
A Damen	0-2.5	-	15-20	-	193	157	20	-
N Hare	0-2.5	-	5-10	-	102	60	31	-
N Gull	0-2.5	-	0-5	-	16	-	12	-



## 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 69) contains further information on pensions for all employee.

## Employee Report:

### Other Employment Costs

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

	<b>2022-23</b>	<b>2021-22</b>
	<b>£000s</b>	<b>£000s</b>
Total Employee Costs	15,462	15,131

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

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

	<b>2022-23</b>	<b>2022-23</b>	<b>2022-23</b>	<b>2021-22</b>
	<b>Total</b>	<b>Permanent Employees</b>	<b>Others</b>	<b>Total</b>
Directly employed	283.3	283.3	-	283.5
Other	14.6	-	14.6	16.6
Employees engaged on capital projects	5.9	5.9	-	2.9
<b>Total</b>	<b>303.9</b>	<b>289.2</b>	<b>14.6</b>	<b>303.0</b>

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

Exit package cost band	No of compulsory redundancies		No of other departures agreed		Total number of exit packages by cost bands	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
< £10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,000 - £50,000	-	-	-	-	-	-
£50,000 - £100,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	-	-	-
<b>Total resource cost (£s)</b>	-	-	-	-	-	-

## Diversity Information

The Government Financial Reporting Manual (FRM) guidance requires Trinity House to disclose the number of persons of each gender who are employees of the entity as at 31 March 2023.

	Male	Female	Total
Executive Directors	4	1	5
Non-Executive Directors	2	2	4
Senior Managers	8	0	8
Employees	194	74	268
<b>Total</b>	<b>208</b>	<b>77</b>	<b>285</b>

## Sickness Absence

Sickness absence during the last two years was:

	2022-23	2021-22
Total number of days lost due to sickness	2,971	2,450
Average number of days lost per employee	9.15	8.63

Whilst there has been a rise in sickness days, our absence levels are below pre-pandemic levels but are higher than expected due to a small number of long-term sick absence cases. These are being actively managed and we expect resolution of these before the end of the 2023-24.

## Industrial Relations

During 2022-23 two of the three recognised trade unions balloted for strike action, and action short of a strike; Prospect, representing shore Side Employees, and Unite, representing a section of the support vessel services (SVS) employees. The dispute with Prospect was resolved in June 2023 following national level discussion between Government and Prospect. Action from Unite is still possible – with the strike action mandate being open until mid-December 2023. TH is consulting with all trade unions on the proposals for the 2023-24 pay remit and transformational business case. The risk register has been updated to reflect the potential impacts of strike action. During 2022-23 2 days were lost due to strike action (2021-22 Nil).

## Off-Payroll Engagements

Trinity House has not entered into any off-payroll engagements during 2022-23 (2021-22 £nil).

## Expenditure on Consultancy

The amount spent on consultancy was £nil (2021-22 £nil).

## People Policies

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

## Organisational Structure

The structure of the organisation is based around four main directorates: Operations, Business Services, Navigation and People and Culture. Secretariat also report into the Chief Executive/Deputy Master.

Trinity House is responsible for 3 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 GLA requirements. It also participates in international fora such as IALA.

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

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

## 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 House's employee 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 employee. 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 employees contribute their ideas to departmental plans. The Chief Executive and the Directors make face-to-face presentations to employees on important matters and on a regular basis to ensure employees are kept up to date on recent developments and future plans. A communications policy has been developed to ensure key messages are communicated to employees in a timely manner.

## Parliamentary Accountability Disclosures and Audit Report

### Losses and Special Payments

There were no losses during 2022-23 (2021-22 £nil).

### Regularity of Expenditure

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

### Audit Report

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

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

*Ian McNaught* 11 January 2024

**Captain Ian McNaught**  
**Chief Executive of the Lighthouse Board**

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

	Note	2022-23 £000s	2021-22 £000s
<b>Income</b>			
Advances from the GLF		36,200	35,900
Other income	3a	2,321	1,975
Income on behalf of all GLAs	3b	5	11
Grant income		32	21
		<b>38,558</b>	<b>37,907</b>
<b>Expenditure</b>			
Staff costs	4	15,462	15,131
Depreciation - PPE	8	5,659	5,155
Depreciation - ROU	9	1,521	1,729
Amortisation	10	272	384
Loss on revaluation		540	(213)
Other expenditure	5a	18,165	16,762
Decommissioning provisions	18	4,802	5,260
		<b>46,421</b>	<b>44,208</b>
<b>Net expenditure</b>		<b>(7,863)</b>	<b>(6,301)</b>
Net interest payable	6	62	124
<b>Net expenditure after interest</b>		<b>(7,925)</b>	<b>(6,425)</b>
<b>Net expenditure on behalf of DfT</b>			
Other costs	5b	261	219
		<b>261</b>	<b>219</b>
<b>Net expenditure on behalf of all GLAs</b>			
Staff costs	5c	966	1,007
Other costs	5c	647	601
		<b>1,613</b>	<b>1,608</b>
<b>Deficit for the year</b>		<b>(9,799)</b>	<b>(8,252)</b>
<b>Other comprehensive income</b>			
Net gain on revaluation of property, plant and equipment		(14,046)	8,258
<b>Total Comprehensive Income</b>		<b>(23,845)</b>	<b>6</b>

Notes on page 48 to 73 form part of these accounts.

## Statement of Financial Position as at 31 March 2023

	Note	2022-23 £000s	2021-22* £000s
<b>Non-current assets</b>			
Property, plant & equipment	8	94,702	112,677
Right of use assets	9	13,224	13,672
Intangible assets	10	698	960
		<b>108,624</b>	<b>127,309</b>
<b>Current assets</b>			
Assets classified as held for sale	11	-	-
Inventories	12	3,202	4,171
Trade and other receivables	13	1,659	1,922
Cash and cash equivalents	14	649	371
		<b>5,510</b>	<b>6,464</b>
<b>Total assets</b>		<b>114,134</b>	<b>133,773</b>
<b>Current liabilities</b>			
Trade and other payables	16	5,435	5,551
Provisions: current element	18	7,522	-
		<b>12,957</b>	<b>5,551</b>
<b>Non current assets plus/less net current assets/liabilities</b>		<b>101,177</b>	<b>128,222</b>
<b>Non-current liabilities</b>			
Other payables	16	2,384	2,864
Provisions: non-current element	18	13,849	16,569
		<b>16,233</b>	<b>19,433</b>
<b>Assets less liabilities</b>		<b>84,944</b>	<b>108,789</b>
<b>Reserves</b>			
General reserve		14,082	19,596
Revaluation reserve		70,862	89,193
<b>Total reserves</b>		<b>84,944</b>	<b>108,789</b>

\*Restated- classification of THV *Patricia* from ROU to PPE

The financial statements on pages 44 to 47 and related notes were approved by the Lighthouse Board on 11 January 2024 and signed on its behalf by:

*Ian McNaught* 11 January 2024

**Captain Ian McNaught**  
Chief Executive of the Lighthouse Board

# Statement of Cashflows

## for the year ended 31 March 2023

	Note	2022-23 £000s	2021-22 £000s
<b>Cashflows from operating activities</b>			
Net deficit after interest		(9,799)	(8,252)
Depreciation - PPE	8	5,659	5,155
Depreciation - ROU	9	1,561	1,774
Amortisation	10	272	384
Impairments	7	1,761	1,114
(Gain)/Loss on revaluation of land and buildings	8	541	686
Loss on disposal of intangibles	10	-	13
Loss on disposal of property, plant and equipment	5a	(42)	126
Loss on disposal of assets held for sale	13	(40)	-
(Increase)/Decrease in trade and other receivables	12	263	(158)
Increase in inventories	16	969	(663)
Decrease in trade payables	18	559	(68)
Use of provisions		4,801	5,260
<b>Net cash outflow from operating activities</b>		<b>6,505</b>	<b>5,371</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	8	(3,691)	(2,594)
Capitalisation of ROU assets (vessels)	9	(1,430)	(949)
Purchase of intangible assets	10	(10)	(44)
Proceeds of disposal of property, plant and equipment		130	48
Proceeds of disposal of assets held for sale		40	-
<b>Net cash outflow from investing activities</b>		<b>(4,961)</b>	<b>(3,539)</b>
<b>Cash flows from financing activities</b>			
Capital element of payments in respect of finance leases		-	-
<b>Net cash flow from financing activities</b>		<b>(1,266)</b>	<b>(1,919)</b>
<b>Net cash flow from all activities</b>		<b>278</b>	<b>(87)</b>
Net decrease in cash and cash equivalents in the period		278	(87)
Cash and cash equivalents at the beginning of the period		371	458
Cash and cash equivalents at the end of the period		649	371

## Statement of Changes in Equity for the year ended 31 March 2023

	General Reserve	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
<b>Changes in equity for 2021-22</b>			
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	<b>(4,834)</b>	<b>4,840</b>	<b>6</b>
<b>Balance at 31 March 2022</b>	<b>19,596</b>	<b>89,193</b>	<b>108,789</b>
<b>Changes in equity for 2022-23</b>			
Net gain on revaluation of property, plant and equipment	-	(14,046)	(14,046)
Release of reserves to statement of comprehensive net income	4,285	(4,285)	-
Retained deficit	(9,799)	-	(9,799)
Total recognised income and expense for 2022-23	<b>(5,514)</b>	<b>(18,331)</b>	<b>(23,845)</b>
<b>Balance at 31 March 2023</b>	<b>14,082</b>	<b>70,862</b>	<b>84,944</b>

### 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 2023

## 1 Statement of Accounting Policies

### a) Accounting Convention

These accounts have been prepared in accordance with the 2022-23 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 2023 discloses net assets of £84,944,000. 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 dependent on the expected operating life of the asset as determined by the Trinity House IT Support Manager.

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

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

## e) Non-Current Assets and Depreciation

### Capitalisation

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

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

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 <sup>1</sup>	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	

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

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

reserve. The decrease recognised in other comprehensive income reduces the amount held in the revaluation reserve in respect of that asset.

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

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

CATEGORIES	DEPRECIATION LIVES
<b>Land and Buildings</b>	
Land	Not Depreciated
Lighthouses (building structure)	25-100 years
Other buildings	50 years
<b>Tenders and Ancillary Craft</b>	
Tenders	25 years
Tenders dry dock and repair:	
THV <i>Patricia</i> & THV <i>Alert</i>	2.5 years (30 months)
THV <i>Galatea</i>	5 years
Workboats	25 years
<b>Lightvessels</b>	
Lightvessel (hulls)	50 years
Lightvessel (hull conversions)	15 years
Lightvessel (dry dock and repair)	10 years
<b>Buoys and Beacons</b>	
Steel buoys	50 years
Plastic buoys	10 years
Beacons	25-100 years
Buoy Superstructures	5-15 years
<b>Plant and Machinery</b>	
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 General Lighthouse Authorities through the GRAD Policy Committee for major research and development. Other direct expenditure on trial projects of a minor nature is charged to revenue as it is incurred. Work carried out by Trinity House on behalf of the General Lighthouse Authorities is not included in the net expenditure of Trinity House but charged to the Statement of Comprehensive Net Income as expenditure on behalf of all GLAs.

## h) Leases

### Scope and Classification

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

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

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

### Initial Recognition

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

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

### Subsequent Measurement

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

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

### Lease Expenditure

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

## Lessor Accounting

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

## Estimates and Judgements

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

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

The FReM requires that right-of-use assets held under “peppercorn” leases should be measured at existing use value. These leases include historic, long-term leases as well as more recent arrangements. Trinity House has distinguished these from leases in which the consideration is low, but proportionate to the asset’s value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals).

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

### i) Foreign Currency

All transactions in a foreign currency have been converted to sterling immediately on receipt and are therefore translated at the exchange rate ruling at the date of the transaction. Any monetary assets or liabilities existing as at 31 March 2023 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 2023, 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 2022-23. 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 2023, 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 2023 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

	2022-23 £000s	2021-22 £000s
Buoy rental	1,014	419
Property rental	386	325
Tender hire	610	683
Sundry receipts	311	548
<b>Total</b>	<b>2,321</b>	<b>1,975</b>

#### b) Income on Behalf of All GLAs

	2022-23 £000s	2021-22 £000s
Contributions towards Radio Navigation projects	5	11
Tri-GLA income	-	-
<b>Total</b>	<b>5</b>	<b>11</b>

## 4 Staff Numbers and Related Costs

Staff costs comprise:

	2022-23 Permanently employed staff £000s	2022-23 Others £000s	2022-23 Total £000s	2021-22 Total £000s
Wages and salaries	11,872	436	12,308	11,982
Social security costs	1,380	-	1,380	1,269
	<b>13,252</b>	<b>436</b>	<b>13,688</b>	<b>13,251</b>
Employers PCSPC Contributions	3,044	-	3,044	3,039
Other pension contributions	20	-	20	19
Redundancy costs	-	-	-	-
<b>Sub Total</b>	<b>16,316</b>	<b>436</b>	<b>16,752</b>	<b>16,309</b>
Less: recoveries in respect of outward secondments	-	-	-	-
<b>Total Net Costs</b>	<b>16,316</b>	<b>436</b>	<b>16,752</b>	<b>16,309</b>
Included in the table above are:				
Research and development salaries	654	-	654	709
Light Dues salaries	312	-	312	298
Staff costs capitalised in fixed assets	324	-	324	171
<b>Staff costs shown under expenditure of Trinity House</b>	<b>15,026</b>	<b>436</b>	<b>15,462</b>	<b>15,131</b>

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

	2022-23 Permanently employed staff	2022-23 Others	2022-23 Total	2021-22 Total
Directly employed	283.3	-	283.3	283.5
Other	-	14.6	14.6	16.6
Staff engaged on capital projects	5.9	-	5.9	2.9
<b>Total</b>	<b>289.2</b>	<b>14.6</b>	<b>303.8</b>	<b>303.0</b>

## 5 Expenditure

### a) Other Expenditure

	Note	2022-23 £000s	2021-22 £000s
Running costs		16,485	14,610
Rentals under operating leases		-	-
<b>Non-cash items</b>			
Impairments	7	1,762	2,013
Profit on disposal of property, plant and equipment	8	(82)	139
		<b>18,165</b>	<b>16,762</b>
Interest charges	6	64	124
Non-cash items			
Depreciation - PPE	8	5,659	5,155
Depreciation - ROU	9	1,521	1,729
Amortisation	10	272	384
(Gain)/Loss on revaluation of assets		540	(213)
<b>Total</b>	18	<b>26,221</b>	<b>23,941</b>

### b) Net Expenditure on Behalf of DfT

	2022-23 £000s	2021-22 £000s
Staff and accommodation	89	85
Audit <sup>1</sup>	140	102
Professional services	32	32
Sombrero	-	-
<b>Total</b>	<b>261</b>	<b>219</b>

<sup>1</sup>The above figure relates to the £140k 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 2022-23 GLF fee that relates to the C&AG's review of Trinity House's transactions and balances contributing to this audit opinion is £31k (2021-22 £23k).

**c) Net Expenditure On Behalf Of All General Lighthouse Authorities**

	2022-23 £000s	2021-22 £000s
Light Dues collection costs	627	630
Imperial Lighthouse Service pensions	42	26
Research and Development	944	952
Special sanction R&D including eLoran	-	-
Wreck removal	-	-
<b>Total</b>	<b>1,613</b>	<b>1,608</b>

Salary costs included in the above:

	2022-23 £000s	2021-22 £000s
Research and Development	654	709
Light Dues	312	298
<b>Total</b>	<b>966</b>	<b>1,007</b>

**6 Interest Payable/Receivable**

	2022-23 £000s	2021-22 £000s
Deposit interest receivable	(2)	-
Interest payable on leases	64	124
<b>Total</b>	<b>62</b>	<b>124</b>

**7 Impairments**

During the year, impairments totalled £1,762k. Works THV *Patricia* exceeded the fair value of the asset, resulting in an impairment of £1,205k.

The depreciated replacement cost (DRC) for Farne Lighthouse could not support the full value of the investment to modernise this station for a further 10 to 20 years use and resulted in an impairment on Plant & Equipment of £261k. There was also an impairment on the Flamborough Head modernisation project of £151k and the Tater Du modernisation project of £145k.

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

<sup>2</sup>Payments on accounts

<sup>3</sup>Assets under construction

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

### Prior Year

<sup>4</sup>Payments on accounts

<sup>5</sup>Assets under construction

\*Restated - reclassification of THV *Patricia* from ROU to PPE

	Land	Buildings	L'vessels	Tenders & Craft*	Buoys & Beacons	IT	Plant & M'nery	POA <sup>2</sup> & AUC <sup>3</sup>	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost or valuation</b>									
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)	481	-	-	-	-	(419)
Revaluations	-	2,408	(313)	(22)	3,073	(211)	(577)	-	4,358
Transfers	-	-	-	-	-	-	1,180	(1,180)	-
<b>At 31 March 2022</b>	<b>6,032</b>	<b>75,264</b>	<b>8,810</b>	<b>641</b>	<b>8,484</b>	<b>1,561</b>	<b>13,004</b>	<b>409</b>	<b>114,205</b>
<b>Depreciation</b>									
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	-	-	-	181	-	-	-	-	181
Revaluations	-	(2,086)	(573)	(74)	(212)	(223)	(1,194)	-	(4,362)
<b>At 31 March 2022</b>	<b>-</b>	<b>113</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>378</b>	<b>901</b>	<b>-</b>	<b>1,528</b>
Net book value at 31 March 2021	6,032	72,856	9,810	155	5,350	1,103	12,139	343	107,788
<b>Net book value at 31 March 2022</b>	<b>6,032</b>	<b>75,151</b>	<b>8,810</b>	<b>505</b>	<b>8,484</b>	<b>1,183</b>	<b>12,103</b>	<b>409</b>	<b>112,677</b>

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 2023 by:

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

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

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

Ships have undergone a full valuation as at 31 March 2023 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 2022-23 revaluation is set out below:

	<b>£000s</b>
Gains on property, plant and equipment (via SOCNI)	540
Gains on property, plant and equipment (via OCI)	(15,896)
Losses on property, plant and equipment (via OCI)	28,038
	<b>(12,682)</b>

<b>Revaluation movements 2022-23</b>	<b>£000s</b>
Revaluation movements cost (PPE note)	(19,471)
Revaluation movements cost (ROU note)	(1,430)
Revaluation movement accumulated depreciation (PPE note)	(5,312)
Revaluation movement accumulated depreciation (ROU note)	1,002
	<b>(14,587)</b>

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

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

## Sale of Fixed Assets

During the year, fixed asset disposals were made in respect of pool vehicles/vans and Lightvessel No.9. The sale of the vehicles/vans totalled £131k and the Lightvessel was sold for £40k. In total, a gain on disposal of £82k was made. (2021-22 loss of £139k).

## 9 Right of Use Assets

### Current Year

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

**Prior Year**\*Restated - reclassification of THV *Patricia* from ROU to PPE

	Land £000s	*Tenders & Craft £000s	Plant & Equipment £000s	Total £000s
<b>Cost or valuation</b>				
At 1 April 2021	2,110	11,650	2,883	16,643
Additions - Leases	-	-	-	-
Additions - Tenders & Craft	-	949	-	949
Disposals	-	-	-	-
Impairments	-	(618)	-	(618)
Reclassifications	-	(481)	-	(481)
Revaluations	-	(1,300)	-	(1,300)
Remeasurement	-	-	67	67
Transfers	-	-	-	-
<b>At 31 March 2022</b>	<b>2,110</b>	<b>10,200</b>	<b>2,950</b>	<b>15,260</b>
<b>Depreciation</b>				
At 1 April 2021	193	-	854	1,047
Charged in year	106	1,233	435	1,774
Disposals	-	-	-	-
Reclassifications	-	(181)	-	(181)
Revaluations	-	(1,052)	-	(1,152)
<b>At 31 March 2022</b>	<b>299</b>	<b>-</b>	<b>1,289</b>	<b>1,588</b>
Net book value at 31 March 2021	1,917	11,650	2,029	15,596
<b>Net book value at 31 March 2022</b>	<b>1,811</b>	<b>10,200</b>	<b>1,661</b>	<b>13,672</b>

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

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

There is a difference between the depreciation charged in the year shown in the ROU Assets note (£1,561k), and the value charged in the Statement of Comprehensive Net Expenditure (£1,521k). This is due to the depreciation on the ROU Asset related to the Tri-GLA Helicopter contract. During 2022-23 8.9% of the Helicopter flying hours were for the Needles and Farne Lighthouse modernisation projects, and therefore 8.9% of the depreciation charged on the Helicopter ROU asset, £40,419 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
<b>Cost or valuation</b>			
At 1 April 2022	3,607	165	3,772
Additions	10	-	10
Disposals	-	-	-
Transfers	(10)	-	(10)
<b>At 31 March 2023</b>	<b>3,607</b>	<b>165</b>	<b>3,772</b>
<b>Amortisation</b>			
At 1 April 2022	2,668	144	2,812
Charged in year	264	8	272
Disposals	(10)	-	(10)
<b>At 31 March 2023</b>	<b>2,922</b>	<b>152</b>	<b>3,074</b>
Net book value at 31 March 2022	939	21	960
<b>Net book value at 31 March 2023</b>	<b>685</b>	<b>13</b>	<b>698</b>

### Prior Year

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



## 11 Assets Classified as Held for Sale

	2022-23 £000s	2021-22 £000s
As at 1 April	-	-
Additions	-	-
Disposals	-	-
Reclassifications	-	900
Revaluations	-	-
Depreciation	-	-
Revaluations (Depreciation)	-	-
Impairments	-	(900)
<b>As at 31 March</b>		<b>-</b>

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. On 19 July 2022, the Lightvessel was sold for £40k, resulting in a gain on disposal of £40k.

## 12 Inventories

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

	2022-23 £000s	2021-22 £000s
Consumable stores	2,935	3,825
Fuel oil	267	346
<b>Total</b>	<b>3,202</b>	<b>4,171</b>

## 13 Trade Receivables and Other Current Assets

	2022-23 £000s	2021-22 £000s
Amounts falling due within one year:		
Trade receivables	466	517
Other receivables	23	55
Inter GLA debtors	-	12
Prepayments and accrued income	779	945
VAT recoverable	391	393
<b>Total</b>	<b>1,659</b>	<b>1,922</b>

## 14 Cash and Cash Equivalents

	2022-23 £000s	2020-21 £000s
Balance at 1 April 2021	371	458
Net change in cash and cash equivalent balances	278	(87)
<b>Balance at 31 March 2022</b>	<b>649</b>	<b>371</b>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	649	371
Short term investments	-	-
<b>Balance at 31 March 2022</b>	<b>649</b>	<b>371</b>

## 15 Financial Instruments

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

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

### Liquidity Risk

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

### Interest Rate Risk

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

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

### Currency Risks

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

### Fair Values

There is no difference between the book values and fair values of Trinity House's financial assets and liabilities as at 31 March 2023.

**16 Trade Payables and Other Current Liabilities**

	<b>2022-23</b> <b>£000s</b>	<b>2021-22</b> <b>£000s</b>
<b>Amounts falling due within one year:</b>		
Other taxation and social security	441	350
Trade payables	1,097	772
Other payables	432	378
Inter GLA payables	285	285
Accruals and deferred income	2,589	2,500
Current part of finance leases	591	1,266
<b>Total</b>	<b>5,435</b>	<b>5,551</b>

	<b>2022-23</b> <b>£000s</b>	<b>2021-22</b> <b>£000s</b>
<b>Amounts falling due after more than one year:</b>		
Finance leases	2,384	2,864
<b>Total</b>	<b>2,384</b>	<b>2,864</b>

**17 Lease Liabilities**

	<b>2022-23</b> <b>£000s</b>	<b>2021-22</b> <b>£000s</b>
<b>Finance lease liabilities</b>		
Current	591	1,266
Non-current	2,384	2,864
	<b>2,975</b>	<b>4,130</b>

<b>Obligations under finance leases comprise:</b>		
Not later than one year	591	1,266
Later than one year and not later than five years	1,195	1,591
Later than five years	1,189	1,273
	<b>2,975</b>	<b>4,130</b>

<b>Amounts recognised in expenditure</b>		
Depreciation expense	1,521	1,729
Interest expense	64	124
Rental on leases of low-value assets	2	6
Rental of leases expiring within 12 months	-	-
Variable lease costs	278	473
	<b>1,865</b>	<b>2,332</b>

<b>Cash flows</b>		
Interest	64	139
Repayment of lease liability	1,266	1,919
	<b>1,330</b>	<b>2,058</b>

<b>Movement in Leases:</b>	<b>2022-23 £000s</b>	<b>2021-22 £000s</b>
1 April 2022	4,130	5,982
New Leases	-	-
Remeasurements	111	67
Lease Payments	(1,330)	(2,058)
Interest	64	139
<b>31 March 2023</b>	<b>2,975</b>	<b>4,130</b>

### Lessors 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 2022-23 is shown in the table below:-

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

	<b>2022-23 £000s</b>	<b>2021-22 £000s</b>
<b>Finance leases</b>		
Selling profit or loss	-	-
Finance income	-	-
Income from variable lease payments	-	-
<b>Operating leases</b>		
Lease income	723	588
Income from variable lease payments	445	63
	<b>1,168</b>	<b>651</b>

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

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

<b>Amounts due</b>	<b>2022-23 £000s</b>	<b>2021-22 £000s</b>
Within one year	703	404
Between one and two years	471	363
Between two and three years	446	363
Between three and four years	427	338
Between four and five years	375	321
After five years	956	591
	<b>3,378</b>	<b>2,380</b>

**18 Provisions for Liabilities and Charges**

	<b>DGPS</b>	<b>Royal Sovereign</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Balance at 1 April 2022	1,126	15,443	16,569
Provided in the year	35	4,857	4,892
Unwinding of discount	(90)		(90)
<b>Balance at 31 March 2023</b>	<b>1,071</b>	<b>20,300</b>	<b>21,371</b>
In one year or less, or on demand	-	7,522	7,552
Later than one year and not later than five years	1,071	12,778	13,849
Later than five years	-	-	-
<b>Balance at 31 March 2022</b>	<b>1,071</b>	<b>20,300</b>	<b>21,371</b>

**Royal Sovereign Lighthouse**

As noted on page 18, Trinity House is undertaking a project to decommission and remove the Royal Sovereign Lighthouse. As of 1 April 2022 a provision to the value of £15.4m had been established. As a result of the final contract negotiations, and contingency provision, this provision has been increased during 2022-23 by £4.8m, to give a total provision of £20.3m.

**DGPS**

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

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

The provision was remeasured during 2022-23 to take in to account rising inflation as well as a change in the discount factor; £1,071 (2021-22 £1,126).

## 19 Commitments

### (a) Capital Commitments

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

	2022-23 £000s	2021-22 £000s
Property, plant and equipment	575	659
Intangible assets	-	12
<b>Total</b>	<b>575</b>	<b>671</b>

### (b) Other Financial Commitments

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

	2022-23 £000s
Not later than one year	3,540
Later than one year and not later than five years	601
Later than five years	-
<b>Total</b>	<b>4,141</b>

#### Staff Related Costs

Premises	133
Overheads Inc T&S	537
Supplies and Service	903
Afloat Services	372
Communications	893
Tender Maintenance	264
Exceptional	370
Inventory	9
<b>Total</b>	<b>660</b>
	<b>4,141</b>

## 21 Pension Commitments

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

For 2022-23, employer's contributions of £3,043,859 were payable to the PCSPS (2021/22 £3,038,859) at one of four rates in the range of 26.6% to 30.3% (2021/22: 26.6% to 30.3%) of pensionable pay based on salary bands. The scheme's Actuary usually reviews employer contributions every four years following a full scheme valuation, last valued as at 31 March 2016. The contribution rates are set to meet the cost of the benefits accruing during 2022/23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

## Merchant Navy Officers Pension Fund

The Board is a Participating Employer of the Merchant Navy Officers Pension Fund (MNO PF), which is a defined benefit scheme providing benefits based on final pensionable salary. The MNO PF 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 MNO PF 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 MNO PF 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 2022, 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 £20,253 (2021-22 £19,166) 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 £637, 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 (2021-22 - 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 110 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 (MNOFF)**

A new actuarial valuation was carried out as at 31 March 2022 which reported that the funding position of the MNOFF had improved sufficiently, and that a new funding call from contributing employers would not be required in respect of the 2022 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 2023, the balances outstanding with the GLAs were as follows:

	Balance due to TH		Balance due to GLA	
	2022-23	2021-22	2022-23	2021-22
	£000s	£000s	£000s	£000s
Commissioners of Irish Lights (CIL)	-	7	-	-
Northern Lighthouse Board (NLB)	-	4	285	285

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 £36,200,000 (2021-22 £35,900,000) from the General Lighthouse Fund and incurred expenditure of £1,613,000 (2021-22 £1,608,000) 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 2022-23 Trinity House paid £336,133 to The Corporation of Trinity House in respect of service charges incurred in using office space and facilities at Trinity House, London (£321,436 in 2021-22).

Conversely, the Corporation of Trinity House reimburses Trinity House for the provision of services during the year. The Corporation paid £76,831 to Trinity House in respect of these services during the year (£78,974 in 2021-22).

## 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 NLV Polestar for 2.01 and NLV Pharos for 1.29 days under the terms of the GLA Ship Agreement dated 17 November 2010. CIL provided the services of ILV Granuaile for a total of 6.51 days. There was no transfer of funds between the GLAs in respect of these services but the transaction gave rise to a notional expenditure of £116,559 (2021-22 £11,875).

## 25 Losses

There were no losses in 2022-23 (2021-22 Nil).

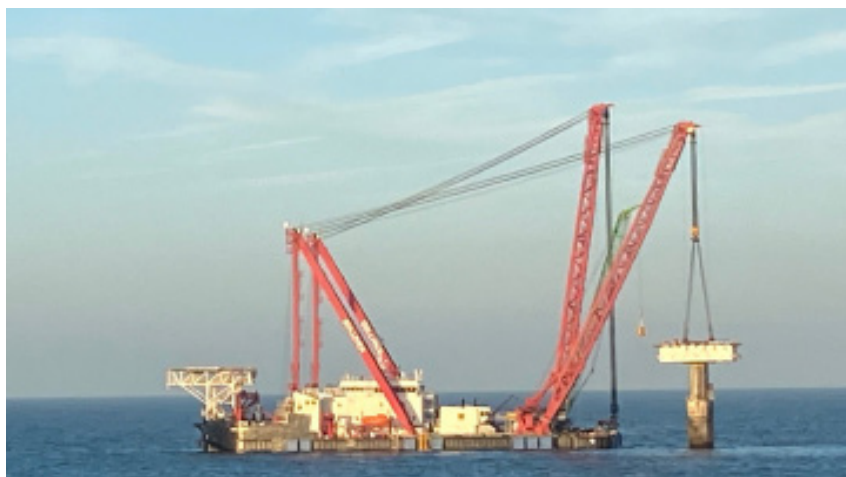
## 26 Events After the Reporting Date

Trinity House signed a contract with marine contractors Herbosch-Kiere to carry out the works to decommission the Royal Sovereign Lighthouse. The contract was signed at Trinity Houses headquarters on 4 April 2023.

On Sunday 1 October 2023, our contractors Herbosch-Kier undertook the removal of the topsides, lifting clear of the tower and carefully lowering the 1,100 tonne unit onto a barge to be towed away.

This is stage one of removing the lighthouse, with the pillar removal taking place in the two remaining years of the agreed performance window.

The Chair of the Lighthouse Board, Sir Alan Massey, stood down from his role on 1 November 2023. Valerie Owens was appointed Deputy Chair on 22 November 2023.



## APPENDIX 1

### Five Year Summary

	2022-23	2021-22	2020-21	2019-20	2018-19
	£000s	£000s	£000s	£000s	£000s
<b>Income</b>					
Advances from the General Lighthouse Fund	36,200	35,900	33,500	35,740	33,700
Other income	2,321	1,975	1,750	2,558	2,730
Income on behalf of all GLAs	5	11	90	63	62
Grant income	32	21	38	44	4
<b>Total</b>	<b>38,558</b>	<b>37,907</b>	<b>35,378</b>	<b>38,405</b>	<b>36,496</b>
<b>Expenditure</b>					
Staff costs	15,462	15,131	15,939	15,340	14,298
Depreciation <sup>1</sup>	7,180	5,155	5,469	6,461	6,451
Amortisation	272	384	350	332	288
Loss on revaluation	540	(213)	(29)	(77)	38
Other expenditure	18,165	16,869	13,376	24,790	14,515
<b>Total</b>	<b>41,619</b>	<b>37,326</b>	<b>35,105</b>	<b>46,846</b>	<b>35,590</b>
<b>Net income</b>	<b>(3,061)</b>	<b>581</b>	<b>273</b>	<b>(8,441)</b>	<b>906</b>
Interest payable/receivable	62	124	185	202	175
<b>Net income after revaluation and interest</b>	<b>(3,123)</b>	<b>457</b>	<b>88</b>	<b>(8,643)</b>	<b>731</b>
Net expenditure on behalf of DfT	261	219	224	259	208
Net expenditure on behalf of all GLAs	1,613	1,608	1,852	1,986	1,992
<b>Net income after interest</b>	<b>(4,997)</b>	<b>(1,370)</b>	<b>(1,988)</b>	<b>(10,888)</b>	<b>(1,469)</b>
Property, plant and equipment	94,702	112,377	107,788	111,714	120,577
ROU Assets	13,224	13,972	15,596	16,017	-
Intangible assets	698	930	1,313	943	984
Assets less current liabilities	101,177	125,115	124,155	127,630	121,139
<b>Assets less liabilities</b>	<b>84,944</b>	<b>108,682</b>	<b>108,783</b>	<b>112,367</b>	<b>117,324</b>
Capital additions	3,701	2,638	2,607	4,983	4,262
Average number of employees	304	303	315	311	309
Part-time included above	17	17	18	19	17

<sup>1</sup>Depreciation includes ROU Assets

## APPENDIX 2

### Further Information

	2022-23		2021-22	
	Deployed	Owned	Deployed	Owned
<b>Number of non-current assets:</b>				
Lighthouses <sup>3</sup>	66	64	66	64
Lightvessels	7	9	7	11
Lightfloats	1	1	1	1
Buoys <sup>2</sup>	447	746	446	746
Beacons	18	18	18	18
Tenders	3	3	3	3
Ancillary Craft	5	5	5	5
Lighthouse overseas <sup>1</sup>	1	1	1	1
<b>Totals</b>	<b>548</b>	<b>847</b>	<b>547</b>	<b>849</b>

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

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

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

## APPENDIX 3

### Sustainability Tables

#### Greenhouse Gas Gross Emissions

<b>Scope 1 Direct Emissions (sources owned or controlled)</b>		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Gas (natural)	tonnesCO <sub>2</sub>	77	76	63	52	47	76
Gas (LPG)	tonnesCO <sub>2</sub>	60	4	4	5	5	2
<b>Scope 2 Indirect Emissions (energy supplied by another party)</b>							
Electricity	tonnesCO <sub>2</sub>	384	394	468	562	638	729
<b>Scope 3 Emissions from business travel</b>							
Domestic air travel	tonnesCO <sub>2</sub>	*	*	*	*	*	*
International air travel	tonnesCO <sub>2</sub>	*	*	*	*	*	*
Diesel (road fuel)	tonnesCO <sub>2</sub>	89	98	92	139	167	157
Petrol (road fuel)	tonnesCO <sub>2</sub>	24	16				
Marine Gas Oil (ship fuel)	tonnesCO <sub>2</sub>	5,615	7,443	6,917	7,736	7,937	7,616
Liquid to Gas (ship fuel)	tonnesCO <sub>2</sub>	463	600	255	*	*	*
GLA Helicopter	tonnesCO <sub>2</sub>	160	217	123	200	202	189
Rail/underground/tram	tonnesCO <sub>2</sub>	*	*	*	*	*	*
Bus/coach	tonnesCO <sub>2</sub>	*	*	*	*	*	*
Hire car/taxi	tonnesCO <sub>2</sub>	52	47	49	37	60	81
Private vehicle (owned by staff)	tonnesCO <sub>2</sub>	1	2	*	*	*	*

\* data not collected

<b>Related energy Consumption</b>		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Office Electricity	kWh	487,367	503,867	597,815	574,735	521,066	254,635
Non-office Electricity	kWh	1,333,807	1,352,392	1,252,489	1,453,306	1,556,119	1,641,414
Renewable Electricity <sup>1</sup>	%	100%	88%	*	*	*	*
Gas - Natural	kWh	379,871	416,193	340,878	284,044	255,303	410,600
Gas - LPG	Ltrs	38,795	19,705	18,790	22,037	21,615	11,568
Marine fuel	Ltrs	2,166,713	2,920,031	2,579,901	2,769,844	2,851,579	2,762,960
Aviation Fuel	Ltrs	62,972	85,232	48,720	78,652	79,744	74,592

\* data not collected. <sup>1</sup>Supplies from renewable tariffs

<b>Related business travel</b>		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Fleet road travel	litres of fuel	47,387	49,354	36,318	47,394	48,667	49,812
Fleet road travel	km	639,322	553,368	451,164	627,479	697,443	646,314
Non-fleet travel	km	349,859	295,118	283,152	210,476	334,450	442,942
Public transport	km	*	*	*	*	*	*
Domestic flights	km	*	*	*	*	*	*
International flights	km	*	*	*	*	*	*
GLA Helicopter	Flying Hours	225	304	174	281	284	266

\* data not collected- Flight data to be collected from 1 April 2023

### Financial indicators

		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Energy expenditure							
Electricity - office	£000	137	100	88	76	50	30
Electricity - non-office	£000	609	231	218	225	208	210
Gas - office	£000	13	1	1	1	1	1
Gas - non-office	£000	50	30	24	26	23	19
Diesel - marine	£000	1,814	1,206	589	1,069	1,128	941
Diesel/petrol - road	£000	73	141	42	*	*	*
Business travel	£000	378	236	119	420	393	338
GLA Helicopter	£000	84	73	38	70	69	62

\* data not collected

### Car/Vehicle Fleet Composition

		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Ultra-Low emissions	% of total	29%	11%	*	*	*	0%
Zero Emissions	% of total	19%	23%	*	*	*	0%
Other	% of total	52%	66%	*	*	*	100%

Target 100% zero or low emissions by 2027

\* data not collected

### Waste Management and Minimisation

		<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Total waste arising	Tonnes	600	512	601	885	646
Total waste recycled	Tonnes	554	478	559	834	614
Total ICT waste recycled	Tonnes	34	24	12	11	2
Total waste composted/ food waste	Tonnes	*	*	*	*	*
Incinerated with energy recovery	Tonnes	*	*	*	*	*
Incinerated no energy recovery	Tonnes	*	*	*	*	*
Total waste to landfill	Tonnes	12	10	30	40	30
Total expenditure on waste	£000	105	88	98	119	76

**Finite Resources**

<b>Consumption</b>		<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Baseline</b>
Paper	reams A4 equivalent	379	535	387	789	883	948
Water Consumption - office	m3	1,999	4,603	3,063	5,060	4,318	4,304
Water Consumption - estate	m3	9,366	7,096	7,872	10,522	7,443	7,303
Other - any other finite resources (if material)	m3						

**Financial indicators**

Paper	£000	1	1	1	2	2	2
Water - office	£000	4	9	6	10	8	8
Water - estate	£000	25	19	16	20	24	20

\* data not collected