



Department  
for Transport

# General Lighthouse Fund

Annual Report and Accounts 2023-24

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Section 211(5) of  
the Merchant Shipping Act 1995

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# 1. Foreword

The General Lighthouse Authorities' (GLAs) primary purpose remains to maintain the operational network of Aids to Navigation (AtoNs) around the UK and Ireland thereby ensuring continued safe passage for vessels navigating these waters. The year to 31 March 2024 the GLAs were able to refocus on routine maintenance, lighthouse renovations and updating their fleet of vessels. During the year work commenced to build the Northern Lighthouse Board (NLB) replacement vessel which is on track to be delivered in 2025. Economic pressures from volatility in commodity prices, and operational pressures from incidences of extreme weather have both placed significant challenges on GLA budgets, but all have been managed within limits sanctioned by ministers.

Key GLA achievements and events during 2023-24 include:

- NLB's new hybrid vessel build commenced with delivery on target for 2025;
- the three GLAs contained their total expenditure within limits sanctioned by Department for Transport (DfT) Ministers during the year;
- the continuous maintenance of AtoN availability at the standards set by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) (see **page 16**);

- contained GLA running costs in line with efficiency targets set by DfT Ministers;
- income of £5.1m (2022-23, £4.5m) generated from GLA commercial activities;
- continued development of the GLA Joint Strategic Board for good administrative purpose;
- continued funding of Irish Lights' operations in the Republic of Ireland (IRL) wholly from Irish sources; and
- maintained a GLF operating surplus sufficient to meet borrowing repayments and maintain GLF cash reserves at a sustainable level.

DfT ministers acted decisively in 2023 increasing the Light Dues rate to increase income and maintain GLF cash reserves. The rate increase resulted in additional income of £6.7m (8.2%). This additional income, combined with restructured GLF borrowing and the GLA's underspending has resulted in total cash reserves growing by £19.8m in the year. The higher GLF cash reserves will be utilised in 2024 to fund the Royal Sovereign lighthouse decommissioning project and recommence borrowing repayments which were paused during the Covid-19 Pandemic.

Whilst income from Light Dues has recovered, the underlying volume of chargeable vessels calling into UK ports remains below pre pandemic levels. At the end of 2021-22 tonnage was down 9.5% but at the end of 2023-24 it had recovered to down 6.1%.



The level of Light Dues in the UK is reviewed annually and determined by the Secretary of State for Transport under Section 205 of the Merchant Shipping Act 1995. For the financial year 2024-25 UK Ministers have frozen the rate at 45 pence. The Irish Government sets the level of Light Dues in Ireland (IRL) under the Merchant Shipping (Light Dues) Act 1983 and rates have remained at 60 cents since 2010.

# 2. Performance Report

## 2.1. Overview

### Background, Aims, Objectives and Regulation

The annual report and accounts of the General Lighthouse Fund (GLF) are prepared pursuant to Section 211(5) of the Merchant Shipping Act 1995.

The GLF was created by statute in 1898 to provide funding for the three General Lighthouse Authorities (GLAs): Trinity House (TH), the Commissioners of Northern Lighthouses (known as the Northern Lighthouse Board or NLB) and the Commissioners of Irish Lights (known as Irish Lights or IL).

The GLAs are financed by advances made by the Secretary of State for Transport from the GLF. The principal income of the GLF is derived from Light Dues, a hypothecated tax on shipping using ports in the United Kingdom (UK) and the Republic of Ireland (IRL). The GLF receives additional income from the IRL Exchequer following an agreement, effective from 1 April 2015, to ensure IRL expenditure is wholly met from IRL income. The GLF also receives income from sundry receipts generated by GLA tender, buoy and property rentals as well as workshop services and asset sales.

The GLAs predate the establishment of the GLF by over 350 years. TH can trace its origins back to a Royal

Charter in 1514 whilst NLB and Irish Lights can both trace their establishment to Acts of Parliament in 1786. Prior to 1836, AtoNs were provided by a mixture of the GLAs and private operators each levying a charge on passing ships. Private operators generally purchased the right to provide AtoNs and levy a charge to do so from HM Treasury or the Crown. In 1836, Parliament decided that the GLAs should have compulsory powers to buy out any remaining private lighthouses. The current funding arrangements were established by the Merchant Shipping (Mercantile Marine Fund) Act of 1898 which separated funding for AtoNs from other marine items and also passed responsibility to the GLF for a number of colonial lighthouses which had previously been funded by HM Treasury grants. As former British colonies subsequently achieved independence, these responsibilities have been passed to the governments of these countries. Europa Point Lighthouse in Gibraltar remains the responsibility of TH.

Section 195 of the Merchant Shipping Act 1995, and Section 634 of the Merchant Shipping Act 1894 in respect of IRL, state that: responsibility for the provision and management of lighthouses, buoys and beacons on the coasts and seas around the British Isles is vested in the three GLAs:

- Trinity House (TH) in its capacity as a lighthouse service;
- the Commissioners of Northern Lighthouses (known as the Northern Lighthouse Board or NLB); and

- the Commissioners of Irish Lights (known as Irish Lights or IL).

The Marine Navigation Act 2013 amended the Merchant Shipping Act 1995 to introduce statutory powers enabling the GLAs to work outside the 12-nautical mile territorial limit, to mark wrecks electronically and to enhance their ability to tender for commercial work and make the best use of any reserve capacity.

The work of NLB remains a reserved matter under both Section 30 of, and Schedule 5 to, the Scotland Act 1998. The NLB maintains a close relationship with the Scottish Government as does DfT under the terms of a concordat. This was further reinforced by the Scotland Act 2016 which made amendments to the Merchant Shipping Act 1995 to give powers to Scottish Ministers to appoint a commissioner to NLB's Board and for NLB to lay copies of its annual report and accounts before the Scottish Parliament.

The GLAs are multi-skilled organisations providing a highly technical, specialised and professional service. The primary aim of the GLAs is:

To deliver a reliable, efficient and cost effective  
'AIDS TO NAVIGATION SERVICE'  
for the benefit and safety of all mariners

The GLAs' future vision of marine AtoNs is contained in the document '2030 Navigating the Future', which sets out their joint strategy to:

- continue to provide an appropriate mix of AtoNs for general navigation;
- continue to provide a timely and effective response to wreck and AtoN failures;
- continue to undertake superintendence and management of all AtoNs in accordance with international standards, recommendations and guidelines;
- introduce e-Navigation AtoN components and services in the UK and IRL;
- work with users, partners and stakeholders nationally and internationally to promote the safety of marine navigation based on harmonized international standards, recommendations and guidelines;
- embrace relevant technologies as they evolve; and
- improve the reliability, efficiency and cost-effectiveness of GLA services while ensuring the safety of navigation.

These accounts have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury. Accounting policies contained within the FReM follow UK adopted International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector. 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 GLF for the purpose of giving a true and fair view has been applied.

In addition to the FReM, an Accounts Direction issued by the Secretary of State for Transport on 25 September 2019 applies to the GLF and GLAs for reporting purposes (**Annex 1**). The GLF accounts consolidate the individual accounts of the three GLAs, the core GLF accounts maintained by DfT and the Light Dues collection accounts maintained by TH on behalf of the three GLAs. The Accounts Direction mandates a consolidated format to meet the requirements of the Merchant Shipping Act 1995 and reflect that overall control, risks and rewards of the GLAs rest with the GLF.

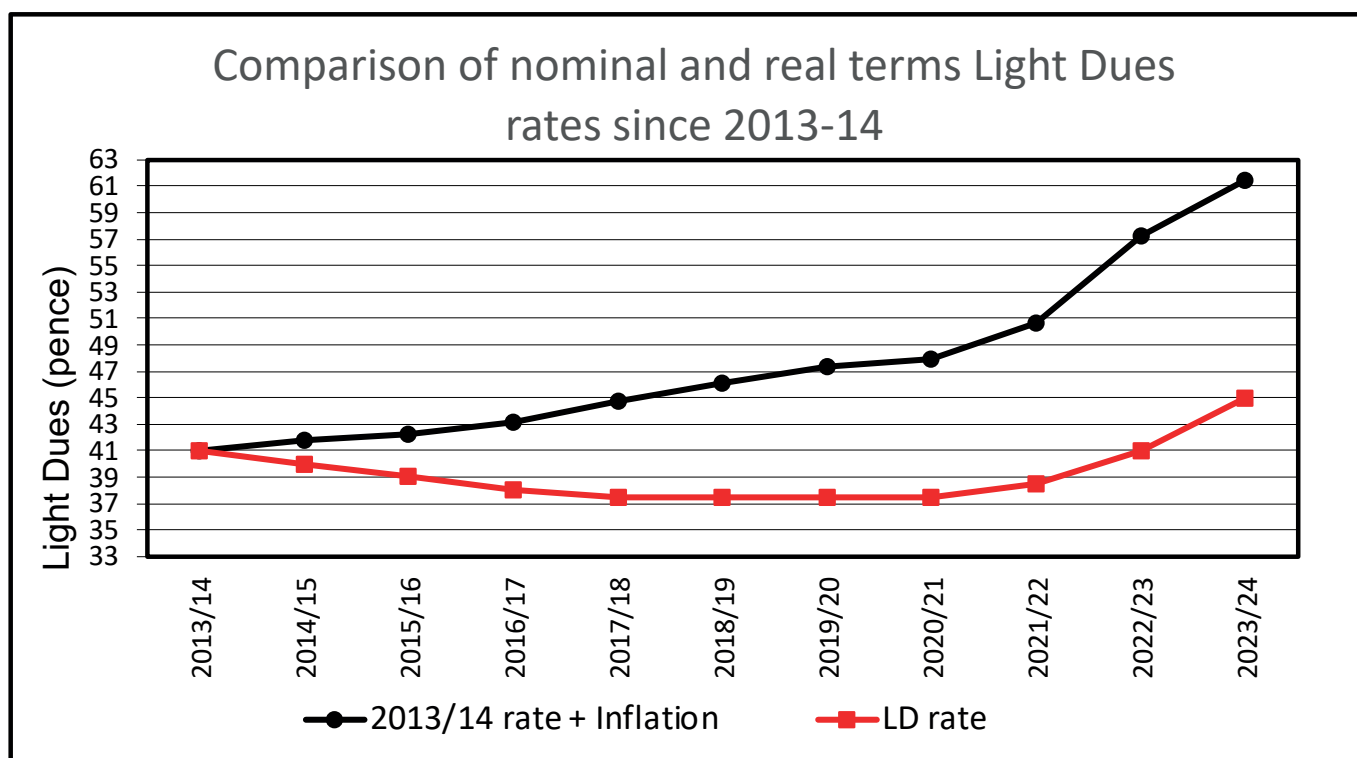
The GLAs have adopted codes of best practice for Commissioners and Board Members which are based on the Model Code of Best Practice for Public Bodies published by HM Treasury and underpinned by the Seven Principles of Public Life set out by the Committee of Standards in Public Life.

## **2.2. Performance Analysis**

GLF income is primarily generated by the collection of Light Dues, a charge on shipping calling at UK and IRL ports. The Secretary of State for Transport has a statutory duty, under the Merchant Shipping Act 1995, to ensure the effective management of the GLF and enable the adequate provision of AtoNs at the minimum cost.

The Government remains committed to recovery of the GLAs' costs through Light Dues and works in partnership

with the GLAs to minimise the real-term levels of Light Dues in the UK. Light Dues rates for the last ten years are shown below alongside a comparison to the Retail Prices Index. In 2021 rates were increased for the first time in eight years, to mitigate the reduction in income during the COVID-19 pandemic and the impact of high inflation. For 2022-23 the rates increased to 41p and increased again to 45p for 2023-24.



All GLA lighthouses were automated by 1998 with controls centralised at each GLA's headquarters. Floating AtoNs have been solarised and are also centrally monitored. A Differential Global Positioning System was provided from 1998 but, following a comprehensive review, was withdrawn in March 2022. The GLAs continue to research e-Navigation options to enhance and complement traditional AtoNs through its GLA Research and Development (GRAD) team. The GLAs maintain their focus on reducing costs while enhancing

capability through investment in new technology, operating depots and ships.

## **Future Goals**

The GLAs and DfT have set out a number of goals for the future including:

- to drive towards making the GLAs Net Zero Carbon and all activities sustainable as soon as practicable;
- to continue to drive efficiencies and embrace new technologies in the provision of AtoNs where it is safe, proportionate and appropriate to do so, to provide benefit to the industry, leisure users and the GLAs themselves;
- to deliver the strategy contained within ‘2030 Navigating the Future’, the GLAs will continue to co-operate with each other, consult with all users and continuously review all of their AtoNs;
- to maintain GLF reserves at sufficient levels to mitigate the risk of unexpected financial pressures, to meet GLA funding and GLF borrowing commitments whilst minimising cost to industry; and
- to maintain stability for the payers of Light Dues.

## **Financial Performance**

The GLF Accounting Policies are reviewed every year in accordance with International Accounting Standard (IAS) 8, Accounting Policies, Accounting Estimates and Errors. 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. No material changes were required for 2023-24.

Year on year UK Light Dues income increased 8.2% (£6.7m) following an increase in the main LD rate. However, the underlying amount of chargeable tonnage remained down 6.1% compared to pre-COVID-19 (2019-20). Comparing income to 2019-20 highlights the opposing influences of tonnage volumes and price. Tonnage remains down 6.1% however rates have increased 20%, the net result is an increase in GLF income of 13.0% since 2019-20.

Financial results for 2023-24 are set out in the Statement of Comprehensive Net Income (SoCNI) (see **page 103**) and shows net operating income of £18.0m for 2023-24 (£11.6m 2022-23). In March 2023, DfT Ministers increased UK Light Dues rates for the 2023-24 financial year which, when combined with a small reduction in total expenditure year on year, has resulted in an operating surplus for the year.

Other Income has fallen slightly due to a one-off grant received in the previous year, but income from rentals of buoys, vessels and property has increased compared to last year.

Total operating costs have fallen a small amount compared to prior year as a result of other operating expenditure reducing £6.3m. Additional provision was set aside in 2022-23 for the decommissioning of Royal Sovereign Lighthouse (see **Note 21**) but part of this

has been written back as it is not required. Staff costs increased £3m due to increased employment costs and depreciation was up £1.2m following an increase in the value of Right of Use assets resulting from additions and revaluation gains.

Including Interest and Other Comprehensive Income, the SoCNI reports a surplus of £37.2m for 2023-24 (2022-23, £43.6m). This includes unrealised gains of £19.3m reported on the revaluation of property plant and equipment (PPE) which have been recognised in the revaluation reserve. Interest receivable has increased £1.5m due to a combination of interest rates rising during the year and increased cash reserves.

The net income reported on the SoCNI has increased the overall value of the Statement of Financial Position (SoFP) to £303m. Significant SoFP movements include an increase in the value of PPE (£21.2m) due to upward revaluations (£10.9m), annual depreciation (-£11.2m) and additions (£25.7m). PPE additions include £17m for the NLB's new vessel which is reported in Assets Under Construction (AUC); Right of use assets increased £6.0m following a £7.4m gain on the GLA's vessels which are held at market value; Receivables grew during the year (£2.4m) due to an increase in prepayments; Provisions decreased (£10.2m) due to a refinement of the Royal Sovereign Lighthouse decommissioning provision and spending of provisions set aside in prior years; and Financial Liabilities increased by £17.3m as NLB drew down a loan from DfT to finance their new vessel build.

Cash increased £19.8m during the year but looking forward, forecasts for 2024-25 show the remaining balance of the Royal Sovereign provision being utilised within twelve months (£10.8m) and the GLF will resume repaying its DfT loan instalments (£12m), both these large items will reduce the cash balances held by the GLF during 2024-25.

## **Going Concern**

The going concern basis of reporting remains appropriate as the GLF is funded from a tax (Light Dues), the GLAs are Non-Departmental Public Bodies (NDPBs) and the core GLA functions are statutory. DfT maintains a forecast model of GLF cash funding requirements which takes into account any expected changes in GLA expenditure and income from Light Dues over the next ten years based on prospective changes in rates. Any changes required to Light Dues rates over the forecast period are progressively phased as far as possible to meet the DfT objective of maintaining stability for those who pay Light Dues. The model includes stress testing of GLA expenditure changes and interruptions to Light Dues income. In a severe event which the GLF could not fund from its available resources, the Secretary of State has discretion over how to ensure the GLAs' statutory function continue to be delivered, including options such as short-term loan funding to the GLF which can be repaid from future Light Dues income. The Secretary of State's statutory right and ability to increase Light Dues in future, if required, together with the strong financial position of the GLF, provides assurance that the services

provided by the GLF will continue to be provided in the future.

## Cash Controls

The three GLAs rely primarily on drawdowns from the GLF for their cash requirements. As a result, Liquidity Risk is controlled within the GLF bank accounts. Total GLA drawdowns from the GLF during the year were as follows:

Irish Lights	£14.3m
Northern Lighthouse Board	£26.0m
Trinity House	<u>£45.8m</u>
<b>Total</b>	<b>£86.1m</b>

The principal sources of income for the GLF during the year were:

Light Dues (UK)	£89.1m
Light Dues (IRL)	£6.5m
Irish Government contribution	£5.9m
<b>Total</b>	<b>£101.5m</b>

## Expenditure on Non-Current Assets

During the year the GLAs' capital expenditure on non-current assets was as follows:

<b>Irish Lights</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Assets in course of construction	353	797
Buildings	295	292
Tenders ancillary craft & floating aids	-	145
Information technology	-	56
Intangible software	-	10
Plant & equipment	535	388
<b>Total</b>	<b>1,183</b>	<b>1,688</b>

<b>Northern Lighthouse Board</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Assets in course of construction	17,184	2,956
Land <sup>2</sup>	13	-
Buildings <sup>2</sup>	3,175	699
Tenders <sup>2</sup> ancillary craft & floating aids	535	237
Information technology	142	26
Plant & equipment	191	274
<b>Total</b>	<b>21,240</b>	<b>4,192</b>

<b>Trinity House<sup>1</sup></b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Assets in course of construction	2,238	1,252
Land <sup>2</sup>	10	-
Buoys & beacons	158	508
Lightvessels	472	-
Tenders <sup>2</sup> ancillary craft & floating aids	1,026	2,782
Information technology	139	425
Intangible software	98	10
Plant & equipment	427	154
<b>Total</b>	<b>4,568</b>	<b>5,131</b>

<sup>1</sup> Trinity House London is owned by the Corporation of Trinity House and is not an asset of the GLF.

<sup>2</sup> Includes Right of Use asset additions.

## **Aids to Navigation (AtoNs) availability**

AtoN availability is the prime factor to demonstrate compliance with the GLAs' statutory responsibilities and therefore mitigation of key risks. The standards against which the GLAs measure themselves are those recommended by IALA:

### **Category 1 availability target 99.8%**

An AtoN that is considered to be of primary navigational significance. It includes the lighted aids to navigation and Racons (radar beacons) that are considered essential for marking landfalls and primary routes.

### **Category 2 availability target 99.0%**

An AtoN that is considered to be of navigational

significance. It includes lighted AtoN and Racons that mark secondary routes and those used to supplement the marking of primary routes.

### **Category 3 availability target 97.0%**

An AtoN that is considered to be of less navigational significance than Category 1 and 2.

The method of measurement and the recognised availability standards are set for each category by IALA and are published in its Aids to Navigation Guide (NAVGUIDE – Edition March 2010). Availability is measured by dividing total time (i.e. the sum of the total number of hours in a year multiplied by the number of AtoN in each category) into the difference between total time and the number of hours that the AtoNs were not available to the mariner. This calculation is then expressed as a percentage.

The GLAs' performance against these standards (see **page 19**) indicate they have met or exceeded nearly all the targets for all AtoN categories and for each of the past five years.

The only area below target is NLB's Cat 1 Racon availability in prior years. Problems at two pillar rock lighthouses caused this issue which was a result of aging equipment and limited site access. The equipment was replaced during the summer of 2022 and the operational performance for 2023-24 has returned to the 99.8% target.

The performance data is provided from software situated in each GLA monitoring centre.

There have been no changes to the data or method of calculation.

A Key Performance Indicator (KPI) is the percentage of time GLA vessels are available to respond to new navigational dangers, AtoN casualties and other risks within the agreed response time for each location. The GLAs target and performance for the year was as follows:

	Target	Performance
Tri-GLA response within 6 hours	95.00%	95.31%
Tri-GLA response within 12 hours	90.00%	92.21%
Tri-GLA response within 24 hours	85.00%	99.83%

The different response times (determined by IALA) are based on the category of AtoN, e.g. a minor lateral mark in a low traffic area (cat3) Vs a major Lighthouse close to a shipping lane (cat1).



# General Lighthouse Authorities Aids to Navigation Availability – Three Year Rolling Averages

Trinity House												
Aton Type	Cat.	IALA	2019/20		2020/2021		2021/2022		2022/2023		2023/2024	
			Min	Act	Diff	Act	Diff	Act	Diff	Act	Diff	Act
Lights	1	99.8%	99.9%	0.1%	99.9%	0.1%	100.0%	0.2%	99.9%	0.1%	99.9%	0.1%
Racons	1	99.8%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%
Lights	2	99.0%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%	99.8%	0.8%
Fog Signals	3	97.0%	100.0%	3.0%	99.8%	2.8%	100.0%	3.0%	99.9%	2.9%	99.8%	2.8%
Lights	3	97.0%	100.0%	3.0%	99.9%	2.9%	99.9%	2.9%	99.9%	2.9%	99.8%	2.8%

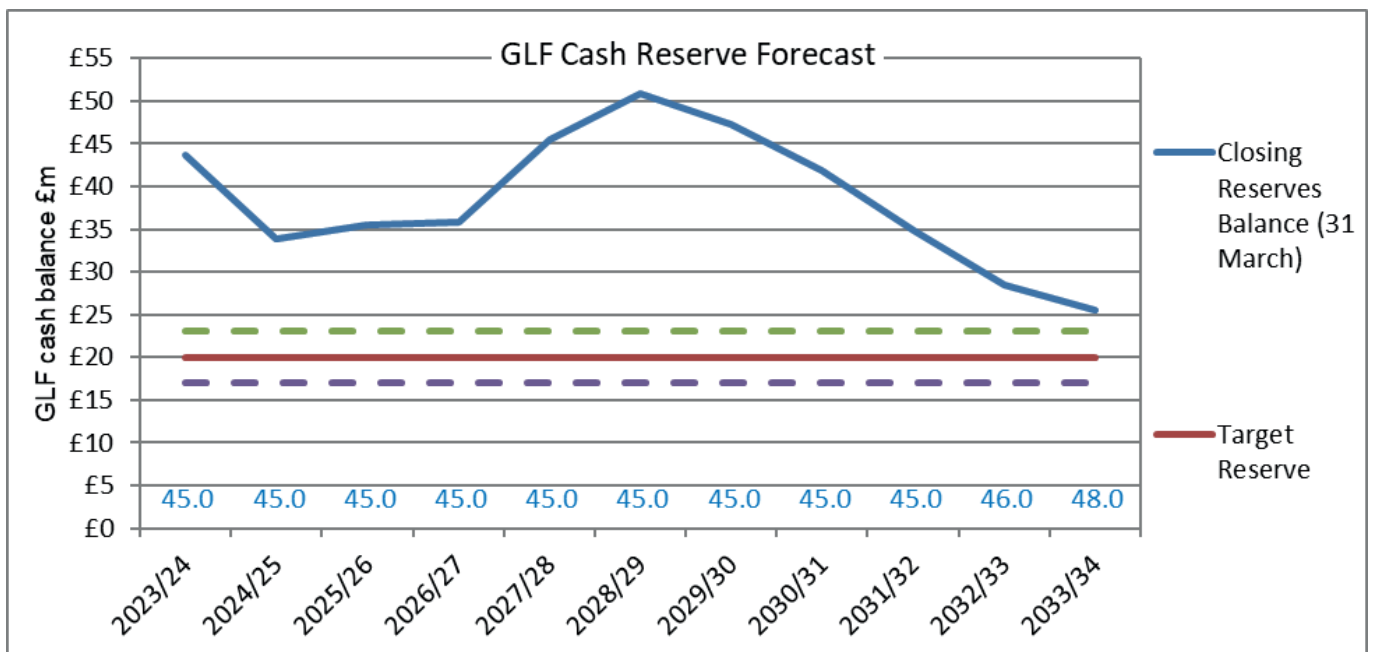
Northern Lighthouse Board												
Aton Type	Cat.	IALA	2019/20		2020/2021		2021/2022		2022/2023		2023/2024	
			Min	Act	Diff	Act	Diff	Act	Diff	Act	Diff	Act
Buoys	1	99.8%	100.0%	0.2%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%
Lights	1	99.8%	99.9%	0.1%	99.9%	0.1%	99.8%	0.0%	99.8%	0.0%	99.8%	0.0%
Racons	1	99.8%	99.8%	0.0%	99.7%	-0.1%	99.5%	-0.3%	99.6%	-0.2%	99.8%	0.0%
Buoys	2	99.0%	100.0%	1.0%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%
Lights	2	99.0%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%	99.9%	0.9%
AIS	3	97.0%	99.2%	2.2%	98.8%	1.8%	98.9%	1.9%	98.8%	1.8%	99.3%	2.3%
Buoys	3	97.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%
Beacons	3	97.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%	100.0%	3.0%

Irish Lights												
Aton Type	Cat.	IALA	2019/20		2020/2021		2021/2022		2022/2023		2023/2024	
			Act	Diff	Act	Diff	Act	Diff	Act	Diff	Act	Diff
Lights	1	99.8%	99.8%	0.0%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%	99.9%	0.1%
Lights	2	99.0%	99.9%	0.9%	99.9%	0.9%	99.8%	0.8%	99.9%	0.9%	99.9%	0.9%
Lights	3	97.0%	99.8%	2.8%	99.9%	2.9%	99.9%	2.9%	99.6%	2.6%	99.5%	2.5%

**Diff = Difference between actual and IALA minimum**

## Long-term trends

A long-term forecast for the GLF’s cash reserves is utilised to manage the GLF and inform DfT Ministers when considering Light Dues rates. Annual GLA cash expenditure forecasts including capital, and covering the next five-year period, are extrapolated to ten years using inflation (RPI) and other known commitments. This is added to GLF borrowing commitments and administration costs to determine total forecast spending. Total cash spending is then compared to forecast Light Dues and other GLF income to determine a cash reserve forecast. This forecast was updated in March 2024 to reflect latest GLA spending profiles and Light Dues income projections. Chargeable Light Dues tonnage is forecast to slowly recover during 2024-25 and return to its historic trend.



In 2023 DfT ministers agreed to increase the minimum GLF cash reserves from £15m to £20m with a lower and upper tolerance of £17m & £23m respectively.

The initial high cash reserves shown above have been deliberately accumulated to fund the Royal Sovereign decommissioning (see note 21) which is expected to conclude in 2024-25. In March 2024 Ministers announced an increase to the tonnage cap, or maximum charge, effective from April 2025. This forecast results in reserves growing to a high of £50m in 2028 but thereafter, as forecast new GLA vessels are built, reserves are expected to return to the target level.

## **Non-financial information**

During 2023-24 (2022-23 nil), the GLF and the GLAs had no reportable incidents relating to anticorruption and anti-bribery matters. Issues of social matters and respect for human rights are addressed through this report's separate disclosures on diversity and equality.

## **Sustainability Reporting**

The GLAs are out of scope of the Taskforce on Climate Related Disclosure (TCFD) reporting requirements due to their relatively small size however, they aim to report on climate-related financial disclosures consistent with HM Treasury's application guidance which interprets and adapts the framework for the UK public sector.

From 2021-22 the GLAs have been included in the Greening Government Commitments (GGC) which includes targets for carbon reduction. Irish Lights remain outside the scope of GGC due to their jurisdiction being primarily outside the UK, instead IL report against national targets set by the Irish Government. GLA

sustainability reports are published on their websites in their Annual Report and Accounts, the following is a summary of these reports.

All three GLAs seek to develop their environmental management policies in a manner fully consistent with Government initiatives and public opinion. Thus, measures to protect the environment and ensure sustainable development feature strongly within the GLAs' consideration of modernisation, improvement and the use of appropriate future technologies at all of their establishments, facilities and within their vessels.

The GLAs are leaders in the use of renewable energy sources for AtoNs, principally through the installation of solar-electric power systems occasionally supplemented by wind power. The implementation of these technologies has considerably reduced the GLAs' dependence upon carbon-based energy.

The GLA own and operate six ships and a Helicopter used to carry out a wide range of GLA operations from emergency response (wrecks & new dangers), to helicopter support operations at Lighthouses. Five of the GLA vessels use Marine Gas Oil (MGO) which is type of diesel. One vessel uses Liquid to Gas (LTG), a less polluting form of marine diesel with lower emissions. GLA ships and helicopters are an essential part of GLA operations and very few fuel alternatives are currently available. As GLA vessels and vehicles are replaced they will become less polluting with opportunities for hybrid electric and alternative fuels taken wherever possible.

## Summary of Performance towards GGC Targets (UK GLAs)

Theme	Measure	Units	2023-24 Actual	2022-23 Actual	2024-25 Target	2017-18 Baseline
<b>Mitigating Climate Change</b>	Total emissions	tonnesCO2	12,458	12,170	13,471	15,497
	Direct emissions	tonnesCO2	477	363	262	334
	ULEV <sup>1</sup> Cars	% fleet	40%	32%	43%	0%
	Domestic Flights TH <sup>2</sup>	tonnesCO2	36	-	-	0
	Domestic Flights NLB	tonnesCO2	16	9	11	16
<b>Minimising Waste</b>	Waste	tonnes	715	667	650	764
	Decommissioning Waste <sup>3</sup>	tonnes	1039	-	-	-
	Total waste <sup>4</sup>	tonnes	1754	667	650	764
	Waste to landfill	%	13%	12%	5%	19%
	Waste recycled	%	77%	79%	70%	76%
<b>Reducing Water Use</b>	Paper use	reams	610	424	543	1,085
	Water Use <sup>5</sup>	m <sup>3</sup>	13,412	11,889	16,987	18,465

<sup>1</sup> Ultra Low Emissions Vehicles – Target 100% by December 2027

<sup>2</sup> Data not available prior to 2023-24 as TH did not record flight information.

<sup>3</sup> One-off project to decommission an offshore lighthouse called Royal Sovereign, will complete in 2024-25.

<sup>4</sup> Waste varies year on year as it is primarily dependent on the number of modernisation projects completed in the year. Fewer projects, type of structure, materials etc. all contribute to tonnage variations. In 2023-24 TH commenced the decommissioning of Royal Sovereign Lighthouse, this is a large one-off project expected to conclude in 2024-25.

<sup>5</sup> Includes estimates for NLB as consumption is not metered in Scotland.

Of the total UK GLA emissions above, around 82% relates to GLA vessels reflecting the high dependency the GLAs have on marine diesel. Wherever practical, the GLAs seek to reduce these emissions by slow steaming and careful tri-GLA planning to coordinate vessel operations. Substantial opportunities for reductions in vessel emissions will be realised when the vessels are replaced with less polluting alternatives or retro fitted with more efficient or alternative plant as and when such technologies become available. NLB is currently building a new hybrid vessel expected to enter service in 2025.

The GLAs are modernising their road fleets with full electric or hybrid vehicles. 40% (48% TH, 25% NLB) of

pool vehicles already being ultra-low emissions (ULEV). TH and NLB both expect to replace all vehicles with ULEVs by December 2027.

Further details on emissions and energy-related consumption specific to each GLA can be found in **Annexes 2, 3 & 4** along with the GLA's individual published annual reports and accounts which are available on their respective websites.

**Dame Bernadette Kelly DCB    Date: 4th February 2025**  
**Permanent Secretary and**  
**Accounting Officer**

Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR



# 3. Accountability report

## 3.1. Directors' report

### Structure

The core GLF is the responsibility of the Secretary of State for Transport with management being delegated to officials. Details of the DfT's Ministers, Non-Executive and Executive Board members are published in the Department's Annual Report and Accounts. The GLAs are part of the DfT family; they deliver services to the public at arm's length from Ministers and are classed as Non-Departmental Public Bodies (NDPBs).

### GLA board membership

Disclosure of the serving directors for 2023-24 is available in the Governance Statements of each GLA. Directors make an annual declaration of all third-party interests that may conflict with their Board duties. No significant interests were reported.

### Tri-GLA board

The GLAs have their own boards and governance structures which are described in the Governance Statements of their respective Annual Report and Accounts. In addition, a Joint Strategic Board, including NED representatives from all three GLAs, fosters tri-GLA co-operation and co-ordination to maximise efficiencies and realise savings.

## Personal data related incidents

The General Data Protection Regulation (GDPR) provides an increased level of protection to individuals whose data is held/processed by organisations.

At TH there were no reportable personal data breach incidents during 2023-24 (2022-23, one).

At NLB there has been nine Data Protection incidents recorded during the year (2022-23, one). Five of these related to external breach reports which did not directly involve NLB. Of the remaining four, all have been fully investigated and concluded with three classed as minor and one as medium. The one medium incident was reportable to the Information Commissioners Office and, following the provision of the investigation report and mitigating actions by NLB, this was closed (by the ICO within 5 working days) with no further action taken. In all cases the incidents were fully reported to NLB's Audit and Risk Committee with all associated corrective and preventative actions implemented. NLB continue to actively manage the risks to all of our information via an enhanced competency framework based upon internal GDPR compliance processes. This ensures a risk aware approach to information security in order that any and all potential weaknesses are identified and improvements made at the earliest juncture.

During the year, NLB have also continued to work closely with the information Commissioners Office on three significant pieces of work which has included responding to questionnaires and providing evidence, information

and guidance on the handling and closure of a range of challenging FoI requests.

Irish Lights had no data related incidents reportable to the ICO during 2023-24 (2022-23, nil).

## **Payment of Creditors Policy**

All payments by TH are made in accordance with the Public Contract Regulations 2015 (Chapter 9, Section 113-2a), NLB applies the British Standard BS 7890 and IL complies with the Prompt Payment of Accounts Act 1997. Payment of all Accounts Payable 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 genuine dispute in respect of the invoice concerned; in all cases the supplier is immediately informed of the details of the query and that the payment will be withheld pending resolution.

Suppliers are informed of this policy via a supplementary notice within contracts and are asked to provide any comments on this issue to Directors with financial responsibility. The average credit taken from trade payables during the year was: TH 12 days, NLB 8 days & IL 20 days (2022-23 TH 12 days, NLB 13 days & IL 22 days).

## **Auditor**

The Comptroller and Auditor General (C&AG), as head of the National Audit Office (NAO), is the appointed auditor for the GLF. The audit work for the 2023-24 accounts cost £128k (2022-23 £170k). Auditor remuneration reflects only the costs of the statutory financial audit on these accounts, NAO did not perform any additional non-audit related work for the GLF during the year. NAO's statutory audit responsibility is to express an opinion on the General Lighthouse Fund accounts, which consolidate the financial results of the three General Lighthouse Authorities together with the Fund itself. There is no separate audit opinion on the individual General Lighthouse Authorities.

## **3.2. Statement of the Responsibilities of the General Lighthouse Authorities' Boards, the Secretary of State for Transport and the Accounting Officer**

Under Section 218 of the Merchant Shipping Act 1995, and Section 664 of Merchant Shipping Act 1894 in relation to IRL, the GLAs are each required to prepare a statement of accounts in such form, and at such times, as instructed by the Secretary of State for Transport. The accounts of the GLF, which consolidate the GLAs' accounts, the core GLF accounts and Light Dues income, are prepared annually on an accruals basis and must

give a true and fair view of the GLF affairs at the year-end; and of its income, expenditure, cash flows and changes in equity for the financial year. Section 211(5) of the Merchant Shipping Act 1995 requires the Secretary of State for Transport to lay the GLF accounts before Parliament; the DfT prepares these accounts.

HM Treasury appointed DfT's Permanent Secretary, Dame Bernadette Kelly DCB, as Principal Accounting Officer with effect from 18 April 2017. In preparing these accounts, the Accounting Officer is required to comply with the requirements of the FReM in particular to:

- observe the requirements of the Merchant Shipping Act 1995 and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, as set out by the FReM, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer for the DfT is also the Accounting Officer for the GLF. The responsibilities of Accounting Officers, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, and for keeping proper records and for safeguarding the GLF assets, are set out in

the Accounting Officers' Memorandum issued by HM Treasury and published in its 'Managing Public Money' guidance. The Principal Accounting Officer delegates responsibilities to the Chief Executive of each General Lighthouse Authority and receives appropriate assurance that they have discharged their own responsibilities for stewardship of public resources.

As far as the Accounting Officer is aware there is no relevant audit information which the auditor has not been provided with and the Accounting Officer has taken all reasonable steps to provide relevant audit information to the auditor.

As far as the Accounting Officer is concerned, the GLF annual report and accounts as a whole is fair, balanced and understandable, and she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Further scope of responsibilities are set out in the governance statement below.

## 3.3. Governance Statement

### Accounting Officer's introduction

The Governance Statement explains the approach to corporate governance in the bodies whose activities are financed by the GLF and certain functions of DfT. Good governance is vital to effective financial and risk management.

The bodies whose activities are financed by the GLF are the following GLAs:

- Trinity House (in its capacity as a lighthouse service);
- the Northern Lighthouse Board; and
- Irish Lights.

The Governance Statements of each GLA are available from their respective web sites and together form an integral part of the GLF's Governance Statement describing the governance arrangements operating within the three GLAs:

<https://www.trinityhouse.co.uk/about-us/governance/report-and-accounts>

<https://www.nlb.org.uk/who-we-are/publications-policies-and-guides/>

<https://irishlights.ie/who-we-are/publications.aspx>

HM Treasury's 'Managing Public Money' guidance summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to

supplement the accounts. The Governance Statement should provide a sense of how successfully the organisation has coped with the challenges it faces, and how vulnerable its performance is, or might be.

The Governance Statements describe how each GLA Board and their supporting governance structures work, how they have performed and provide an assessment of how the GLAs and the GLF has been managed including an assessment of the effectiveness of the systems of internal control, risk management and accountability.

As Accounting Officer for the GLF group additional assurance is provided to me by the individual boards of the GLAs in the form of a letter of representation. GLA letters of representation provide assurance from each GLA Accounting Officer that the balances and disclosures consolidated into these accounts are accurate, have been examined by the National Audit Office (for the purpose of GLF consolidation) and have been approved by the GLA boards.

## **Accounting Officer's scope of responsibilities**

As GLF Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the GLAs and the GLF's policies, aims and objectives, whilst safeguarding the public funds and GLF assets for which I am personally responsible in accordance with the responsibilities assigned to me in HM Treasury's 'Managing Public



Money' guidance. I carry out this responsibility in conjunction with the boards of the individual GLAs. Each of the GLA Boards has vested their Chief Executive with the responsibility for ensuring that a sound system of internal control is maintained and operated. These responsibilities were set out in a letter from myself to each Chief Executive.

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. It is an on-going process designed to identify and prioritise the risks to the achievement of GLA/GLF's policies, aims and objectives. The system is designed to evaluate the likelihood and impact of those risks being realised, and to manage and mitigate them efficiently and effectively.

In addition to ensuring a sound system of internal control, it is my responsibility to provide effective and efficient delivery of the policy objectives and, where appropriate, advise Ministers on the most efficient allocation of resources. It is also my responsibility to ensure that the organisational capability of the GLF is continuously improved and that the GLF and the GLA's policy objectives are aligned with those of the DfT.

The GLAs are classified as Central Government Bodies and therefore fall within the DfT's group departmental accounting boundary. The core GLF accounts, although maintained by DfT, are not part of DfT's departmental

group accounts. As a separate fund, the core GLF is maintained at arm's length from DfT finances.

As a result of their legislative powers and duties, the GLAs assume responsibility for positive discharge of the Government's obligations under the Safety of Life at Sea Convention 1974 (Chapter V, Regulation 13) for the provision and maintenance of AtoNs within their respective areas of jurisdiction. To assist this process, the GLAs take steps to:

- observe and record developments at the International Maritime Organization (IMO);
- actively participate at Council and Committee level at IALA;
- observe and record maritime developments within the European Union and elsewhere; and
- maintain links with the International Telecommunications Union through the national radio licensing authority and IALA, regarding the allocation of radio frequencies in North West Europe.

## **Governance**

The statutory basis for the GLF can be found in section 211 of the Merchant Shipping Act 1995 which also gives the Secretary of State for Transport statutory responsibility for its administration. This responsibility is delegated to officials within DfT's Maritime Directorate.

HM Treasury's Managing Public Money guidance requires that the Governance Statement describes the

Board structure, including the Board Committees and report on Board performance. Due to its nature, the GLF does not have a separate Board with an associated formal committee structure; however, it has in place arrangements to comply with the best practice contained in 'Managing Public Money' and is managed by DfT officials.

Information concerning the GLAs' board structures, committees, meetings and effectiveness can be found in their respective annual reports and accounts.

A Framework Document sets out the relationship between the Secretary of State for Transport and the GLAs in matters of business and finance. The framework provides a clear understanding of respective duties and responsibilities according to Part VIII & IX of the Merchant Shipping Act 1995, as amended by the Merchant Shipping and Marine Security Act 1997, and Part XI of the Merchant Shipping Act 1894 as amended by the Merchant Shipping (CIL) Act, 1997 in respect of the activity of IL in IRL.

A comprehensive budgeting system exists with GLA Corporate Plans incorporating five-year budgets which are reviewed and endorsed by the GLA Boards and the Lights Finance Committee (see below) for submission to the Secretary of State for Transport. Budgets are delegated to the individual GLAs and are reviewed by DfT officials. The GLAs also set performance targets and indicators which are monitored on a monthly basis.

All three GLAs report Key Performance Indicators in a dashboard format which has been agreed by ministers.

The Governance, Organisational and Committee structure in place within the three GLAs is discussed in greater detail in each GLA's Governance Reports, but in addition, the following are relevant to the GLF:

## **Lights Finance Committee**

The Lights Finance Committee (LFC) includes representatives of the shipping industry, convened via the Chamber of Shipping, the GLAs, devolved administration officials, the Irish Government and DfT officials. The LFC meets at least annually and considers GLA budgetary and GLF funding requirements and their implications for Light Dues rates. The LFC's deliberations inform recommendations to DfT Ministers with regard to the setting of Light Dues rates for the coming financial year.

## **Joint Strategic Board**

The Joint Strategic Board (JSB), consisting of representatives from all three GLAs, has as its main purpose the co-ordination of tri-GLA co-operation with the aim of realising the resultant savings. The JSB maintains a strategic plan to track key areas of focus, significant issues and initiatives which affect the GLAs.

## **Republic of Ireland Government**

The work of IL covers the whole of the island of Ireland and DfT officials work closely with their counterparts from the Department of Transport (DoT) in Ireland.

## **Scottish Government**

The work of NLB remains a reserved matter under both Section 30 of, and Schedule 5 to, the Scotland Act 1998. The NLB maintains a close relationship with the Scottish Government as do DfT under the terms of a concordat. This was further reinforced by the Scotland Act 2016 which made amendments to the Merchant Shipping Act 1995 to give powers to Scottish Ministers to appoint a commissioner to NLB's Board and for NLB to lay copies of its annual report and accounts before the Scottish Parliament.

## **Isle of Man Government**

The work of the NLB also covers the Isle of Man and, as a result, NLB has a relationship on AtoN matters with the Department of Transport of the Isle of Man Government. The Isle of Man Government appoints a Commissioner to NLB's Board.

## **Revenue Commissioners (Republic of Ireland)**

Light Dues in IRL are collected by the Revenue Commissioners and transferred to the GLF on a monthly basis. The Revenue Commissioners are paid a fee for this service.

# **DfT Group Audit and Risk Assurance Committee**

In consultation with the chair of this Committee, reviewing and recommending signing of the GLF Annual Report and Accounts is delegated to the Director of Group Finance taking into account reports from the Government Internal Audit Agency and the National Audit Office.

## **Risk Assessment**

Each GLA has its own process for continuous monitoring of operational and strategic risks. In addition, and in line with the requirements of the GLA Framework Document, the GLAs are required to, “jointly carry out a comprehensive risk management review, which shall include the key risks faced by the GLAs and a review of requirements at least every three years.” This is addressed via the work of an Inter GLA Committee for Legal and Risk who manage the Triennial Risk Management Review process on behalf of the GLAs. The process is further underpinned by the provision of Annual Internal Risk Management and Insurance Scrutiny reviews, all of which are reported to the respective Audit and Risk Committee and the Tri-GLA Chief Executives Committee.

In 2021-22 the GLAs conducted a Tri-GLA Triennial Risk Management Review including an extensive independent study completed by Marsh Risk Consulting. The study covered the GLAs’ existing risk profile, effectiveness of current risk management controls, emergency response

and existing levels of insurance cover. The associated Marsh Report found that, in summary, “a high level of risk management maturity exists across the GLAs within which their processes clearly demonstrate a high level of performance in comparison to other marine-based organisations.” In addition, the GLAs conduct their own continuous Risk Management and Assurance Scrutiny to identify and mitigate any new or developing risks, review progress of the actions arising from the previous Triennial Risk Review and to consider developments on insurance and risk matters. The next triennial review will take place in 2024-25.

DfT officials maintain a separate risk register for specific GLF risks. The register describes risks to the GLF such as currency fluctuations, GLA cost/income variances, legislative risks, Light Dues, wreck removal and uninsured loss risk, and political risk, together with actions in place to manage these identifiable risks.

DfT officials review the risk register on a regular basis, including an evaluation of 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. The review also determines whether the risks have altered from the very high, high, medium, low, or very low probability and impact categories that they have previously been allocated to. At each review officials also consider whether additional controls should be applied to further reduce the residual risk.

The most significant risks to the GLF group are:

- a large (or multiple) uninsured wreck occurring in GLA waters obstructing the passage of essential goods into UK or Irish ports and requiring recovery or removal by the GLA;
- a disruption to GLF income or exceptional cost pressure of sufficient magnitude that light dues are insufficient to fund GLA operations;
- natural hazards or climate change damage or disruption to GLAs assets or operational activities; or the GLAs fail to meet climate and decarbonisation goals; and
- corporate-level risks arising from the GLAs' activities in their complex operational environment, including health & safety, cyber security and resource management.

If these risks were to crystallise then the Department would work with the GLF and GLAs to ensure that their core statutory functions continue to be discharged and ensure the GLF and GLAs remain going concerns.

Further details on GLA risks are contained within the individual GLAs' annual reports and accounts.

## **Review of the effectiveness of the system of internal control**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control that exists within the GLF and the bodies funded by the GLF.



My review is primarily informed by the work of internal audit and by the management assurance reporting of the GLA Chief Executives who act as Accounting Officers within their respective organisations and are responsible for the development and maintenance of the internal control framework and by comments made by the external auditors in their management letter and other reports.

DfT has established a number of procedures to monitor and forecast the operation of the activities of the GLF, including:

- utilising Government Banking Services provided by HM Treasury;
- providing monthly and quarterly reports detailing cashflow activity and forecasts;
- monthly financial reporting of data on Light Dues income, trends and projections;
- GLA spending is included in the monthly DfT budget workbooks provided to HM Treasury to monitor spending against departmental budgets. GLAs also report monthly spending against delegated cash spending limits to monitor spending against sanctioned GLF budget limits;
- twelve-week cash forecasts provided by the GLAs on a weekly basis to facilitate GLF cash reserves forecasting;

- five-year forecasts of GLA income and expenditure revised annually and extrapolated to ten-years.
- an annual report to DfT Ministers and the Lights Advisory Committee, which represents Light Dues payers, covering the operation of the GLF over the preceding year and forecasts for medium term GLF cash reserves in support of the required level of Light Dues.

Key elements of the on-going review of controls at the GLAs include:

- regular meetings of strategic committees to decide policy and review progress against plans;
- audit committees which operate in line with the 'Audit Committee Handbook';
- third party certification audits for example for ISO standards accreditation;
- annual programs of Government Internal Audit Agency audits;
- regular reports from managers on the steps they are taking to manage risks in their areas of responsibility; and
- regular reviews of key business risks and how they are managed in addition to reviewing changes in risk profile.

## **Extra Territorial Waters**

In order to meet their responsibilities with regard to AtoNs and wreck marking, the GLAs may sometimes be required to operate outside of UK Territorial Waters. The statutory powers of the GLAs in this respect are found in the amendment to the Merchant Shipping Act 1995 made by the Marine Navigation Act 2013.

## **Internal Audit**

The GLAs use the independent internal audit services of the Government Internal Audit Agency (GIAA). This operates to the standards defined in Government Internal Audit Standards. The work of GIAA is informed by an analysis of the risk to which the body is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the bodies' Audit Committees and approved by their Boards. At least annually, the Head of Internal Audit for the GLAs provides me, as Accounting Officer, with a report on internal audit activity within the GLAs. The report includes the GIAA's independent opinion on the adequacy and effectiveness of the GLAs' systems of internal control.

# Summary of Internal Audit Reports

The report of the DfT Head of Internal Audit stated the following:

*‘On the basis of the evidence obtained during 2023-24, the assurance opinions provided for the General Lighthouse Authorities (GLAs) are summarised in the table below:*

Authority	Opinion	RAG
<b>Trinity House</b>	<b>Moderate</b> In my opinion, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	Amber 
<b>Northern Lighthouse Board</b>	<b>Moderate</b> In my opinion, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	Amber 
<b>Irish Lights</b>	<b>Moderate</b> In my opinion, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	Amber 

*“Overall, the opinion across the GLAs is Moderate. The overall opinion is unchanged from last year and reflects a good overall position and continuing robust control environments in each GLA. Internal control processes in the areas reviewed during the year were*

*generally found to be effective, although there were a few areas where control weaknesses and areas for improvement were identified.*

*Corrective action plans have been agreed with management to address the control weaknesses identified.*

*Management responses to our findings continue to be positive and action to strengthen controls are agreed across all three GLAs. Prompt action is often taken by the GLAs in implementing our recommendations. I can therefore report that control weaknesses identified are addressed promptly and effectively across the three GLAs.*

*There were no reported cases of fraud or impropriety to GIAA during 2023/24 at any of the GLAs.*

*Whilst our work continues to find opportunities to strengthen controls in a few areas in the GLAs, there is nothing specific from our 2024/25 work to date which I would deem significant or material and which warrants mention in this report”.*

## **Conclusion**

I note the Moderate opinion of the Head of Internal Audit across all three GLAs. Having reviewed the evidence provided to me by GLF & GLA management, compliance functions, the Head of Internal Audit’s opinion and the external audit of the GLF, I am satisfied that the GLF has maintained a satisfactory system of internal control during the financial year 2023-24.

## **3.4. Remuneration and staff report**

The officials who manage the GLF are appointed by the Secretary of State for Transport and are remunerated in accordance with the relevant Civil Service pay scale. The costs incurred by DfT, in relation to the management of the GLF, are charged to the GLF on an annual basis. The directors of the three GLAs are remunerated as set out below.

### **3.4.1. Trinity House**

#### **Remuneration strategy**

TH operates a remuneration strategy based civil service pay remit guidelines which is published annually. The pay remit year runs from 1 August to 31 July.

Pay and bonus 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.

The TH performance-related pay system is linked to corporate level objectives and ensure that personal objectives link to departmental and strategic objectives. An annual staff bonus is linked to the appraisal cycle. Every individual's performance and achievements are assessed in relation to objectives and behavioural and technical competencies. Bonus allocation is determined by individual performance and organisational level success against the year's corporate strategic objectives.

## **Service contracts**

Executive Directors' contracts are permanent, subject to satisfactory performance, and require a twelve-month written notice period. Non-Executive Directors are employed on fixed term contracts for a period of up to 3 years, although their terms may be extended where appropriate.

# Remuneration of Trinity House directors (audited)

Name	Salary 2023/24 £000	Salary 2022/23 £000	Bonus 2023/24 £000	Bonus 2022/23 £000	Benefits in Kind 2023/24 £	Benefits in Kind 2022/23 £	Pension benefits <sup>1</sup> 2023/24 £000	Pension benefits <sup>1</sup> 2022/23 £000	Total 2023/24 £000	Total 2022/23 £000
I Lower <sup>2</sup>	30 – 35	-	-	-	-	-	12	-	40 – 45	-
I McNaught <sup>3</sup>	135 – 140	125 – 130	-	10 – 15	-	-	229	168	365 – 370	305 – 310
A Damen	110 – 115	90 – 95	-	5 – 10	-	-	40	39	150 – 155	135 – 140
R W Dorey <sup>4</sup>	90 – 95	90 – 95	-	5 – 10	-	-	102	-39	190 – 195	60 – 65
N Hare	110 – 115	90 – 95	-	5 – 10	-	-	41	40	150 – 155	140 – 145
N Gull <sup>5</sup>	105 – 110	45 – 50	-	0 – 5	-	-	39	21	145 – 150	70 – 75
D Oliver <sup>6</sup>	15 – 20	-	-	-	-	-	2	-	15 – 20	-
A Holt <sup>7</sup>	5 – 10	-	-	-	-	-	-	-	5 – 10	-
M Amos <sup>8</sup>	10 – 15	15 – 20	-	-	-	700	-	-	10 – 15	15 – 20
L Batchelor <sup>9</sup>	5 – 10	-	-	-	-	-	-	-	5 – 10	-
C Juman <sup>10</sup>	0 – 5	-	-	-	-	-	-	-	0 – 5	-
V Owen	15 – 20	15 – 20	-	-	1,000	700	-	-	20 – 25	15 – 20
A Massey <sup>11</sup>	20 – 25	35 – 40	-	-	-	100	-	-	20 – 25	35 – 40
A Moore	15 – 20	15 – 20	-	-	4,200	1800	-	-	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) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

<sup>2</sup> Commenced 13 February (2023-24 full year equivalent salary £145,000 – £150,000)

<sup>3</sup> Retired 13 February 2024 (2023-24 full year equivalent salary £145,000 – £150,000)

<sup>4</sup> Resigned 31 January 2024 (2023-24 full year equivalent salary £100,000 – £105,000)

<sup>5</sup> Commenced 26 September 2022 (2022-23 full year equivalent salary £100,000 – £105,000)

<sup>6</sup> Commenced 5 February 2024 (2023-24 full year equivalent salary £100,000 – £105,000)

<sup>7</sup> Commenced 11 March 2024 (2023-24 full year equivalent salary £110,000 – 115,000)

<sup>8</sup> Stood down 13 October 2023 (2023-24 full year equivalent salary £15,000 – £20,000)

<sup>9</sup> Commenced 13 February 2024 (2023-24 full year equivalent salary £35,000 – £40,000)

<sup>10</sup> Commenced 13 February 2024 (2023-24 full year equivalent salary £15,000 – £20,000)

<sup>11</sup> Stood down 31 October 2023 (2023-24 full year equivalent salary £35,000 – £40,000)

## **Salary**

Salary includes gross salary; overtime; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by TH and thus recorded in the accounts.

## **Benefits in kind**

Benefits include any benefits provided by TH and treated by HM Revenue and Customs as a taxable emolument. These have been rounded to the nearest £100.

## **Bonuses**

Performance Related Pay (PRP) is based on attained performance levels and is awarded as part of the appraisal process. Bonuses are disclosed in the year of performance which was assessed as giving rise to a bonus entitlement. Cash may not have transferred until a later period. No bonuses were paid in 2023-24, contractual performance related pay of up to 20% of annual salary was consolidated into base pay at 7% in 2023.

## **Fair pay disclosure (audited)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Percentage change in salary and bonuses for the highest paid director and the staff average for 2023-24:

	<b>Salary and allowances</b>	<b>Bonus payments</b>
Staff Average	9.0% <sup>1</sup>	10.80%
Highest paid director	3.5%	-100.00%

<sup>1</sup> TH had an approved pay award of 5%. The increase of 9.0% above takes into account internal promotions, re-evaluation of jobs, additional overtime worked and moving through competencies. Also included is a one off 'cost of living' payment from the UK Government of £1,500 per employee.

Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay:

	<b>2023-24</b>	<b>2022-23</b>
Band of highest paid board member's total Remuneration (£000) <sup>1</sup>	145 – 150	140 – 145
Median remuneration (£)	£43,181	£39,992
Ratio	3.4	3.6
25th percentile remuneration (£)	£33,131	£30,405
Ratio	4.5	4.7
75th percentile remuneration (£)	£54,705	£51,028
Ratio	2.7	2.8

<sup>1</sup> Median calculations are based on rate of remuneration in payment at 31 March.

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits:

	Lower Quartile		Median		Upper Quartile	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
Salary	£29,617	£28,140	£36,315	£34,354	£46,226	£44,235
Total pay and Benefits	£33,131	£30,405	£43,181	£39,992	£54,705	£51,028

The banded remuneration of the highest-paid director in TH in the financial year 2023-24 was £145,000-150,000 (2022-23, £140,000-145,000).

This was 3.4 times (2022-23, 3.6) the median remuneration of the workforce, which was £43,181 (2022-23, £39,992); 4.5 times (2022-23, 4.7) the lower quartile remuneration of the workforce, which was £33,131 (2022-23, £30,405) and 2.7 times (2022-23, 2.8) the upper quartile remuneration of the workforce, which was £54,705 (2022-23, £51,028).

The ratios are calculated by taking the mid-point of the banded remuneration on the highest paid executive board member and calculating the ratio between this and the lower quartile, median and upper quartile remuneration of the workforce. This ratio is based on the full-time equivalent staff at the end of March 2024 on an annualised basis.

In 2023-24 (2022-23, nil), no employees received remuneration in excess of the highest-paid director. Excluding the highest paid director, remuneration ranged from £19,477 to £110,000-£115,000 (2022-23, £18,797 to £100,000-£105,000).

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

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

<b>Non-executive director</b>	<b>Contract Start</b>	<b>Expiry Date</b>
V Owen (renewed 2021 for 3 years)	14 September 2018	13 September 2024
A Moore	1 December 2020	30 November 2026
C Juman	13 February 2024	12 February 2027
L Batchelor	13 February 2024	12 February 2027

## Pensions (audited)

Pension benefits are provided through the Civil Service pension arrangements explained on **page 83**.

	Real increase in pension £'000	Real increase in lump sum £'000	Accrued pension £'000	Accrued lump sum £'000	CETV 31 March 24 £'000	CETV 31 March 23 £'000	Real increase CETV £'000	Employer contribution partnership pension account £'000
I Lower	0.0 – 2.5	-	0 – 5	-	11	-	9	-
I McNaught	10.0 – 12.5	-	60 – 65	-	1,029	784*	75	-
R Dorey	5.0 – 7.5	5.0 – 7.5	70 – 75	135 – 140	1,583	1,389*	94	-
A Holt	-	-	-	-	-	-	-	2
A Damen	0.0 – 2.5	-	20 – 25	-	292	231*	26	-
N Hare	0.0 – 2.5	-	5 – 10	-	195	108*	35	-
N Gull	0.0 – 2.5	-	0 – 5	-	55	18*	27	-
D Oliver	0.0 – 2.5	-	30 – 35	-	543	537	(1)	-

\*The pension benefits of any members affected by the Public Service Pensions Remedy were reported in 2022-23 on the basis of Alpha membership for the period between 1 April 2015 and 31 March 2022. These have been restated above on the basis of PCSPS membership for the same period.

## **Cash Equivalent Transfer Values**

This 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the



employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

<sup>1</sup> Taking account of inflation, some CETV values funded by the employer may decrease in real terms.

## **3.4.2. Northern Lighthouse Board**

### **Remuneration strategy**

The NLB believes long-term effectiveness depends on the talents, contribution and commitment of all employees so NLB must be able to attract and retain people of high quality. It is essential that the remuneration structure should be competitive with those of comparable organisations whilst remaining compliant with UK Government Pay Policy.

The remuneration of the NLB Chief Executive and Directors is determined by the People Committee (formally known as the Remuneration Committee) consisting of five Commissioners who have no personal financial interest in the matters to be decided other than as commissioners, no potential conflicts of interest arising from cross-directorships, and no day-to-day involvement in running the NLB. The Committee consults the Chief Executive about its proposals, other than in relation to his own remuneration, and has access to professional advice from inside and outside the Board.

## **Service contracts**

Executive Directors' contracts are permanent, subject to satisfactory performance, and require a three-month written notice period.

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

## Remuneration of executive directors (audited)

Name	Salary 2023/24 £000	Salary 2022/23 £000	Bonus 2023/24 £000	Bonus 2022/23 £000	Benefits in Kind 2023/24 £	Benefits in Kind 2022/23 £	Pension benefits <sup>1</sup> 2023/24 £000	Pension benefits <sup>1</sup> 2022/23 £000	Total 2023/24 £000	Total 2022/23 £000
M Bullock	140 – 145	130 – 135	-	-	-	-	56	52	195 – 200	185 – 190
M Rae	100 – 105	95 – 100	-	-	-	-	40	34	140 – 145	130 – 135
P Day	110 – 115	105 – 110	-	-	-	-	55	63	165 – 170	170 – 175

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

## **Salary**

Salary includes gross salary; overtime; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by NLB and thus recorded in the accounts.

## **Benefits in kind**

Benefits include any benefits provided by NLB and treated by HM Revenue and Customs as a taxable emolument. These have been rounded to the nearest £100.

## **Bonuses**

Entitlement to bonus payments were consolidated into basic pay following a review in 2017.

## **Fair pay disclosures (audited)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Percentage change in salary and bonuses for the highest paid director and the staff average for 2023-24:

	<b>Salary and allowances</b>	<b>Bonus payments</b>
Staff Average	8.8%*	4.4%
Highest paid director	3.6%	N/A

\*Includes a one off 'cost of living' payment from the UK Government of £1,500 per employee.

Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay:

	<b>2023/24</b>	<b>2022/23</b>
Band of highest paid board member's total Remuneration (£000) <sup>1</sup>	140 – 145	135 – 140
Median remuneration (£)	£47,323	£43,103
Ratio	3.0	3.2
25th percentile remuneration (£)	£39,765	£36,297
Ratio	3.6	3.8
75th percentile remuneration (£)	£63,296	£55,075
Ratio	2.3	2.5

<sup>1</sup> Median calculations are based on rate of remuneration in payment at 31 March.

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits:

	Lower Quartile		Median		Upper Quartile	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
Salary	£36,171	£31,874	£41,162	£37,356	£55,048	£52,678
Total pay and Benefits	£39,765	£36,297	£47,323	£43,103	£63,296	£55,075

The banded remuneration of the highest-paid director in NLB in the financial year 2023-24 was £140,000-145,000 (2022-23, £135,000-140,000).

This was 3.0 times (2022-23, 3.2) the median remuneration of the workforce, which was £47,323 (2022-23, £43,103); 3.6 times (2022-23, 3.8) the lower quartile remuneration of the workforce, which was £39,765 (2022-23, £36,297); and 2.3 times (2022-23, 2.5 times) the upper quartile of the workforce, which was £63,296 (2022-23, £55,075).

The ratios are calculated by taking the mid-point of the banded remuneration of the highest paid executive board member and calculating the ratio between this and the lower quartile, median and upper quartile remuneration of the workforce. This ratio is based on the full time equivalent staff at the end of March 2024 on an annualised basis.

In 2023-24 (2022-23, nil), no employees received remuneration in excess of the highest-paid director. Excluding the highest paid director, remuneration ranged from £11,000 to £110,000-£115,000 (2022-23, £11,000 to £105,000-£110,000). The lowest remuneration is the basic salary of an NLB commissioner, see below for further details.

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

## Executive directors' pensions (audited)

Pension benefits are provided through the Civil Service pension arrangements explained on **page 83**.

	Real increase in pension £'000	Real increase in lump sum £'000	Accrued pension £'000	Accrued lump sum £'000	CETV 31 March 24 £'000	CETV 31 March 23 £'000	Real increase CETV £'000	Employer contribution partnership pension account £'000
M Bullock	2.5 – 5.0	-	30 – 35	-	598	482*	47	-
M Rae	0.0 – 2.5	-	30 – 35	-	587	490*	31	-
P Day	2.5 – 5.0	-	60 – 65	-	1087	934*	41	-

\*The pension benefits of any members affected by the Public Service Pensions Remedy were reported in 2022-23 on the basis of Alpha membership for the period between 1 April 2015 and 31 March 2022. These have been restated above on the basis of PCSPS membership for the same period.



## Remuneration of commissioners (audited)

Commissioners are:

1. Elected by the NLB Board under, and subject to, the proviso set forth in Paragraphs 2 and 3 of Schedule 8 to the Merchant Shipping Act 1995 (the “Co-opted Commissioners”); or
2. Nominated by the Lieutenant-Governor of the Isle of Man and appointed by the Secretary of State for Transport and Transport Scotland.

Commissioners are paid a basic remuneration per annum and are eligible for an additional daily payment for each day exceeding 20 days in the year. The Chairman and Vice Chairman are eligible for an additional daily payment for each day exceeding 40 and 27 days in the year respectively.

In addition to the remuneration paid to commissioners, NLB settles the tax and NI burden that occurs from commissioners attending NLB HQ as part of official meetings. The table below includes the tax and NI cost borne by NLB for each commissioner. This totals £2.4k for 6 commissioners in 2023/24 (£1.8k, 4 commissioners 2022/23).

The annual amounts paid were:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
E Wilkinson (Chair)	20 – 25	10 – 20 <sup>1</sup>
H Shaw (Vice Chair)	15 – 20	10 – 15
R Woodward <sup>2</sup>	5 – 10	10 – 15
B Archibald	10 – 15	10 – 15
R Welsh	10 – 15	5 – 10
J Finlay	10 – 15	-
A Beveridge	-	20 – 25
M Brew	-	0 – 5

<sup>1</sup> Restated to include tax and NI cost borne by NLB for 2022-23

<sup>2</sup> Left 26/09/2023 whole year equivalent 10-15

Co-opted Commissioners' remuneration is set by the NLB as a whole on the advice of the DfT. Co-opted Commissioners are appointed for three years but may be re-appointed for further terms up to a normal limit of 10 years. Ex-Officio Commissioners hold office for the duration of their qualifying office and are not paid.

Commissioners are not members of the Principal Civil Service Pension Scheme and are not entitled to receive compensation for loss of office. Commissioners are entitled to reclaim travel and subsistence costs at the same rates, and under the same regulations that apply to employees.

### **3.4.3. Irish Lights**

#### **Remuneration strategy**

The Board of IL sets and approves pay policy and pay scales for all posts including senior management salary levels (incl. Chief Executive and Directors). The Board updated its pay policy and set new pay scales for all positions below Chief Executive in March 2016. Pay increases are in line with relevant pay agreements in the Irish public sector.

The Chief Executive and Executive Management Team (Heads of Department) are members of the Principal Civil Service Pension Scheme (PCSPS).

#### **Service contracts**

The contracts of the Chief Executive and Heads of Department are permanent. All Commissioners are Co-opted or ex-officio and are not remunerated.

#### **Remuneration of Chief Executive and Heads of Departments (audited)**

These figures are converted to pounds sterling from euros at an average exchange rate for the years reported of 1.1591 for 2023-24 and 1.1572 for 2022-23.

Name	Salary 2023/24 £000	Salary 2022/23 £000	Bonus 2023/24 £000	Bonus 2022/23 £000	Benefits in Kind 2023/24 £	Benefits in Kind 2022/23 £	Pension benefits <sup>1</sup> 2023/24 £000	Pension benefits <sup>1</sup> 2022/23 £000	Total 2023/24 £000	Total 2022/23 £000
Y Shields-O'Connor	140 – 145	135 – 140	-	-	-	-	55	53	195 – 200	190 – 195
J Burke	125 – 130	120 – 125	-	-	-	-	73	(18)	195 – 200	100 – 105
H Roe	115 – 120	110 – 115	-	-	-	-	47	46	165 – 170	160 – 165
R Boyle	115 – 120	105 – 110	-	-	-	-	45	43	160 – 165	150 – 155
J Ascoop <sup>2</sup>	-	10 – 15	-	-	-	-	-	-	-	10 – 15
C Hanratty <sup>3</sup>	105 – 110	15 – 20	-	-	-	-	41	7	145 – 150	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) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

- <sup>2</sup> Passed away 2 May 2022 (2022-23 full year equivalent salary £95,000 – £100,000)
- <sup>3</sup> Commenced 30 January 2023 (2022-23 full year equivalent salary £95,000 – £100,000)

## **Salary**

Salary includes gross salary; overtime; recruitment and retention allowances; and any other allowance to the extent that it is subject to taxation. This report is based on accrued payments made by IL and thus recorded in the accounts. Exchange rate fluctuations can cause the reported remuneration in pounds sterling to change year on year, even if there was no change to IL Directors remuneration, which is paid in euros.

## **Benefits in kind**

Benefits include any benefits provided by IL and treated as a taxable emolument. These have been rounded to the nearest £100.

## **Bonuses**

IL does not operate a Performance Related Pay system.

## **Fair pay disclosures (audited)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Percentage change in salary and bonuses for the highest paid director and the staff average for 2023-24:

	<b>Salary and allowances</b>	<b>Bonus payments</b>
Staff Average	5.50%	N/A
Highest paid director	3.10%	N/A

Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay:

	<b>2023-24</b>	<b>2022-23</b>
Band of highest paid board member's total Remuneration (£000) <sup>1</sup>	140 – 145	140 – 145
Median remuneration (£)	£45,043	£43,756
Ratio	3.2	3.3
25th percentile remuneration (£)	£27,714	£26,202
Ratio	5.1	5.4
75th percentile remuneration (£)	£56,697	£54,720
Ratio	2.5	2.6

<sup>1</sup> Median calculations are based on rate of remuneration in payment at 31 March.

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits:

	Lower Quartile		Median		Upper Quartile	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
Salary	£27,714	£26,202	£45,043	£43,756	£56,697	£54,720
Total pay and Benefits	£27,714	£26,202	£45,043	£43,756	£56,697	£54,720

Figures above are the same because IL do not operate a bonus system and did not pay any benefits in kind during the year

The banded remuneration of the highest-paid director in IL in the financial year 2023-24 was £140,000-145,000 (2022-23 was £140,000-145,000).

This was 3.2 times (2022-23, 3.3) the median remuneration of the workforce, which was £45,043 (2022-23, £43,756); 5.1 times (2022-23, 5.4) the lower quartile remuneration of the workforce, which was £27,714 (2022-23, £26,202); 2.5 times (2022-23, 2.6) the upper quartile of the workforce, which was £56,697 (2022-23, £54,720).

In 2023-24 (2022-23, nil), no employees received remuneration in excess of the highest-paid director. Excluding the highest paid director, remuneration ranged from £20,590 to £125,000-£130,000 (2022-23 £18,350 to £125,000-£130,000). Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.



# Pension Entitlements of Chief Executive and Heads of Departments (Audited)

Pension benefits are provided through the Civil Service pension arrangements explained on page 83.

	Real increase in pension £'000	Real increase in lump sum £'000	Accrued pension £'000	Accrued lump sum £'000	CETV 31 March 24 £'000	CETV 31 March 23 £'000	Real increase CETV £'000	Employer contribution partnership pension account £'000
Y Shields-O'Connor	2.5 – 5.0	-	40 – 45	-	749	639*	42	-
J Burke	2.5 – 5.0	-	65 – 70	-	1370	1225*	60	-
H Roe	2.5 – 5.0	-	30 – 35	-	594	492*	38	-
R Boyle	2.5 – 5.0	-	10 – 15	-	197	145*	30	-
J Ascoop	-	-	-	-	-	65	-	-
C Hanratty	2.5 – 5.0	-	0 – 5	-	45	6	30	-

\*The pension benefits of any members affected by the Public Service Pensions Remedy were reported in 2022-23 on the basis of Alpha membership for the period between 1 April 2015 and 31 March 2022. These have been restated above on the basis of PCSPS membership for the same period.

## 3.5. Staff report

### Total staff costs\* (audited)

	<b>Total 2023/24 £'000</b>	<b>Total 2022/23 £'000</b>
Wages & salaries	30,182	27,882
Social security costs	3,053	2,850
Employers pension	7,253	6,756
<b>Sub total</b>	<b>40,488</b>	<b>37,488</b>
Other pension costs	32	34
Redundancy costs <sup>1</sup>	108	186
Staff related provision	12	-
<b>Sub total</b>	<b>40,640</b>	<b>37,708</b>
Capitalised costs	(624)	(758)
<b>Total net costs</b>	<b>40,016</b>	<b>36,950</b>

<sup>1</sup> Includes pay in lieu of notice and liquidated leave.

\* Further detail available at **Note 5** to the accounts

### Employee involvement

The GLAs are committed to effective communications which they maintain through formal and informal briefings, internal magazines, newsletters and electronic media, including their own Intranet services. Consultation with employees is undertaken using a long-established, but continually developing, mechanism and include joint committees covering all staff. Employees are informed of matters of concern to them; they are consulted frequently and regularly so that account may be taken of their interests.

## **Equal opportunities**

The GLAs are equal opportunity employers and at every stage of recruitment, staff transfer and promotion, they carefully ensure that the selection processes used in no way give any preference on the basis of gender, age, race, disability, sexual orientation or religion.

## **Disabled employees**

The policy of the GLAs towards the employment of disabled people is that a disability is no bar to recruitment or advancement. The nature of the duties at lighthouses imposes some limitations on the employment of disabled staff. When dealing with employee absence, compliance with the Equality Act 2010 is ensured by always seeking advice through Occupational Health Services utilised by the GLAs.

## **Training**

There is a comprehensive training plan throughout the GLAs that aims to give staff the skills and knowledge required to perform efficiently. Staff are encouraged to develop through performance and development systems, whereby personal development plans are produced on an annual basis for every member of staff. In addition, skill gaps are identified through careful strategic analysis and organisational wide development initiatives have been introduced as a result.

## **Tri-GLA staff**

TH hosts three inter-GLAs functions: the GLA Research and Development Directorate (GRAD); the collection of Light Dues and out-of-hours AtoN monitoring. Light Dues collection is achieved using an internet-based collection system with members of the Institute of Chartered Shipbrokers acting as Light Dues collectors. Other arrangements exist in IRL and the Isle of Man for the collection of Light Dues.

## Average number of persons employed (audited)

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

	2023/24		2023/24		2022/23		2022/23	
	Permanent	Others	Total	Permanent	Others	Total	Total	
Directly employed	566	3	569	561	12	573		
Other	-	28	28	-	22	22		
Staff engaged on capital projects	11	-	11	14	-	14		
	<b>577</b>	<b>31</b>	<b>608</b>	<b>575</b>	<b>34</b>	<b>609</b>		

## Expenditure on consultancy

	TH	NLB	Irish Lights	2023/24	2022/23
	£000	£000	£000	£000	£000
Expenditure on consultancy	-	-	27	27	116

## Expenditure on temporary staff/contingent labour

Included in Note 5 to the accounts as “other”.

## Reporting of compensation scheme exit packages (audited)

The number and value of compulsory redundancies and other departures agreed during the year was:

	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Exit package cost band						
Less than £10,000	-	-	-	3	-	3
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	1	1	1	1
£50,000-£100,000	-	-	1	2	1	2
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	-	-	<b>2</b>	<b>6</b>	<b>2</b>	<b>6</b>
<b>Total cost (£)</b>	-	-	<b>107,381</b>	<b>185,514</b>	<b>107,381</b>	<b>185,514</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the GLAs have agreed early retirements, any additional costs are met by the GLA and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table above.

## Diversity information

Number of persons of each gender who were employed by the GLAs was as follows

(Whole time equivalents on 31 March):

	<b>2023/24</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2022/23</b>
	Female	Male	Female	Male
Commissioner/NED	13	23	11	24
Director	4	10	4	9
Manager	11	39	7	39
Employee	127	448	119	449
<b>Total</b>	<b>155</b>	<b>520</b>	<b>141</b>	<b>521</b>

## Sickness absence

Sickness absence in the three GLAs during the year was:

<b>Trinity House</b>	<b>2023/24</b>	<b>2022/23</b>
Total number of days sickness	2,339	2,971
Average number of days lost per employee	8.3	10.5
<b>Northern Lighthouse Board</b>	<b>2023/24</b>	<b>2022/23</b>
Total number of days sickness	1,385	1,553
Average number of days lost per employee	7.7	8.8
<b>Irish Lights</b>	<b>2023/24</b>	<b>2022/23</b>
Total number of days sickness	1,128	713
Average number of days lost per employee	10.3	6.8

Average number of days lost per employee is based on total number employed of 571 (2022-23, 563) which excludes lighthouse attendants & casual staff.

## Staff relations

TH

During 2023-24 one of the three recognised trade unions, Unite, who represent a section of the support vessel services (SVS) employees balloted for strike action. The opportunity to take strike action opened in July 2023 and closed in December 2023. No strike action took place in 2023-24 (2022-23, 2 days). TH continues to consult with all trade unions on the proposals for the 2024-25 pay remit.



## NLB

There were two instances of industrial action during the year (2022-23, nil). Unite Mariners and Shore Based staff took strike action 26-27 June 2023 and 27-28 July 2023 at NLB's Oban facility. The strike action resulted in operational reduction, cancellation of work and reduction in commercial income which was lost as other vessels had been prevented from using the NLB berth in Oban. The Pay Offer for 2023-24 was accepted by Unite and this resulted in no further Industrial Action being taken.

Action was also taken by Unite the Union in relation to the Pay Award for 2022 that was imposed in March 2023. In turn 41 Unite members submitted a claim of inducement in relation to imposing the 2022 pay award. Discussions took place with ACAS who issued an early conciliation certificate on the 21 July 2023. Prior to the Employment Tribunal taking place, Unite withdrew their claim for Inducement.

## IL

There were no instances of industrial action at IL during the year (2022-23, nil).

## **Pension scheme**

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme (CSOPS) or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's

State Pension Age (or 65 if higher). From that date all newly appointed staff and the majority of those already in service joined alpha. Before that date, staff participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60 and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS, who were within 10 years of their normal pension age on 1 April 2012, remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes. Members joining from October 2002 could opt for either the appropriate defined benefit arrangement or

‘money purchase’ stakeholder pension with an employer contribution (partnership pension account, see below).

Employee contributions are salary-related and range between 4.6% and 8.05% of Classic, Premium, Classic Plus, Nuvos and alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in premium. In Nuvos, a member builds up a pension based on their pensionable earnings during the period when they were a member of the scheme. At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Benefits in alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and

Classic Plus; 65 for members of Nuvos; and the higher of 65 or state pension age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Further details can be found at <https://www.civilservicepensionscheme.org.uk>

Employer contributions for 2023-24 were:

	TH	NLB	Irish Lights	2023/24	2022/23
	£000	£000	£000	£000	£000
Employer PCSPS contributions	3,275	2,363	1,615	7,253	6,756

In addition, employer contributions of £405, 0.5% (2022-23: £481, 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 and ill health retirement of these employees.

Employer contributions are payable to the PCSPS at one of four rates in the range 26.6% to 30.3% (2022-23, 26.6% to 30.3%) of pensionable pay based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

## Partnership pensions

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions paid to one or more of a panel of four appointed stakeholder pension providers were:

	Irish			
	TH	NLB	Lights	2022/23
	£000	£000	£000	£000
Employer partnership pension contributions	20.9	11.7	0.0	32.6
				34.6

Employer contributions are age-related and ranged from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

## Ensign Retirement Plan

The NLB is a participating employer in the defined contribution Ensign Retirement Plan, a scheme created on 1 April 2016 to replace the previous defined benefit Merchant Navy Officers Pension Fund. From 1 April 2018 the Ensign Retirement Plan (for the MNOFF) became part of the Ensign Retirement Plan. For further details see **Note 27**.

## **Off-payroll arrangements**

There were no off-payroll arrangements during the year.

## **3.6. Parliamentary accountability disclosures (audited)**

### **Regularity of expenditure**

The GLF has complied with the regularity of expenditure requirements as set out in HM Treasury Guidance.

### **Losses & special payments**

During 2023-24, with the assistance of its insurers, TH settled a longstanding personal injury claim for a gross value of £0.4m. The claim was fully insured, paid and reimbursed in full during the beginning of 2024-25 (2022-23 £nil).

There were no losses or special payments during 2023-24 at IL that are required to be disclosed per HM Treasury guidance (2022-23, nil).

At NLB there was one loss totalling £186,000 (2022-23, £1,300). The loss includes the value of tools, equipment, materials and the delivery cost associated with items landed by helicopter at Bass Rock in advance of planned maintenance works. The items were subsequently washed into the sea during storm Babet resulting in an irrecoverable loss.

## **Fees and Charges**

Light Dues, the principal source of income to the GLF, is a tax set annually in the UK by the Maritime Minister in accordance with the Merchant Shipping Act 1995. The rates are set at a level aimed to balance income with expenditure; any surplus generated remains in the GLF to fund navigational safety in a future period.

The GLAs also charge for some commercial activities to utilise reserve capacity. GLAs' commercial activities are charged at market rates.

None of these income streams are considered to represent a fee or charge within the scope of Managing Public Money

## **Remote contingent liabilities**

There are no remote contingent liabilities (2022-23, nil).

**Dame Bernadette Kelly DCB    Date: 4th February 2025**  
**Permanent Secretary and**  
**Accounting Officer**

Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR



# 4. The Certificate of the Comptroller and Auditor General to the Houses of Parliament

## 4.1. Opinion of Financial Statements

I certify that I have audited the financial statements of the General Lighthouse Fund for the year ended 31 March 2024 under the Merchant Shipping Act 1995.

The financial statements comprise the General Lighthouse Fund's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Taxpayer Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the General Lighthouse Fund's affairs as at 31 March 2024 and its income for the year then ended; and
- have been properly prepared in accordance with the Merchant Shipping Act 1995 and Secretary of State directions issued thereunder.

## **4.2. Opinion on regularity**

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **4.3. Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the General Lighthouse Fund in accordance with the ethical requirements that are relevant to my audit of the financial

statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **4.4. Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the General Lighthouse Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the General Lighthouse Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is

anticipated that the services which they provide will continue into the future

## **4.5. Other Information**

The other information comprises information included in the Performance Report and Accountability Report but does not include the financial statements nor my auditor's certificate. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **4.6. Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Merchant Shipping Act 1995.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Merchant Shipping Act 1995; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **4.7. Matters on which I report by exception**

In the light of the knowledge and understanding of the General Lighthouse Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the General Lighthouse Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **4.8. Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of the Responsibilities of the General Lighthouse Authorities' Boards, the Secretary of State for Transport and the Accounting Officer, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the General Lighthouse Fund from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Merchant Shipping Act 1995;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions made under the Merchant Shipping Act 1995; and
- assessing the General Lighthouse Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting

Officer anticipates that the services provided by the General Lighthouse Fund will not continue to be provided in the future.

## **4.9. Auditor’s responsibilities for the audit of the financial statements**

My responsibility is to audit and certify the financial statements in accordance with the Merchant Shipping Act 1995.

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

### **4.9.1. Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations,



including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## **4.9.2. Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the General Lighthouse Fund's accounting policies
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the General Lighthouse Fund's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the General Lighthouse Fund's controls relating to the General Lighthouse Fund's compliance with the Merchant Shipping Act 1995 and Managing Public Money

- inquired of management, internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud
- discussed with the engagement team and the relevant external specialists, including maritime engineering specialists, where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the General Lighthouse Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the General Lighthouse Fund's framework of authority and other legal and regulatory frameworks in which the General Lighthouse Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the General Lighthouse Fund. The key laws and regulations I considered in this context included the Merchant

Shipping Act 1995, Managing Public Money, employment law, tax legislation and the Merchant Shipping (Light Dues) Regulations 1997 (as amended).

### **4.9.3. Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit Committees of the General Lighthouse Authorities concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Boards of the General Lighthouse Authorities, and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud

or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

#### **4.9.4. Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

**Gareth Davies**  
**Comptroller and**  
**Auditor General**

**Date: 6th February 2025**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# 5. Financial Statements

## Statement of Comprehensive Net Income

for the period ended 31 March 2024

		<b>2023/24</b>	<b>2022/23</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
Light dues	3	95,618	88,631
Other income	4	11,874	13,215
		107,492	101,846
<b>Expenditure</b>			
Staff costs	5	(40,016)	(36,950)
Amortisation	14	(354)	(401)
Depreciation (owned assets)	10	(11,154)	(11,139)
Depreciation (RoU assets)	11	(5,318)	(4,121)
Gain/(loss) on revaluation of property, plant and equipment	10	(1,114)	187
Other expenditure	6	(31,558)	(37,814)
		(89,514)	(90,238)
<b>Net operating income</b>		<b>17,978</b>	<b>11,608</b>
Interest receivable	7	2,073	614
Interest payable	8	(1,129)	(1,057)
Revaluation of investment property	12	136	50
<b>Income for the financial year</b>		<b>19,058</b>	<b>11,215</b>

		<b>2023/24</b>	<b>2022/23</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Other comprehensive income</b>			
Items that will not be classified to net operating costs:			
Gain on revaluation of property, plant and equipment	10	19,305	30,742
Translation of euro reserves		(1,156)	1,672
<b>Total comprehensive income</b>		<b>37,207</b>	<b>43,629</b>

Notes on **pages 111 to 183** form part of these accounts

# Statement of Financial Position

as at 31 March 2024

		2023/24	2022/23
	Notes	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (owned)	10	284,561	263,368
Right of use assets (leased)	11	33,890	27,855
Investment assets	12	1,801	1,713
Heritage Assets	13	290	298
Intangible assets	14	645	904
Non-current receivables	15	86	54
		321,273	294,192
<b>Current assets</b>			
Assets classified as held for sale	16	1,526	495
Inventories	17	4,558	4,916
Trade and other receivables	18	7,052	4,641
Cash & cash equivalents	19	59,431	39,594
		72,567	49,646
<b>Total assets</b>		393,840	343,838
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	(17,900)	(13,145)
Provisions	21	(11,713)	(8,231)
Financial liabilities	22	(12,022)	(355)
		(41,635)	(21,731)
<b>Non-current liabilities</b>			
Provisions	21	(763)	(14,442)
Leases & other liabilities	23	(7,906)	(6,920)
Financial liabilities	22	(40,583)	(35,000)

		<b>2023/24</b>	<b>2022/23</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
		(49,252)	(56,362)
<b>Total assets less total liabilities</b>		<b>302,953</b>	<b>265,745</b>
<b>Reserves</b>			
General fund		99,115	73,631
Revaluation reserve		203,838	192,114
<b>Total equity</b>		<b>302,953</b>	<b>265,745</b>

**Dame Bernadette Kelly DCB      Date: 4<sup>th</sup> February 2025**  
**Permanent Secretary and**  
**Accounting Officer**

Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR

Notes on **pages 111 to 183** form part of these accounts



# Statement of Cash Flows

for the period ended 31 March 2024

		2023/24	2022/23
	Notes	£'000	£'000
<b>Cash flows from operating activities</b>			
Net income after interest		19,058	11,215
Loss/(profit) on disposal of property plant and equipment	6	(4)	113
Loss/(profit) on disposal of assets held for sale	6	-	(40)
Depreciation	10 & 11	16,878	15,610
Amortisation	14	354	401
Impairments	9	1,941	2,093
Revaluation of PPE, RoU, Heritage and HfS assets <sup>1</sup>	10,11, 13&16	1,114	(337)
(Increase)/decrease in trade and other receivables	15 & 18	(2,443)	197
(Increase)/decrease in inventories	17	358	582
Increase/(decrease) in trade payables (excluding leases)	20 & 23	1,301	713
Increase/(decrease) in accrued borrowing costs	22 & 24	259	(9)
Increase/(decrease) in provisions	21	(10,197)	4,853
Revaluation of investment properties	12	(136)	(50)
Foreign exchange translation		(15)	(11)
<b>Net cash inflow from operating activities</b>		<b>28,468</b>	<b>35,330</b>

		<b>2023/24</b>	<b>2022/23</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment	10	(22,133)	(9,324)
Purchase of right of use assets <sup>2</sup>	11	(1,107)	(1,667)
Purchase of intangible assets	14	(98)	(20)
Proceeds from disposal of property, plant & equipment		76	170
<b>Net cash outflow from investing activities</b>		<b>(23,262)</b>	<b>(10,841)</b>
<b>Cash flows from financing activities</b>			
Financing received	22	17,000	-
Financing repaid	22	-	(23,333)
Payments in respect of leases liabilities	24	(2,369)	(3,106)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>14,631</b>	<b>(26,439)</b>
<b>Net cash inflow/(outflow) from all activities</b>		<b>19,837</b>	<b>(1,950)</b>
Net increase/(decrease) in cash and cash equivalents in the period	19	<b>19,837</b>	<b>(1,950)</b>
Cash and cash equivalents at the beginning of the period	19	<b>39,594</b>	<b>41,544</b>
Cash and cash equivalents at the end of the period	19	<b>59,431</b>	<b>39,594</b>

<sup>1</sup> Property Plant and Equipment, Right of Use and Held for Sale assets

<sup>2</sup> Includes leased assets and other enhancements to Right of Use assets

Notes on **pages 111 to 183** form part of these accounts

# Statement of Changes in Taxpayer Equity

for the period ended 31 March 2024

	<b>General Fund</b>	<b>Revaluation Reserve</b>	<b>Total Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 31 March 2022	54,539	167,577	222,116
Income for the financial year	11,215	-	11,215
Net gain on revaluation of property, plant and equipment	-	30,742	30,742
Release of revaluation reserve to the general fund re depreciation	7,091	(7,091)	-
Release of revaluation reserves to the general fund re disposals	21	(21)	-
Foreign currency translation of euro reserves <sup>1</sup>	765	907	1,672
<b>Balance at 31 March 2023</b>	<b>73,631</b>	<b>192,114</b>	<b>265,745</b>

	<b>General</b>	<b>Revaluation</b>	<b>Total</b>
	<b>Fund</b>	<b>Reserve</b>	<b>Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 31 March 2023	73,631	192,114	265,745
Income for the financial year	19,058	-	19,058
Net gain on revaluation of property, plant and equipment	-	19,305	19,305
Release of revaluation reserve to the general fund re depreciation	6,934	(6,934)	-
Release of revaluation reserves to the general fund re disposals	7	(7)	-
Foreign currency translation of euro reserves <sup>1</sup>	(515)	(640)	(1,155)
Balance at 31 March 2024	<b>99,115</b>	<b>203,838</b>	<b>302,953</b>

The cumulative foreign currency translation of euro reserves is £-4.8m as measured from the inception of the Statement of Changes in Equity on 1 April 2009.

Notes on **pages 111 to 183** form part of these accounts

# 6. Notes to the accounts for the year ended 31 March 2024

Notes to the financial statements provide additional information required by statute and accounting standards to explain a particular feature of the financial statements. The notes which follow will also provide explanations and additional disclosures to assist readers' understanding and interpretation of the financial statements.

## 1 Accounting policies

### a) Accounting convention

These accounts have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury and accordingly are drawn up to give a true and fair view on that basis. The accounting policies contained in the FReM follow UK adopted International Accounting Standards as adopted or interpreted for the public sector. 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 GLF for the purpose of giving a true and fair view has been selected. The GLF's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. In addition, the accounts have been prepared in accordance with the accounts direction **Annex 1** issued by the Secretary of State for Transport.

## **b) Basis of consolidation**

In accordance with the accounts direction issued by the Secretary of State for Transport 25 September 2019, these financial statements comprise a consolidation of the core GLF administration accounts, the Light Dues collection accounts along with the accounts of the Trinity House Lighthouse Service, the Commissioners of Northern Lighthouses (the Northern Lighthouse Board) and the Commissioners of Irish Lights (Irish Lights).

## **c) Basis of preparation**

These financial statements have been prepared on a going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment.

The going concern basis is considered appropriate, with consideration to the following factors. The GLF has adequate cash reserves and liquidity to withstand reasonable changes in market conditions (see **page 21** for long term trends) and is funded from a tax (Light Dues) which the Secretary of State has discretionary powers to amend when required. The GLAs are NDPBs of the Department for Transport. The GLAs and GLF functions are the subject of primary legislation to which DfT has no plans to change.

Figures are presented in pounds sterling and are rounded to the nearest £1,000. Cash transactions between pounds sterling and a foreign currency are recorded using the exchange rate applicable on the day or that

applied to the transaction by the bank. Euro payments and receipts are recorded in pounds sterling using the average rate for the preceding month, for all other in year transactions requiring translation to pounds sterling the average rate for the year is used £1=€1.1591 (2022-23 £1=€1.1572). Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at 31 March 2024 £1=€1.1694 (31 March 2023 £1=€1.1375). Translation differences are recognised in the Statement of Comprehensive Net Income.

#### **d) New standards and interpretations adopted early**

No new standards have been adopted during the year.

#### **e) New standards and interpretations not yet adopted**

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

IFRS 17 Insurance Contracts. This standard covers all enforceable arrangements under which an entity accepts a non-financial risk from a third party and requires an expected present value approach to measuring insurance liabilities. HM Treasury's consultation on the adoption of IFRS 17 in central recommended that adoption of IFRS 17 in central government be deferred to an application date of 1 April 2025. The GLF and GLAs are monitoring contingent liabilities and similar arrangements to identify

any that meet the definition of insurance contracts, at present, none are expected to have a material impact.

During the year, HM Treasury consulted on proposals to change the valuation approach applied to property, plant and equipment used to provide public services and to intangible assets. These proposals are set out in “Non-investment Asset Valuation – Exposure Draft 23 (01)”. These would lead to intangible assets being valued on an historical cost or deemed cost basis. Property, plant and equipment would be revalued on a quinquennial cycle, potentially on a rolling basis, with indexation applied in interim years. Any changes are expected to take effect from 2025-26. As the text of the final amendment to the FReM has not yet been issued, the GLF cannot provide an estimate of the likely impact.

IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and will come into effect for accounting periods commencing on, or after, 1 January 2027. It will result in changes to the presentation of the performance and cashflow statements and will require additional disclosures for alternative financial performance measures used by an entity’s management. As the Statement of Comprehensive Net Income required by the FReM adapts the standard IFRS performance statement to reflect the circumstances of central government, it is not yet clear how the IFRS 18 changes will affect the GLF.

The GLF does not consider that any other new, or revised standards, or interpretation will have a material



impact and will conduct further analysis ahead of any implementation dates.

## **f) Income**

In accordance with the Merchant Shipping Act 1995, the GLAs are permitted to sell reserve capacity. Income from these activities is recognised in the period contractual obligations are met in accordance with IFRS 15. The principal source of income for the GLF is Light Dues, a tax on ships entering the UK or the Republic of Ireland. Revenue from Light Dues is recognised at the point a vessel arrives into port i.e. the vessel arrival is treated as the contractual/taxable event as required by the FReM. In addition to IRL Light Dues the GLF receives a contribution from the Irish Government towards the work of Irish Lights in the Republic of Ireland. This income is recognised under IAS 20: as Irish Government funding is provided on a cost-reimbursement basis, this income is recognised in same period as Irish expenses are incurred.

## **g) Intangible assets**

Computer Software has been capitalised at cost and is amortised on a straight-line basis over the estimated useful economic life of between 3 to 5 years dependent on the expected operating life of the asset. Intangible licences have been capitalised at cost and are amortised over the life of the licence. 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.

Intangible assets are held at cost less amortisation and are not revalued, since the impact of revaluing these assets is not deemed to be material.

## **h) Pension benefits**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and or alpha a new pension scheme introduced on 1 April 2015 and described in **Note 27**. The defined schemes are unfunded and are mostly contributory except in respect of dependants' benefits.

The GLAs expense the contributions payable to the PCSPS as incurred. The PCSPS pays pension benefits and accounts for the liability. The Staff report in the Accountability section provides further details (see **page 83**).

The GLAs recognise liabilities for short-term employee benefits (which fall due within twelve months of the period in which they are earned). In practice, all material short-term employee benefits are settled during the period in which they are earned. The GLAs are required to pay, as termination benefits, the additional cost of benefits, beyond the normal PCSPS benefits, in respect of employees who retire early, unless the retirements are on approved medical grounds.

## **i) Property Plant & Equipment – 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 (€8,000).

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 in the SoCNI. For example, dry docking of ships.

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

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

Heritage assets are any item of property, plant and equipment with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture. Where the GLAs identify such assets, and a cost or valuation is readily available, they are recognised in the SoFP.

## **j) Property Plant & Equipment – 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 5 years or less, Depreciated Historic Cost (DHC) is considered as a proxy for Fair Value.

Asset Class	Valuation Method	Valued by
Non-Specialised Land & Buildings	Fair Value, using Existing Use Valuation principles	RICS Valuation Statement (UKVS) 1.1 Professional valuation every 5 years. Value plus indices in Intervening years.
Specialised Property (e.g. Lighthouses)	Fair Value using Depreciated Replacement Cost principles (DRC)	RICS Valuation Statement (UKVS) 1.1 Professional valuation every 5 years. Value plus indices in Intervening years.
Non-Operational Property*	Market Value (MV)	Specified as Obsolete, Assets Held for Sale or Investment Assets. Professional Valuation annually
Tenders, Ancillary Craft & Lightvessels	Fair Value (MV)	Professional Valuation Annually
Buoys	Fair Value	Internally using MV of recent purchases, thereafter annually using MV of recent purchases or recognised indices.
Beacons	Fair Value	RICS Valuation Statement (UKVS) 1.1 (valued at DRC if specialised and defined as such under the RICS Red Book) valuation every 5 years, Value plus indices in intervening years.

Asset Class	Valuation Method	Valued by
Plant, Machinery & IT Equipment – Low Value and short life	Depreciated Historic Cost	N/A
Plant & Machinery – Not included above	Fair Value	RICS Valuation Statement (UKVS) 4.1 & 4.3 Professional valuation as base cost, plus indices annually thereafter.
Plant and Machinery at Lighthouses	FV using Depreciated Replacement Cost principles (DRC)	UKVS 1.1 (valued at DRC if specialised and defined as such under the RICS Red Book) Professional valuation every 5 years, Value plus indices in intervening years.

\*Non-Operational in this context relates to property that is not required for the GLA 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 asset's 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 Comprehensive Net Income. If the asset's 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.

## **k) Property Plant & Equipment – Depreciation**

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

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

<b>Categories</b>	<b>Depreciation lives</b>	<b>Categories</b>	<b>Depreciation lives</b>
<b>Land and buildings</b>		<b>Buoys and beacons</b>	
Land	Not Depreciated	Steel Buoys	Up to 50 years
Lighthouses (Building Structure)	25 – 150 years	Beacons	Up to 100 years
Lighthouse Improvements	25 years	Plastic Buoys	10 years
or remaining Life if less		Super Structures	5 – 15 years
Other Buildings	50 years	Solarisation Costs	10 years
<b>Tenders and ancillary craft</b>		<b>Plant and machinery</b>	
Tenders*	25 years	Lighthouses	15 – 25 years
Tenders (Dry Dock and Repair)	Up to 5 Years**	Automation equipment	15 – 25 years
Workboats	Up to 25 years	Racons & Radio Beacons	15 – 25 years
		Depots and Workshops	10 – 25 years
<b>Lightvessels</b>		Office Equipment	Up to 10 years
Lightvessel (hulls)	50 years	Vehicles	5 – 15 years
Lightvessel (hull conversions)	15 years	Computers – Major systems	5 years
Lightvessel (Dry Dock and Repair)	7 years**	Computers – Other	3 years
		ALS Equipment	7 – 10 Years



<b>Categories</b>	<b>Depreciation lives</b>	<b>Categories</b>	<b>Depreciation lives</b>
<b>Land and buildings</b>		<b>Buoys and beacons</b>	
<b>Intangible</b>		DGPS	10 Years
Software	3 to 5 years		
Licences	Term of licence		

\*Tenders leases are depreciated over 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 and expected to be utilised.

\*\* Depending on Dry Docking Schedule.

# **I) Leases**

## **Scope and classification**

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration.

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

Low-value items are excluded from lease treatment, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items. Contracts with a term shorter than twelve months are also excluded.

The lease term comprises the non-cancellable period, together with any extension options it is reasonably certain will be exercised and any termination options it is reasonably certain will not be exercised.

## **Initial recognition**

At the commencement of a lease (or the IFRS 16 transition date, if later), the GLF recognises a right-of-use asset and a lease liability.

The lease liability is measured as the sum of payments, net of value added tax, for the remaining lease term (as defined above), discounted either by the rate implicit in the lease, or, where this cannot be determined, the incremental cost of government borrowing provided by HMT. The payments included in the liability are those that are fixed, or in-substance fixed, excluding changes arising, for example, from future rent reviews or changes in an index.

The right-of-use (RoU) asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a “peppercorn” lease), the asset is measured at its existing use value.

## **Subsequent Measurement**

RoU assets are subsequently measured using the fair value model. The GLF considers that the cost model is a reasonable proxy for the fair value model for leases of items other than land and property, and for leases of land and property with regular rent reviews. For other leases, the asset is carried at a revalued amount. Right of use assets are depreciated on a straight-line basis over the lease term.

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.

## **Leases as the Lessor**

Where the GLF acts as 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, the GLF 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, the GLF 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. The GLF 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.

## **m) Inventories**

As per IAS 2, Inventories are permitted to be valued using the Average Cost method (AVCO) or First in-First Out (FIFO). NLB and IL use AVCO, TH value Inventories

on a FIFO basis. This departure does not have a material effect on the Inventory values reported.

## **n) Research and Development**

Research and Development work is co-ordinated by the GLA Research and Development (GRAD) Policy Committee for Major Research and Development. Direct expenditure incurred via this channel, or any other research and development activity is charged to the Statement of Comprehensive Net Income.

## **o) Taxation**

The fund is exempt from Corporation Tax under provisions of Section 221 of the Merchant Shipping Act 1995. The GLA are liable to account for VAT on charges rendered for services and are able to reclaim VAT on all costs under the provisions of the Value Added Tax Act 1983.

## **p) Provisions**

Provisions are made for liabilities and charges in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets where, at the reporting date, a legal or 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.

## **q) Government Grants**

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

## **r) Investment properties**

The GLAs hold a small number of properties that are considered surplus to requirements and are currently held for their income generation potential. It has been agreed that this alternative use is in the best interests of the GLA and the General Lighthouse Fund. These properties are treated in accordance with IAS 40: Investment Property and are accordingly valued to open market value each year.

## **s) 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*

Loans, trade receivables and accrued income are covered by the financial instruments standards IFRS 9.

Loans and receivables are recognised initially at fair value, plus transaction costs. Fair value is usually the contractual value. Thereafter, these assets are held at amortised cost.

Credit loss allowances for trade receivables and similar arrangements are measured at the lifetime expected credit loss where material.

### *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. As at 31 March 2024 no contracts contained embedded derivatives (31 March 2023 nil).



## *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.

## **t) Estimates**

The GLF may be liable as described in **Note 27** for any shortfall in the MNO PF pension fund. The GLF takes advice from qualified actuaries in determining the extent of any shortfall and whether it may be required to make further contributions.

Provisions are estimated based on the best information available at time of reporting see **Note 21** for further details covering estimates and judgements.

Aside from this, key estimates in the GLF 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 **Notes 10, 11, 12 & 13**.

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 10**. Key assumptions are made in the following areas:

- For each lighthouse, the GLF 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 overvaluation, while more aggressive engineering assumptions will tend towards less expensive ones, risking undervaluation through optimism bias. GLF 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 the GLF'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 operating segments

	TH	NLB	Irish Lights	GLF	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Light dues income	-	-	-	95,618	95,618	88,631
GLA drawdowns	45,820	25,955	14,329	(86,104)	-	-
Other income	2,714	1,907	1,351	5,902	11,874	13,215
Total income	48,534	27,862	15,680	15,416	107,492	101,846
Gross expenditure	(40,247)	(29,449)	(17,677)	(2,141)	(89,514)	(90,238)
<b>Net income / (expenditure)</b>	<b>8,287</b>	<b>(1,587)</b>	<b>(1,997)</b>	<b>13,275</b>	<b>17,978</b>	<b>11,608</b>
<b>Total assets</b>	<b>117,691</b>	<b>175,230</b>	<b>45,045</b>	<b>55,874</b>	<b>393,840</b>	<b>343,838</b>

For a further breakdown please refer to the individual GLA accounts.

### 3 Light dues

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Light dues income United Kingdom	89,094	82,349
Light dues income Republic of Ireland	6,524	6,282
	<b>95,618</b>	<b>88,631</b>

## 4 Other income

	Tri GLA £'000	TH £'000	NLB £'000	Irish Lights £'000	GLF £'000	2023/24 £'000	2022/23 £'000
Buoy rental	-	742	501	188	-	1,431	1,671
Property rental	-	325	207	725	-	1,257	1,059
Other commercial income	-	-	49	-	-	49	359
Tender hire	-	931	1,049	414	-	2,394	1,425
Republic of Ireland contribution	-	-	-	-	5,902	5,902	5,183
Grant income <sup>1</sup>	-	10	58	-	-	68	3,075
Sundry receipts	110	596	43	24	-	773	443
	<b>110</b>	<b>2,604</b>	<b>1,907</b>	<b>1,351</b>	<b>5,902</b>	<b>11,874</b>	<b>13,215</b>

<sup>1</sup> Prior year income included a one-off grant of £3m from DfT.

## 5 Staff costs

	TH		TH		NLB		NLB		Irish Lights		Irish Lights		Total	
	Permanent	Others	Permanent	Others	Permanent	Others	Permanent	Others	Permanent	Others	Permanent	Others	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wages & salaries	13,214	523	9,467	343	6,141	494							30,182	27,882
Social security costs	1,491	-	1,075	-			475	12					3,053	2,850
Employers pension	3,275	-	2,363	-			1,615	-					7,253	6,756
<b>Sub total</b>	<b>17,980</b>	<b>523</b>	<b>12,905</b>	<b>343</b>	<b>8,231</b>	<b>506</b>	<b>8,231</b>	<b>506</b>	<b>40,488</b>	<b>37,488</b>				
Other pension costs	20	-	12	-									32	34
Redundancy costs <sup>1</sup>	-	-	108	-									108	186
Staff related provision	-	-	-	-			12	-					12	-
<b>Sub total</b>	<b>18,000</b>	<b>523</b>	<b>13,025</b>	<b>343</b>	<b>8,243</b>	<b>506</b>	<b>8,243</b>	<b>506</b>	<b>40,640</b>	<b>37,708</b>				
Capitalised costs	(448)	-	-	-	(176)	-			(624)	(758)				
<b>Total net costs</b>	<b>17,552</b>	<b>523</b>	<b>13,025</b>	<b>343</b>	<b>8,067</b>	<b>506</b>	<b>8,067</b>	<b>506</b>	<b>40,016</b>	<b>36,950</b>				

<sup>1</sup> includes pay in lieu of notice and liquidated leave

## 6 Other expenditure

	TH	NLB	Irish Lights	GLF & Tri-GLA	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Running costs	15,811	8,567	5,673	521	30,572	29,390
Variable lease costs	562	19	70	-	651	975
Auditors remuneration	-	-	-	128	128	170
Research and development	-	-	-	293	293	290
Impairments	1,235	706	-	-	1,941	2,062
Loss/(profit) on disposal of HfS <sup>1</sup>	-	-	-	-	-	(40)
Loss/(profit) on disposal of PPE <sup>2</sup>	4	(10)	2	-	(4)	113
Loss/(profit) on disposal of Int <sup>3</sup>	-	-	-	-	-	-
Movement in provision <sup>4</sup>	(1,829)	(362)	168	-	(2,023)	4,854
	<b>15,783</b>	<b>8,920</b>	<b>5,913</b>	<b>942</b>	<b>31,558</b>	<b>37,814</b>

<sup>1</sup> Held for sale assets, <sup>2</sup> Property plant & equipment, <sup>3</sup> Intangible assets,

<sup>4</sup> Provisions are detailed in **Note 21**



## 7 Interest receivable

	TH	NLB	Irish Lights	GLF	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Bank interest receivable	14	19	-	2,040	2,073	614

## 8 Interest payable

	TH	NLB	Irish Lights	GLF	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Interest on DfT loan	-	250	-	711	961	829
Interest on leases	42	92	34	-	168	228
	<b>42</b>	<b>342</b>	<b>34</b>	<b>711</b>	<b>1,129</b>	<b>1,057</b>

## 9 Impairments and downward adjustments

Assets which have decreased in value as a result of revaluations have been separately identified as revaluation losses on the Statement of Comprehensive Net Income, except to the extent that a previous revaluation gain was already recognised. Other impairments and downward adjustments are as follows:

### 2023-24

**There were no impairments during the year arising as a result of obsolescence or physical damage.**

During the year works to TH vessel Patricia (PPE) and TH vessel Alert (RoU) exceeded the fair value (market value) of the vessel resulting in a downward adjustment of £0.366m.

A number of other capital projects were completed including work to TH Needles Lighthouse, TH Trevoise Head Lighthouse, TH Pendeen lighthouse, NLB Fair Isle South Lighthouse, NLB Lunna Holm Lighthouse and the NLB headquarters in Edinburgh. As of 31 March 2024, the costs of these projects exceeded the Depreciated Replacement Cost valuation by £1,574,000.

In line with the requirements of FReM, a downward adjustment of £1,941,000 has transferred to the Statement of Comprehensive Net Income.

No downward adjustments reported at IL in the period to 31 March 2024.

## **2022-23**

**There were no impairments during the prior year arising as a result of obsolescence or physical damage.**

During the year works to TH vessel Patricia exceeded the fair value (market value) of the vessel resulting in an downward adjustment of £1.2m.

A number of other capital projects were completed including work to TH Farne Lighthouse, TH Flamborough Head Lighthouse, TH Tater Du Lighthouse, NLB Hoy Low Lighthouse, NLB Lunna Holm Lighthouse and the NLB base in Oban. As of 31 March 2023, the costs of these projects exceeded the Depreciated Replacement Cost valuation by £862,000.

In line with the requirements of FReM, £2,062,000 has been impaired and transferred to the Statement of Comprehensive Net Income.

No downward adjustments were reported at IL in the period to 31 March 2023.

# 10 Property plant and equipment

## Current year

Cost or valuation	Land £000	Buildings £000	Vessels £000	Light- Vessels £000	Buoys £000	IT Equip. £000	Plant & Mach. £000	AUC* £000	Total £000
1 April 2023	14,472	186,638	2,580	8,730	16,399	3,224	34,597	4,871	271,511
Additions	-	3,434	454	472	158	281	1,153	19,775	25,727
Disposals	-	-	-	-	(32)	(32)	(289)	-	(353)
Impairments	-	(777)	(330)	-	-	-	(863)	-	(1,970)
Reclassifications	(336)	(664)	-	-	-	-	(121)	-	(1,121)
Revaluations	128	1,018	(455)	(372)	70	(214)	138	-	313
Transfers	-	1,462	-	-	-	91	2,747	(4,358)	(58)
Foreign exchange	(95)	(693)	(49)	-	(91)	(6)	(236)	(20)	(1,190)
<b>At 31 March 2024</b>	<b>14,169</b>	<b>190,418</b>	<b>2,200</b>	<b>8,830</b>	<b>16,504</b>	<b>3,344</b>	<b>37,126</b>	<b>20,268</b>	<b>292,859</b>
<b>Depreciation</b>									
1 April 2023	-	16	663	-	379	1,646	5,439	-	8,143
Charged in year	-	4,016	453	620	1,841	474	3,750	-	11,154
Disposals	-	-	-	-	(2)	(31)	(248)	-	(281)
Impairments	-	(65)	-	-	-	-	-	-	(65)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,944)	(877)	(620)	(1,572)	(215)	(3,320)	-	(10,548)
Transfers	-	-	-	-	-	-	-	-	-
Foreign exchange	-	-	(8)	-	(9)	(4)	(84)	-	(105)
<b>At 31 March 2024</b>	<b>-</b>	<b>23</b>	<b>231</b>	<b>-</b>	<b>637</b>	<b>1,870</b>	<b>5,537</b>	<b>-</b>	<b>8,298</b>

	Land £000	Buildings £000	Vessels £000	Light- Vessels £000	Buoys £000	IT Equip. £000	Plant & Mach. £000	AUC* £000	Total £000
NBV at 31 March 2023	14,472	186,622	1,917	8,730	16,020	1,578	29,158	4,871	263,368
NBV at 31 March 2024	14,169	190,395	1,969	8,830	15,867	1,474	31,589	20,268	284,561

\*Assets under Construction.

The net revaluation gain for PPE is £10,861,000 (increase of £10,548,000 from rebased depreciation and £313,000 increase in gross value).

Asset revaluation gains and losses have been recognised as follows:

	<b>TH</b>	<b>NLB</b>	<b>CIL</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net revaluation gains/(losses) on property plant & equipment	3,261	8,214	(614)	10,861
Net revaluation gains/(losses) on RoU assets (see note 11)	3,353	4,054	-	7,407
Net revaluation gains/(losses) on held for sale assets (see note 15)	-	-	(77)	(77)
<b>Total gains / (losses)</b>	<b>6,614</b>	<b>12,268</b>	<b>(691)</b>	<b>18,191</b>
Of which:				
Revaluation gains/(losses) charged to SoCNI	(137)	280	(1,257)	(1,114)
Net revaluation gains/(losses) posted to revaluation reserve	6,751	11,988	566	19,305
<b>Total gains / (losses)</b>	<b>6,614</b>	<b>12,268</b>	<b>(691)</b>	<b>18,191</b>

## Prior year

	Land £000	Buildings £000	Vessels £000	Light- Vessels £000	Buoys £000	IT Equip. £000	Plant & Mach. £000	AUC* £000	Total £000
<b>Cost or valuation</b>									
1 April 2022	10,967	160,705	2,167	8,810	19,533	3,327	37,934	2,389	245,832
Additions	-	991	1,497	-	508	507	816	5,005	9,324
Write-offs	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Disposals	-	(62)	-	-	(10)	(67)	(726)	-	(865)
Impairments	-	(256)	(1,216)	-	-	-	(800)	-	(2,272)
Reclassifications	(31)	(49)	-	-	-	-	-	-	(80)
Revaluations	3,397	24,026	64	(80)	(3,761)	(589)	(5,211)	-	17,846
Transfers	-	268	-	-	-	38	2,247	(2,553)	-
Foreign exchange	139	1,015	68	-	129	8	337	30	1,726
<b>At 31 March 2023</b>	<b>14,472</b>	<b>186,638</b>	<b>2,580</b>	<b>8,730</b>	<b>16,399</b>	<b>3,224</b>	<b>34,597</b>	<b>4,871</b>	<b>271,511</b>
<b>Depreciation</b>									
1 April 2022	-	126	140	-	2,406	1,454	5,502	-	9,628
Charged in year	-	3,609	818	603	1,151	575	4,383	-	11,139
Disposals	-	(2)	-	-	(2)	(67)	(552)	-	(623)
Impairments	-	(19)	(11)	-	-	-	(150)	-	(180)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,698)	(291)	(603)	(3,186)	(321)	(3,868)	-	(11,967)
Transfers	-	-	-	-	-	-	-	-	-
Foreign exchange	-	-	7	-	10	5	124	-	146
<b>At 31 March 2023</b>	<b>-</b>	<b>16</b>	<b>663</b>	<b>-</b>	<b>379</b>	<b>1,646</b>	<b>5,439</b>	<b>-</b>	<b>8,143</b>

	Land £000	Buildings £000	Vessels £000	Light- Vessels £000	Buoys £000	IT Equip. £000	Plant & Mach. £000	AUC* £000	Total £000
NBV at 31 March 2022	10,967	160,579	2,027	8,810	17,127	1,873	32,432	2,389	236,204
NBV at 31 March 2023	14,472	186,622	1,917	8,730	16,020	1,578	29,158	4,871	263,368

\*Assets under construction.



## Valuations

Professional valuations were obtained from the following:

<b>Asset</b>	<b>Valuer</b>	<b>Organisation</b>	<b>Date of last full valuation</b>
TH land, buildings & beacons	Mr John McClimens & Mr Stephen Jones MRICS	DVS Property Specialists*	31st March 2023
TH plant, machinery & lightvessels	Mr Andrew Lloyd MRICS	DVS Property Specialists*	31st March 2023
NLB land, buildings, beacons, lighthouses, plant & machinery	Mr John McClimens MRICS.	DVS Property Specialists*	31st March 2023
IL (RoI) land, building & beacons	Ms Susan Dunlea MIPAV (CV) TRV MMECPI	Tailte Eireann	31st March 2023
IL (NI) land, building & beacons	Ms Kelly Scullion MRICS	LPS Mapping & Valuation services	31st March 2023
IL (RoI) lighthouse Aton plant	Ms Susan Dunlea MIPAV (CV) TRV MMECPI	Tailte Eireann	31st March 2023
IL (NI) lighthouse Aton plant	Ms Kelly Scullion MRICS	LPS Mapping & Valuation services	31st March 2023
IL (RoI & NI) plant & machinery	Robert McKay MSCSI MRICS	McKay Asset Valuers & Auctioneers	31st March 2023
All GLA Vessels	Edward Molyneux	Braemar ACM Valuations Ltd	31st March 2024

<b>Asset</b>	<b>Valuer</b>	<b>Organisation</b>	<b>Date of last full valuation</b>
Navigation buoys	Internally valued based on recent purchases taking into account age		31st March 2024
Heritage Assets	Mr M.D. Bernon MNAEA	O'Reilly's Auction Rooms	31st March 2022

\* DVS Property Specialist is the commercial arm of the Valuation Office Agency

# 11 Right of Use Assets

## Current year

RoU assets include four of the six GLA vessels operated by GLA staff (along with one smaller vessel operated by a third party). These leases are subject to fixed term and cover the majority of the vessels estimated lives.

Plant & Machinery as 31 March 2024 includes £2.8m of tri-GLA helicopter leasing to the extent that the leasing costs are fixed.

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

Land and building includes depots, remote offices, forward operating stations, pier/quay facilities and various small pieces of land required for AtoN operations. These are predominantly long-term leases.

Variable lease costs are charged directly to the SOcNI see **Note 24** for further detail.

	Land £000	Buildings £000	Vessels £000	Plant & Mach. £000	Total £000
<b>Cost or valuation</b>					
1 April 2023	3,577	193	20,400	10,181	34,351
Additions	23	36	1,107	-	1,166
Impairments	-	-	(38)	-	(38)
Revaluations	-	-	3,475	-	3,475
Remeasurements	154	-	-	3,046	3,200
Transfers	-	-	56	-	56
Foreign exchange	(39)	-	-	(40)	(79)
<b>At 31 March 2024</b>	<b>3,715</b>	<b>229</b>	<b>25,000</b>	<b>13,187</b>	<b>42,131</b>
<b>Depreciation</b>					
1 April 2023	541	121	-	5,834	6,496
Charged in year*	134	32	3,934	1,624	5,724
Impairments	-	-	(2)	-	(2)
Revaluations	-	-	(3,932)	-	(3,932)
Foreign exchange	(3)	-	-	(42)	(45)
<b>At 31 March 2024</b>	<b>672</b>	<b>153</b>	<b>-</b>	<b>7,416</b>	<b>8,241</b>
<b>NBV at 31 March 2023</b>	<b>3,036</b>	<b>72</b>	<b>20,400</b>	<b>4,347</b>	<b>27,855</b>
<b>NBV at 31 March 2024</b>	<b>3,043</b>	<b>76</b>	<b>25,000</b>	<b>5,771</b>	<b>33,890</b>

\*Where helicopter flying hours are separately identified as supporting capital projects, such as lighthouse modernisations, a portion of the depreciation for the year has been charged to capital additions as permitted by IAS 16 in cases where lease costs directly contribute to bringing another asset into use.

	TH	NLB	Irish Lights	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000
RoU depreciation charged to SOCNI	2,107	2,953	258	5,318	4,121
RoU depreciation charged to capital additions	135	137	134	406	350
<b>Total</b>	<b>2,242</b>	<b>3,090</b>	<b>392</b>	<b>5,724</b>	<b>4,471</b>

## Prior year

	Land £000	Buildings £000	Vessels £000	Plant & Mach. £000	Total £000
<b>Cost or valuation</b>					
1 April 2022	3,634	193	20,960	9,803	34,590
Additions	-	-	1,667	-	1,667
Disposals	-	-	(560)	-	(560)
Impairments	-	-	-	-	-
Revaluations	-	-	(1,667)	-	(1,667)
Remeasurements	(115)	-	-	334	219
Foreign exchange	58	-	-	44	102
<b>At 31 March 2023</b>	<b>3,577</b>	<b>193</b>	<b>20,400</b>	<b>10,181</b>	<b>34,351</b>
<b>Depreciation</b>					
1 April 2022	398	90	559	4,272	5,319
Charged in year*	134	31	2,782	1,524	4,471
Disposals	-	-	(559)	-	(559)
Revaluations	-	-	(2,782)	-	(2,782)
Foreign exchange	9	-	-	38	47
<b>At 31 March 2023</b>	<b>541</b>	<b>121</b>	<b>-</b>	<b>5,834</b>	<b>6,496</b>
<b>NBV at 31 March 2022</b>	<b>3,236</b>	<b>103</b>	<b>20,401</b>	<b>5,531</b>	<b>29,271</b>
<b>NBV at 31 March 2023</b>	<b>3,036</b>	<b>72</b>	<b>20,400</b>	<b>4,347</b>	<b>27,855</b>

## 12 Investment property

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
At 1 April	-	-	1,713	1,713	1,597
Revaluations	-	-	136	136	50
Foreign exchange	-	-	(48)	(48)	66
<b>At 31 March</b>	-	-	<b>1,801</b>	<b>1,801</b>	<b>1,713</b>

IL hold a number of non-operational properties from which commercial income is derived.

Investment properties are professionally revalued annually (see **Note 1-j**) by the same valuers used for property, plant and equipment disclosed at **Note 10** above.



## 13 Heritage Assets

	TH	NLB	Irish Lights	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000
At 1 April	-	-	298	298	287
Revaluations	-	-	-	-	-
Foreign exchange	-	-	(8)	(8)	11
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>290</b>	<b>298</b>

Irish Lights recognised a number of artefacts and artworks held for their historical significance. These collections were professionally valued at €339,000 for the first time in 2022 and are now being recognised as Heritage Assets on the Statement of Financial Position.

# 14 Intangible assets

## Current year

	Software £'000	Licences £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2023	4,791	165	4,956
Additions	98	-	98
Disposals	(83)	-	(83)
Foreign exchange	(16)	-	(16)
<b>At 31 March 2024</b>	<b>4,790</b>	<b>165</b>	<b>4,955</b>
<b>Amortisation</b>			
At 1 April 2023	3,901	151	4,052
Charged in year	354	-	354
Disposals	(83)	-	(83)
Foreign exchange	(13)	-	(13)
<b>At 31 March 2024</b>	<b>4,159</b>	<b>151</b>	<b>4,310</b>
<b>NBV at 31 March 2023</b>	<b>890</b>	<b>14</b>	<b>904</b>
<b>NBV at 31 March 2024</b>	<b>631</b>	<b>14</b>	<b>645</b>

## Intangible assets – Prior year

	Software £'000	Licences £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2022	4,777	165	4,942
Additions	20	-	20
Disposals	(28)	-	(28)
Foreign exchange	22	-	22
<b>At 31 March 2023</b>	<b>4,791</b>	<b>165</b>	<b>4,956</b>
<b>Amortisation</b>			
At 1 April 2022	3,520	143	3,663
Charged in year	393	8	401
Disposals	(28)	-	(28)
Foreign exchange	16	-	16
<b>At 31 March 2023</b>	<b>3,901</b>	<b>151</b>	<b>4,052</b>
<b>NBV at 31 March 2022</b>	<b>1,257</b>	<b>22</b>	<b>1,279</b>
<b>NBV at 31 March 2023</b>	<b>890</b>	<b>14</b>	<b>904</b>

## 15 Non-current trade and other receivables

	TH £'000	NLB £'000	Irish Lights £'000	GLF £'000	2023/24 £'000	2022/23 £'000
<b>Amounts falling due after one year:</b>						
Prepayments and accrued income	-	86	-	-	86	54
	-	86	-	-	86	54

## 16 Assets classified as held for sale

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
<b>At 1 April</b>	-	-	495	495	250
Disposals	-	-	-	-	-
Transfers	1,000	121	-	1,121	80
Revaluations	-	-	(77)	(77)	151
Impairment	-	-	-	-	-
Foreign exchange	-	-	(13)	(13)	14
<b>At 31 March</b>	<b>1,000</b>	<b>121</b>	<b>405</b>	<b>1,526</b>	<b>495</b>

## 17 Inventories

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
Marine fuel and stores	2,820	1,045	693	4,558	4,916

Stores primarily consist of chain, mooring equipment, buoys and spares for Lighthouses.

## 18 Trade receivables and other current assets

	TH £'000	NLB £'000	Irish Lights £'000	GLF £'000	2023/24 £'000	2022/23 £'000
<b>Amounts falling due within one year:</b>						
Trade receivables	648	198	258	640	1,744	1,176
Deposits and advances	-	10	-	-	10	13
Other receivables	31	-	167	888	1,086	929
Prepayments and accrued income <sup>1</sup>	1,358	1,167	473	211	3,209	1,503
VAT recoverable	523	397	83	-	1,003	1,020
	<b>2,560</b>	<b>1,772</b>	<b>981</b>	<b>1,739</b>	<b>7,052</b>	<b>4,641</b>

<sup>1</sup>The increase in receivables in 2023-24 includes accrued income from the Standard P&I club for the reimbursement of three employee liability claims at TH (£530k). It also includes an increase in accrued income at NLB (£850) for a number of commercial projects.

## 19 Cash and cash equivalents

	2023/24	2022/23
	£'000	£'000
Balance at 1 April	39,594	41,544
Net changes in cash and cash equivalent balances	19,837	(1,950)
<b>Balance at 31 March</b>	<b>59,431</b>	<b>39,594</b>
The following balances were held at:		
Government banking service	42,746	27,682
Commercial banks and cash in hand	16,685	11,912
<b>Balance at 31 March</b>	<b>59,431</b>	<b>39,594</b>

## 20 Trade payables and other current liabilities

	TH £'000	NLB £'000	Irish Lights £'000	GLF £'000	2023/24 £'000	2022/23 £'000
<b>Amounts falling due within one year:</b>						
Other taxation and social security	361	-	299	-	660	692
Trade payables	693	5,212	406	-	6,311	3,069
Other payables	392	-	320	58	770	869
Accruals and deferred income	3,479	2,685	1,755	-	7,919	6,143
Leases*	561	1,319	360	-	2,240	2,372
	<b>5,486</b>	<b>9,216</b>	<b>3,140</b>	<b>58</b>	<b>17,900</b>	<b>13,145</b>

\* for leases see Note 24

## 21 Provisions for liabilities and charges

	Retirement £000	Litigation £000	*DGPS £000	*Royal Sov. £000	Other £000	Total £000
<b>Balance at 1 April 2023</b>	197	-	1,907	20,300	269	22,673
Provided in the year	12	388	67	-	168	635
Provision written back	-	-	(997)	(1,621)	-	(2,618)
Provisions utilised	(19)	-	(210)	(7,878)	(64)	(8,171)
Unwinding of discount	-	-	(28)	-	-	(28)
Foreign exchange	(5)	-	-	-	(10)	(15)
<b>Balance at 31 March 2024</b>	<b>185</b>	<b>388</b>	<b>739</b>	<b>10,801</b>	<b>363</b>	<b>12,476</b>
Analysis of expected timing of discounted flows						
In one year or less or on demand	41	-	401	7,521	268	8,231
Between one and five years	22	-	1,506	12,779	-	14,307
Later than five years	135	-	-	-	-	135
<b>Balance at 31 March 2023</b>	<b>198</b>	<b>-</b>	<b>1,907</b>	<b>20,300</b>	<b>268</b>	<b>22,673</b>
In one year or less or on demand	27	388	378	10,801	119	11,713
Between one and five years	66	-	361	-	244	671
Later than five years	92	-	-	-	-	92



	Retirement £000	Litigation £000	*DGPS £000	*Royal Sov. £000	Other £000	Total £000
<b>Balance at 31 March 2024</b>	<b>185</b>	<b>388</b>	<b>739</b>	<b>10,801</b>	<b>363</b>	<b>12,476</b>

\* Decommissioning projects

The GLAs have provided for:

Retirement costs – Irish lighthouse attendants accrued earnings payable on retirement.

Litigation – During 2023-24, with the assistance of their Protection & Indemnity insurance provider, TH reached agreement on an insured historic personal injury claim. These accounts include the liability and receivable which were both paid and received at the beginning of 2024-25

\*DGPS – the three GLA have given notice to withdraw their Differential GPS system from March 2022. Provision is made to dismantle and remove transmitters at seven UK locations.

\*Royal Sovereign – TH has discontinued the Royal Sovereign Lighthouse. Accordingly, this offshore concrete structure, which has reached the end of its design life, is in the process of being removed by a specialist marine salvage contractor. The provision is based on contract price following competitive tender. A contingent liability is also disclosed relating to the seabed see **Note 28**.

Other – IL provision for responsible withdrawal at remote sites.

Other – IL & NLB have provided for asbestos related works.

Provisions provided and written back during the year have been charged to staff costs or other expenditure in the SoCNI.

## 22 Financial liabilities

The GLF received a loan from DfT which was used to fund the transfer of GLA pension liabilities to the PCSPS on 1 April 2014. The loan was for a fixed term of 10 years commencing 1 April 2014 and has a fixed interest rate of 2.03%. Repayments are due every 6 months on 1 April and 1 October whilst interest is calculated based on the outstanding balance at each repayment point. During the Covid-19 pandemic a revised schedule of repayments was agreed to enable the GLF to build higher cash reserves. Consequently no principal was repaid during 2023-24 and the loan will now conclude in March 2026.

During the year NLB received a loan from DfT to finance a new vessel which is in the process of being built in Spain. The total loan facility available to NLB is £56.3m and the interest rate has been fixed at 3.73%. Repayments will commence in equal instalments of principal from the date the vessel is delivered (expected 2025) and the loan term is twenty two years.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April</b>	<b>(35,355)</b>	<b>(58,925)</b>
Loans received	(17,000)	-
Principal repaid	-	23,333
Interest paid	711	1,066
Interest accrued	(961)	(829)
<b>Balance at 31 March</b>	<b>(52,605)</b>	<b>(35,355)</b>
Amount due within 12 months	(12,022)	(355)
Amount due after 12 months	(40,583)	(35,000)

## 23 Non-current trade payables and other liabilities

	TH £'000	NLB £'000	Irish Lights £'000	GLF £'000	2023/24 £'000	2022/23 £'000
Amounts falling due after one year:						
Payables, accruals and deferred income	-	-	615	-	615	607
Leases (see Note 24)	2,894	2,111	2,286	-	7,291	6,313
	<b>2,894</b>	<b>2,111</b>	<b>2,901</b>	<b>-</b>	<b>7,906</b>	<b>6,920</b>

# 24 Leases

The GLF implemented IFRS 16 (leases) from 1 April 2019 using the cumulative catch-up method.

## 24.1 Lease liabilities (lessee)

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
<b>Lease liabilities (at 31 March)</b>					
Current	561	1,318	360	2,239	2,372
Non-current	2,894	2,111	2,286	7,291	6,314
	<b>3,455</b>	<b>3,429</b>	<b>2,646</b>	<b>9,530</b>	<b>8,686</b>
<b>Amounts falling due:</b>					
Not later than one year	561	1,318	360	2,239	2,372
Later than one year and not later than five years	1,357	2,096	1,068	4,521	3,853
Later than five years	1,537	15	1,218	2,770	2,461
	<b>3,455</b>	<b>3,429</b>	<b>2,646</b>	<b>9,530</b>	<b>8,686</b>

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
<b>Amounts recognised in expenditure</b>					
Depreciation expense	2,107	2,953	258	5,318	4,121
Interest expense	42	92	34	168	228
Rental on leases of low-value assets	2	6	-	8	10
Rental of leases expiring within 12 months	-	13	-	13	17
Variable Leasing costs	560	492	70	1,122	948
	<b>2,711</b>	<b>3,556</b>	<b>362</b>	<b>6,629</b>	<b>5,324</b>
<b>Cash flows</b>					
Interest	42	83	34	159	210
Repayment of lease liability	607	1,367	395	2,369	2,896
	<b>649</b>	<b>1,450</b>	<b>429</b>	<b>2,528</b>	<b>3,106</b>

## 24.2 Movement in leases

	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
<b>At 1 April</b>	2,975	3,334	2,377	8,686	11,294
Add new leases in year	10	49	-	59	-
Remeasurements	1,067	1,433	700	3,200	219
Lease Payments (inc. interest)	(639)	(1,479)	(430)	(2,548)	(3,106)
Interest	42	92	34	168	228
FX Adjustment	-	-	(35)	(35)	51
<b>At 31 March</b>	<b>3,455</b>	<b>3,429</b>	<b>2,646</b>	<b>9,530</b>	<b>8,686</b>



## 24.3 Lease income (lessor)

The GLF has no income from subleasing right of use assets

The GLF has no income from finance leases

Lessor income from operating leases	TH £'000	NLB £'000	Irish Lights £'000	2023/24 £'000	2022/23 £'000
Lease income	809	270	600	1,679	1,543
Variable income not dependent on index/rate	68	-	44	112	484
	<b>877</b>	<b>270</b>	<b>644</b>	<b>1,791</b>	<b>2,027</b>
Maturity analysis of operating lease payments receivable					
Amounts due:					
Within 1 year	792	11	471	1,274	1,240
Between 1 and 2 years	747	4	460	1,211	944
Between 2 and 3 years	331	3	397	731	813
Between 3 and 4 years	272	3	364	639	743
Between 4 and 5 years	171	1	364	536	672
After 5 years	334	9	1,469	1,812	2,696
	<b>2,647</b>	<b>31</b>	<b>3,525</b>	<b>6,203</b>	<b>7,108</b>

## 25 Capital Commitments

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

	2023/24	2022/23
	£'000	£'000
Property plant and equipment	37,637	53,698
Intangible assets	-	-
	<b>37,637</b>	<b>53,698</b>

The majority of the above commitment relates NLB's new-build vessel contract, signed December 2022 (£52m) and financed by a loan from DfT.

## 26 Other Commitments

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

	2023/24	2022/23
	£000	£000
Not later than one year	4,927	5,254
Later than one year and not later than five years	2,811	601
Later than five years	454	-
	<b>8,192</b>	<b>5,855</b>

## 27 Pension Commitments

GLA employees are members of the Principal Civil Service Pension Scheme (PCSPS) or alpha – details are included in the Remuneration and Staff reports.

### **Merchant Navy Officers' Pension Fund & the Ensign retirement plan**

The GLAs were participating employers of the Merchant Navy Officers Pension Fund (MNOFP), a defined benefit scheme providing benefits based on final pensionable salary. The MNOFP was a funded multi-employer scheme but the GLA boards are unable to identify their share of the underlying assets and liabilities. Previously, officers who started employment with the GLAs and were members of the MNOFP were given the option of continuing MNOFP membership or joining the GLA Pension Scheme. This option is no longer available as the MNOFP closed on 31 March 2016. The assets of the scheme are held separately from the GLF, specifically in separate funds managed by trustees of the scheme. Contributions to the scheme (20.0% of pensionable salaries) were charged to the Statement of Comprehensive Net Expenditure when they were paid.

No contributions were paid to the MNOFP in the year (2022-23, £nil).

On 1 April 2016 the Ensign Retirement Plan was created to replace the MNOFP. During 2023-24 contributions of £nil (2022-23 £nil) were made. On 1 April 2021 the

last GLA staff member with membership of the Ensign scheme retired.

The rules of the MNOPF state that participating employers may be called to make lump sum payments to make up deficits. The rules state that an employer will not be regarded as ceasing to be a participating employer as a result of ceasing to employ active members or other eligible employees. During the year £nil lump sum contributions were made (2022-23, £nil).

The MNOPF publishes full actuarial valuations on a triennial basis and is unable to determine the proportion of gross deficit/surplus attributable to the GLAs. The MNOPF's last full valuation reported a funding level of 102% as at 31 March 2021. Accordingly, the MNOPF trustees determined that no additional contributions would be required at this time.

MNOPF fund assets have been moved away from equities to assets judged to be lower risk as part of the winding-down of the scheme, this shields the fund from global market volatility and unforeseen shocks e.g. the COVID-19 pandemic.

The trustees will review the need for additional deficit contributions as part of the next actuarial valuation due 31 March 2024 but has not yet been published.

## **28 Contingent liabilities**

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

An actuarial valuation carried out as at 31 March 2021 (see **Note 27**) resulted in no further calls for employer contributions. The next valuation is due at 31 March 2024 with publication expected in 2025. It is impractical to estimate any potential financial effect.

### **Coastal Estate / Environmental Changes**

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

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

### **Employers' Liability**

Prior to February 1988, NLB was self-insured for Employers' Liability risks under a Certificate of Exemption from the then Board of Trade. Marine staff have been covered since 1965 under Protection & Indemnity insurance. Therefore, should a claim materialise (and liability/causation be established) in respect of matters

arising prior to the date that Employers' liability or P&I insurance came into effect, there may be a period for which the NLB is responsible for damages and costs as part of any settlement.

Prior to February 1988, TH was self-insured for Employer's Liability risks under a Certificate of Exemption from the then Board of Trade. Marine staff have been covered since 1962 under Protection & Indemnity insurance. Therefore, should a claim materialise (and liability/causation be established) in respect of matters arising prior to the date that Employers' Liability or P&I insurance came into effect, there may be a period for which TH is responsible for damages and costs as part of any settlement.

It is impractical to estimate any potential financial effect.

## **Royal Sovereign Lighthouse Structure**

Provision has been made, see **Note 21**, to remove the Royal Sovereign Lighthouse structure, removing the base of the structure from the seabed is considered a contingent liability.

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 and there appears to be little appetite from the Landlord, Crown Estates, to enforce this removal at this stage.

Since this removal of the base element could take place up to the year 2133, assuming it remains necessary over the long passage of time, there is significant uncertainty

on the method and timing of its removal, as well as the effect of discounting, which means it is not possible to arrive at a reliable estimate of this element of the removal costs despite the decommissioning announcement. As a result, this is accounted for as a contingent liability rather than as a provision under IAS 37.

## **Contractual obligations and litigation**

Each year, the GLAs deal with a number of individual contractual and staff disputes. The GLAs are not able to reliably quantify the likely outflow associated with these due to the extent of the uncertainties associated with estimation and while not wanting to prejudice any outcome of claims or legal proceedings.

## **Marine Insurance**

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

## 29 Related party transactions

The GLF is administered by DfT which sponsors the three GLAs. For governance purposes, each GLA is considered to be a Non-Departmental Public Body (NDPB).

The GLAs and DfT are regarded to be related parties. Neither the Secretary of State for Transport nor any key officials with responsibilities for the GLF or any of the GLA board members, key managerial staff or other related parties have undertaken any material transactions with the GLF during the year.

Irish Lights and DoT are regarded to be related parties. DoT make a contribution towards the running costs of Irish lights which is explained in **Note 1f** and shown as income in **Note 4**.

**Note 22** describes a loan between the GLF and the DfT which was provided to fund transfer of GLA pension scheme liabilities in 2014. NLB has also take a loan from DfT to fund its vessel replacement project.

### Trinitas Services Ltd

TH has entered into an agreement to lease lighthouse cottages to Trinitas Services Limited (TSL), a wholly owned subsidiary of the Corporation of Trinity House. The agreement 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 let 32 of these as holiday cottages.



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

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

## **Corporation of Trinity House**

The Corporation of Trinity House owns Trinity House Tower Hill and provides accommodation for the use of TH. TH reimburses the Corporation for service charges in proportion to the floor area occupied. During 2023-24 TH paid £417,130 to the Corporation of Trinity House in respect of service charges incurred in using office space and facilities at Trinity House, London (2022-23, £336,133).

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

## 30 Third Party Assets

There are other assets held by NLB on behalf of the Commissioners. These assets are a collection of furniture, books, maps, paintings and silver and do not form part of the GLF.

	2023/24	2022/23
	£'000	£'000
Heritage collection	228	228
	<b>228</b>	<b>228</b>

## 31 Financial Instruments

Due to the largely non-trading nature of their activities and the method of funding from the GLF, the GLAs are not exposed to the degree of financial risk faced by other business entities. The GLAs have borrowing powers under the Merchant Shipping Act 1995 but limited powers to invest in surplus assets or funds.

Aside from trade and other receivables (**Note 18**) and trade and other payables (**Note 20**) the only financial instruments held by the GLAs are leases described in **Note 24** and a loan to NLB from DfT described in **note 22**. The core GLF also holds a loan from the DfT described in **Note 22**.

The GLF has no publicly traded derivatives or trading and available for sale securities.

All financial assets and liabilities are measured at amortised cost.

## **Liquidity risk**

Liquidity risk for all three GLAs resides with the GLF through the operation of cash funds held with the Government Banking Service and is largely dependent on the flow of Light dues levied on ships calling at UK and IRL ports.

GLA cash requirements are managed through weekly and monthly management reporting, in addition to annual forecasts for GLA requirements. A ten-year GLF funding model is refreshed bi-annually to ensure adequate financing is available. Short-term and medium-term financing issues are addressed by holding sufficient cash reserves in the GLF, whilst longer-term GLA budgets and/or the Light dues tariffs would be considered when reviewing the ten-year forecast.

## **Credit risk**

Credit risk is the risk of suffering financial loss should any customers or counterparties fail to fulfil their contractual obligations to the GLF or GLAs. There are no loans receivable in the GLF accounts and the main income source is Light Dues, a tax payable on arrival into port. UK Light Dues collection is via a network of TH collectors, most of which are also members of the Institute of Chartered Shipbrokers. Collectors must pass an approval process and sign up to payment by Direct Debit. IRL Light dues are collected via Irish Revenues and Customs offices. Light Dues credit risk is considered to be very low.

## **Interest rate risk**

### **GLAs**

The GLAs have leases on vessels THV Galatea, THV Alert, NLV Pole Star and NLV Pharos. It is not considered that these present any exposure to interest rate risk because the rates are fixed.

The GLAs hold working funds in a money market accounts and actively managed the balances to ensure they are at the minimum required to meet short-term cash requirements. Interest on these deposits is not material.

### **GLF**

The GLF has no liabilities that will lead to an exposure to rising interest rates. However falling or low interest rates impact on the returns the GLF earns from cash reserves held in an HSBC Liquidity Fund and GBS Deposit Account.

## **Currency Risks**

Due to the operating currency of Irish Lights being in Euros, and partially funded by the GLF from Light Dues received in the UK in sterling, the GLF has an exposure to movements in the Euro/Sterling exchange market.

Euro income from IRL Light dues and contributions from the Irish Government are retained in a Lloyds euro account until needed for Irish Lights GLF advances. The balance at 31 March 2024 was £1.84m (€2.15m).

NLB has contracted to build a new vessel in Spain for a fixed price of £52m. The contract is in Sterling, therefore any currency risk has been passed to the contractor.

## **Market Risk**

The GLF has no investment market risk.

## **Fair Values**

The carrying value of GLF financial assets and liabilities as at 31 March 2024 is not considered to be materially different from their Fair Value.

## **32 Events after reporting period**

There are no events after the reporting period requiring disclosure.

## **Authorised for issue**

These financial statements are laid before the Houses of Parliament by the Secretary of State for Transport. The Accounting Officer has authorised these financial statements to be issued on the same day as the Comptroller and Auditor General signs the audit certificate.

# Annex 1

## Accounts Direction for the General Lighthouse Authorities and the General Lighthouse Fund

**ACCOUNTS DIRECTION GIVEN BY THE UNITED KINGDOM SECRETARY OF STATE FOR TRANSPORT WITH THE CONSENT OF HER MAJESTY'S TREASURY, IN ACCORDANCE WITH SECTION 218(1) OF THE MERCHANT SHIPPING ACT 1995 (SECTION 664 OF THE MERCHANT SHIPPING ACT 1894 FOR IRELAND).**

1. This direction applies to the Trinity House Lighthouse Service, the Commissioners of Northern Lighthouses (the Northern Lighthouse Board) and the Commissioners of Irish Lights; and to the consolidated accounts of the General Lighthouse Fund.
2. The accounts of Trinity House Lighthouse Service, the Commissioners of Northern Lighthouses (the Northern Lighthouse Board) and the Commissioners of Irish Lights and the consolidated accounts of the General Lighthouse Fund shall be prepared for the financial year ended 31 March 2019 and subsequent financial

years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (the FReM) issued by Her Majesty's Treasury which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the Department for Transport.

3. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2019 and subsequent financial year-ends and of the comprehensive income and expenditure, changes in reserves and cash flows for the financial year then ended;
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them;
  - (c) (where applicable) comply with additional provisions that may be required under the legislation of the Republic of Ireland.
4. The accounts of the General Lighthouse Authorities' accounts shall be authorised for issue by the Chief Executive or Executive Chairman. The accounts of the General Lighthouse Fund shall be authorised for issue by the Principal Accounting Officer of the Department for Transport.

5. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in exceptional circumstances, compliance with the requirements of the FReM is inconsistent with either the Merchant Shipping Act 1995 or the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to ensure compliance with legislation or to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Transport and Her Majesty's Treasury.
6. The FReM shall be interpreted accordingly so that the consolidated accounts of the General Lighthouse Fund are prepared in the form described in the Annex to this direction.
7. The accounts of the General Lighthouse Authorities and the General Lighthouse Fund shall adopt IFRS 16 from 1 April 2019.
8. This direction supersedes the direction dated 27 February 2013.



Signed:.....*Geoff Hawker*.....Date:.....25/09/2019.....

Name: .....Geoff Hawker.....

Position: Deputy Head of Financial Accounting and  
Control

# Annex: Basis of consolidation for the General Lighthouse Fund accounts

1. Section 211(1) of the Merchant Shipping Act 1995 (the Act) establishes the General Lighthouse Fund (GLF), administered by the Secretary of State, and section 211(2) clarifies the scope of the Fund as defined by its streams of income and expenditure. These include items incurred or accruing to the General Lighthouse Authorities; light dues receivable; and a number of matters reserved to the Secretary of State.
2. It is a requirement, under section 211(4) of the Act, for the Comptroller and Auditor General to examine the accounts of the GLF each year and, under section 211(5) of the Act, the Secretary of State shall lay copies of the accounts before each House of Parliament.
3. To ensure this process is completed in an expedient manor, and recognising the scope of the Fund as described above and defined in full in section 211(2) of the Act, the annual report and financial statements for the General Lighthouse Fund (GLF) shall continue to be prepared on a consolidated basis. As agreed with HM Treasury, and mindful of the unitary basis on which the Fund is defined in the Act, this is interpreted to mean that the primary statements for these accounts will be presented in a single column. Where

appropriate, the notes to the accounts will separately present the transactions and balances of the General Lighthouse Authorities and the GLF respectively. Income and expenditure of each GLA and the GLF shall be disaggregated and presented on a gross basis in the notes to the account, to the extent that it is considered useful to readers of the accounts.

4. The accounting boundary for the GLF will include, as per the Act, the administration and Light Dues collection accounts along with the accounts of the Trinity House Lighthouse Service, the Commissioners of Northern Lighthouses (the Northern Lighthouse Board) and the Commissioners of Irish Lights.
5. The accounts of the GLF group for the financial year ended 31 March 2019, and subsequent financial years, will comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by Her Majesty's Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared.

# Annex 2 – TH Sustainability Reporting Tables (unaudited)

## Greenhouse Gas Gross Emissions

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Scope 1 Direct Emissions (sources owned or controlled)							
Gas (natural)	tonnesCO2	110	77	76	63	52	76
Gas (LPG)	tonnesCO2	43	60	4	4	5	2
Marine Gas Oil (Lighthouse)	tonnesCO3	0	0	0	0	0	0
Fugitive Emissions	tonnesCO2	0	*	*	*	*	*
Scope 2 Indirect Emissions (energy supplied by another party)							
Electricity	tonnesCO2	501	384	394	468	562	729
Scope 3 Emissions from business travel							
Domestic air travel	tonnesCO2	15	*	*	*	*	*
International air travel	tonnesCO2	21	*	*	*	*	*
Diesel (road fuel)	tonnesCO2	72	89	98	92	139	157
Petrol (road fuel)	tonnesCO2	20	24	16	*		*
Marine Gas Oil (ship fuel)	tonnesCO2	5,564	5615	7443	6917	7736	7616

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Liquid to Gas (ship fuel)	tonnesCO2	475	463	600	255	*	*
GLA Helicopter	tonnesCO2	235	160	217	123	200	189
Rail/underground/tram	tonnesCO2	*	*	*	*	*	*
Bus/coach	tonnesCO2	*	*	*	*	*	*
Hire car/taxi	tonnesCO2	43	52	47	49	37	81
Private vehicle (owned by staff)	tonnesCO2	0	1	2	*	*	*

\* data not collected

## Related energy Consumption

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

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

## Related business travel

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

## Financial indicators

	2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Energy expenditure						
Electricity – office	191	137	100	88	76	30
Electricity – non-office	675	609	231	218	225	210
Gas – office	12	13	1	1	1	1
Gas – non-office	56	50	30	24	26	19
Marine Gas Oil (ship fuel)	1,261	1,638	1,065	547	1,069	941
Liquid to Gas (ship fuel)	160	176	141	42		
Diesel/petrol – road	49	73	141	42	*	*
Business travel	433	378	236	119	420	338
GLA Helicopter	123	84	73	38	70	62

## Car/Vehicle Fleet Composition

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Ultra-Low emissions	% of total	29%	29%	11%	*	*	0%
Zero Emissions	% of total	19%	19%	23%	*	*	0%
Other	% of total	52%	52%	66%	*	*	100%
Target		100% zero or low emissions by 2027					

\* data not collected

## Waste Management and Minimisation

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



## FINITE RESOURCES

### Consumption

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Paper	reams A4	340	379	535	387	789	948
Water Consumption – office	m <sup>3</sup>	3,256	1,999	4,603	3,063	5,060	4,304
Water Consumption – estate	m <sup>3</sup>	4,349	5,008	7,096	7872	10522	7303

### Financial indicators

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

# Annex 3 – NLB Sustainability Reporting Tables (unaudited)

## Greenhouse Gas Gross Emissions

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Scope 1 Direct Emissions (sources owned or controlled)							
Gas (natural)	tonnesCO2	110	118	135	119	146	140
Gas (LPG)	tonnesCO2	0	0	0	0	0	0
Marine Gas Oil (Lighthouse)	tonnesCO2	76	108	136	96	112	116
Fugitive Emissions	tonnesCO2	138	*	*	*	*	*
Scope 2 Indirect Emissions (energy supplied by another party)							
Electricity	tonnesCO2	374	293	280	335	502	688
Scope 3 Emissions from business travel							
Domestic air travel	tonnesCO2	16	9	8	8	29	16
International air travel	tonnesCO2	1	3	0	0	8	13
Diesel (road fuel)	tonnesCO2	33	36	36	43	43	38
Petrol (road fuel)	tonnesCO2	0	0	0	0	0	0

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Marine Gas Oil (ship fuel)	tonnesCO2	<b>4,276</b>	4,318	4596	5864	5400	5295
Liquid to Gas (ship fuel)	tonnesCO2	<b>0</b>	0	0	0	0	0
GLA Helicopter	tonnesCO2	<b>273</b>	299	287	286	277	313
Rail/underground/ tram	tonnesCO2	<b>2</b>	2	1	0	1	1
Bus/coach	tonnesCO2	<b>1</b>	1	0.1	0	0	0
Hire car/taxi	tonnesCO2	<b>42</b>	49	58	60	40	38
Private vehicle (owned by staff)	tonnesCO2	<b>17</b>	9	*	*	*	*

\* data not collected

## Related energy Consumption

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Office Electricity	kWh	<b>458,252</b>	466,972	432,989	417,174	570,386	580,851
Non-office Electricity	kWh	<b>1,200,491</b>	921,322	883,474	906,659	1,240,590	1,209,537
Renewable Electricity <sup>1</sup>	%	<b>100%</b>	100%	100%	100%	*	*
Gas – Natural	kWh	<b>540,402</b>	584,082	738,054	649,008	794,395	756,695
Gas – LPG	Ltrs	<b>0</b>	0	0	0	0	0
Marine fuel Vessels <sup>2</sup>	Ltrs	<b>1,543,061</b>	1,555,791	1,656,056	2,112,927	1,945,833	1,935,252
Marine Fuel Lighthouses	Ltrs	<b>27,370</b>	38,850	49,000	34,720	40,350	42,550
Aviation Fuel	Ltrs	<b>107,367</b>	117,656	112,504	112,140	108,584	122,864

\* data not collected. <sup>1</sup> Supplies from renewable tariffs. <sup>2</sup> Prior years restated.

## Related business travel

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Fleet road travel	litres of fuel	24,444	26,932	23,834	22,964	22,340	14,205
Fleet road travel	km	158,853	173,008	176,374	174,528	169,785	107,956
Non-fleet travel	km	325,677	307,638	299,459	347,166	230,675	6
Public transport	km	82,224	77,161	32,463	*	*	*
Domestic flights	km	99,648	65,819	62,444	33,931	119,056	110,000
International flights	km	37,159	39,978	0	0	101,390	102,000
GLA Helicopter	Flying Hours	383	420	402	401	388	439

\* data not collected

## Financial indicators

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Energy expenditure							
Electricity – office	£000	142	111	99	75	80	85
Electricity – non-office	£000	372	219	202	163	174	177
Gas – office	£000	27	41	25	21	21	17
Gas – non-office	£000	0	0	0	0	0	0
Diesel – marine	£000	960	1,177	611	525	675	584
Diesel/petrol – road	£000	33	37	45	32	43	37
Business travel	£000	348	328	227	162	381	296
GLA Helicopter	£000	143	157	96	87	97	102

## Car/Vehicle Fleet Composition

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Ultra-Low emissions	% of total	0%	0%	0%	*	*	0%
Zero Emissions	% of total	25.0%	12.5%	8%	8%	8%	0%
Other	% of total	75.0%	87.5%	92%	92%	92%	100%
Target		100% zero or low emissions by 2027					

\* data not collected

## Waste Management and Minimisation

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Total waste arising	Tonnes	65	67	87	101	99	106
Total waste recycled	Tonnes	37	44	61	65	63	66
Total ICT waste recycled	Tonnes	2	0	0	8	11	12
Total waste composted/ food waste	Tonnes	11	8	0	0	0	0
Incinerated with energy recovery	Tonnes	0	0	0	0	0	0
Incinerated no energy recovery	Tonnes	0	0	0	0	0	0
Total waste to landfill	Tonnes	15	15	27	35	36	39
Total expenditure on waste	£000	43	26	34	39	35	44

## FINITE RESOURCES

### Consumption

		2023-24	2022-23	2021-22	2020-21	2019-20	Baseline
Paper	reams A4 equivalent	270	45	19	80	80	137
Water Consumption – office	m <sup>3</sup>	4,370	4,882	4,024	6,858	6,858	6,858
Water Consumption – estate	m <sup>3</sup>	*	*	*	*	*	*
<u>Financial indicators</u>							
Paper	£000	0	0	0	0	0	1
Water – office	£000	20	25	17	21	21	30
Water – estate	£000	11	1	17	18	14	14
* data not collected							
Scottish water consumption is estimated not metered							



# Annex 4 – IL Sustainability Reporting Tables (unaudited)

All IL data is in calendar years

Greenhouse Gas Gross Emissions	2023					Baseline		
	2022	2021	2020	2019	2009			
Scope 1 Direct Emissions (sources owned or controlled)								
Transport	2,531	2,109	2,580	1,964	2,946			
Thermal	104	190	184	209	747			
Scope 2 Indirect Emissions (energy supplied by another party)								
Electricity	338	411	363	470	1,219			

## Related Energy Consumption

Scope 1 Direct Emissions (sources owned or controlled)	2023					2009		
	2022	2021	2020	2019	2009			
Transport	10,581	8,815	10,775	8,212	12,325			
Thermal	564	906	873	981	3,197			
Scope 2 Indirect Emissions (energy supplied by another party)								
Electricity	1,905	2,251	2,236	2,664	5,081			

## Financial Indicators

		2023	2022	2021	2020	2019	2009
Energy expenditure							
Electricity – office	€000	<b>205</b>	227	104	102	109	137
Electricity – non-office	€000	<b>115</b>	173	111	82	97	108
Gas – office	€000	<b>53</b>	30	32	30	23	39
Oil/Coal	€000	<b>42</b>	34	31	17	28	93
Diesel – marine	€000	<b>544</b>	650	368	279	330	348
Diesel/petrol – road	€000	*	*	*	*	*	*
Business travel	€000	*	*	*	*	*	*

\* data not collected