

2.2. Performance Analysis

Financial Performance

The GLF Accounting Policies are reviewed every year in accordance with IAS 8, Accounting Policies. The review is carried out at the tri-GLA Accounts Format Working Group with reference to FReM and the Accounts Direction issued by the Secretary of State for Transport on 27 February 2013. No material changes were required for 2017/18.

Financial results for 2017/18 are set out in the Statement of Comprehensive Net Income (SoCNI) (see **page 29**) and show net operating income of £23.8m for 2017/18 (£21.8m 2016/17). Although UK Light Dues rates were reduced for the 2017/18 financial year, income from this source did not reduce due, in part, to additional chargeable tonnage calling at UK ports. Operating expenditure was broadly consistent with the previous year with the exception of additional mid-year GLF funding of £1.6m granted to Trinity House. This additional sanction was required to fund removal of the uninsured wreck "Ella" which sank in the approaches to Lowestoft presenting a danger to mariners.

Including Interest and Other Comprehensive Income, the SoCNI reports total comprehensive income for 2017/18 of £36.8m compared to £29.2m in 2016/17. This difference is mainly due to an increase in the value of GLA non-current assets with revaluation gains taken to the revaluation reserve of £15m (£7.4m 2016/17).

Gains reported in the SoCNI increase the net worth of the GLF as shown on the Statement of Financial Position (SoFP) by £36.8m to £179.3m. Within the SoFP there was significant movement on Non-Current Assets due to Property, Plant and Equipment revaluations. Non-Current Liabilities were reduced by £24m as a result of GLA vessel lease payments and loan repayments.

All three GLAs' achieved significant savings when compared to the budget limits set by the Secretary of State for Transport:

Irish Lights

| | Actual Expenditure £'000 | Cash Limits £'000 | Variation £'000 |
|---------------------|--------------------------------|-------------------------|--------------------|
| Net Running Costs | 10,474 | 11,463 | (989) |
| Capital Expenditure | 1,371 | 1,389 | (18) |
| Other Costs | 10 | 0 | 10 |
| Total | 11,855 | 12,852 | (997) |

Northern Lighthouse Board

| | Actual Expenditure £'000 | Cash Limits £'000 | Variation £'000 |
|-----------------------------------|--------------------------------|-------------------------|--------------------|
| Net Running Costs | 15,220 | 17,266 | (2,046) |
| Capital Expenditure | 2,835 | 2,810 | 25 |
| Expenditure on behalf of all GLAs | 3 | 7 | (4) |
| Other Costs | 2,289 | 3,525 | (1,236) |
| Total | 20,347 | 23,608 | (3,261) |

Trinity House

| | Actual Expenditure £'000 | Cash Limits £'000 | Variation £'000 |
|-----------------------------------|--------------------------------|-------------------------|--------------------|
| Net Running Costs | 23,287 | 25,687 | (2,400) |
| Capital Expenditure | 3,912 | 5,116 | (1,204) |
| Expenditure on behalf of all GLAs | 1,728 | 1,882 | (154) |
| GLF Administration | 297 | 349 | (52) |
| Other Costs | 3,481 | 3,673 | (192) |
| Total | 32,705 | 36,707 | (4,002) |