

REGISTERED CHARITY NUMBER: 211869



**THE CORPORATION OF TRINITY HOUSE
OF DEPTFORD STROND**

**REPORT OF THE CORPORATE BOARD AND GROUP ACCOUNTS
OF
THE CORPORATE CHARITY AND ITS SUBSIDIARIES,
INCLUDING
THE TRINITY HOUSE MARITIME CHARITY**

FOR THE YEAR ENDED 31 MARCH 2023

THE CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

The members of the Corporate Board, as Trustees, present their Annual Report and Group Accounts for the year ended 31 March 2023.

THE CORPORATION'S OBJECTIVES AND ACTIVITIES

The Corporation of Trinity House of Deptford Strond ("the Corporation" or "Trinity House") was incorporated by Royal Charter in 1514 and its primary aims are to:

- serve the mariner with support to those in need;
- provide education and training in seamanship; and
- promote safe navigation at sea.

With this in mind, the Corporation's vision is:

To be a key, influencing, UK maritime organisation that safeguards shipping and seafarers by providing Welfare, Youth Opportunities, and Training to the seafaring community, and advances Public Safety and Education

The Corporation's principal charity is the Corporate Charity, which is responsible for:

- maintaining the fabric and heritage of Trinity House, Tower Hill, London;
- the licensing of Deep Sea Pilots; and
- the provision of expertise on maritime matters, including the appointment of Nautical Assessors to assist the Admiralty Court.

Under its Royal Charters, the Corporation is also responsible for the maintenance and good governance of the Trinity House Fraternity, which now numbers more than 500 Elder and Younger Brethren.

The Corporate Charity's subsidiary charity, the Trinity House Maritime Charity (THMC), is governed by a scheme of the Charity Commission. Its primary objects are:

- the provision of almshouse accommodation for needy mariners and their dependants; and
- the payment of annuities.

The scheme also provides for a number of other charitable objects concerning:

- the relief of need and the promotion of welfare amongst mariners and their dependants;
- education and training in navigation and seamanship;
- the advancement of public safety, in particular the safety of mariners and shipping generally; and
- the education of the public in matters relating to navigation, shipping and seamanship.

The Corporation's activities, as set out below, demonstrate that Trinity House operates for the public benefit under four charitable purposes as defined in the Charities Act 2011. These are:

- the relief of those in need;
- the advancement of education;
- the advancement of health and saving lives; and
- the advancement of the arts, culture, heritage or science.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The Corporation's activities in relation to the above objectives are as follows:

Welfare

THMC operates 18 almshouses in Walmer, Kent, which are purpose-built and fitted out with the older person in mind. Otherwise known as Trinity Homes, each bungalow overlooks attractive, landscaped gardens, and a spacious common/dining room is also available to all residents.

The almshouses are not care homes and residents are expected to be capable of living independently, but the General Manager is mindful of their wellbeing and is usually available on weekdays for consultation and advice. Night Attendants are also on duty overnight every day of the week, and an emergency call system is in place where, in the event of sudden illness or a fall, a resident can quickly call for help. A midday meal is provided by the Resident Services Coordinator on Monday to Friday, for those who would like one, subsidised by THMC.

To be eligible to live in the Homes, residents must be retired mariners and their partners, or the widows/widowers of mariners, in financial need, who have normally had over 15 years' service at sea. Residents are typically aged 60 and above.

In addition, THMC makes regular payments to up to 60 annuitants, some of whom are residents of Trinity Homes.

THMC's other significant activity within the welfare sector is the award of grants to fundraising maritime charities. Given the number of well-established maritime charities providing welfare services directly to those in need, the Trustees consider that it would be an inefficient use of resources to duplicate their efforts. They therefore prefer to fulfil the Corporation's objectives through support for these charities by way of major grants.

To improve further its efficiency in this area, THMC is a member of the Merchant Navy Welfare Board's Serving Seafarer and Older Seafarer and Families Working Groups, as well as the Maritime Charities Group (MCG) which comprises the ten major grant-making charities in the maritime welfare sector: Seafarers UK; the Merchant Navy Welfare Board; Nautilus International; Seafarers' Hospital Society; Royal Navy and Royal Marines Charity; Greenwich Hospital; ITF Seafarers' Trust; Lloyds Register Foundation; TK Foundation and Trinity House. The MCG fosters collaboration across the maritime charity sector by sharing information, commissioning research, supporting the education and welfare of seafarers and their families, and by the promotion of best practice within the sector. THMC is also a member of the Equality, Equity, Diversity and Inclusion (EEDI) working group, currently comprising six maritime charities. This group is developing a sector-wide project to support maritime welfare charities on their journey to increase diversity and inclusion.

Youth Opportunities and Training

THMC's charitable activity enables young people to experience life at sea with a three-fold aim. Firstly, young people gain confidence at sea by handling small and large craft; this, in turn, enhances public safety. Secondly, such activities promote education and training for those who seek to pursue a career at sea. The confidence gained can often open young people's eyes to the wealth of opportunities available that they may not have considered or known about. Finally, this activity improves public awareness of navigation, shipping and seamanship while highlighting the role of Trinity House and other agencies in promoting the safety of shipping.

THMC provides an annual grant to the Marine Society & Sea Cadets, a maritime charity. The Corporation also funds career development bursaries awarded by the Association of Sail Training Organisations (ASTO), Royal Yachting Association (RYA) Yachtmaster Scholarships for those working in the small commercial vessel sector, and a superyacht cadetship through the United Kingdom Sailing Academy (UKSA).

Education and training in navigation, seamanship and marine engineering are mainly provided through THMC's Merchant Navy Scholarship Scheme (MNSS), whereby young people training to become officers in the Merchant Navy are supported with bursaries for their academic courses and sea-going training. Candidates, who are usually between 16 and 18½ years old, undertake a three-year programme split between nautical college and time at sea in a variety of sea-going vessels. Cadets can train as Deck, Engineer or Electro-Technical Officers (ETOs).

Public Safety and Education

The safety of mariners and shipping generally, and of the public who travel by sea, is the core activity of Trinity House in its capacity as a General Lighthouse Authority. It is also an object of the Corporation's charities, which provide a number of major grants for this purpose.

THMC also makes grants towards the advancement of education in maritime matters such as seamanship.

Maintaining the Fabric and Heritage of Trinity House

The maintenance of the fabric and heritage of Trinity House, Tower Hill, London is an essential part of the Corporate Charity's activities. This Grade I listed building dates from 1795 and was restored and re-opened in 1953 following wartime damage.

Although it continues to be the headquarters building of the General Lighthouse Authority and of the Corporation's charities, its ceremonial rooms are normally seen by well over 20,000 visitors each year who attend for conferences, receptions, weddings and other events. These include the annual general meetings of other charities, both in the maritime and other sectors, as well as production companies, investment banks, law firms and non-charitable maritime companies, due to the House's location within the Square Mile. For the same reason, it is popular with livery companies lacking halls of their own, who choose to host their ceremonial court meetings, lunches and dinners there. Trinity House also participates in London Open House.

Although the building is used extensively for the Corporation's own administrative and operational purposes, its successful promotion to external users not only enhances public understanding of the important role of the Corporation but also optimises the use of its assets; contributes to conservation, preservation, social value and financial sustainability; and maintains the complex balance of historic value and contemporary, forward-looking authority and relevance.

The majority of the costs of maintaining Trinity House, Tower Hill, London is found from room-letting income, and the building is normally available for use each day throughout the year apart from a four-week maintenance period in August and the days of, and between, Christmas and New Year.

Deep Sea Pilotage and Provision of Nautical Assessors

The Corporation has a strong interest in Deep Sea Pilotage and, by Section 23 of the Pilotage Act 1987, is authorised to grant Deep Sea Pilotage certificates to persons who satisfy the necessary criteria for entry and examination. The Corporation is encouraging more candidates to seek Deep Sea Pilotage licences because this plays a vital role in the safety of navigation in the English Channel, North Sea and around our coasts, and consequently in the protection of our environment. Whilst not mandatory, the significant risk mitigation afforded by the use of Deep Sea Pilots is well recognised. The overall cost of obtaining a licence can be considerable, so the Corporate Charity awards bursaries to successful candidates to help with the purchase of necessary equipment and with the costs involved in preparation for the role.

In addition, the Corporation is required to appoint Nautical Assessors to assist the Admiralty Court where the Judge requires additional navigational expertise. Cases may involve complex technical and professional issues and hearings may last two weeks or more.

Trustees' Review of Charitable Expenditure and Grant-Making Policy

A review of THMC's grant-making procedure was completed during the year ended 31 March 2021 and fully implemented shortly afterwards, bringing greater clarity to the application process for the organisations supported, and resulting in a more streamlined grant programme.

The relationships THMC has with the organisations it supports remain at the core of our work and are valued on both sides. Visits to grant recipients play an important part not only in keeping the Trustees briefed on the impact of THMC's funding but also in ensuring they are aware of the emerging challenges faced by the sector. These visits also make manifest Trinity House's abiding interest in those it supports.

The Trustees maintain a policy of allocating THMC grants in the ratio 6:4:1 between Youth Opportunities and Training, Welfare, and Public Safety as far as possible, while recognising that the funding needs across these areas will vary from year to year.

Subsidiary Companies

The marketing and management of room lettings is undertaken by Trinity House Events Limited (THEL), a wholly owned subsidiary company of the Corporate Charity. Any profits generated by the company, where not required to be retained, are directed towards the Corporation's charitable objects.

The Corporate Charity is also the sole owner of Trinitas Services Limited, the principal activity of which is the management and operation of 37 former lighthouse keepers' cottages that are run as holiday accommodation and short-term letting. The day-to-day management of the company is carried out by staff employed by the General Lighthouse Authority (see page 14).

ACHIEVEMENTS AND PERFORMANCE

Welfare

During the year, the Corporation spent £1.6 million towards the welfare of mariners and their dependants compared with £1.4 million in the previous year (see note 7). Including support costs, this equates to 33% of the total charitable expenditure in the year (excluding restricted grants made from the THMC/Department for Transport (THMC/DfT) Fund – see 'Public Safety and Training' below) compared with the Trustees' target of 36% of expenditure.

Expenditure in the year included:

- The maintenance and upkeep of Trinity Homes in Walmer (£421,000). The Homes are inspected periodically by the Corporation's surveyor and all 18 bungalows and the communal building continue to be in good repair. Minor improvements to individual properties continue as part of a routine maintenance programme. The gardens remain well maintained and are much appreciated by the residents. Two vacant properties were occupied in April and July 2022, and two properties became vacant during the course of the financial year. Every effort is made to ensure full occupancy.
- Annual grants to twelve welfare charities in the maritime sector totalling £600,000.
- Other grants to welfare charities and individuals totalling £212,000, including annuities to 23 retired seafarers in financial need at a rate of £942 per annum.

THMC supports a wide range of maritime welfare organisations.

During the year, a grant of £110,000 was given to the Shipwrecked Mariners' Society. Since 1839, it has been providing vital financial support and practical assistance to merchant seafarers, fishers, and their dependants in need.

The Fishermen's Mission, which has been supporting the fishing fleet and their families for over a hundred years, received a grant of £62,000. The Mission provides practical, welfare, health, pastoral and financial support through its network of port teams around the country.

The Nautilus Welfare Fund offers a range of specialist services to support retired seafarers and their dependants: for those requiring residential or nursing care, as well as retirement accommodation for people living independently, and also care at home to help people live independently in their homes for longer. During the year, it received a grant of £83,000.

Youth Opportunities and Training

Expenditure on this charitable object totalled £3.1 million, including support costs, compared with £3.2 million in the previous year (see note 8), and equates to 65% of the total charitable expenditure in the year compared with the Trustees' target of 55%. These figures exclude restricted grants made from the THMC/DfT Fund (see below).

The cost of the Merchant Navy Scholarship Scheme (MNSS) was the largest item in the year, totalling £2.2 million, a sum partially offset by government grants of £0.9 million.

During the year, the MNSS transitioned to operation by a new agent (Just Be Maritime Ltd - JBM). This transition was successfully managed, minimising the impact on cadets while maintaining an effective programme.

Trinity House has successfully sponsored a number of high potential candidates, increasing the number of engineers and maintaining diversity objectives (although attracting candidates from ethnically diverse backgrounds has remained challenging, along with Electro Technical Officer (ETO) cadets, which is disappointing in view of the expected future demand for ETOs .

Relations with the MNSS's joint venture partners remain positive and beneficial, not only in sharing training costs but also providing job opportunities for cadets once qualified. An excellent example is a deck cadet who had a training berth in RRS Sir David Attenborough and who has recently been offered employment with the British Antarctic Survey to sail as Third Officer on the ship.

Examples of new partnerships during the year include the Isle of Wight ferry operator Red Funnel, which plans to support four cadets for the September intake. Although the cadets will only complete limited time in their vessels (due to the qualifying sea time allowed by the MCA), these are still excellent training platforms through Rule of the Road exposure and witnessing ship handling. Red Funnel is making a commitment to invest in maritime training with their future operational requirements in mind. Cadets, once qualified and suitably experienced, will be well placed to return to Red Funnel in senior positions both afloat and ashore.

The other major area of expenditure under Youth Opportunities and Training comprised three annual grants totalling £195,000 to charities offering opportunities for young people to experience sailing and other maritime activities, including training: The Marine Society & Sea Cadets (£130,000); London Nautical School (£40,000); and the International Association of Lighthouse Authorities' (IALA – AISM) World Wide Academy (£25,000).

Other grants included £20,000 to the Thames Barge Sailing Trust, £24,000 to UWC Atlantic College and £21,000 to the Association of Sail Training Organisations.

Public Safety and Education

Including support costs, grant expenditure from unrestricted funds on this charitable activity totalled £84,000 compared with £83,000 in the previous year (see note 9). This equates to 2% of the total charitable expenditure in the year compared with the Trustees' target allocation of 9% but, while lower than the target, it is supplemented by grants from the restricted fund detailed below.

CHIRP Maritime (Confidential Human Factors Incident Reporting Programme) was awarded £20,000 to help encourage incident reporting so that safety lessons can be learned and disseminated. CHIRP aims to encompass every aspect of seamanship where safety has a critical role, including leisure boating, the fishing industry, commercial maritime, offshore, pilotage, military, and port operations.

Public Safety and Education grants disbursed from the THMC/DfT fund

In addition to unrestricted grant expenditure, restricted grants totalling £342,000 were disbursed from the fund administered by THMC jointly with the DfT.

As set out in previous Reports and Accounts, a Grant Funding Agreement with the DfT approving a grant to THMC of £3.0 million was signed on 27 March 2019. This grant, received in April 2019, was in support of safety and training-related matters within THMC's objects. During the year, an additional award of £1m was made by the DfT and added to the fund.

In the year a total of £342,000 was disbursed, mainly to the Seafarers' Charity (£125,000), Hull Maritime Futures (£75,000), Heriot-Watt University (£70,000) and the National Coastwatch Institution (NCI) (£55,000).

The Seafarers' Charity provides grants to maritime charities with the goal of reducing hardship experienced by seafarers and enabling environments where they can thrive, supporting their practical and welfare needs at home, in port and at sea, often far from home. Their vision is to create "a world where seafarers and their families are valued and free of need and disadvantage". This grant supported the national roll-out of a successful pilot of their Fishing First Safety Management system, aimed at improving and enhancing safety standards and management practices for everyone in fishing.

Hull Maritime Futures is an accredited training programme operated by the Hull Maritime Foundation that offers young people aged 16-25 the opportunity to gain the qualifications needed to embark upon a career at sea. The intensive course is designed to support those looking to start their career in the fishing or offshore sectors, including oil rigs and wind farms. The aim is to ensure that 75 per cent of those completing the course secure employment within 12 months.

Heriot-Watt University is a public research university based in Edinburgh with five campuses and 29,000 students. Its grant was in support of automated vessel stability testing.

NCI is a voluntary organisation that assists in the protection and preservation of life at sea and around the UK coastline. Its grant contributed to closer alignment with HM Coastguard on a water safety initiative, which is a key part of their recently updated five-year business plan.

Other grants were awarded to Leeds Trinity University, the University of Dundee, and the International Seafarers Welfare and Assistance Network.

Maintenance of the Fabric and Heritage of Trinity House

Expenditure in the year on this 18th century, Grade I listed building totalled £944,000 compared with £814,000 in the previous year (see note 10).

Investments

- *Trinity Village* (value £233.5 million (2022: £241.3 million)): the primary objective for the year concerning THMC's main investment property portfolio was to minimise the number of residential voids at any one time whilst optimising the levels of rental income for both new lets and renewals. Key components of this strategy were the maintenance of the estate at a sufficiently high standard to achieve the best rental levels possible in the circumstances; bringing below-market rents up to an appropriate level in a fair and measured fashion; and minimising voids through agile marketing. THMC continues to prioritise its reputation as a fair and considerate landlord.

Given the proactive management of the portfolio, it is pleasing to report that gross rental income for Trinity Village was up by 6.8% in the year.

The Trustees report that the value of the estate decreased by 3.2% in the year due to challenging conditions in the residential property market resulting in decreasing property prices.

- *Portfolio investments* (value £12,115,000 (2022: £16,087,000)).

The primary portfolio is the permanent endowment ('Capital') fund and this recorded a total return in the financial year of negative 9.13% compared with the benchmark of negative 9.09%. Performance continues to be monitored by the Investment and Estates Committee and the Corporate Board on a regular basis.

The Trinity House Corporate Pension Scheme ("the Scheme")

The Scheme is a defined benefits scheme and was approved as an 'exempt approved scheme' under the terms of the Income and Corporation Taxes Act 1988. It is now a registered pension scheme under Part 4, Chapter 2 of the Finance Act 2004. The Scheme was established on 1 October 1977 and is governed by a Definitive Trust Deed and Rules dated 3 October 2008 as amended 27 July 2011. The sponsoring employer of the Scheme is the Corporation of Trinity House of Deptford Strond (the Corporation). The Scheme was closed to new members of staff with effect from 18 July 2006. The Scheme was also closed from 1 September 2006 to existing staff who were not already members.

There are 5 active, 9 deferred and 33 pensioners in the fund.

Under the rules of the Scheme, appointment and removal of pension trustees is the responsibility of the Corporation. Appointments are made by agreement of the Corporate Board. The pension trustee board comprises the Chair, Mr Richard Sadler (Elder Brother and member of the Corporate Board until 20 September 2022), Zoë Turner (an active member and Head of Events at Trinity House) and Mr William Everard (an external independent advisor and pension trustee specialist). Quantum Advisory LLP remain as the scheme's actuarial, secretarial, administrative and investment advisors. Hymans Robertson LLP remain as the Corporation's independent advisors.

The fund is audited by Buzzacott LLP and the Scheme's Annual Report and Financial Statements for the year ended 30 September 2022 are available. In summary, the Scheme is in surplus on a funding basis and a new investment strategy was agreed in 2022 between the Corporation and the pension trustees, with support from the advisors, to protect that surplus in the coming years. With the current surplus, it is concluded that the pension scheme is in a healthy financial and organisational position.

See note 25 for pension commitments under 'Financial Reporting Standard 102 - Retirement Benefits'.

FUTURE PLANS

During the coming year the Trustees will seek to:

- Disburse £843,000 in annual grants from the charities' unrestricted funds, and a further £561,000 in grants and annuities to other maritime charities, organisations and individuals.
- Consider, where appropriate, both an increase in grant payments following restrictions in prior years and the repayment of government or local authority support received during the pandemic. Consideration of an increase in grant payments will continue to take into account the impact of the ongoing cost of living crisis.
- Continue to disburse grants from the THMC/DfT fund towards safety and training-related matters, in accordance with THMC's objects.
- Continue to maintain the almshouses to a high standard and at the fullest occupancy possible.
- Continue to attract high-quality candidates to the MNSS; to monitor the sub-contracted management of the scheme following its recent review; and to explore related new opportunities with other charities and organisations.
- Continue, where appropriate (given the passage of time since its preparation and taking into account the investment review referred to below), with the implementation of, and reporting on, the Trinity Village Business Plan (TVBP) prepared by Knight Frank in June 2020, with the objectives of growing the net income of the estate and ascertaining the options for investment diversification.
- Continue the review of all of THMC's investments held within its Capital fund, both property and non-property, to ensure that it is correctly positioned to optimise the yield and return on the underlying assets, at the minimum risk deemed acceptable, and including consideration of the extent to which the discrete elements of the TVBP are still appropriate for implementation or may need augmentation.
- Ensure that the Corporate Charity's subsidiary company, THEL, sustains its return to full operational capacity.
- Continue to maintain the Trinity House Grade I listed building to an appropriately high standard.
- Consider the increased deployment of funds towards the provision of expertise on maritime matters (and specifically Deep Sea Pilotage) by the Corporate Charity.
- As an extension to the Corporate Governance work initiated by the (then) new Secretary in the year ended 31 March 2021, complete the implementation of a new ERP system, replacing the existing accounting software and embedding more consistent policy, process and procedure across the organisation.
- Continue to examine, develop and improve the charities' Environmental, Social and Governance profile, with an enhanced approach in particular to Sustainability where applicable and an increased focus on risk deriving from Climate Change.
- Continue to assess options for recommendation to the Court in order to ensure that the Corporation's Charters remain fit for purpose.
- Continue developing the Risk Management process, implementing the new Risk Management Framework and refreshing the Risk Register with a review involving staff from across the Corporate Department.
- Consider whether the charities' insurance advisory arrangements are fit for purpose and, if not, take appropriate action to ensure that they are.
- Consider what 'direction of travel' might be taken in relation to the ongoing accrual of benefit to active members of the Trinity House Corporate Pension Scheme.
- Continue driving to ensure that the charities are fundamentally imbued with values of EEDI.
- Prepare for the handover of the Chair of Trustees to his successor in February 2024.

FINANCIAL REVIEW

Financial Commentary

The accounts following this Annual Report show the combined accounts of the Corporate Charity and THMC (together ‘the combined charities’), and the Group Accounts which also include the results of the Corporate Charity’s two subsidiary companies, Trinitas Services Limited and THEL. The following narrative relates to the Group Accounts only.

Starting with by far the larger of the two charities, THMC’s unrestricted funds resulted in net expenditure in the year of £173,000 compared with the previous year which produced net income of £375,000.

THMC’s unrestricted income rose from £7.6 million to £7.9 million, primarily as a result of a 6.8% increase in Trinity Village estate income, which totalled £7.6 million for the year (2022: £7.0 million), partially offset by reductions in other income.

Unrestricted charitable expenditure totalled £3.9 million the same as in the previous year. This comprised £1,565,000 on welfare activities, £2,247,000 on youth opportunities and training, and £84,000 on public safety and education. Unrestricted expenditure on raising funds (principally in relation to the generation of investment property income) was £4.2 million in the year compared with £3.4 million the previous year.

Overall, after taking account of an actuarial gain on the pension scheme (under the provisions of FRS 102) of £79,000, THMC’s unrestricted reserves decreased by £94,000 to £2,344,000.

With regard to THMC’s restricted funds, a further £1 million of income was received in relation to the THMC/DfT Fund, and grants totalling £342,000 were disbursed from the fund; the balance of the Fund at the year end was £999,000 (see note 22). THMC’s restricted funds at the year end stood at £1,265,000 compared with £521,000 at 31 March 2022.

THMC’s permanent endowment (‘Capital’) funds decreased by £11.4 million in the year to £251.9 million (see note 23). This was mainly as a result of a 4.0% revaluation loss on the Trinity Village investment property portfolio which, at the year end, was valued at £233.5 million.

Turning to the Corporate Charity and its subsidiaries, room letting income increased to £559,000 during the year from £276,000 in the prior year reflecting a continued improvement in trading conditions following the Covid-19 pandemic. The lighthouse cottage letting income of Trinitas Services Limited decreased from £1,468,000 in the previous year to £1,095,000. As a result, the Corporate Charity’s overall income decreased slightly from £2.4 million in the previous year to £2.2 million. The Corporate Charity’s expenditure increased marginally from £2.4 million in the previous year to £2.5 million. As a result, the Corporate Charity incurred net expenditure of £252,000 before investment losses. Overall, after investment losses of £138,000 and an actuarial gain of £24,000 on the pension scheme, the Corporate Charity showed a net decrease in funds of £366,000 to £10.5 million.

Overall, the total combined funds of the two charities and their subsidiaries stood at £266.0 million compared with £277.2 million at 31 March 2022.

Investment Policy

THMC's investment portfolio is comprised of residential and commercial property ('Trinity Village') which was valued at £233.5 million at 31 March 2023; agricultural holdings valued at £5.7 million; and portfolio investments (including cash awaiting investment) valued at £11.5 million. The Corporate Charity also has portfolio investments which were valued at £0.6 million.

The Trustees' policy with regard to Trinity Village is to:

- Seek the optimal level of sustainable rental income consistent with good stewardship as a landlord;
- Undertake scheduled and periodic property maintenance obligations as they arise and in accordance with high standards of workmanship and safe working practice;
- Enhance further, where appropriate, the prime residential areas of Trinity Village internally and externally;
- Examine opportunities for strategic redevelopment of commercial properties, usually upon reversion of leases.

During the year ended 31 March 2021, the Trustees received, and agreed to implement, the recommendations of a business plan prepared by Knight Frank, the estate managers, following their strategic review in the preceding year. Whilst the implementation of the plan was delayed by the pandemic, a number of specific, discrete feasibility studies were progressed last year and in the year under review in order that they could be presented for approval by the Trustees as soon as appropriate. The objectives of the plan remain the sustainable growth of net income from the estate, and investment diversification to mitigate risk and increase income. The discrete elements of the plan that remain are, however, now under review as to their continued applicability, given the wider review referred to above of THMC's investments held within its Capital fund.

During the year, the Trustees' policy with regard to the primary investment portfolio (the THMC 'Capital Fund') remained to grow the Fund in order to support capital expenditure on Trinity Village. Accordingly, BlackRock was instructed to maintain a primarily passive approach to provide a cost-efficient way of gaining exposure to developed liquid markets (i.e. equities, bonds and gilts).

The agreed asset allocations are as follows:

<u>Name of BlackRock Pooled Fund</u>	<u>Benchmark</u>	<u>Benchmark Allocation</u>	<u>Actual Allocation</u> (Note 16)
Shares Developed World Index Fund GBP Hedged	MSCI World Net TR Index	67.5%	67.2%
Shares UK Credit Bond Index Fund	iBoxx Sterling Non-Gilts Index	17.0%	17.6%
Shares Index Linked Gilt Index Fund	FTSE Actuaries UK Index-Linked Gilts over 5 years	8.0%	7.7%
Shares Emerging Markets Index Fund	MSCI Emerging Markets Index, Net Returns in GBP	7.5%	7.6%

Principal risks and uncertainties

The Corporation's Risk Register is reviewed twice a year by the Audit and Risk Committee. The Register is then submitted for scrutiny and endorsement by the Corporate Board together with the minutes of the Audit and Risk Committee.

The Register covers all aspects of Corporate operations, including property and portfolio investment management, the Trinity House building and contents, income levels, financial management, human resources, pension provision, information technology, regulation, governance and reputation. All potential risks are assessed on their probability of occurrence and impact upon the Corporation both 'prior to mitigation' and 'post-mitigation' on a scale ranging from 'very low' (less than 10% chance) likelihood to 'very high' (more than 80% chance).

The Register identifies the key risks to the charities and subsidiary companies to be as follows:

- *Trinity Village Estate:* loss or diminution in value of property assets; flood risk (both pluvial and fluvial); loss of income for charitable purposes; litigation by tenants and leaseholders; prosecution by statutory authorities; failure to exploit asset value; insufficient diversity in the property and investment portfolio.

The Trustees believe that the above risks have been mitigated by the retention, and superintendence, of suitably qualified and experienced property management agents and surveyors, legal advisers and insurance brokers. The managing agents and lawyers provide regular detailed reports that are discussed at quarterly monitoring meetings, and the Executive also report, both through the Management Committee and Investment and Estates Committee and directly, to each meeting of the Corporate Board. Other less formal meetings are also regularly held, often on the estate itself. The Trustees retain an Honorary Surveyor who attends the Investment and Estates Committee, is independent of the professional advisers, and from whom they occasionally seek advice; he is fully involved with the current investment review.

The Trustees maintain suitable levels of reserves to mitigate against a loss in rental income from the estate. Estate income and expenditure are also monitored by the Board through the production of quarterly management accounts and budgets.

Notwithstanding this mitigation, the Trustees have, as noted, commenced a review of THMC's investments held within its Capital fund, both property and non-property, to ensure that it is correctly positioned to optimise the yield and return on the underlying assets, at the minimum risk deemed acceptable.

- *Trinity House Building:* loss of room letting income (through the Corporation's subsidiary company, THEL - see below); potential loss of life or injury and damage to property through fire, flood, terrorism or inadequate maintenance; failure of the building management system; loss of heritage.

The Trustees believe that the above risks are mitigated by regular property maintenance and safety checks, fire drills and reviews of evacuation procedures. Insurance is reviewed annually and a planned maintenance programme, drawn up and managed by the Corporation's surveyors at Cluttons, is carried out each year. The surveyors also ensure that full compliance with building and other regulations is maintained. The Tower of London has kindly agreed to provide emergency conservator and storage support for the fine art treasures in the event of an incident.

Income from the letting of the ceremonial rooms and the building's maintenance costs are monitored by the Board by means of quarterly management accounts and budgets. In addition to free reserves, the Trustees maintain a designated fund ('House Designated Fund') to ensure that sufficient monies are available for major repairs and refurbishments to the building, both emergency and planned.

- *Pandemic Level Disease:* whilst they are thought largely to have passed, the effects of the Covid-19 pandemic posed, and to a limited degree still pose, differing risks to the Corporate Charity and THMC, as well as to the health and safety of staff and visitors. The biggest risk is currently assessed as the emergence of a significant new variant of Covid-19 bringing with it substantial re-imposition of restrictions and constraints. The same risk applies to the emergence at the level of a pandemic of any similar type of restrictive or incapacitating disease.

For the Corporate Charity: the risk to income (associated with the inability to let rooms in the building through compliance with related legislation and guidance, and the diminished public appetite for events) would again lead to depletion of reserves and potential failure of THEL as a going concern.

The Trustees believe that these risks would be mitigated by similar courses of action as previously, where applicable, and obviously dependant on the nature of the disease, including acceptance of government support; the regular and frequent monitoring of the company's cash flows, both actual and forecast, and operational requirements; and the minimisation of any appropriate variable costs. The directors of THEL remain alert to the need to ensure that the company remains a going concern.

Depending again on the nature of the disease, risks to staff and visitors would include the possibility of an outbreak in Trinity House leading to enforced closure of the building (also depending on prevailing requirements), further loss of income, liability and reputational damage. This would be mitigated by a full risk assessment resulting in all measures having been taken, as and when necessary, to render and sustain Trinity House as a Covid(or other disease)-safe environment. Ongoing arrangements within the House would be compliant with legislation.

For THMC: risks to income from Trinity Village associated with the inability of residential tenants to pay rent, commercial tenant business failures, excessive voids at lockdown, government constraints on landlords, and broader impact on the rental market in London in general and in the area of Trinity Village in particular. Any impact upon income would again affect charitable disbursements and estate husbandry.

The Trustees believe that these risks would be mitigated by careful superintendence from their estate managers, Knight Frank, advice from them and others, and taking careful account of lessons learned from the Covid-19 pandemic to date.

The Trustees have assessed the major risks to which the charities are exposed and are satisfied that these have been identified, and that appropriate measures and effective systems and controls are in place to mitigate them. As noted above within *Future Plans*, work continues to update the risk management process and ensure that the risk register is a practical management tool with risk ownership embedded throughout the organisation.

Reserves Policy

Corporate Charity

The Corporate Charity has reserves totalling £9,451,000 comprising designated funds (£9,132,000), a pension reserve (£249,000), restricted funds (£60,000) and unrestricted funds (free reserves) of £10,000. The designated funds are made up as follows:

- *House Designated Fund*: to ensure that the Corporate Charity can maintain the fabric and heritage of Trinity House, Tower Hill, London, specifically including any major refurbishments of the building to be carried out in accordance with long-term maintenance plans drawn up by the Corporate Charity's surveyors. The costs of maintaining a Grade I listed building are high and the plan has identified the requirement for considerable maintenance expenditure over the next 5 to 10 years. This is essential in light of the building's listing and the need to maintain it to a high standard to attract clients wishing to hire the function rooms, thus sustaining the Corporate Charity's room letting income. The balance of the Fund is £410,000 (2022: £444,000).
- *Fixed Assets Fund*: this is represented by tangible fixed assets not readily available to meet expenditure and the balance at the year end was £8.7 million (2022: £8.8 million).

The Trustees review the Corporate Charity's free reserves policy annually and the current policy is to maintain free reserves at a level equivalent to between six and nine months' operating expenditure. The balance of free reserves at the year end was £10,000 (2022: £459,000) which is below one month's budgeted operating expenditure. The fall in free reserves is a direct result of the lost revenues experience by the Charity's trading subsidiary THEL during the pandemic which has prevented the payment of Gift Aid in each of the previous two financial years. Following a return to profitable trading, a Gift Aid distribution from THEL's available retained earnings (as at 31 March 2023) of £186,000 was made in May 2023. After taking account of this distribution, the equivalent free reserves balance is £196,000, which represents approximately 3 months' of budgeted operating expenditure. The current expectation is that the free reserves balance will return to being in line with policy no later than 2026.

Trinity House Maritime Charity (THMC)

THMC has reserves totalling £255.5 million comprising permanent endowment funds (£251,901,000), designated funds (£677,000), a pension reserve (£669,000), restricted funds (£1,265,000) and unrestricted funds (free reserves) of £998,000. Income received from the permanent endowment funds is available for general purposes in accordance with THMC's governing documents. The designated funds are made up as follows:

- *Extraordinary Repair Fund*: to meet the requirement of THMC's governing document to provide for extraordinary repairs, improvement and rebuilding of Trinity Homes at Walmer. At the year end, the balance of this fund was £177,000 (2022: £177,000).
- *Merchant Navy Scholarship Scheme fund (MNSS)*: the Trustees' policy is to maintain this fund at a level equivalent to between three and six months of the operating costs of the MNSS. The balance of the fund at the year end was £500,000 (2022: £500,000) which was equivalent to approximately three months' operating costs.

As with the Corporate Charity, the Trustees review THMC's free reserves policy annually and the current policy is to maintain reserves at a level equivalent to between six and nine months' operating expenditure. The balance of free reserves at the year end totalled £998,000 (2022: £1,188,000) which is equivalent to between three and four months' operating expenditure. The current expectation is that the free reserves balance will return to being in line with policy no later than 2026.

STRUCTURE, GOVERNANCE AND MANAGEMENT

As explained earlier, Trinity House was incorporated by Royal Charter in 1514. A Charter of Confirmation was granted in 1685 and, although supplemental Charters were granted for specific purposes between 1870 and 2022 (the latest having been granted on 31 January 2022), the 1685 Charter remains the Corporation's principal governing document. The Corporation's duties as a General Lighthouse Authority are conducted under powers given by the Merchant Shipping Acts. However, the funding, operations and management of the Lighthouse Authority are entirely separate from those of the Corporation's charity undertakings and, as a result, are not dealt with in these accounts.

The Corporate Charity is the principal charity (Registration Number 211869). THMC is a subsidiary of the Corporate Charity (Registration Number 211869-23) and is governed by a Scheme of the Charity Commission dated 7 August 1995. The Charity Commission granted a Uniting Direction on 24 May 2004 to enable the two charities to be combined for the purposes of reporting and the presentation of accounts.

The members of the Corporate Board are elected by the Court of the Corporation and act as Trustees of the charities. The Trustees who served during the period from 1 April 2022 to the date of this Report were as follows:

Captain Ian McNaught CVO MNM FNI (<i>Deputy Master</i>)	A, B, C, D
Rear Admiral David Snelson CB (<i>retired 8 June 2022</i>)	A, B, C
Captain Roger Barker MNM FNI	A, B, C
Captain Stephen Gobbi MNM FNI FIMarEST JP MA LLB	A, B
Captain Nigel Hope RD* MNM FNI RNR	A
Commodore William Walworth CBE MNM RFA	
Commodore Robert Dorey RFA	
Commander Nigel Hare MA MRIN	A
Malcolm Glaister Esq.	B, D
Richard Sadler Esq. (<i>retired 20 September 2022</i>)	B, C, D
Rear Admiral Ian Moncrieff CBE DL (<i>appointed 18 October 2022</i>)	
Hon. Captain Lance Batchelor RNR (<i>appointed 18 October 2022</i>)	B, C, D

Committee membership:

- A *Member of the Management Committee*
- B *Member of the Investment and Estates Committee*
- C *Member of the Audit and Risk Committee*
- D *Member of the Remuneration Committee*

The Board meets four times a year and has appointed a number of committees to discharge certain functions. The committees are constituted as the Investment and Estates, Audit and Risk, and Remuneration Committees. The Management Committee is constituted with its authority *pari passu* with the other committees and meets four times a year, in the intervals between Board meetings.

Commodore Martin Atherton OBE MA RN is Secretary to the Corporation. The Secretary is the Chief Executive Officer of the two charities with day-to-day responsibility for their effective operation and administration; he is also responsible for the administration and co-ordination of the Fraternity.

The Corporation's Royal Charters provide for the election of 31 active Elder Brethren who collectively constitute the voting members of the Court, its governing body. All the Trustees of the charities are Elder Brethren and Court Assistants. The Court is supported and advised by a fraternity of Younger Brethren, both men and women, who represent the broad constituencies with which the Corporation is associated. These people are likely to be senior professionals from the Royal Navy or the Merchant Navy, Pilots or Harbour Masters, or those engaged in other areas of Maritime including the shipping industry and associated businesses or statutory agencies; others may have a background in sailing or the voluntary sector.

Those selected to serve as Trustees reflect this broad range of skills and experience, and the Board therefore comprises extensive knowledge and experience of the maritime sector in its widest sense. All are, or have been, senior figures in the sector. Most also serve on the governing bodies of, or are associated with, other agencies and charities. Two members of the Board have particular business or investment experience respectively.

Since Trustees are elected from within the wider Fraternity, they will normally already have an understanding of the functions of Trinity House's charities and their operation. Nevertheless, new Trustees are made aware of their statutory responsibilities and are briefed formally by the Secretary on their role; on the charities' governing documents; the way in

which the Trustee body operates; and on the activities of the charities. Trustees are also apprised of developments within the sector.

The staff of the charities are led by the Secretary. They are engaged in financial and operational administration, income generation and the provision of support services at the Corporation's headquarters building at Tower Hill. THMC employs a small staff at Trinity Homes, Walmer, who also report to the Secretary.

The key personnel are the Trustees, the Secretary, the Finance and Commercial Director (who is also a Deputy Secretary to the Corporation), the Head of Events and the Head of Charitable Giving.

Staff salaries are reviewed annually by the Corporate Remuneration Committee, comprising the Deputy Master and the two Business / Investment Trustees, one of whom acts as Chair. The Corporation believes in attracting and retaining high quality staff for the long term, and a comprehensive benchmarking review is due to be undertaken in the year ended 31 March 2024, with the last such review having taken place in 2018.

As mentioned above, the Corporate Charity has two wholly owned subsidiary companies.

The first, Trinitas Services Limited, was incorporated in 1993 and its principal activity is the operation of 37 former lighthouse keepers' cottages as holiday accommodation and short term lets. Two of the five directors of the company are also members of the Corporate Board and a third director is the Secretary to the Corporation and Chief Executive of the charities.

The principal activity of the second company, THEL, is the generation of income for the Corporate Charity by letting of the function rooms at Trinity House. Two of the company's three directors are members of the Corporate Board and the third is the Secretary to the Corporation.

Fundraising Statement

During the prior year and the year under review, the charities did not actively solicit donations and therefore are not registered with the Fundraising Regulator; they did not subscribe to any fundraising codes of practice. When donations from individuals are received, the charities aim to protect personal data and never sell data or swap data with other organisations. During 2022 and 2023, the charities received no complaints about fundraising activities.

THE CORPORATE BOARD'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The Corporate Board is responsible for preparing the Report of the Corporate Board and Group Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Corporate Board to prepare accounts for each financial year that give a true and fair view of the state of affairs of the combined charities and the group (the combined charities and subsidiary companies) and of the income and expenditure of the charities and the group for that period.

In preparing these accounts, the Corporate Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charities and the group will continue in operation.

The Corporate Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charities and the group and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charities' governing documents. It is also responsible for safeguarding the assets of the charities and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Corporate Board on 28 November 2023 and signed on its behalf by



Captain Ian McNaught CVO MNM FNI
Deputy Master and Chair of Trustees

OTHER REFERENCE DETAILS

Principal Office

Trinity House
Tower Hill
London EC3N 4DH

Telephone: 020 7481 6900

Website: www.trinityhouse.co.uk

Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Managing Agents:

Knight Frank LLP
55 Baker Street
London W1U 8AN

Savills Ltd
33 Margaret Street
London W1G 0JD

Surveyors to the Corporate Charity:

Cluttons LLP
Yarnwicke
119-121 Cannon Street
London EC4N 5AT

Solicitors:

Forsters LLP
31 Hill Street
London W1J 5LS

Stone King LLP
Boundary House
91 Charterhouse Street
London EC1M 6HR

The Legal Partners Limited
Parkshot House
5 Kew Road
Richmond TW9 2PR

Investment Managers:

BlackRock UK Retail Client Management
12 Throgmorton Avenue
London EC2N 2DL

Bankers:

Barclays Bank PLC
Level 28, 1 Churchill Place
London E14 5HP

Pension Advisers:

Hymans Robertson LLP
One London Wall
London EC2Y 5EA

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE BOARD OF THE CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

Opinion

We have audited the accounts of the combined charities of the Corporation of Trinity House of Deptford Strond and their subsidiaries (together "the group") for the year ended 31 March 2023 which comprise the group and combined charities' statement of financial activities, the group and combined charities' balance sheets, the group statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the group's and of the combined charities' affairs as at 31 March 2023 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Corporate Board's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Corporate Board is responsible for the other information. The other information comprises the information included in the Report of the Corporate Board and Group Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Report of the Corporate Board is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of the Corporate Board's responsibilities in relation to the accounts, the Corporate Board is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Board determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Corporate Board is responsible for assessing the group's and the combined charities' 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 Corporate Board either intends to liquidate the group or the combined charities or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charities and the group through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charities and the group, including the Charities Act 2011 and the financial reporting framework referred to above; and
- ◆ we understood how the charities and the group are complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the charities' and group's accounts to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ performed substantive testing of expenditure including testing the authorisation thereof; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management and trustees as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Corporate Board, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Corporate Board, those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the combined charities and the Corporate Board as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 November 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
GROUP STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2023

	Corporate Charity funds (including subsidiaries)	Trinity House Unrestricted funds	Maritime Restricted funds	Charity Permanent Endowment funds	Total 2023	Total 2022
Notes	£000	£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies	11	1	100	-	112	5
Charitable activities	2	530	16	1,877	2,423	1,200
Other trading activities	3	1,654	-	-	1,654	1,744
Other operating income	4	2	-	-	2	125
Investments	5	19	7,887	1	8	7,915
TOTAL INCOME	2,216	7,904	1,978	8	12,106	10,691
EXPENDITURE ON:						
Raising funds	6	1,471	4,181	-	8	4,912
Charitable activities:						
Welfare	7	5	1,565	-	43	1,613
Youth opportunities and training	8	-	2,247	892	-	3,139
Public safety and education	9	-	84	342	-	426
Maintaining the fabric and heritage of Trinity House	10	944	-	-	-	944
Role as a Deep Sea Pilotage Authority	11	8	-	-	-	8
Provision of Nautical Assessors	11	40	-	-	-	40
TOTAL EXPENDITURE	2,468	8,077	1,234	51	11,830	11,966
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES						
	(252)	(173)	744	(43)	276	(1,275)
(Losses) / gains on the revaluation and disposal of investment properties	16	-	-	(9,687)	(9,687)	5,181
(Losses) / gains on the revaluation and disposal of portfolio investments	16	(138)	-	(1,684)	(1,822)	838
NET (EXPENDITURE) / INCOME	(390)	(173)	744	(11,414)	(11,233)	4,744
OTHER RECOGNISED GAINS:						
Actuarial gain on defined benefit pension scheme	25	24	79	-	-	103
NET MOVEMENT IN FUNDS	(366)	(94)	744	(11,414)	(11,130)	5,383
BALANCE AT 1 APRIL 2022	10,878	2,438	521	263,315	277,152	271,769
BALANCE AT 31 MARCH 2023	10,512	2,344	1,265	251,901	266,022	277,152

Detailed comparative figures are disclosed in note 29 to the accounts.

**CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
COMBINED CHARITIES' STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 March 2023

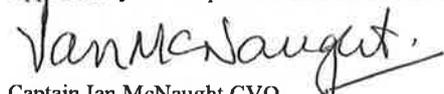
	Corporate Charity funds	Trinity House Unrestricted funds	Maritime Restricted funds	Charity Permanent Endowment funds	Total 2023	Total 2022
<i>Notes</i>	£000	£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies	11	1	100	-	112	5
Charitable activities	2	530	16	1,877	-	2,423
Other trading activities	3	269	-	-	-	269
Investments	5	19	7,887	1	8	7,915
TOTAL INCOME	829	7,904	1,978	8	10,719	9,060
EXPENDITURE ON:						
Raising funds	6	269	4,181	-	8	4,458
Charitable activities:						
Welfare	7	5	1,565	-	43	1,613
Youth opportunities and training	8	-	2,247	892	-	3,139
Public safety and education	9	-	84	342	-	426
Maintaining the fabric and heritage of Trinity House	10	944	-	-	-	944
Role as a Deep Sea Pilotage Authority	11	8	-	-	-	8
Provision of Nautical Assessors	11	40	-	-	-	40
TOTAL EXPENDITURE	1,266	8,077	1,234	51	10,628	10,594
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	(437)	(173)	744	(43)	91	(1,534)
(Losses) / gains on the revaluation and disposal of investment properties	16	-	-	-	(9,687)	(9,687)
(Losses) / gains on the revaluation and disposal of portfolio investments	16	(138)	-	-	(1,684)	(1,822)
NET (EXPENDITURE) / INCOME	(575)	(173)	744	(11,414)	(11,418)	4,485
OTHER RECOGNISED GAINS:						
Actuarial gain on defined benefit pension scheme	25	24	79	-	-	103
NET MOVEMENT IN FUNDS	(551)	(94)	744	(11,414)	(11,315)	5,124
BALANCE AT 1 APRIL 2022	10,002	2,438	521	263,315	276,276	271,152
BALANCE AT 31 MARCH 2023	9,451	2,344	1,265	251,901	264,961	276,276

Detailed comparative figures are disclosed in note 29 to the accounts.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
BALANCE SHEETS
at 31 March 2023

		Group	Combined	Group	Combined
		2023	Charities	2022	Charities
	<i>Notes</i>	£000	£000	£000	£000
FIXED ASSETS					
Tangible fixed assets	15	11,099	10,508	11,162	10,635
Investments	16	251,825	251,825	263,571	263,571
		<u>262,924</u>	<u>262,333</u>	<u>274,733</u>	<u>274,206</u>
CURRENT ASSETS					
Stocks		38	28	33	27
Debtors	17	1,652	1,585	1,813	1,738
Cash at bank and on deposit		3,635	2,796	2,372	1,289
		<u>5,325</u>	<u>4,409</u>	<u>4,218</u>	<u>3,054</u>
CURRENT LIABILITIES					
Amounts falling due within one year	18	(3,145)	(2,699)	(2,542)	(1,777)
NET CURRENT ASSETS					
		<u>2,180</u>	<u>1,710</u>	<u>1,676</u>	<u>1,277</u>
NON-CURRENT LIABILITIES					
Amounts falling due after more than one year	18	-	-	(50)	-
NET ASSETS EXCLUDING PENSION ASSET					
		<u>265,104</u>	<u>264,043</u>	<u>276,359</u>	<u>275,483</u>
Defined benefit pension asset	25	918	918	793	793
NET ASSETS INCLUDING PENSION ASSET					
		<u>266,022</u>	<u>264,961</u>	<u>277,152</u>	<u>276,276</u>
FUNDS					
Corporate Charity					
<i>Income funds:</i>					
Designated funds	19	9,132	9,132	9,263	9,263
Other unrestricted funds		10	10	459	459
Pension reserve		249	249	220	220
Restricted funds	20	60	60	60	60
		<u>9,451</u>	<u>9,451</u>	<u>10,002</u>	<u>10,002</u>
Trinity House Maritime Charity					
<i>Income funds:</i>					
Designated funds	21	677	677	677	677
Other unrestricted funds		998	998	1,188	1,188
Pension reserve		669	669	573	573
Restricted funds	22	1,265	1,265	521	521
		<u>3,609</u>	<u>3,609</u>	<u>2,959</u>	<u>2,959</u>
<i>Capital funds:</i>					
Permanent endowment funds	23	251,901	251,901	263,315	263,315
		<u>255,510</u>	<u>255,510</u>	<u>266,274</u>	<u>266,274</u>
Non-charitable Trading Funds					
	24	1,061	-	876	-
TOTAL FUNDS					
		<u>266,022</u>	<u>264,961</u>	<u>277,152</u>	<u>276,276</u>

Approved by the Corporate Board on 28 November 2023 and signed on its behalf by



Captain Ian McNaught CVO
Deputy Master and Chair of Trustees

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

	2023	2022
	£000	£000
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES (A)	(6,928)	(8,358)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire tangible fixed assets	(236)	(161)
Payments to improve investment properties	(1,913)	(1,134)
Proceeds from sales of investment properties	-	26
Payments to acquire portfolio investments	(26)	(656)
Proceeds from sales of portfolio investments	2,176	2,556
Income from investments	7,915	7,617
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,916	8,248
Repayment of Coronavirus Business Interruption Loan	(50)	-
NET CASH (USED IN) FINANCING ACTIVITIES	(50)	-
CHANGE IN CASH AND CASH EQUIVALENTS	938	(110)
CASH AND CASH EQUIVALENTS AT 1 APRIL 2022	3,040	3,150
CASH AND CASH EQUIVALENTS AT 31 MARCH 2023 (B)	3,978	3,040

**(A) RECONCILIATION OF NET EXPENDITURE TO
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES:**

	2023	2022
	£000	£000
Net income/(expenditure) for the year before investment gains and losses	276	(1,275)
Adjustments for:		
Depreciation	297	288
Loss on disposal of fixed assets	2	1
Change in stocks	(5)	(3)
Change in debtors	(164)	(262)
Change in creditors	603	469
Income from investments	(7,915)	(7,617)
FRS 102 pension cost adjustment	(22)	41
Net cash provided/(used in) by operating activities	(6,928)	(8,358)

(B) ANALYSIS OF CASH AND CASH EQUIVALENTS:

	31 March	31 March
	2023	2022
	£000	£000
Cash at bank and on deposit	3,635	2,372
Cash held on deposit by estate managing agents (note 17)	134	523
Cash held on deposit by managing agents of Merchant Navy Scholarship Scheme (note 17)	177	113
Cash held by investment managers (note 16)	32	32
	3,978	3,040

(C) ANALYSIS OF CHANGES IN NET DEBT:

	1 April	Cash flows	31 March
	2022		2023
	£000	£000	£000
Cash and cash equivalents	3,040	938	3,978
Coronavirus Business Interruption Loan	(100)	50	(50)
Total	2,940	988	3,928

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Accounts are laid out below.

Basis of Preparation

These Accounts have been prepared for the year to 31 March 2023 with comparative information presented for the year to 31 March 2022.

These Accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these Accounts.

The Accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charities constitute public benefit entities as defined by FRS 102.

The Accounts are presented in sterling and are rounded to the nearest one thousand pounds.

Basis of Consolidation

The assets and liabilities and the income and expenditure of the Corporation as General Lighthouse Authority for England and Wales are administered by it under statutory authority and are dealt with in separate accounts.

Group:

The Group statement of financial activities and Group balance sheet consolidate the accounts of the subsidiary undertakings with those of the combined charities.

Combined charities:

In accordance with the Uniting Direction approved by the Charity Commission on 24 May 2004, the combined charities' accounts deal with the assets and liabilities, the income and expenditure of the Corporation of Trinity House of Deptford Strond (in its Corporate capacity, 'the Corporate Charity') and the assets and liabilities, the income and the expenditure of the Trinity House Maritime Charity, which is also under the trusteeship of the Corporation.

As the restricted funds of the Corporate Charity are not material, their income and expenditure are not shown separately in the statement of financial activities but are disclosed in the notes.

Critical Accounting Estimates and Areas of Judgement

Preparation of the Accounts requires the trustees and management to make significant judgements and estimates.

The more significant areas in the accounts where these judgements and estimates have been made include:

- allocation of support costs across charitable activities
- investment property valuation (see note 16)
- pension surplus or deficit valuation
- depreciation
- recoverability of programme-related investments

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Assessment of Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Accounts. The Trustees have made this assessment in respect of a period of at least one year from the date of approval of these Accounts.

The Trustees of the charities have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Trustees are of the opinion that the Group members will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ended 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charities are the level of investment return and the performance of the investment markets (see the 'Investment Policy' and 'Principal Risks and Uncertainties' sections of the Annual Report of the Corporate Board for more information).

Income Recognition

Income is recognised in the period in which the charities have entitlement to the income, when that income can be measured reliably and when it is probable that it will be received.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for service but as donations where the money is given with greater freedom of use. Donations are recognised when the charities have confirmation of both the amount and settlement date. For donations pledged but not received, the amount is accrued when the receipt is considered probable.

Income from charitable activities comprises grants from government and other agencies relating to cadet training, and an annual contribution from the General Lighthouse Authority. Grants are accrued for when the receipt is considered probable.

Other trading activities relate to income from the charities' two subsidiaries, Trinitas Services Limited and Trinity House Events Limited.

Investment income comprises dividends from the charities' listed investment portfolios and rental income from the investment property portfolio. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Rental income is recognised throughout the year as and when rents fall due.

Expenditure Recognition

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- a. The costs of raising funds include the salaries, direct costs and overheads associated with generating rental income from Trinity House, Tower Hill, London and the lighthouse cottages which are let by Trinitas Services Limited, the maintenance cost of the investment properties, fees paid in connection with the management of the charities' investments and related support costs.
- b. The costs of charitable activities comprise expenditure on the charities' primary charitable purposes as described in the Annual Report of the Corporate Board and include an appropriate proportion of support costs. Costs are analysed by the principal activities of welfare, youth opportunities and training, public safety and education, maintaining the fabric and heritage of Trinity House, role as a Deep Sea Pilotage Authority and provision of Nautical Assessors.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

- c. Grants are charged to the statement of financial activities when the beneficiary has been informed of the grant and there are no conditions that enable the charities to avoid the expenditure. Where the charities retain the discretion to avoid the expenditure, such grants are noted as financial commitments in the notes to the accounts. Grants are classified as 'grants paid - annual' and 'grants paid - other'.
- d. Support costs comprise the cost of staff employed under joint contracts of employment and administration costs. The Corporate Charity meets all of these costs which are subsequently allocated between the Corporate Charity and the Trinity House Maritime Charity. The basis of apportionment of these support costs between the Corporate Charity and the Trinity House Maritime Charity is reviewed periodically in the light of the level of activity of each charity during the year.

Tangible Fixed Assets

All assets with a cost of over £500 and with an expected useful life of more than one year are capitalised.

Freehold properties, leasehold improvements, treasures and plant and equipment and fixtures and fittings are stated at cost less depreciation or impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold properties	-	2%
Plant and equipment	-	25%
Fixtures and fittings	-	10 - 20%
Leasehold improvements	-	5%

No depreciation is charged in respect of the treasures as it is not deemed to be material after taking account of their expected useful lives and expected residual values. Where there is an indication of a decrease in value, an impairment review is performed and an impairment charge is made where necessary.

Investments

Investment properties are included in the accounts at open market value and are revalued periodically by the Corporate Board based on professional advice.

Portfolio investments are included in the accounts at their market value at the end of the financial period. The market value of fixed interest securities reflects accrued interest at the balance sheet date.

Realised and unrealised gains or losses on investment assets are credited or charged to the statement of financial activities in the year in which they occur.

Programme related investments are assets held by the charities in order to directly further the charitable purposes of the charities; any financial return obtained is not a primary reason for making the investment.

Programme related investments comprise concessionary loans to third parties interest free or at below prevailing market rates and are initially recognised at the amount paid with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted for impairment, if applicable. Any impairment loss is recognised as expenditure on charitable activities within the statement of financial activities.

Stocks

Stocks of publications and consumables for resale are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Cash at Bank and in Hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and Provisions

Creditors and provisions are recognised: where there is an obligation at the balance sheet date as a result of a past event; where it is probable that a transfer of economic benefit will be required in settlement; and, where the amount of the obligation can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Pension Costs

The charities' defined benefit pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

If the pension scheme assets exceed the liabilities, an asset is recognised on the balance sheet to the extent it is recoverable through a reduction in future contributions or by repayment.

Any increase in the present value of the liabilities within the Scheme expected to arise from employee service in the period is allocated across expense categories on a fair and consistent basis.

Actuarial gains and losses are included in the statement of financial activities in other recognised gains and losses for the period.

Contributions in respect of the charities' Group Personal Pension Scheme are recognised in the statement of financial activities when they become due.

Fund Structure

Unrestricted funds

The unrestricted funds are revenue funds which are expendable at the discretion of the Corporate Board in furtherance of the objects of the charities. Included within unrestricted funds are designated funds which are funds set aside out of unrestricted funds and designated for specific purposes by the Corporate Board.

Restricted funds

The restricted funds can only be applied in accordance with the donors' explicit terms.

Permanent endowment funds

Permanent endowment funds are capital funds where there is no power to convert the capital into income and which must generally be held indefinitely. Income arising on the funds is credited to unrestricted funds.

Financial Instruments

The charities only have financial assets and liabilities that qualify as basic financial instruments. Except for portfolio investments which are measured at their fair value as at the balance sheet date, basic financial instruments are initially recognised at their transaction value and subsequently measured at their settlement value.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

2. INCOME FROM CHARITABLE ACTIVITIES:

Group and Combined Charities

	Corporate Charity			Trinity House Maritime Charity		Total 2023	Total 2022
	Unrestricted	Unrestricted	Restricted	Unrestricted	Restricted		
	funds	funds	funds	funds	funds		
	£000	£000	£000	£000	£000	£000	£000
Welfare	-	16	-	16	-	16	15
Youth opportunities and training	-	-	877	-	877	877	720
Public safety & education	-	-	1,000	-	1,000	1,000	-
Contribution from Trinity House							
Lighthouse Service	340	-	-	-	-	340	320
Other	190	-	-	-	-	190	145
Total 2023	<u>530</u>	<u>16</u>	<u>1,877</u>	<u>16</u>	<u>1,877</u>	<u>2,423</u>	<u>1,200</u>
Total 2022	<u>465</u>	<u>15</u>	<u>720</u>	<u>15</u>	<u>720</u>	<u>1,200</u>	

3. INCOME FROM OTHER TRADING ACTIVITIES:

	2023	2022
Group:	£000	£000
Letting of function rooms by Trinity House Events Limited	559	276
Letting of lighthouse cottages by Trinitas Services Limited	1,095	1,468
	<u>1,654</u>	<u>1,744</u>
Combined Charities:		
Income from Trinity House Events Limited:		
Corporate Charity management charge	269	238
	<u>269</u>	<u>238</u>

The above Combined Charities' income for the years ended 31 March 2023 and 31 March 2022 related to Corporate Charity unrestricted funds.

4. OTHER OPERATING INCOME

	2023	2022
Group:	£000	£000
Other operating income (Trinity House Events Limited)	2	29
Other operating income (Trinitas Services Limited)	-	96
	<u>2</u>	<u>125</u>

Included within the above Other operating income are Coronavirus Job Retention Scheme and Local Restrictions Support grants received during the period by Trinity House Events Limited totalling £nil (2022: £29,000) and Trinitas Services Limited £nil (2022: £96,000).

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

5. INCOME FROM INVESTMENTS:

Group and Combined Charities

	Corporate Charity				Trinity House Maritime Charity		Total 2023	Total 2022
	Unrestricted funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total			
					2023			
					2022			
Investment properties	-	7,627	-	8	7,635	7,342		
Portfolio investments	18	245	-	-	263	271		
Bank interest and other finance income	1	15	1	-	17	4		
Total 2023	19	7,887	1	8	7,915	7,617		
Total 2022	18	7,599	-	-	7,617			

6. EXPENDITURE ON RAISING FUNDS:

Group and Combined Charities

	Corporate Charity				Trinity House Maritime Charity		Total 2023	Total 2022
	Unrestricted funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total			
					2023			
					2022			
Letting of function rooms	269	-	-	-	269	163		
Management of investment assets:								
Estate managers' fees	-	727	-	-	727	526		
Legal and other administration fees	-	337	-	5	342	208		
Investment managers' fees	-	-	-	3	3	3		
Maintenance of investment assets:								
Repairs, maintenance and refurbishment of estates	-	2,126	-	-	2,126	1,911		
Support costs	-	991	-	-	991	729		
Combined Charities	269	4,181	-	8	4,458	3,540		
Letting of lighthouse cottages	1,153	-	-	-	1,153	1,363		
Letting of function rooms	49	-	-	-	49	9		
Group	1,471	4,181	-	8	5,660	4,912		
Total 2022 - Combined charities	163	3,374	-	3	3,540			
Total 2022 - Group	1,535	3,374	-	3	4,912			

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2023

7. EXPENDITURE ON CHARITABLE ACTIVITIES:

WELFARE

Group and Combined Charities	Corporate	Trinity House		Total 2023	Total 2022
	Charity	Unrestricted	Maritime Charity		
	funds	funds	funds		
	£000	£000	£000	£000	£000
Maintenance and upkeep of the Trinity Homes	-	378	43	421	378
Grants paid - annual	-	600	-	600	526
Grants paid - other	5	207	-	212	196
Support costs	-	380	-	380	251
Total 2023	5	1,565	43	1,613	1,351
Total 2022	8	1,299	44	1,351	

During the year, welfare grants totalling £812,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £600,000 and other grants amounted to £212,000:

	£000	
The Shipwrecked Mariners' Society	110	Towards their one off and regular grants to beneficiaries.
Royal Alfred Seafarers Society	100	Towards the cost of care to their residents.
Nautilus Welfare Fund	83	Towards the support offered to residents and the Admiral Nurse.
Sailors' Children's Society	68	Towards the grants awarded directly to families.
The Fishermen's Mission	62	Towards their core costs and to underpin their UK wide outreach programme.
Naval Children's Charity	47	Towards the grants awarded directly to families.
Tyne Mariners' Benevolent Institution	39	Towards the cost of maintenance on the homes and the pensions.
Royal Liverpool Seamen's Orphan Institution	35	Towards the grants awarded directly to families.
Merchant Navy Welfare Board	31	Towards the Vehicle Replacement Programme
Maritime Charities Group	10	Contribution towards core costs.
Care for Veterans	10	Towards the cost of providing their mixed rehabilitation service.
Annual National Service for Seafarers	5	Towards the cost of the service.
Total grants paid - annual	600	
Sailors' Society	34	Towards the development of a new online and offline wellness e-learning programme.
SSAF the Armed Forces Charity	20	Towards their caseworking service for Seafaring beneficiaries.
Seafarers Hospital Society	25	Towards the extension of the SeaFit programme to new locations.
Stella Maris	20	Towards the Bristol Chaplaincy service.
Combat Stress	16	Towards mental health support for seafaring veterans.
Broughton House	15	Towards the top up care home fees for their Merchant Navy Residents.
Sailors' Children's Society	10	Towards their grants for families.
Other welfare grants	72	Various welfare grants, less than £10,000.
Total grants paid - other	212	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

**8. EXPENDITURE ON CHARITABLE ACTIVITIES:
YOUTH OPPORTUNITIES AND TRAINING**

Group and Combined Charities	Trinity House		Total 2023	Total 2022
	Maritime Charity			
	Unrestricted funds £000	Restricted funds £000	£000	£000
Merchant Navy Scholarship Scheme	1,334	892	2,226	2,326
Grants paid - annual	195	-	195	247
Grants paid - other	187	-	187	226
Support costs	531	-	531	409
Total 2023	<u>2,247</u>	<u>892</u>	<u>3,139</u>	<u>3,208</u>
Total 2022	<u>2,484</u>	<u>724</u>	<u>3,208</u>	

During the year, youth opportunities and training grants totalling £382,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £195,000 and other grants amounted to £187,000:

	£000	
Marine Society & Sea Cadets	130	For use within MSSC's Premises Fund for urgent repairs and upgrades to Units and the On The Water programme.
London Nautical School	40	Towards the cost of a staff member in the Maritime dept.
IALA - AISM	25	Towards the cost of educating and engaging with navigation professionals worldwide.
Total grants paid - annual	<u>195</u>	
United Kingdom Sailing Academy	32	Towards the Trinity House Superyacht Cadetship.
UWC Atlantic College	24	Towards the Nautical Leadership Experience.
Association of Sail Training Organisations	21	Towards Sail Training Bursaries.
Thames Barge Sailing Trust	20	Towards their barge master training programme.
Royal Yachting Association	14	For the Trinity House Yachtmaster Scholarship.
The Ahoy Centre	10	Towards their programme delivery costs.
Other youth opportunities & training grants	66	Various youth opportunities & training grants, less than £10,000.
Total grants paid - other	<u>187</u>	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

9. EXPENDITURE ON CHARITABLE ACTIVITIES:
PUBLIC SAFETY AND EDUCATION

Group and Combined Charities	Trinity House Maritime Charity		Total 2023	Total 2022
	Unrestricted funds £000	Restricted funds £000	£000	£000
THMC/DfT grants	-	342	342	1,569
Grants paid - annual	38	-	38	36
Grants paid - other	26	-	26	18
Support costs	20	-	20	29
Total 2023	<u>84</u>	<u>342</u>	<u>426</u>	<u>1,652</u>
Total 2022	<u>83</u>	<u>1,569</u>	<u>1,652</u>	

During the year, public safety and education grants totalling £64,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £38,000 and other grants amounted to £26,000:

	£000	
CHIRP - confidential reporting for aviation & maritime	20	Towards the cost of providing their confidential reporting system.
Royal Institute of Navigation	18	Towards the cost of delivering their programme of activities.
Total grants paid - annual	<u>38</u>	
Other youth public & safety grants	26	Various public safety & education grants, less than £10,000.
Total grants paid - other	<u>26</u>	

During the year, the following grants were made from the THMC/DfT fund:

	£000	
The Seafarers' Charity	125	Towards the extension of the Fishing First Safety Management Programme.
Hull Maritime Foundation	75	Towards the Maritime Futures Programme - Year 2.
Heriot-Watt University	70	Towards research in relation to Automated Vessel Stability Testing.
National Coastwatch Institution	55	Towards the cost of their strategic programme, specifically in the areas focusing on water safety and prevention and closer alignment with HMCG.
Leeds Trinity University	8	Towards the site visits assessing environmental risk factors.
University of Dundee	5	Towards research into the learning from HMCG volunteers.
International Seafarers' Welfare and Assistance Network	4	Towards an extension to Stage 3 of their Social Interaction Matters (SIM) Project.
	<u>342</u>	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2023

10. EXPENDITURE ON CHARITABLE ACTIVITIES:
MAINTAINING THE FABRIC AND HERITAGE OF TRINITY HOUSE
Group and Combined Charities

	Total	Total
	2023	2022
	£000	£000
Staff and pension costs	231	270
Repairs, renewals and planned maintenance	99	142
Light, heat, insurance and other running costs	190	154
Depreciation	134	128
Support costs	290	120
	<u>944</u>	<u>814</u>

The above expenditure for the years ended 31 March 2023 and 31 March 2022 related to Corporate Charity unrestricted funds.

11. EXPENDITURE ON CHARITABLE ACTIVITIES:
ROLE AS A DEEP SEA PILOTAGE AUTHORITY AND PROVISION OF NAUTICAL ASSESSORS

Expenditure on these categories in the two years ended 31 March 2023 and 31 March 2022 was from Corporate Charity unrestricted funds.

12. ANALYSIS OF SUPPORT COSTS

	Office	Service	Admin	Total	Total
	staff	staff	costs	2023	2022
	£000	£000	£000	£000	£000
Raising funds	330	45	616	991	729
Welfare	127	17	236	380	251
Youth opportunities and training	177	24	330	531	409
Public safety and education	7	1	12	20	29
Maintaining the fabric and heritage of Trinity House	-	-	290	290	120
	<u>641</u>	<u>87</u>	<u>1,484</u>	<u>2,212</u>	<u>1,538</u>

Support costs include governance costs of £175,000 (2022: £125,000), which include auditor's remuneration of £45,000 (2022: £46,000) for audit services and £nil (2022: £6,000) for non-audit services. In addition to the fees noted above, audit fees of £26,000 (2022: £23,000) and other fees paid to auditors of £20,000 (2022: £2,000) in relation to Trinitas Services Limited and Trinity House Events Limited are included in expenditure on raising funds.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

13. STAFF COSTS AND TRUSTEES' REMUNERATION

	2023	2022
	£000	£000
Wages and salaries	1,109	981
Social security costs	118	107
Other pension costs - defined benefit scheme	56	64
- group personal pension plan	70	67
Other staff costs	180	130
	<u>1,533</u>	<u>1,349</u>

The average number of staff during the year was 21 (2022: 21).

Included within the above cost is a termination payment of £34,000 that was made to one individual during the year.

The number of employees whose emoluments, excluding pension contributions and employer's national insurance contributions, but including taxable benefits, fell within the following ranges:

	2023	2022
£110,000 - £119,999	2	1
£100,000 - £109,999	-	1
£80,000 - £89,999	1	-
£70,000 - £79,999	-	1
£60,000 - £69,999	-	1
	<u>-</u>	<u>1</u>

Of the higher paid employees, contributions were made to the defined benefit scheme for 1 (2022: 2) individual. The emoluments of the highest paid individual includes pay in lieu of pension contributions.

The total cost of employing key management, comprising the Secretary to the Corporation, the Finance and Commercial Director (who is also a Deputy Secretary to the Corporation), the Head of Events and the Head of Charitable Giving, including employer's pension contributions and employer's national insurance contributions was £456,000 (2022: £430,000).

Travel and subsistence expenses totalling £19,000 (2022: £1,000) were reimbursed to 5 (2022: 5) members of the Corporate Board in the year.

Fees and taxable expenses paid to members of the Corporate Board by the charities amounted to £107,000 (2022: £65,000) in the year. These comprised:

- (a) Fees and Expenses of £65,000 (2022: £47,000) paid to Captain Hope in his capacity as the Director of Maritime training. These are pursuant to Clause 44 (3) of the Trinity House Maritime Charity Charity Scheme of 7 August 1995.
- (b) Assistance to the Admiralty Court in the provision of Nautical Assessors. Fees are set by the Practice Division of the Registrar of Civil Appeals and the Admiralty Register and are payable by the party setting down an action. The Corporate Charity's administrative costs in these arrangements are met from the fees reimbursed. Total fees and expenses of £31,000 (2022: £8,000) were paid in the year as follows: Captain Gobbi £5,000 (2022: £1,000), Captain Barker £10,000 (2022: £3,000), Commodore Walworth £5,000 (2022: £4,000), Captain Hope £6,000 (2022: £nil), Rear Admiral Snelson £5,000 (2022: £nil).
- (c) Fees and expenses of £8,000 (2022: £6,000) and £3,000 (2022: £4,000) were paid to Captain Gobbi and Captain Barker respectively in their capacity as Examiners of Deep Sea Pilotage pursuant to an Order made by the Charity Commission dated 10 January 2007.

A total premium of £1,000 (2022: £1,000) was paid in the year to provide the trustees with indemnity insurance.

14. TAXATION

The Charities are exempt from Corporation Tax and Income Tax on their charitable activities by virtue of their status as registered charities. Trinitas Services Limited and Trinity House Events Limited are subject to Corporation Tax on any taxable profits arising.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

15. TANGIBLE FIXED ASSETS

GROUP

	Leasehold improvements	Freehold properties		Treasures	Plant and equipment, fixtures and fittings	TOTAL
		Trinity House	Trinity Homes, Walmer			
	£000	£000	£000	£000	£000	£000
<u>COST</u>						
At 1 April 2022	714	6,264	2,175	4,094	765	14,012
Additions in year	91	-	-	-	145	236
Disposals in year	(2)	-	-	-	(31)	(33)
At 31 March 2023	<u>803</u>	<u>6,264</u>	<u>2,175</u>	<u>4,094</u>	<u>879</u>	<u>14,215</u>
<u>DEPRECIATION</u>						
At 1 April 2022	324	1,205	479	287	555	2,850
Charge for the year	56	125	43	-	73	297
Disposals in year	(1)	-	-	-	(30)	(31)
At 31 March 2023	<u>379</u>	<u>1,330</u>	<u>522</u>	<u>287</u>	<u>598</u>	<u>3,116</u>
<u>NET BOOK VALUE</u>						
At 31 March 2023	<u>424</u>	<u>4,934</u>	<u>1,653</u>	<u>3,807</u>	<u>281</u>	<u>11,099</u>
At 31 March 2022	<u>390</u>	<u>5,059</u>	<u>1,696</u>	<u>3,807</u>	<u>210</u>	<u>11,162</u>

COMBINED CHARITIES

		Freehold properties		Treasures	Plant and equipment, fixtures and fittings	TOTAL
		Trinity House	Trinity Homes, Walmer			
	£000	£000	£000	£000	£000	£000
<u>COST</u>						
At 1 April 2022		6,264	2,175	4,094	325	12,858
Additions in year		-	-	-	78	78
At 31 March 2023		<u>6,264</u>	<u>2,175</u>	<u>4,094</u>	<u>403</u>	<u>12,936</u>
<u>DEPRECIATION</u>						
At 1 April 2022		1,205	479	287	252	2,223
Charge for the year		125	43	-	37	205
At 31 March 2023		<u>1,330</u>	<u>522</u>	<u>287</u>	<u>289</u>	<u>2,428</u>
<u>NET BOOK VALUE</u>						
At 31 March 2023		<u>4,934</u>	<u>1,653</u>	<u>3,807</u>	<u>114</u>	<u>10,508</u>
At 31 March 2022		<u>5,059</u>	<u>1,696</u>	<u>3,807</u>	<u>73</u>	<u>10,635</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2023

16. FIXED ASSET INVESTMENTS

	2023	2022
	£000	£000
Investment properties (see below)	239,428	247,202
Portfolio investments (see below)	12,115	16,087
Cash held by investment managers	32	32
	251,575	263,321
Programme-related investments (see below)	250	250
	251,825	263,571
	Freehold investment properties	Portfolio investments
	£000	£000
Market value at 31 March 2022	247,202	16,087
Disposals	-	(2,176)
Capital improvements	1,913	-
Acquisitions at cost	-	26
Gains on revaluations and disposals	(9,687)	(1,822)
Market value at 31 March 2023	239,428	12,115
Historical cost	14,605	11,123

The market value of the freehold investment properties is based on valuations carried out by Cluttons Surveyors and Savills, Chartered Surveyors, at 31 March 2023.

The portfolio investments are invested using UK authorised institutional pooled funds. These funds are highly diversified across a wide range of underlying investments and comprise the following material holdings:

Security	Holding	Total market value	Percentage of total market value
		£000	
BLACKROCK ISHRS DV WLD IDX (IE) D DS GBP HDG	6,335,649	8,137	67.2%
BLACKROCK ISHR UK CRDT BD IDX(IE) INS GBP DS	2,602,270	2,127	17.6%
BLACKROCK ISHRS IDX LK GLT IDX FD (UK) X INC	1,234,434	929	7.7%
BLACKROCK ISHARES EM IDX FD (IE) FLX DS GBP	950,790	922	7.6%
		12,115	100%

The programme-related investments comprise loans to maritime charities. The loans are repayable after more than one year.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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17. DEBTORS

Due Within One Year:	Group	Charities	Group	Charities
	2023	2023	2022	2022
	£000	£000	£000	£000
<i>Trinity Village:</i>				
Rent arrears less provision for doubtful debts	314	314	176	176
Monies held by estate managing agents	134	134	523	523
<i>Other :</i>				
Trade debtors	115	45	111	30
Monies held by managing agent of the Merchant Navy Scholarship Scheme	177	177	113	113
Amount owed by Trinity House Events Limited	-	50	-	79
Prepayments and accrued income	664	645	744	729
Social Security and other taxes	132	104	58	-
Other debtors	116	116	88	88
	1,652	1,585	1,813	1,738

18. CREDITORS

Amounts Falling Due Within One Year:	Group	Charities	Group	Charities
	2023	2023	2022	2022
	£000	£000	£000	£000
Trade creditors	1,234	1,208	169	152
Rents in advance, Trinity Village	279	279	-	-
Deferred income	221	9	286	8
Social Security and other taxes	150	85	226	57
Other creditors	21	11	471	220
Accruals - Trinity Village	496	496	873	873
- other	448	448	346	346
Amounts owed to Trinity House Lighthouse Service	246	82	121	121
Amounts owed to Trinity House Events Limited	-	81	-	-
Coronavirus Business Interruption Loan	50	-	50	-
	3,145	2,699	2,542	1,777
Amount Falling Due After More Than One Year:				
	Group	Charities	Group	Charities
	2023	2023	2022	2022
	£000	£000	£000	£000
Coronavirus Business Interruption Loan	-	-	50	-
	-	-	50	-

On 3 February 2021, THEL entered into a Coronavirus Business Interruption Loan facility for £100,000. The facility is for a maximum term of 3 years and is unsecured. It is repayable in equal quarterly instalments, commencing 15 months from the date of drawdown (18 February 2021). £50,000 was repaid in the current financial year, with the balance due to be repaid in full in the next financial year.

The terms of the facility are that no interest is payable by the company for the first year. After one year, interest is fixed at 2.33% per annum. The company did not incur any fees in connection with the inception of the facility.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

19. CORPORATE CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2022 £000	New designations £000	Utilised / released £000	Balance at 31 Mar 2023 £000
House Designated Fund	444	-	(34)	410
Fixed Assets Fund	8,819	37	(134)	8,722
	<u>9,263</u>	<u>37</u>	<u>(168)</u>	<u>9,132</u>

House Designated Fund

This fund is designated by the Corporate Board for maintaining the fabric and heritage of the Grade I, Trinity House building.

Fixed Assets Fund

This fund represents the net book value of the tangible fixed assets excluding those that are restricted funds and is designated as the funds are not readily available to meet expenditure.

20. CORPORATE CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Balance at 31 Mar 2023 £000
Warden's Trinity House Relief Fund	2	-	-	2
Brethren's Covenant and Gift Scheme	58	-	-	58
	<u>60</u>	<u>-</u>	<u>-</u>	<u>60</u>

Warden's Trinity House Relief Fund

This fund was established to provide discretionary grants and loans to employees of the Corporation of Trinity House in circumstances of urgent domestic necessity. It is represented by net current assets.

Brethren's Covenant and Gift Scheme ("The Fabric Fund")

This fund was established for the specific purpose of renewal and improvement of furniture and decor of Trinity House. It is represented by fixed and net current assets.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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21. TRINITY HOUSE MARITIME CHARITY - DESIGNATED FUNDS

The unrestricted funds of the Trinity House Maritime Charity include the following designated funds which have been set aside by the Corporate Board for specific purposes:

	Balance at 1 April 2022 £000	New designations £000	Utilised/ released £000	Balance at 31 Mar 2023 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	<u>677</u>	<u>-</u>	<u>-</u>	<u>677</u>

Extraordinary Repair Fund

This meets a requirement of the Trinity House Maritime Charity's Scheme to establish and maintain a reserve fund to provide for extraordinary repairs, improvement and rebuilding of the Trinity Homes, Walmer.

The Merchant Navy Scholarship Scheme

The operation of this scheme was transferred from the Corporate Charity to the Trinity House Maritime Charity in 1995. At 31 March 2023, there were 132 (2022: 107) cadets under sponsorship for training as Deck or Engineer Officers. The amount designated to this Fund represents between three and six months' operating costs of the Merchant Navy Scholarship Scheme.

22. TRINITY HOUSE MARITIME CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2022 £000	Movement in funds		Balance at 31 Mar 2023 £000
		Income £000	Expenditure £000	
Swire Scholarship Fund	105	4	(4)	105
Swire Yeoman Support Fund	18	-	-	18
Captain John Bury Memorial Prize Fund	12	-	-	12
Grants for Merchant Navy Scholarship Scheme:				
Government funding	-	872	(872)	-
British Marine Prize Fund	46	-	-	46
Department for Transport Fund	340	1,001	(342)	999
Worcester Merchant Navy Cadetship Scheme	-	101	(16)	85
	<u>521</u>	<u>1,978</u>	<u>(1,234)</u>	<u>1,265</u>

The Swire Scholarship Fund was established in March 2012 to assist cadets undergoing training in the Merchant Navy Scholarship Scheme to study for a Full Honours Degree. Such assistance is awarded to those cadets who have demonstrated exceptional progress both academically and practically throughout their training.

The Swire Yeoman Support Fund was established in October 2017 to provide guidance and mentoring to cadets who have qualified from the Merchant Navy Scholarship Scheme.

The Captain John Bury Memorial Prize Fund was established to provide awards for outstanding achievement for cadets undergoing training in the Merchant Navy Scholarship Scheme. The Fund was established in memory of the late Captain Bury, Elder Brother of Trinity House.

The British Marine Prize Fund was established to provide prizes to cadets undergoing training in the Merchant Navy Scholarship Scheme. The prize is awarded to the cadet producing the best completed training record book.

The Department for Transport Fund relates to funds from the Department of Transport in support of safety and training related matters within the Charity's objects.

The Worcester Merchant Navy Cadetship Scheme fund was established on 6 April 2022 to support the establishment and operation of a Merchant Navy Cadetship Scheme in collaboration with The Association of Old Worcesters.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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23. TRINITY HOUSE MARITIME CHARITY - PERMANENT ENDOWMENT FUNDS

	Balance at	Incoming	Movement in funds		Balance at
	1 April 2022	Resources	Expenditure	Losses	31 Mar 2023
	£000	£000	£000	£000	£000
Trinity Village	255,667	8	(8)	(11,371)	244,296
Church and West Farms, Goxhill	3,563	-	-	-	3,563
Martines Farm, Essex	2,200	-	-	-	2,200
Trinity Homes, Walmer	1,885	-	(43)	-	1,842
	<u>263,315</u>	<u>8</u>	<u>(51)</u>	<u>(11,371)</u>	<u>251,901</u>

Trinity Village

The freehold of this estate, situated in South London, was conveyed to the Charity by Christopher Merrick in 1660. The fund is mainly represented by residential and commercial properties which were valued at £233,520,000 at 31 March 2023 and portfolio investments and cash which were valued at £11,523,000. Under the terms of the conveyance, income earned from this fund is available for general purposes.

Church and West Farms, Goxhill

This estate came to the Charity under the will of Captain Robert Sandes dated 1720. The fund is represented by agricultural land, now of 546 acres (221 hectares), in North Lincolnshire and cash. Under the terms of the bequest, income earned from this fund is available for general purposes. The farms were valued at £3,491,000 at 31 March 2023.

Martines Farm, Essex

This estate was bequeathed to the Charity by Captain Robert Fisher in 1714. The fund is represented by freehold agricultural land now of 65.7 acres (26.6 hectares). Under the terms of the bequest, income earned from this fund is available for general purposes. The farm was valued at £2,200,000 at 31 March 2023.

Trinity Homes, Walmer

These Homes, which are freehold charity property, belong to the Corporation for the use of residents in conformity with the provisions of the Charity's scheme. They are situated near Deal, in Kent, and provide accommodation for persons who are or were formerly British Seamen and Mariners (including Masters and Pilots) and their dependants who are in need. The Homes comprise 18 self contained units of accommodation and the only income received is a contribution from each resident towards heating of the dwellings. This fund is represented in the balance sheet by tangible fixed assets (note 15) and an investment property.

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Corporate Charity		Trinity House Maritime Charity			Non-	Total
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Endowment funds	Trading funds	
	£000	£000	£000	£000	£000	£000	£000
Fund Balances at 31 March 2023 are Represented by:							
Tangible fixed assets	8,723	54	79	-	1,653	590	11,099
Investments	626	-	-	-	251,199	-	251,825
Current assets	472	6	2,473	1,326	-	1,048	5,325
Liabilities	(679)	-	(877)	(61)	(951)	(577)	(3,145)
Defined benefit pension asset	249	-	669	-	-	-	918
Total net assets	<u>9,391</u>	<u>60</u>	<u>2,344</u>	<u>1,265</u>	<u>251,901</u>	<u>1,061</u>	<u>266,022</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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25. PENSION COMMITMENTS

The Corporation operates a defined benefit scheme (the 'Scheme') in the UK for certain current and former employees. This Scheme was closed to new members on 18 July 2006. A defined contribution scheme (group personal pension plan) was established for new staff joining after that date.

The Corporate Charity is the sponsoring employer to the defined benefit scheme. The assets of the Scheme are held separately from those of the combined charities.

The contributions are determined on the basis of triennial valuations by an actuary using the Attained Age method. Following the valuation as at 1 October 2020, the employer's current contribution rate remained at 34.8% of pensionable pay. The employees' contribution rate remained at 1.5% of pensionable pay. The total contributions for the year in these accounts were £73,000. The valuation showed that the market value of the Scheme's assets was £6,002,000 and that the ongoing funding level was 100%.

The assumptions which had the most significant effect on the results of the valuation were as follows:

RPI	3.7% p.a.
Earnings increases	3.7% p.a.
Pre-retirement discount rate	3.5% p.a.
Post-retirement discount rate	4.7% p.a.

Financial Reporting Standard 102 - Retirement Benefits

The following information has been calculated by a qualified, independent actuary for the purpose of inclusion in these accounts. It should be emphasised that, in accordance with the requirements of FRS 102, the assets and liabilities of the Scheme are valued with reference to current market conditions and may, therefore, vary widely from year to year.

	2023	2022
	£000	£000
Market value of assets	6,002	8,323
Defined benefit obligation	(5,084)	(7,530)
Surplus in the Scheme - net pension asset	<u>918</u>	<u>793</u>

The assets in the Scheme were:

	2023	2022
	£000	£000
Liability driven investments	1,975	1,699
Equities	-	1,721
Diversified growth	940	-
Bonds	2,714	2,796
Insured pensions (annuities)	2	6
Cash	371	2,101
Total market value of assets	<u>6,002</u>	<u>8,323</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

25. PENSION COMMITMENTS (continued)

The major assumptions used by the actuary were:

	2023	2022
Inflation - RPI	3.7%	3.9%
Rate of increase in salaries	3.7%	3.9%
Rate of increase for pensions	3.5%	3.5%
Discount rate for liabilities	4.7%	2.6%

The mortality tables used are the S3NA base tables projected by year of birth in line with the CMI 2020 "core" mortality projections with a long-term rate assumption of 1.5% per annum. To give an indication of life expectancies, a person who is currently aged 65 is assumed to live on average until the age of 87 years in the case of a man and 90 years in the case of a woman.

Reconciliation of the Fair Value of Plan Assets Over the Year

	2023	2022
	£000	£000
Fair value of plan assets at 1 April 2022	8,323	8,165
Interest income on plan assets	214	161
Remeasurement - return on plan assets excluding interest income	(2,348)	193
Contributions by the charities	73	64
Contributions by the members	3	3
Benefits paid (including expenses)	(263)	(263)
Fair value of plan assets at 31 March 2023	<u>6,002</u>	<u>8,323</u>
Return on plan assets	<u>(2,134)</u>	<u>354</u>

Reconciliation of Defined Benefit Obligations Over the Year

	2023	2022
	£000	£000
Defined benefit obligations at 1 April 2022	7,530	7,970
Current service cost	72	108
Contributions by the members	3	3
Interest expense on defined benefit obligation	193	158
Remeasurement - effect of experience adjustments (gain)/loss	(99)	164
Remeasurement - effect of changes in assumptions (gain)	(2,352)	(610)
Benefits paid	(263)	(263)
Defined benefit obligations at 31 March 2023	<u>5,084</u>	<u>7,530</u>

The Movement in the Scheme's Asset During the Year is Made up as Follows:

	2023	2022
	£000	£000
Net pension asset/(liability) at 1 April 2022	793	195
Amount recognised in expenditure	(51)	(105)
Gain recognised in other recognised gains and losses	103	639
Contributions by the charities	73	64
Net pension asset at 31 March 2023	<u>918</u>	<u>793</u>

The asset or liability in the Scheme and the movements in the year have been allocated between the two charities based on the contributions payable in the year.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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25. PENSION COMMITMENTS (continued)

The following amounts have been included in the statement of financial activities:

Analysis of the Amount Charged as Expenditure

	2023	2022
	£000	£000
Current service cost	(72)	(108)
Interest income on Scheme assets	214	161
Interest expense on defined benefit obligation	(193)	(158)
Total charge to expenditure	(51)	(105)

Remeasurements Recognised in Other Recognised Gains and Losses

	2023	2022
	£000	£000
Remeasurement - effect of experience adjustments gain/(loss)	99	(164)
Remeasurement - effect of changes in assumptions gain	2,352	610
Remeasurement - return on plan assets including interest income (loss)/gain	(2,348)	193
Total remeasurement gain recognised in other recognised gains and losses	103	639

26. SUBSIDIARY COMPANIES

- (a) **Trinitas Services Limited** is a wholly-owned subsidiary of the Corporation of Trinity House, incorporated on 19 March 1993 and is registered in England, number 02801613. The address of its Registered Office is Trinity House, The Quay, Harwich, Essex CO12 3JW and its principal activity is the letting of lighthouse cottages.

A summary of the results for the year is as follows:

	2023	2022
	£000	£000
Turnover	1,095	1,564
Total expenditure	(1,153)	(1,363)
(Loss)/Profit after tax	(58)	201
Total assets	1,192	1,421
Total liabilities	(319)	(490)
Net assets	873	931

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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26. SUBSIDIARY COMPANIES (continued)

(b) **Trinity House Events Limited** is a wholly owned subsidiary of the Corporation of Trinity House, incorporated on 26 January 2011 and registered in England, number 07506615. The address of its Registered Office is Trinity House, Tower Hill, London EC3N 4DH and its principal activity is the letting of the function rooms at Trinity House.

A summary of the results for the year is as follows:

	2023	2022
	£000	£000
Turnover	561	305
Total expenditure	(318)	(247)
Profit for the year	<u>243</u>	<u>58</u>
Total assets	446	347
Total liabilities	(259)	(403)
Net liabilities	<u>187</u>	<u>(56)</u>

27. GRANTS AND COMMITMENTS

Grants paid to institutions in the year totalled £1,572,000 (2022: £1,226,000) whilst grants paid to individuals totalled £28,000 (2022: £23,000). Full details of all grants paid can be obtained from the Secretary to the Corporation.

At 31 March 2023, grant commitments from future income were £nil (2022: £nil).

At 31 March 2023, the Trinity House Maritime Charity was committed to payments of £2,440,000 (2022: £2,061,000) in respect of the Merchant Navy Scholarship Scheme.

28. RELATED PARTY TRANSACTIONS

Owing to the Charities' operations and the composition of the Corporate Board, it is inevitable that grants will be made to organisations in which a trustee may have an interest. Similarly, properties may be leased to trustees or other related parties. All grants and transactions involving such organisations and related parties are conducted at arm's length.

Except for transactions with trustees included in note 13, there are no other related party transactions requiring disclosure.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2022

29. COMPARATIVES

(a) GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022

	Corporate Charity funds (including subsidiaries)	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2022
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	4	1	-	-	5
Charitable activities	465	15	720	-	1,200
Other trading activities	1,744	-	-	-	1,744
Other operating income	125	-	-	-	125
Investments	18	7,599	-	-	7,617
TOTAL INCOME	2,356	7,615	720	-	10,691
EXPENDITURE ON:					
Raising funds	1,535	3,374	-	3	4,912
Charitable activities:					
Welfare	8	1,299	-	44	1,351
Youth opportunities and training	-	2,484	724	-	3,208
Public safety and education	-	83	1,569	-	1,652
Maintaining the fabric and heritage of Trinity House	814	-	-	-	814
Role as a Deep Sea Pilotage Authority	18	-	-	-	18
Provision of Nautical Assessors	11	-	-	-	11
TOTAL EXPENDITURE	2,386	7,240	2,293	47	11,966
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	(30)	375	(1,573)	(47)	(1,275)
Losses on the revaluation and disposal of investment properties	-	-	-	5,181	5,181
Gains on the revaluation and disposal of portfolio investments	25	-	-	813	838
NET (EXPENDITURE) / INCOME	(5)	375	(1,573)	5,947	4,744
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial gain on defined benefit pension scheme	192	447	-	-	639
NET MOVEMENT IN FUNDS	187	822	(1,573)	5,947	5,383
BALANCE AT 1 APRIL 2021	10,691	1,616	2,094	257,368	271,769
BALANCE AT 31 MARCH 2022	10,878	2,438	521	263,315	277,152

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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29. COMPARATIVES (continued)

(b) COMBINED CHARITIES' STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022

	Corporate Charity funds	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2022
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	4	1	-	-	5
Charitable activities	465	15	720	-	1,200
Other trading activities	238	-	-	-	238
Investments	18	7,599	-	-	7,617
TOTAL INCOME	725	7,615	720	-	9,060
EXPENDITURE ON:					
Raising funds	163	3,374	-	3	3,540
Charitable activities:					
Welfare	8	1,299	-	44	1,351
Youth opportunities and training	-	2,484	724	-	3,208
Public safety and education	-	83	1,569	-	1,652
Maintaining the fabric and heritage of Trinity House	814	-	-	-	814
Role as a Deep Sea Pilotage Authority	18	-	-	-	18
Provision of Nautical Assessors	11	-	-	-	11
TOTAL EXPENDITURE	1,014	7,240	2,293	47	10,594
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	(289)	375	(1,573)	(47)	(1,534)
Gains / (losses) on the revaluation and disposal of investment properties	-	-	-	5,181	5,181
Gains / (losses) on the revaluation and disposal of portfolio investments	25	-	-	813	838
NET (EXPENDITURE) / INCOME	(264)	375	(1,573)	5,947	4,485
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial gain on defined benefit pension scheme	192	447	-	-	639
NET MOVEMENT IN FUNDS	(72)	822	(1,573)	5,947	5,124
BALANCE AT 1 APRIL 2021	10,074	1,616	2,094	257,368	271,152
BALANCE AT 31 MARCH 2022	10,002	2,438	521	263,315	276,276

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2023

29. COMPARATIVES (continued)

(c) INCOME FROM CHARITABLE ACTIVITIES:

Group and Combined Charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Restricted funds £000	Total 2022 £000
Welfare	-	15	-	15
Youth opportunities and training	-	-	720	720
Contribution from Trinity House Lighthouse Service	320	-	-	320
Other	145	-	-	145
Total 2022	465	15	720	1,200

(d) INCOME FROM INVESTMENTS:

Group and Combined Charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Restricted funds £000	Total 2022 £000
Investment properties	-	7,342	-	7,342
Portfolio investments	18	253	-	271
Bank interest and other finance income	-	4	-	4
Total 2022	18	7,599	-	7,617

(e) EXPENDITURE ON RAISING FUNDS

Group and Combined Charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Endowment funds £000	Total 2022 £000
Letting of function rooms	163	-	-	163
Management of investment assets:				
Estate managers' fees	-	526	-	526
Legal and other administration fees	-	208	-	208
Investment managers' fees	-	-	3	3
Maintenance of investment assets:				
Repairs, maintenance and refurbishment of estates	-	1,911	-	1,911
Support costs	-	729	-	729
Combined charities	163	3,374	3	3,540
Letting of lighthouse cottages	1,363	-	-	1,363
Letting of function rooms	9	-	-	9
Group	1,535	3,374	3	4,912

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

29. COMPARATIVES (continued)

**(f) EXPENDITURE ON CHARITABLE ACTIVITIES:
WELFARE**

Group and Combined Charities	Corporate Charity	Trinity House Maritime Charity		Total 2022
	Unrestricted funds	Unrestricted funds	Endowment funds	
	£000	£000	£000	£000
Maintenance and upkeep of the Trinity Homes	-	334	44	378
Grants paid - annual	-	526	-	526
Grants paid - designated	-	-	-	-
Grants paid - other	8	188	-	196
Support costs	-	251	-	251
Total 2022	8	1,299	44	1,351

**(g) EXPENDITURE ON CHARITABLE ACTIVITIES:
YOUTH OPPORTUNITIES AND TRAINING**

Group and Combined Charities	Trinity House Maritime Charity		Total 2022
	Unrestricted funds	Restricted funds	
	£000	£000	£000
Merchant Navy Scholarship Scheme	1,606	720	2,326
Grants paid - annual	243	4	247
Grants paid - other	226	-	226
Support costs	409	-	409
Total 2022	2,484	724	3,208

**(h) EXPENDITURE ON CHARITABLE ACTIVITIES:
PUBLIC SAFETY AND EDUCATION**

Group and Combined Charities	Trinity House Maritime Charity		Total 2022
	Unrestricted funds	Restricted funds	
	£000	£000	£000
THMC/DfT grants	-	1,569	1,569
Grants paid - annual	36	-	36
Grants paid - designated	-	-	-
Grants paid - other	18	-	18
Support costs	29	-	29
Total 2022	83	1,569	1,652

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2023

29. COMPARATIVES (continued)

(i) ANALYSIS OF SUPPORT COSTS

	Office staff £000	Service staff £000	Admin costs £000	Total 2022 £000
Raising funds	365	46	318	729
Welfare	125	16	110	251
Youth opportunities and training	205	26	178	409
Public safety and education	14	2	13	29
Maintaining the fabric and heritage of Trinity House	120	-	-	120
Total 2022	829	90	619	1,538

(j) CORPORATE CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2021 £000	New designations £000	Utilised / released £000	Balance at 31 Mar 2022 £000
House Designated Fund	444	-	-	444
Fixed Assets Fund	8,919	28	(128)	8,819
	9,363	28	(128)	9,263

(k) CORPORATE CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Balance at 31 Mar 2022 £000
Warden's Trinity House Relief Fund	2	-	-	2
Brethren's' Covenant and Gift Scheme	58	-	-	58
	60	-	-	60

(l) TRINITY HOUSE MARITIME CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2021 £000	New designations £000	Utilised / released £000	Balance at 31 Mar 2022 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	677	-	-	677

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2023

29. COMPARATIVES (continued)

(m) TRINITY HOUSE MARITIME CHARITY - RESTRICTED FUNDS

	Balance at	Movement in funds		Balance at
	1 April 2021	Income	Expenditure	31 Mar 2022
	£000	£000	£000	£000
Swire Scholarship Fund	105	-	-	105
Swire Yeoman Support Fund	22	-	(4)	18
Captain John Bury Memorial Prize Fund	12	-	-	12
Grants for Merchant Navy Scholarship Scheme:				
Government funding	-	720	(720)	-
British Marine Prize Fund	46	-	-	46
Department for Transport Fund	1,909	-	(1,569)	340
	<u>2,094</u>	<u>720</u>	<u>(2,293)</u>	<u>521</u>

(n) TRINITY HOUSE MARITIME CHARITY - PERMANENT ENDOWMENT FUNDS

	Balance at	Movement in funds		Balance at
	1 April 2021	Expenditure	Gains and losses	31 Mar 2022
	£000	£000	£000	£000
Trinity Village	250,569	(3)	5,101	255,667
Church and West Farms, Goxhill	3,556	-	7	3,563
Martines Farm, Essex	1,337	-	863	2,200
Trinity Homes, Walmer	1,906	(44)	23	1,885
	<u>257,368</u>	<u>(47)</u>	<u>5,994</u>	<u>263,315</u>

(o) ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Corporate Charity		Trinity House Maritime Charity			Non-charitable Trading funds	Total 2022
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Endowment funds		
	£000	£000	£000	£000	£000	£000	£000
Fund Balances at 31 March 2022 are Represented by:							
Tangible fixed assets	8,822	54	63	-	1,696	527	11,162
Investments	1,013	-	-	-	262,558	-	263,571
Current assets	293	6	2,056	521	214	1,128	4,218
Current liabilities	(406)	-	(254)	-	(1,153)	(779)	(2,592)
Defined benefit pension asset	220	-	573	-	-	-	793
Total net assets	<u>9,942</u>	<u>60</u>	<u>2,438</u>	<u>521</u>	<u>263,315</u>	<u>876</u>	<u>277,152</u>