

LLOYD'S REGISTER FOUNDATION

England & Wales · Charity number 1145988

Details

Status	Registered
Legal form	Charitable company
Company number	07905861
Registered	2012-02-20
Register	View on the Charity Commission register

Contact

Address	71 Fenchurch Street London EC3M 4BS
Phone	02074232783
Email	MICHELLE.DAVIES@LR.ORG
Website	www.lr.org

Activities

Objects: (A) TO SECURE FOR THE BENEFIT OF THE COMMUNITY HIGH TECHNICAL STANDARDS OF DESIGN, MANUFACTURE, CONSTRUCTION, MAINTENANCE, OPERATION AND PERFORMANCE FOR THE PURPOSE OF ENHANCING THE SAFETY OF LIFE AND PROPERTY AT SEA AND ON LAND AND IN THE AIR;(B) THE ADVANCEMENT OF PUBLIC EDUCATION INCLUDING WITHIN THE TRANSPORTATION INDUSTRIES AND ANY OTHER ENGINEERING AND TECHNOLOGICAL DISCIPLINES.

Activities: Lloyd's Register Foundation promotes safety and education. Most of the consolidated income is attributable to the Lloyd's Register Group, a trading group that distributes profit to the Foundation. It is received dividends and not the consolidated trading income that is available to the Foundation. The trading group is a 'Social Investment' that also furthers the Foundation's charitable aims.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua And Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bosnia And Herzegovina
- Botswana
- Brazil
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cameroon
- Canada

- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Cocos (KEELING) ISLANDS
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Croatia
- Cuba
- Cyprus
- Czech Republic
- Denmark
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana

- French Polynesia
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-bissau
- Guyana
- Haiti
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Isle Of Man
- Israel
- Italy
- Ivory Coast
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati

- Kuwait
- Kyrgyzstan
- Latvia
- Lebanon
- Lesotho
- Liberia
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Macedonia
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Namibia
- Nauru
- Nepal

- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Norfolk Island
- Norway
- Oman
- Pakistan
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn, Henderson, Ducie And Oeno Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Romania
- Russia
- Rwanda
- Saint Pierre And Miquelon
- Saint Vincent
- Samoa
- San Marino
- Saudi Arabia
- Scotland
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Slovakia

- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Korea
- Spain
- Sri Lanka
- St Kitts And Nevis
- Sudan
- Suriname
- Svalbard And Jan Mayen
- Sweden
- Switzerland
- Syria
- São Tomé And Príncipe
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Bahamas
- The Gambia
- Togo
- Tokelau
- Tonga
- Trinidad And Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks And Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United States
- Uruguay

- Uzbekistan
- Vanuatu
- Venezuela
- Vietnam
- Yemen
- Zambia
- Zimbabwe
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£691,735,000	£662,433,000	£954,896,000	4163
2024-06-30	£572,056,000	£589,640,000	£1,069,169,000	3764
2023-06-30	£560,401,000	£550,107,000	£1,093,774,000	3710
2022-06-30	£996,514,000	£599,864,000	£1,163,796,000	4654
2021-06-30	£384,458,000	£360,495,000	£784,419,000	5974

Trustees

Name	Role	Appointed
THOMAS THUNE ANDERSEN	Chair	2012-08-02
Andreas Sohmen-Pao		2018-06-26
Dame Una Noelle O'Brien		2021-01-01
Dr Paula Louise Haynes		2024-01-01
Madhavi Rani Koya		2023-04-01
Marina May Wyatt		2023-01-01
Matthias Altendorf		2026-06-01
Professor Dracos Vassalos		2025-04-01
Professor Sir Peter George Bruce		2025-04-01

Accounts

Lloyd's Register Foundation
Report and financial statements
30 June 2025

Company number: 07905861 (England and Wales)
Charity registration number: 1145988 (England and Wales)

Contents

TRUSTEES' REPORT

Chairman's Statement	1
Foundation Chief Executive's Review	2

THE STRATEGIC REPORT

Our Strategy	3
Safer Maritime Systems	4
Safer Sustainable Infrastructure	6
Skilled People for Safer Engineering	9
Evidence and Insight	11
Heritage	16
Nurturing New Ideas and Partnerships	18
Ongoing Programmes of Work Across the Strategy	20
Foundation-Wide Activity in 2024-2025	21
Accountability and Stakeholder Engagement	27
Foundation Financial Review and Policies	31
Governance and Management	37
Overview of Climate-Related Financial Disclosure	45
Other Information	52

LEGAL AND ADMINISTRATIVE DETAILS 53

STATEMENT OF TRUSTEES' RESPONSIBILITIES 54

REMUNERATION COMMITTEE REPORT 55

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT 57

NOMINATIONS COMMITTEE REPORT 58

INDEPENDENT AUDITOR'S REPORT 59

THE FINANCIAL STATEMENTS 62

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP 78

THE CONSOLIDATED FINANCIAL STATEMENTS 80

Trustees' Report incorporating the Strategic Report

Chairman's Statement

While the world around us continues to change, Lloyd's Register Foundation (the Foundation) remains a force for good. As a global safety charity focused on supporting research, innovation, and education to make the world a safer place, the Foundation continues to play an important role in addressing today's global safety challenges.

I have been very encouraged by the measurable progress the Foundation has already made this year to deliver against its 2024-2029 strategy, and it's clear the organisation is becoming a global role model for positive change.

At the heart of this progress has been the Foundation's commitment to taking an evidence-led approach to its work. In a world where misinformation can often hinder accurate knowledge, the Foundation continues to stand firm in its mission to use the best evidence and insight to help the global community focus on tackling the world's most pressing safety and risk challenges.

Key to the Foundation's new strategy has been scaling its impact by working with others in private, public, and philanthropic sectors, to build coalitions to drive change where they are most needed and achieve greater impact. Through several new strategic partnerships, its grants portfolio, not forgetting its small grants programme, the Foundation has provided funding and built lasting partnerships with organisations and projects that have made a difference to the safety of people globally. This year, I was able to represent the Foundation at the Blue Economy Finance Forum and the United Nations Oceans Conference in France, and it was extremely inspiring to see first-hand the Foundation, and its work with others, in action.

Lloyd's Register Group and the Foundation have continued to collaborate to identify and accelerate impactful solutions to advance its shared mission. From advancing alternative fuel technologies to equipping seafarers for the ships of tomorrow, we have drawn on expertise from across both organisations to bring knowledge and insight to a rapidly evolving landscape. Additionally, our unique archive of 250 years of maritime history has played a crucial role this year in helping us learn from the past to inform a safer future. I look forward to seeing the archive used more widely to support the maritime sector when it returns to our historical building in London in 2026.

As we look to the year ahead, the Foundation is stronger than ever. I look forward to watching the organisation grow with new and existing colleagues bringing fresh expertise and perspectives that will help it scale impact even further. The Board of Trustees and the Foundation's Leadership Team, alongside Lloyd's Register Group, are committed to supporting diversity, inclusion and equity.

The great strides the Foundation has made in the last 12 months is testament to the dedication and passion of its people and I would like to extend my thanks to the entire Foundation team, its leadership team, trustees, and colleagues, as well as our partners around the world. You are helping to engineer a safer, more resilient world for all.

Thomas Thune Andersen

Chairman, Lloyd's Register Foundation

Foundation Chief Executive's Review

I am incredibly proud of the difference Lloyd's Register Foundation has made this year to help tackle the world's biggest safety challenges and keep people safer. We've ended the year not just with momentum, but with measurable impact and a renewed sense of purpose.

In the last year, the Foundation made 79 grant commitments to support projects in 24 countries, investing over £15 million to support our mission to engineer a safer world. From fishing safety to artificial intelligence, and from maritime law to dealing with the risks from shipwrecks around the world, we've continued to work with incredible partners, including our colleagues at Lloyd's Register Group Limited, whose expertise in shipping safety makes a big difference in supporting our maritime work. The collaboration, innovation, and dedication of all our partners have been key to the progress and impact we have made, together.

This year, we launched our new strategy for 2024-2029. This focuses on three interconnected priority areas: Safer Maritime Systems, Skilled People for Safer Engineering, Safer Sustainable Infrastructure; and on strengthening the Foundation's own capabilities - providing trusted safety evidence and supporting learning from the past by drawing on our rich maritime heritage and unique archives.

To support the implementation of our new strategy we announced a first-of-its-kind £15 million 'Engineering a Safer World' open call. The call welcomed programmes and partnerships that address global challenges and which internationalise our impact. We also invited academic institutions to apply for Academic Networking Grants to help share new knowledge around maritime decarbonisation and digitalisation. The response to both calls was incredible and reflected the talent and appetite all around the world for transformative change for safety. I look forward to seeing these programmes take shape over the coming years.

We continued our commitment to local leadership when we launched our flagship programme - a global network of Ocean Centres at the United Nations Oceans Conference in June 2025. This partnership with the United Nations Global Compact is designed to put safety at the heart of emerging ocean economies. We also launched our new partnership with the World Economic Forum which will accelerate the transition to nature and people positive ports.

To strengthen our commitment to providing safety evidence, we launched our new *Global Safety Evidence Centre* committing £15 million over the next 10 years to establish the Centre - a hub to focus knowledge for anyone who needs to know what works to make people safer. As part of this, the *Lloyds Register Foundation World Risk Poll* continues to provide invaluable global insight, telling us how people perceive risks and experience harm in their daily lives. This data is used by many global and national agencies to bring about changes for improved safety. You can read more about the impact of the World Risk Poll in this report.

Following a comprehensive refurbishment, this year we reoccupied our heritage building in London which will also be home to our extensive collection of maritime archives. I look forward to establishing the Lloyd's Register Building as a destination for collaboration and safety leadership where we will host events, convene thought leaders, and bring together voices from across the maritime and engineering sectors to listen and share diverse perspectives, thoughts, and ideas to build a safer and more sustainable future. We have also strengthened our digital presence, including a major redevelopment and unveiling of our new website.

The past 12 months have been truly remarkable, and I want to extend my sincere gratitude to everyone who is part of, and works alongside, the Foundation. From our Chairman and trustees to our grant recipients, partners, and of course, my dedicated colleagues within the Foundation - we've all contributed with energy, commitment, and purpose. Together we are making meaningful impact towards building a safer world for all.

Ruth Bournemouth

Chief Executive, Lloyd's Register Foundation

Our Strategy

In 2024, we launched our new 2024-2029 strategy which sees us build on - and learn from - our work to date. Focusing our areas of action and scaling our impact to make a real difference, we concentrated our resources across three interconnected priority areas: **Safer Maritime Systems; Safer Sustainable Infrastructure; and Skilled People for Safer Engineering**. In addition, we continued to invest in the Foundation's own assets and expertise which are our **maritime heritage** and safety **evidence and insight**.

Against a backdrop of constant global changes such as new technologies, a changing climate, and the need to provide new infrastructure to serve changing populations, our strategy is very much aligned to ensuring safety is embedded in a growing ocean economy, making infrastructure safer and improving society's understanding of risk, to build a safer world for all.

As part of our new strategy, this year we have strengthened our partnerships and built new coalitions with organisations around the world who share our mission values and social purpose. We have scaled our impact by being led by local voices, through influencing others to act, levelling resource from others, becoming a trusted voice in safety, and strengthening our voice in the maritime system.

We remain committed to skills and education to raise awareness of the need for more engineers, especially in those geographies where they are most needed. The digitisation of our unique maritime heritage collection has made it more accessible to people around the world to help them understand how learning from the past can inform the future. We continued to invest in programmes across the globe, drawing on the expertise of Lloyd's Register, building relationships and creating impact through our partners, grant holders and our wider community to engineer a safer world

Our vision

Our vision is to be known worldwide as a leading supporter of engineering-related research, training, and education, which makes a real difference in improving the safety of people and the critical infrastructure on which modern society relies.

Our charitable purpose

Our charitable purpose is the basis for our mission: to Engineer a Safer World. Our purpose is:

- To secure for the benefit of the community high technical standards of design, manufacture, construction, maintenance, operation and performance for the purpose of enhancing the safety of life and property at sea, on land and in the air.
- The advancement of public education, including within the transportation industries and any other engineering and technological disciplines.

Safer Maritime Systems

Over the last year, we have continued to work with stakeholders from across the maritime system to drive action around safety challenges. Through strategic partnerships and grant funding, we have delivered a mix of activities, from ongoing programmes to new initiatives, that are focused on creating safer maritime systems.

Priority area objectives:

- Harm is reduced and prevented for those working in growing maritime economies.
- Everyone across the maritime system is motivated to work together towards an ocean economy that keeps people safer on land and at sea.

Impact highlight

The Foundation received an award from The Seafarers' Charity during its 108th Annual Meeting, which was held on board HMS Wellington. His Royal Highness, The Duke of Edinburgh, attended the event and presented 'The President's Award', which recognises outstanding contributions to maritime welfare, to representatives from the Foundation. This award recognises our work with the International Fund for Fishing Safety, in partnership with The Seafarers' Charity and FISH Programme.

Maritime Connected

The Foundation has embedded the concept of 'maritime connected' into its 2024-2029 strategy. Through taking a systems approach and hearing from diverse voices from across the maritime system, it becomes possible to make meaningful progress in creating a safe maritime future. By bringing together global and diverse voices to understand the maritime system and its future in ways that have not happened before, we can reveal ways to unblock collective challenges and take steps to achieve positive change.

This systems approach was brought to life through a partnership with the International Maritime Rescue Federation (IMRF). Together, we launched #SaferSAR, an initiative to develop information sharing from search and rescue (SAR) incidents. The programme worked to enable global (SAR) organisations to better collect, analyse and share maritime SAR incident response data in a bid to enhance future maritime SAR response operations. This involved a 12-month feasibility study for a globally accessible platform that SAR personnel and organisations can use to share lessons and best practices to improve safety at sea. Through analysis and collaboration with experts and user groups, the project will produce recommendations to address these gaps, ensuring that SAR is prepared for future demands.

International Fund for Fishing Safety

The International Fund for Fishing Safety (IFFS), our grant-giving programme with The Seafarers' Charity in partnership with the Fishing Industry's Safety and Health Platform (FISH Platform), has grown significantly in the last year. The team that leads and supports the governance of IFFS ensures that projects funded are fisher-led. A key milestone earlier this year included a grant that will improve the lives of in excess of 65,000 fishers across Africa, Ghana, Fiji, Kenya, Thailand, and Vietnam, through local action.

In its first 12 months, IFFS helped 92,000 global, wild-capture fishers and supported 12 fisher safety, welfare, and health projects in 11 countries, with more on the way. It has also, on a global basis, provided the link for project partners to exchange knowledge about fisher-safety, helped with fisher-safety workshops and promotional work across the world, and provided information to help partners engage with national authorities about fisher-safety. In addition, it has encouraged compliance with international fisher-safety regulations and conventions.

The fund has also influenced policy in Fiji. The approval of an IFFS grant to the Human Dignity Group to help train fishers in Fiji was accompanied by the recommendation that the Group works with the authorities there to ratify the Standards of Training, Certification and Watchkeeping for Fishing (STCW-F) award, enabling fisher training to be delivered to that standard. IFFS has also attracted its first external funding, an early step towards scaling the impact of this initiative.

Ferry Safety

The Foundation's focus on ferry safety was featured in the International Maritime Organization's (IMO) hot topics page under Domestic Ferry Safety, highlighting the ongoing collaboration between the two organisations to improve safety standards. The Foundation also attended an event at the IMO, where along with funded partners World Maritime University (WMU), International Maritime Law Institute (IMLI) and IMO, we presented the status of our work on 'Enhancing Domestic Ferry Safety' for countries where impact would be most beneficial.

Also in the last year, the University of Strathclyde's Maritime Human Factors Centre, in collaboration with CalMac Ferries and funded by the Foundation, developed a user-friendly Human Reliability Analysis framework to improve maritime safety. Industry studies identified adoption barriers such as complexity and lack of regulatory pressure. The team responded with accessible Excel-based tools for non-specialists, helping operators systematically mitigate human error. Strong sector interest suggests potential for wider adoption, with future work focusing on expanding High Risk Area (HRA) training and refining digital toolkits.

A grant was awarded to the Worldwide Ferry Safety Association to explore whether Automated Weather Stations (AWS) linked to Automatic Identification Systems (AIS) on vessels can provide real-time hazardous weather warnings to mariners while simultaneously feeding global weather models. The project successfully engaged a wide range of stakeholders through workshops leading to significant advancements, including the installation of an AWS on a RoPax ferry and innovations like a Mini-AIS device for fishers. The outcomes not only enhanced real-time weather communication for mariners but also sparked further research and potential commercialisation of new technologies to improve maritime safety.

World Economic Forum

The Foundation entered a long-term strategic partnership with the World Economic Forum (WEF) on Nature and People Positive Ports. The partnership will focus on key strategies to accelerate the sector's transition to nature-positive, while adopting practices that enhance the safety of people and goods, improving working conditions and ensuring social prosperity. WEF has already started to engage with the community to better understand what already exists, and what is still needed.

Global Maritime Trends 2050 and Deep Dive of Seafarer Sustainability

Following the successful launch of the Global Maritime Trends 2050 report in 2023, we established a longer-term programme of deep dives exploring aspects of the report's findings. In the last year we published the first of these deep dives in collaboration with the World Maritime University who conducted a study on the sustainable supply of future seafarers. The Deep Dive on Seafarer Sustainability report highlights opportunities to make the number of seafarers more sustainable by investing in Africa's emerging talent including supporting women in maritime roles.

Safer Sustainable Infrastructure

To ensure that critical infrastructure is safe, resilient, and sustainable for years to come, the Foundation works in partnership with others to ensure that disruptive technologies are adopted safely. By understanding the technology and the system within which it will be applied, we can influence the steps needed to avoid harm.

Priority area objectives:

- New technologies and methodologies are developed and used safely within broader engineering practices, without causing harm elsewhere.
- Critical infrastructure is resilient and fit for purpose to meet the changing needs of society.

Impact highlight

The work of Discovering Safety, a collaboration between the UK Health and Safety Executive and Lloyd's Register Foundation, has influenced how the UK's safety regulator views and approaches data and digital technology in the pursuit of improved safety.

Engineering X

Engineering X is a growing collaboration founded by Lloyd's Register Foundation and the Royal Academy of Engineering (RAEng). Based upon the success of this initiative to date, RAEng has recently launched its new strategy and promoted Engineering X to one of its flagship strategic programmes.

The Safe End of Engineering Life programme at Engineering X has been convening experts around the unexplored area of decommissioning offshore wind farms. During the last year the programme published its workshop report on Safer End of Life for Offshore Wind Infrastructure with the four key findings in the following areas: Launch a global, inclusive working group; Develop international and national standards; Collaboratively map and forecast end-of-life material flows – industry and research to jointly map end-of-life materials; and Maximise learning by coordinating pilots and gaps.

The Safer Complex Systems programme at Engineering X has a theme that explores the governance of complex systems. It commissioned four groups in Europe, US, and UK, and internationally diverse geographical locations (Kenya, Dhaka, and Cape Town) to undertake a series of roundtables to create reports with the aim of provoking new conversations on the safer governance of complex systems. The four themes published this year explored the following topics: Political actions have consequences; Learning from failures; Laws and regulations fit for complexity; and Listening to Diverse Voices.

Lloyd's Register Maritime Decarbonisation Hub

The Lloyd's Register Maritime Decarbonisation Hub (Decarb Hub), a joint initiative by Lloyd's Register Group Limited and the Foundation to accelerate the safe, sustainable decarbonisation of the maritime industry, has continued to deliver impact and maintain its influence in maritime decarbonisation. Some key highlights this year include:

- The Maritime Just Transition Task Force contracted with the Decarb Hub to deliver training frameworks and a competency study to support the safe uptake of ammonia as a zero-carbon marine fuel. Acting as Technical Lead, the Decarb Hub defined the competencies and integrated them into the framework. The framework and competencies were presented at the IMO and adopted by the IMO's Standards of Training, Certification and Watchkeeping (STCW) convention that will impact all seafarers.
- The Decarb hub supported Zero Emissions Maritime Buyers Alliance's (ZEMBA) inaugural tender, the first-ever collective multi-year offtake commitment for near-zero GHG shipping (Greenhouse Gas emissions from the

shipping industry) and co-published a report assessing e-fuel market readiness to shape future tenders. Additionally, it delivered comprehensive training frameworks for ammonia, methanol, and hydrogen fuels, laying the foundation for IMO Model Courses to reskill 800,000 seafarers by the mid-2030s.

- It advanced consensus building through initiatives like the Silk Alliance, which fosters industry-wide collaboration in implementing green corridors. The Maritime Fuel Supply Dialogues, a Lloyd's Register (LR) Maritime Decarbonisation Hub initiative for Asia Pacific and Africa, and the European Commission's Fuel EU Maritime Regulation, which aims to reduce emissions from shipping, was launched to connect energy and transport ministries in Asia-Pacific and Africa, building momentum for green hydrogen supply chains, creating local jobs, and exploring government-backed strategies to boost fuel demand and market growth.

Resilience4Ports

Resilience4Ports, a multi-stakeholder initiative that seeks to enhance and accelerate the resilience of ports and the communities that rely on them.

Resilience4Ports published its Strategic Plan 2025-2027 focusing on four themes: Engagement Across the Port System Value Chain; Global Advocacy for Policy and Financing to Enhance Port Resilience; Thought Leadership and Knowledge for Action; and Strategic Partnerships. Each theme contains a plan on what is needed to achieve success.

Catalysing the momentum for the emerging implementation of climate resilience and adaptation in the maritime sector, the launch of a Call-to-Action pledge at COP29 aims to bring port actors together to support accelerating port resilience.

This initiative acts as the first sectoral approach to the Sharm-El-Sheikh Adaptation Agenda (SAA) and has the following three main objectives to support the achievement of the Maritime Resilience Breakthrough outcome targets in the UN Climate Change High-Level Champions and Marrakesh Partnership for Global Climate Action 2030 Climate Solutions.

1. RESILIENT INFRASTRUCTURE SYSTEMS

By 2030, 30% of global maritime trade moves through climate adapting ports, connecting people and supply chains, with a focus on benefiting the world's most vulnerable regions.

2. RESILIENT COASTAL AND OCEAN SYSTEMS

By 2030, across all regions, ports and their communities protect and enhance local coastal and ocean systems through nature-based solutions to build port resilience and support thriving natural habitats.

3. RESILIENT HUMAN SETTLEMENTS

By 2030, across all regions, ports and their communities implement equity-focused social programmes including those around green jobs and community infrastructure that enable thriving ports and port communities.

Nature Positive Engineering Foresight Review

This year, the Foundation completed the expert consultation phase of the Nature Positive Engineering Foresight Review with roundtables in London, Singapore, Brazil, Brussels, and Kenya. Discussions at the roundtables centered on how we can safely scale up the implementation of nature-positive solutions in ports, as part of offshore renewable energy sources, and throughout coastal communities. The final report was published in September 2025.

Centre for Assuring Autonomy, University of York

The Centre for Assuring Autonomy (CfAA), a partnership between Lloyd's Register Foundation and the University of York, published a new report highlighting the impact of 26 unique demonstrator projects conducted since the Foundation's initial grant was awarded to University of York. These projects have helped partners understand and tackle the challenge of safety assurance for autonomous systems, robotics, and AI. This work has also shaped the University of York's

fundamental understanding of autonomy assurance that goes beyond understanding within specific sectors and led to the published frameworks that CfAA is now deploying across sectors.

Professor John McDermid OBE FREng, Director of the Centre for Assuring Autonomy, was a senior advisor assisting in the production of the 'International Scientific Report on the Safety of Advanced AI' - a landmark government report that has built a shared, evidence-based understanding of the opportunities and risks posed by advances in AI. Recommendations from this report are informing the UK Government's approach to policymaking and governance around AI development. John's contributions to the report helped shape the second AI Safety Summit, which took place in Seoul, Korea in May 2024, and John acted as a Senior Advisor for the 2025 Summit in France.

The Alan Turing Institute

The Data Centric Engineering (DCE) programme at the Alan Turing Institute completed its second year of the 2.0 grant from the Foundation, which was built on the foundations established in the first year of growing activities, team and community. The programme welcomed 16 enrichment students as well as an intern, broadening the community, and facilitating knowledge exchange with early career researchers. Nearly a quarter of the awards made to the enrichment students were for those that aligned to the DCE programme.

The programme ran several workshops, including a workshop at the Institute for Electricity and Electronics Engineers (IEEE) Conference for AI (CAI) 2024 in Singapore on 'Crafting data-centric engineering', which reached an international audience of academics interested in AI in engineering. This resulted in the Programme Director being invited to Chair the next IEEE CAI in USA, May 2025.

The Data-Centric Engineering programme, in collaboration with the Institute's Centre for Emerging Technology and Security (CETaS), published a report containing recommended actions for policymakers and industry to enhance the cybersecurity of offshore wind. The results of this research were sent to the UK Government for review by the Department for Energy Security and Net-Zero (DESNZ) and the National Cyber Security Centre (NCSC).

Thirteen years ago, Prof Adam Sobey, a former Foundation-funded PhD student at the University of Southampton and currently Director of the Data-Centric Engineering Programme at The Alan Turing Institute, developed an optimisation algorithm, supported with funding from the Lloyd's Register Educational Trust. This algorithm was adapted for Voyage Optimization and commercially taken to market as T.VOS by a company called Theyr - a UK-based maritime technology company that specialises in advanced voyage optimisation and meteorological and oceanographic data solutions. As part of T.VOS, Adam's algorithm is now an integral solution to fifteen maritime digital platforms, notably the digital platform provided by LR OneOcean, with access to over 35,000 vessels worldwide.

Discovering Safety

Discovering Safety, a partnership between the Foundation and the UK's Health and Safety Executive (HSE) which is supported by a grant from the Foundation, has worked to harness insights from safety-related data to predict, prevent and reduce workplace accidents. The initial grant came to an end this year.

The final report highlighted many examples of the impact including collaborations through industry, the tech sector and other government departments, and the development of groundbreaking tools and industry solutions that are changing how occupational safety and health risks are identified and managed within businesses to keep people safer. An example of success was the development of the Regulatory Sandbox (a collaboration with another of our grant holders - SafetyTech Accelerator), which brought together technology start-ups, end users (industry), and the UK regulator to understand each other's perspectives and identify solutions for an accelerated uptake of technology solutions that can aid safety. This is a model that has been taken up by other UK regulators.

Discovering Safety has also established a large and growing community which is actively following updates, attending events, providing data into projects and trialing outputs.

To further scale the impact of learning from Discovering Safety, the UK HSE has developed training courses that engage with industries on how data and digital advances can improve safety.

Skilled People for Safer Engineering

Through targeted interventions aimed at supporting safety leadership, safety skills and strengthening safer engineering capacity and capability, the Foundation is building partnerships that help to remove barriers for new talent and underrepresented demographics entering the engineering workforce, particularly where engineering skills are most needed. By ensuring that engineering skills and education develop at pace and aligned with rapid technological innovation, we help to ensure our built environment remains safe.

Priority area objectives:

- Development of skills for safety, knowledge, leadership, and processes where they are most needed.
- The numbers and diversity of engineers, and those in engineering-related professions, are increased, especially in sectors and geographies where we can have the most impact.

Impact highlight

As part of the Maritime Just Transition Taskforce's work to ensure that shipping's response to the climate emergency puts seafarers at the heart of the solution, a report was published by the Taskforce which made over 500 recommendations for the safe training and use of alternative fuels, generated from cross-sector consultations and risk assessment workshops with leading industry experts. These recommendations provided the basis for a submission to the 11th session of the International Maritime Organization's (IMO) Sub-Committee on Human Element, Training and Watchkeeping.

As a result, generic interim training guidelines on training for seafarers on ships using alternative fuels and new technologies were approved by the IMO's Maritime Safety Committee (MSC110) in June 2025 and are being used in a pilot 'train the trainer framework,' funded by the IMO.

Engineers Board of Kenya

Through £0.3 million of grant funding to the Engineers Board of Kenya, the Foundation is working together to transform safety culture throughout the Kenyan construction industry and engineering sector. The capacity development programme is aiming to enhance safety skills amongst engineering students, professionals and construction workers in Kenya. Ensuring good connections between this programme and previous initiatives, such as the Engineering X's 'Safety Champions in Engineering Education' scheme and our Southeast Asia 'Skills Enhancement Programme' with TWI, is a key part of the governance process.

METAVASEA

The Foundation's partnership with HELMEPA, METAVASEA, which is focused on a people-centred transition to alternative fuels in the eastern Mediterranean region, has shown solid results this year. Over 150 port workers, seafarers and shipping company employees attended HELMEPA's first pilot workshops on "Enhanced Safety Culture for Maritime Decarbonization" at Piraeus Port Authority, "Environmental Leadership" at Athina Maritime Learning & Development Centre and the webinar "Emerging Technologies, Automation, Digital Awareness & Cybersecurity in Shipping".

METAVASEA is a multi-stakeholder partnership, including the World Maritime University, which aims to advance a people-centred transition for maritime decarbonisation in the East Mediterranean by training and upskilling more than 1,500 seafarers, port workers, and shipping professionals in new fuels, digital transition, marine environmental awareness, and soft skills. Importantly, this project is directly connected with the Foundation's related work in maritime decarbonisation and a 'Maritime Just Transition' to ensure a people-centred transition to a zero-carbon shipping industry.

Making Spaces

The Making Spaces research project entered its third phase of a five-year, £1.5 million commitment, this year with the delivery of an accreditation course for professionals from the US, UK, Africa, Asia, and Europe to deliver and spread training in the Making Spaces 3-STEP approach worldwide.

The project is a Foundation-funded research and development project led by the University College London (UCL) that works with practitioners and young people around the world to identify, develop, and share equitable approaches that can support diverse young people to engage meaningfully with science, technology, engineering and maths (STEM) based subjects.

Engineering X Skills for Safety Programme

The Skills for Safety Survey, launched to help develop impactful and targeted interventions within the Skills for Safety programme, engaged respondents from 30 countries. Nearly 50 per cent of respondents expressed interest in joining and collaborating with the Skills for Safety programme, clearly reflecting global demand and the relevance of our work as a leader in promoting safer engineering practices globally.

Through grant-funded projects, the Skills for Safety programme has indirectly supported 3,910 engineering students across multiple countries, significantly contributing to the development of safety-related knowledge and skills among the next generation of engineers. Projects included training in automotive safety (Nigeria, 200 students), agricultural machinery (India, 165 students), occupational health and safety (Uganda, 2,160 students), and construction safety (Kenya, 906 students). Additional initiatives focused on safe engineering design (Nepal, 266 students), software engineering safety (Tanzania, 73 students), housing and construction (Uganda, 25 students), manufacturing safety (Uganda, 39 recent graduates), and industry-based safety training (76 graduates). These engagements reflect the programme's long-term impact in equipping students and graduates with the skills needed to promote safer engineering practices in their future careers, ultimately contributing to a more safety-conscious global engineering workforce.

The Global Engineering Capability Review (GECR) 2024 significantly strengthened the programme's global visibility and influence. It successfully connected with globally recognised organisations such as the Commonwealth Engineers' Council, The World Bank, and UNOPS, all of whom expressed interest in future collaboration. These strategic engagements reflect the growing credibility of the GECR as a valuable tool for shaping engineering capacity and capability discussions worldwide. The report itself offers a robust evidence base on the constraints in engineering capacity and capability across 115 countries, using a systems approach across ten critical capacity areas and three key stakeholder groups (professional engineers, government, and industry). It is positioned to become a global reference for funders and policymakers seeking to enhance engineering practices that are safe, effective, and sustainable. As part of the launch in 2025, the GECR will be promoted through a year-long communications plan, including dedicated webinars and a roundtable event in Kenya focused on applying a systems-based approach to safety in the construction sector.

World Maritime University

This year the Foundation strengthened its strategic relationship with the World Maritime University (WMU), expanding and creating new opportunities to develop maritime expertise, particularly in lower and middle-income countries, and addressing new safety challenges including those associated with decarbonisation and digitalisation.

The first Foundation-funded fellows to WMU from India and Kenya graduated this year with an MSc in Maritime Affairs and have returned to their home countries with new knowledge and expertise that can help build global capacity and promote safe and sustainable development in the maritime industry. The next two fellows, who are from the Philippines and Ghana, joined WMU in September 2024.

International Maritime Law Institute (IMLI)

Our long-term partnership with the International Maritime Law Institute (IMLI) continued this year with funding for a new cohort of fellows from Bolivia, Ghana, and Namibia who joined the institute in September 2024. Their studies will help enhance local legal expertise and ensure the implementation and enforcement of maritime legislation that keeps people safe at sea.

In addition, the Foundation's Director of Skills and Education, Tim Slingsby, was invited to join the IMLI Governing Board.

Evidence and Insight

To support the Foundation in delivering impact across its strategic priority areas, we take an evidence-led approach. We have a commitment to find, share, and grow robust evidence to better understand the complex factors that affect safety.

Foundation capability objectives:

- Growing the Foundation's capability and reputation as a trusted source of safety, evidence, and insight;
- Global safety evidence and insights are generated and openly shared;
- Evidence is used to inform decision making, fill knowledge and data gaps, and lead to safer outcomes.

Impact highlight

This year we published four reports from the 2024 World Risk Poll (Wave 3). Across the four report launches, the World Risk Poll web pages received almost 555,000 visitors from 186 countries, with almost 6,000 report downloads and just under 40,000 data explorer sessions.

World Risk Poll

At the heart of our efforts to internationalise, as part of the Foundation's strategy, is a commitment to be guided by local voices, ensuring that those most affected by safety issues have the strongest say in identifying problems and shaping solutions. To support this, we conduct the World Risk Poll every two years as a dedicated component of the Gallup World Poll. Its global coverage is unrivalled - the latest edition, published in 2024, is based on 147,000 interviews in 142 countries. This includes places where little or no official data on safety and risk exists, making the Poll a unique resource for defining the nature and scale of safety challenges across the world.

In 2024, the Poll covered issues including severe weather and climate change resilience, workplace safety, and waste management. Previous Polls have included risks such as workplace violence and harassment, and AI and data misuse.

A core set of repeating questions in every World Risk Poll explores how perceptions and experiences of risk change over time, including differences before and after the Covid-19 pandemic. Demographic analysis of the Poll also allows us to understand how different groups of people perceive and experience risk differently.

Our aim is to help governments, regulators, businesses, NGOs, and international bodies use the findings to inform and target policies and interventions that make people safer, working in partnership with, and empowering, communities.

Report 1 - Resilience in a Changing World

The first 2024 World Risk Poll report - 'Resilience in a Changing World' was launched at Understanding Risk 24 in Himeji, Japan, where the Foundation presented the findings and spoke to attendees about the data sculpture of the Resilience Index. The Resilience Index, which draws data from the poll, provides a unique insight into the resilience and vulnerabilities of countries and communities around the world. At the launch, the status of the Poll's resilience data as "the closest thing we have to a proxy indicator of how the UN Early Warnings for All initiative is doing" was reaffirmed by our partners, Resurgence and the Global Facility for Disaster Reduction and Recovery (GFDRR), in front of an international audience of disaster risk reduction practitioners.

Following the launch, data from the resilience report was presented at the Organisation for Economic Co-operation and Development (OECD) World Forum on Wellbeing in Rome. Continued engagement with the OECD's Wellbeing Centre (WISE) may further facilitate the opportunity for our community resilience data and metrics to be used for, or to influence, OECD measurement of wellbeing.

We were invited to contribute a blog to the UK's National Preparedness Commission (NPC) drilling into the UK resilience data and highlighting the priorities for action it suggests. Our relationship with the NPC has continued to deepen since, with our 2023 'Focus On' paper on critical infrastructure and perceptions of disaster resilience cited in their new 'Just in Case' report on UK food resilience.

Also in the UK, following a conversation with Ruth Bournemouth, the Cabinet Office minister and senior civil servant responsible for national resilience are working on the idea of a national resilience register, adopting indicators from our Resilience Index.

Report 2 - A World of Waste

We published the second 2024 World Risk Poll report, 'A World of Waste: risks and opportunities in household waste management' - in partnership with the UN Environment Programme at the International Solid Waste Association (ISWA) World Congress 2024 in South Africa. Immediately following the ISWA session, we were also invited to present the Poll waste data to representatives of several regional governments from around Africa, at a workshop on open burning and other waste management issues run by ICLEI - Local Governments for Sustainability (known as ICLEI) in Cape Town. Following the launch, the UN-funded global consortium, led by Engineering X, are using the Poll's waste data to inform their work producing regional roadmaps to end the open burning of waste around the world.

Report 3 - Engineering safer workplaces

The third report - 'Engineering safer workplaces: Global trends in occupational safety and health' - was launched with a webinar and a panel session at a 'Gallup at Work' event in London on 'Transforming Workplace Culture'. The report was developed in consultation with key occupational safety and health (OSH) stakeholders including the International Labour Organization (ILO), and sheds light on the extent of workplace harm, reporting, and relevant safety training, taking place globally. Following the launch, ISO Technical Committee 283 on occupational health and safety management stated that they will look to extend participation in their work to more of the countries where the Poll OSH data has identified the greatest harm.

Report 4 - What the world worries about

The final report in the 2024 World Risk Poll called ‘What the world worries about: Global perceptions and experiences of risk and harm’ was launched at the UN World Data Forum in Columbia. This report tracks trends in how people’s perceptions and experiences of the greatest risks to their safety have changed since 2019, when data from the first edition of the Poll was collected. Since the launch session at the UN World Data Forum in Medellín, Colombia, several follow-up enquiries have been received from other data-centric NGOs, including Data4Change and Equal Measures 2030, to liaise with us on how they are planning to use the data.

Focus On Report – Ocean Workers

The Foundation published its latest World Risk Poll ‘Focus On’ report: ‘Risk perceptions and experiences of ocean workers.’ Based on new analysis of World Risk Poll data collected in 2023, the short report reveals that ocean workers are among one of the most vulnerable demographics in the face of climate change.

World Risk Poll Impact

The World Risk Poll Resilience Index continues to gain significant traction. It was adopted for resilience modelling at the European Commission Joint Research Centre (JRC). The JRC’s decision to incorporate the index is a powerful validation of its unique “bottom-up” data collection methodology, which makes it an ideal, exogenous measure for resilience. This integration is a crucial step in measuring and valuing resilience and prevention for compelling business cases. With the 2024 report surveying 120 of the same countries as in 2021, we are now able to conduct robust trend analyses, plus directly correlate the 2024 resilience index outcomes with the European Commission Resilience Dashboard Indicators. This exemplifies the direct policy relevance and analytical power of the Poll’s data.

The Foundation’s collaboration with the World Risk Poll and the Institute for the Public Understanding of Risk at the National University of Singapore has produced a new, impactful paper published in the International Journal of Disaster Risk Reduction. This research provides invaluable global evidence on risk perception and preparedness. Such insights are crucial for designing effective risk communication strategies and fostering community resilience worldwide.

As a result of the 2021 World Risk Poll “Safe at Work?” report on violence and harassment that found over 49 per cent of Australians surveyed experienced workplace violence or harassment, Australia ratified ILO Convention 190 concerning the elimination of workplace violence and harassment in 2023.

Susan Maybud, former ILO Senior Gender Specialist and World Risk Poll ambassador, used the ‘Safe at Work?’ report as a teaching resource in a new course run by the ILO’s International Training Centre in Turin, Italy, which was entitled ‘Ending Violence and Harassment in the World of Work: Know the Framework, Own the Principles, Initiate Change’.

World Risk Poll resilience data has seen continued use and citations by international development NGOs, including CARE International in a recent briefing paper, and Caritas Venezuela, who published a report crediting the World Risk Poll as shaping their own approach to assessing resilience in the country.

World Risk Poll into Action

This year, we committed further funding to put the World Risk Poll into action through round four of the World Risk Poll into Action funding call. An additional £800,000 in funding for five new projects that harnessed 2021 Poll data is helping to tackle some of the world’s biggest safety challenges.

The first journal outputs from one of the Foundation’s World Risk Poll into Action grant holders in the Philippines were published in the International Journal of Disaster Risk Reduction. Crucially, the full text of this research is now available

via UCL Discovery, ensuring broad accessibility and further maximising its impact on disaster risk reduction efforts in the region and beyond.

Following the publication of all four 2024 World Risk Poll reports, we opened the latest 'World Risk Poll into Action' funding call (round five), offering grants up to £250,000 for projects that use the Poll data for further research and practical interventions that improve safety.

World Risk Poll Impact – Independent evaluation

To understand the impact of the World Risk Poll, Technopolis conducted an evaluation of the World Risk Poll which was completed towards the end of the launch of the Foundation's Wave 3 reports. The findings were very encouraging.

The evaluation revealed that, in line with the original World Risk Poll objectives, the Poll is valued as a genuinely unique, robust, global dataset that is used to improve safety outcomes. It is widely shared and there is potential to improve its reach. In summary:

- **Unique data source** – the Poll is recognised for generating high quality data on global risk perceptions.
- **Geographical and thematic coverage** – the Poll covers a wide range of countries, including low and middle-income countries, providing valuable data where it is often scarce or non-existent. The Poll is often the only data source, and its global nature allows for benchmarks, that even collects data from countries where data is not collected, meaning it can provide a global picture.
- **Robust methodology** – the benefits of face-to-face interviews, in regions where other survey methods may face logistical/technological challenges, were of particular note. Each of the case studies included in the evaluation underscore the robustness of the Poll's methodology.
- **Shared and widely used** with opportunities for further growth of the user base.
 - o Wide user engagement – data is used by academics, international organisations, and NGOs.
 - o Users appreciate the Poll's ability to provide robust data that supports evidence-based policy development as demonstrated by the UN Office for Disaster Risk Reduction (UNDRR).
 - o The Poll has influenced strategic planning and communication strategies for organisations like the UNDRR and the Organisation for Economic Co-operation and Development (OECD).
 - o Findings are shared in various engaging formats through different channels, including reports, an interactive data explorer and downloadable datasets.
 - o The Poll has contributed to raising awareness and understanding of global risks.
 - o The Poll helps the Foundation grow its reputation as a leader in safety.

Global Safety Evidence Centre

In May 2025, we launched the Foundation's new Global Safety Evidence Centre (GSEC), marking a pivotal moment in the Foundation's commitment to global safety. The Centre will collate, create, and communicate the best available safety evidence from the Foundation, our partners and other sources on both the nature and scale of global safety challenges, and what works to address them. The Centre incorporates data and insight from the World Risk Poll and the Foundation's Impact Monitoring, Evaluation and Learning function. With an investment of £15 million over 10 years, the Centre will work with partners to identify and fill gaps in evidence, and to use evidence for action.

The Foundation appointed Martin Cottam as Chair of the Centre's Expert Advisory Panel. Martin brings over 40 years' experience managing safety in high hazard industries and is now working with the team to recruit other members of the panel. Meanwhile, we are growing the team's in-house capacity by recruiting four new positions within the Centre: Junior Data Analyst; Research and Trials Manager; Reviews and Synthesis Manager; and, Project and Stakeholder Manager.

Initially, the Centre focused on two core evidence programmes:

- Safe Work, particularly in ‘high hazard’ industries, building on insights from the World Risk Poll.
- Safety Science, i.e. knowledge about risk and safety related issues more broadly, and how to assess and manage them.

To accompany the launch, we published two initial reports, with grantee RAND Europe, under the Safe Work programme - a systematic review of OSH intervention reviews, and the findings of a consultation with OSH practitioners in high-risk sectors. These reports have identified evidence gaps and needs which will help direct the focus of the Safe Work programme going forward.

Alongside these reports, we also launched a £2million research funding call, with grants of up to £250,000 available for work to help fill these evidence gaps.

In addition, the Foundation agreed to a partnership project with the International Standards Organisation Committee on occupational safety and health as part of GSEC’s research.

Stakeholder outreach has led to the inclusion of the Centre in influential evidence repositories such as the International Network for Governmental Science Advice (INGSA) Knowledge Hub. This offers a powerful conduit for our insights to reach science advisors within governments globally, providing a robust route to impact on policy development and implementation. Our presence on the INGSA platform signifies a critical endorsement of our work and opens doors to new avenues for policy translation and evidence-informed decision-making.

Measuring impact on key programmes

We are continuing to evaluate the impact the Foundation’s work is having through a number of tools, including a strategic evaluation programme in partnership with Technopolis. Over the last year Technopolis completed an evaluation of the Decarb Hub’s work, the World Risk Poll (see above) and they have started the evaluation of the impact the Foundation’s work is having with The Institute for Public Understanding of Risk.

Evaluation of the Decarb Hub covered three main projects – the Zero Carbon Fuel Monitor, Ammonia Strategy, and the Silk Alliance – along with general observations about the Hub. The primary finding indicated that although the Decarb Hub faces competition from other non-profit and profit-making organisations, who offer similar kinds of insight and expertise, it has comparative advantages, such as domain knowledge of safety and risk. Recommendations include formalising the Hub’s understanding of the maritime fuels system, creating a clear Theory of Change, and more formalised planning when executing interventions.

Other areas of focus

We have developed a new Theory of Change for the Foundation, which provides a high-level overview highlighting how our direct or supported activities can achieve desired outcomes and impacts. It outlines potential pathways, prompts reflection on specific goals and plans, facilitates discussions with others, and ensures alignment with the Foundation’s charitable mission and purpose. This development resulted in collaboration with Mission Economics to create a practical and accessible framework intended to assist our grant-making activities and potential partners – regardless of size, location, or analytical capacity – in demonstrating the value and cost-effectiveness of their safety initiatives.

Heritage

Lloyd's Register Foundation's archive and library is a unique research resource which offers perspectives on the evolution of maritime safety. The Foundation's heritage team works with a diverse range of partners across the globe to unlock both the value of their collections and to support a 'learning from the past' approach to maritime safety, and sustainability challenges more broadly.

Foundation capability objectives:

- The Foundation's heritage archive, library and assets are maintained and open to the public to promote learning and education.
- Maritime heritage is mobilised as a driver for change.
- Perspectives on maritime heritage are widened to learn from the past.

Impact Highlight

As a direct result of influence from the community led by Project Tangaroa, The United Nations Environment Programme (UNEP) formally acknowledged the urgent concerns raised by International Council on Monuments and Sites (ICOMOS) and International Union for the Conservation of Nature (IUCN) in their joint statement issued on 11 June 2025 about the growing environmental and cultural threats posed by potentially polluting historic shipwrecks (PPWs).

Project Tangaroa

A Lloyd's Register Foundation funded coalition to tackle the ticking timebomb of thousands of potentially polluting shipwrecks degrading at the bottom of the world's oceans gathered increasing momentum this year.

The coalition convened three international workshops, bringing together over 80 expert stakeholders to discuss how to tackle the problem, as well as publishing a Foundation supported book which provides a crucial touchstone resource on the issue. Both attracted support from key international stakeholders, including UNESCO.

Having pushed potentially polluting wrecks firmly up the international maritime agenda and convened a large global network of supportive partners, Project Tangaroa published The Malta Manifesto in a bid to encourage governments to act decisively before the situation reaches breaking point. In The Malta Manifesto, Project Tangaroa outlines a framework to tackle the problem, advocating for a precautionary approach and global cooperation to implement sustainable long-term solutions.

SHE_SEES – rewriting women into maritime

In 2024, a trilogy of Lloyd's Register Foundation supported exhibitions drove a growing public appreciation of the historical and contemporary role of women in the maritime sector.

Collectively, Historic England's Women in Shipbuilding, the National Maritime Museum's Women of the RNLI, and the Foundation's own SHE_SEES exhibition drew more than 111,000 visitors, as they were hosted at venues across the UK, from Portsmouth to Newcastle.

SHE_SEES continues its residency at Portsmouth Historic Quarter until December 2025. Meanwhile, the Rewriting Women into Maritime History programme, of which the exhibition forms a part, has launched its international phase, aiming to replicate its impact on a global scale.

The National Archives and International Slavery Museum

With £1million in grant funding, the Foundation is working with The National Archives, Kew, on a new, collaborative research programme about the history of transatlantic trade of enslaved people. In response to the Foundation's own research about Lloyd's Register's historical connections to the transatlantic trafficking of enslaved African people, it was vital that we acknowledge this past, and support those affected by its legacy. This major three-year grant project called 'PASSAGE: Partnership for Atlantic Slavery Scholarship, Archiving, and Global Exchange', is part of the Foundation's response to the findings of our research with the Wilberforce Institute. It will enable The National Archives to catalogue, open, and share archival material and support scholarships in the Caribbean and West Africa for the development of new narratives surrounding the history of transatlantic slavery.

The second step is a partnership with the International Slavery Museum in Liverpool, a £1million grant supporting their 'Connector' project which will convene a global network of academic, heritage and cultural institutions around this topic and channel grants to local communities seeking to research their own histories as they relate to the slave economy.

National Maritime Museum

A £1million grant with the National Maritime Museum, Greenwich includes a digital hub of online ocean literacy content, '*Our Ocean, Our Planet*', which has engaged 92,212 people to date. A key milestone of the project is the reopening of the museum's Ocean Court; the Lloyd Register Foundation curators were instrumental in advocating for the space being refocused to engage visitors with ocean literacy topics. The reopening coincided with the annual World Ocean Day festival which attracted over 7,500 visitors for a range of activities including science shows, community performances and activities run by ocean experts.

Unpath'd Waters AHRC Discovery project

A three-year UK Research and Innovation (UKRI) funded Discovery project called Unpath'd Waters concluded this year. The Foundation was an official partner, providing metadata and information from our archival collections, research support and visual material for online stories that helped create the first UK-wide maritime history cross-organisational portal (linking over 100,000 records). The final report was published in November 2024, and the portal that brings together the collections is now hosted by Historic England.

International Congress of Maritime Museums (ICMM)

A £1million, five-year programme 'Global Maritime Histories: Case Studies for Change', developed in collaboration with the International Congress of Maritime Museums, has delivered new and authoritative perspectives into the urgent debate about how to address global safety and sustainability challenges in the maritime economy. The grant leverages the outreach programmes of more than 120 member museums to act as professional 'storytellers', which is a key component in understanding and promoting change. To date, four pilot projects have been awarded under the grant.

University of the Arctic (UArctic)

The Foundation invested in a £0.4 million programme with UArctic 'Arctic Maritime Safety: Learning from the past to help address the challenges of peoples in the Arctic' to build research into historical perspectives on current safety challenges. It is shaped by two discovery seminars and new research fellowships that will include indigenous organisations, as well as inputs from industry and other institutions in the UArctic network. The programme has delivered new insights, evidence and case materials to policy and change makers, and in parallel, it has also explored further opportunities for collaboration across the Foundation.

Digital presence

A new Heritage Centre website is in development which has several new features including a new archive hierarchy function, IIIF image viewer, a light and dark mode, and an overhauled asset search for the Foundation's archive, library, and object collections. This launch, scheduled for Autumn 2025, is a significant step towards long-term hosting, preservation, and access to digital collections, making research and content more accessible.

Collections acquired this year

The Doxford engine records, which include engine plans, reports on machinery, reports on voyages, patent documentation, records on the testing of engines, and relevant publications, have been acquired by the Foundation.

We acquired a presentation volume given to Thomas Chapman to celebrate his 40 years of service to the Society, which was gifted by a researcher consulting the historic *Rules and Regulations*.

A large holding of records of the rival classification society British Corporation Register (BCR), returned to the Foundation after more than 30 years. The collection completes the Foundation's own holdings of BCR material held since amalgamation in 1948. The acquisition adds 3,295 surveys reports across 60 boxes as well as plans and technical drawings for around 900 ships. It is the culmination of over five years of collaborative work between the Foundation, The Ballast Trust and the University of Glasgow and means that the Foundation has brought together the surveying and administrative records of all UK-based classification societies under one roof. The unique collection opens access to more archival records related to shipbuilding and provides further contextual information on the developments of marine classification in the 19th and 20th centuries.

After more than six months of repair and restoration work, 13 of the Foundation's oldest and rarest books were returned from the conservators, ready to be catalogued and made available to researchers in the future.

We successfully acquired five lots of archival material at public auction that will become part of the Foundation's collection. This includes several logbooks for ships dating from the mid to late 19th century, and a collection of journals by H. S Brown, detailing life on board ships during this period and further highlighting developments in shipping and engineering.

Digitisation of the *Lloyd's Register of Yachts* took place this year. This unique collection of over 110 volumes is now freely available across Archive.org, Google Books and the Foundation's Heritage website for researchers, academics, and maritime enthusiasts to explore.

The Heritage Centre's website resources were accessed by more than 135,000 users across 217 countries worldwide, totaling a viewership of 321,125 page views. On average, the site's assets received a total of 1,128 downloads per month. The most popular pages included the Register of Ships Online, the Ship Plan and Survey Report Collection landing page, a page providing an overview and video of MARPOL (the International Convention for the Prevention of Pollution from Ships).

Nurturing new ideas and partnerships

It is important that we initiate and build partnerships to test ideas through pilot studies, projects, and activities across the Foundation's strategic priority areas. We deliver this through our small grants programme, providing up to £10,000 in grant funding.

This year, the programme has seen increased interest with the largest number of applications in one year, to date. Subsequently, the programme has awarded more than £300,000, taking the overall total to £1million since the

Foundation launched the programme. The impact it creates really shows that even small amounts of grant funding can make a big difference. This year, we have received more applications from countries in Africa and Southeast Asia and intentionally increased numbers of applications linked to our Heritage strategic area.

In May 2024, we brought together our cohort of small grant holders for a series of workshops to help catalyse innovative thinking and produce new, ambitious ideas to advance our charitable mission. The pilot was a huge success, with four collaborative grants awarded. Projects include a research-based grant to the University of Wolverhampton, Delft University in the Netherlands and Moi University in Kenya exploring the risks associated with the digital transition in maritime port energy infrastructure, and a joint initiative between the International Maritime Rescue Federation (IMRF) and Climate Adaptation Works Ltd, developing a framework to evaluate search and rescue readiness for climate change. This led to a more strategic partnership between the Foundation and IMRF to review global maritime search and rescue systems.

In the meantime, we continue to note good impact. For example:

- With £10,000 in funding from the Foundation, the Global Network for Derisking Mine Electrification completed a project on building a global network to de-risk mine electrification. They engaged communities and professionals across the globe through 128 educational events, a brand-new resource hub website, and multilingual safety guidelines aimed at making electric mining safer and more sustainable. They have built strong partnerships, created space for critical discussions, and contributed to safety standards in development – an indicator of how seriously their work is being taken in the sector.
- With a small grant from the Foundation, Aston University completed a project to find innovative ways of embedding inclusive engineering thinking into student learning and design processes. The focus was on ensuring future engineers are equipped to create safer, more accessible environments from the outset of a project. Delivery included a series of student workshops in partnership with industry (e.g. Heathrow, Microsoft). The project resources will be embedded in a new interdisciplinary module reaching 1,500 undergraduates annually, with plans for wider sector use, providing strong foundations for long-term impact across engineering education and practice.
- A small grant enabled Transaid, in partnership with North Star Alliance, to lead a project aimed at improving road safety awareness and health seeking behaviour among long-distance truck drivers near Mombasa port, Kenya. The project expanded its reach by increasing the number of Roadside Wellness Clinics (RWCs) from one to two. Through face-to-face sessions and factsheet distribution, the project directly engaged 1,795 drivers, while digital outreach extended its impact to an estimated 5,000 drivers across the country. Strong collaboration with local transport associations helped create and share culturally relevant materials.
- A small grant awarded to The Safe and Sustainable Composite Yacht and Ship Structures project, led by Aston University (UK) and Mokpo National Maritime University (South Korea), has successfully identified commercially viable sustainable composite materials for shipbuilding. Findings are set for peer-reviewed publication in 2025, and a proposal for ISO 12215 revisions is ready and awaiting formal review.
- One of the Foundation's small grants supported the Ocean Innovation Match Maker Initiative which aimed to connect ocean science projects with philanthropic funding to support the UNESCO Decade for Ocean Science (2021–2030). As recorded in the final impact report, the grant helped build a proof of concept which was presented at the Ocean Decade side event in Barcelona. The Ocean Matcher platform was launched at the United Nations Oceans Conference in Nice in 2025.

- In late 2023, the Foundation awarded a small grant to Sea Shepherd Global to develop and expand its programme sponsoring female maritime cadets from Africa onboard its MY Age of Union and Ocean Warrior vessels. This year, four cadets completed three months of sea-time, a significant step towards their required 12 months for the Certificate of Competency onboard Sea Shepherd's vessels, combatting illegal fishing in Africa. The project has been a huge success, with two of the four cadets sponsored deciding to stay with Sea Shepherd Global as paid crew members, and a third to return later to complete her cadetship assignment.
- The Foundation awarded a small grant to Raybel Charters for the "Sail Cargo to London" project aimed to explore and develop the sail cargo market in London and the Thames Estuary. The project aimed to identify barriers and opportunities, create a sustainable coalition of sail cargo partners, and develop marketing initiatives based on public perception. The research engaged a wide range of stakeholders, including ship owners, estuary authorities, ethical food businesses, and customers and the findings have allowed Raybel Charters and its partners to further integrate sail cargo into the supply chain, contributing to broader sustainability and carbon reduction goals.
- University College London was awarded a small grant to design and build a prototype of an open-source, self-inflating buoyancy aid tailored for Indonesian fishing communities. A series of in-country workshops positively impacted the perception of safety among Indonesian fishers. The project has led to new collaborations, including a potential partnership with Kenya, and inspired students and local stakeholders to further engage in maritime safety initiatives. A dedicated website was also launched to share designs and guidelines with a broader audience.

Ongoing programmes of work across the strategy

Ocean Centres

Through a pioneering partnership between the United Nations Global Compact (UNGC) and the Foundation, we have established seven Ocean Centres which will serve as locally led, multi-stakeholder platforms in Brazil, Ghana, Kenya, India, Bangladesh, Indonesia and the Philippines. Each Centre is working to address pressing safety and sustainability challenges specific to their national ocean economy, advancing resilient, people - and nature - positive development. The initiative was formally launched in Nice at the United Nations Oceans Conference.

Seoul National University

Seoul National University's (SNU) five-year programme of research funded by the Foundation through a £4 million pound grant awarded in June 2024 continues to grow, collaborating with many institutions, and leveraging funds from Korean shipyards.

Seven research projects are underway: Sloshing of Liquefied NH₃ & H₂: Experimental technique, Dispersion of ammonia in engine rooms, Structural safety assessment for NH₃ tank and CFD simulation for NH₃ and H₂ flows, all focused upon Risk due to alternative fuels; and AI-based prediction of ship stability and extreme motion responses, Real-ship measurement and data collection of ship navigation and Machine Learning (ML) for seakeeping control in waves, all focused on Digital technology for ship safety in seaways.

In addition to the research work through the Lloyd's Register Foundation Research Center, the university is championing young engineers, especially women. SNU has also established global exchange activities for students and internship programmes to support young students and researchers, fostering them as future talents in related fields, as well as attracting female marine engineers through the Women in Engineering program.

SEASEP

The second phase of the Foundation's Southeast Asia Skills Enhancement Programme (SEASEP), as part of its grant to The Welding Institute, reached an important milestone this year, training over 2,500 engineers throughout the region. This is in addition to the over 4,500 engineers trained during the first phase of the programme.

This coincided with the programme expanding further into Southeast Asia, meaning the highest quality welding, non-destructive testing and occupational health and safety training is now accessible to students in Thailand, India, Indonesia, and the Philippines.

Training provided by SEASEP is helping to improve safety standards and enhance worker safety in response to rapid urbanisation and investment in large-scale infrastructure projects throughout Southeast Asia.

Foundation-wide activity in 2024-2025

2024-2029 Strategy

This year we launched the Foundation's strategy for 2024-2029 which sees us build on and learn from our work to date, focusing our resources across three interconnected priority areas: Safer Maritime Systems; Skilled People for Safer Engineering; and Safer Sustainable Infrastructure. We will continue to invest in the Foundation's own assets and expertise – our maritime Heritage and using the Global Safety Evidence Centre.

As part of our new strategy launch, we created a range of assets including a strategy document, visuals, and a series of short videos focused on key areas of the strategy and highlighting the impact the Foundation is making with partners and grant holders, globally. As part of the launch, the assets were shared with our colleagues, both in the Foundation and at Lloyd's Register, along with partners, grant holders, and wider stakeholders, and they continue to be used when talking about our strategy.

Funding calls July 2024 – June 2025

This year we launched a first-of-its-kind £15 million '**Engineering a Safer World Open Call**' to support the implementation of our new five-year strategy, focusing on the three priority areas. The call sought initiatives that address global challenges and demonstrate the potential to internationalise our impact, influence others to act, leverage additional resources, act as a trusted voice in safety, and strengthen our presence in future maritime systems. We received an exceptional response with over 200 expressions of interest. Forty organisations were invited to submit full proposals, and 32 full applications were received. After three internal review stages and at least two external peer reviews per application, 14 proposals were taken through our robust governance process, with 13 being approved.

To support us in delivering our strategy, the Foundation invited academic institutions to apply to a new '**Academic Networking Grant**', to help address critical global engineering and scientific safety challenges aligned with our strategic priorities: decarbonisation; digital transformation in maritime; and sustainability. Grants required joint leadership by one organisation from a High-Income Country (HIC) and one from a Lower-Middle-Income Country (LMIC). The funding supports the creation of expert networks, targeted workshops, and a major dissemination conference to identify research gaps, foster partnerships, and develop actionable roadmaps. We received 42 expressions of interest, and seven organisations were invited to submit full proposals. Following internal and external review, three proposals were approved as part of our governance process.

Following the publication of all four 2024 World Risk Poll reports, we opened the latest '**World Risk Poll into Action**' funding call (round five), offering grants up to £250,000 for projects that use the Poll data for further research and

practical interventions that improve safety. Relevant applications will be taken through our governance process later in 2025.

Digital Transformation Programme

The Foundation launched a brand-new website in October 2024, marking the completion of the first phase of the Foundation's Digital Transformation project. The new site is built on design principles of accessibility and sustainability, ensuring the Foundation's resources and content can be accessed and engaged with globally. Since the website's launch there have been several new features released, including a grant triage tool, a redesigned author and biography design for articles, and an AI chatbot to answer general enquiries. Notably, we have had a 127% increase in file downloads (2,859 to 6,488) from the new website since it was launched.

As part of the Digital Transformation Project, there is a commitment to improve the digital maturity of colleagues, to ensure the Foundation's commitment as a 'digital first' organisation. To audit the Foundation's approach to digital, regular Digital Maturity Assessments have been organised and completed by colleagues. These assessments aim to understand colleagues' attitudes toward digital tools, assess the effectiveness of leadership, training, and project management, and identify barriers such as data silos and inconsistent strategies. The most recent assessment, completed in May 2025, highlighted significant progress in the Foundation's digital journey from 2022 to 2025. Over this period, colleague attitudes have shifted from cautious optimism to a confident embrace of digital as a core enabler of their work. Key improvements since 2023 include increased visibility and engagement from digital leadership, and a stronger digital-first culture in communications and daily operations.

The Foundation's commitment to building an accessible digital estate has been evidenced against its recent ranking in the Silktide index. The UK Charity website accessibility index, organised by Silktide, audits over 150 UK-based charities against the web content accessibility guidelines. These guidelines outline the design and content principles of inclusive code, navigation and architecture. In April 2025, the Foundation was ranked 14th in the index.

In April 2025, the Foundation successfully implemented SigningHub across its operations team, ensuring the management of Grant and DCA contracts is centralised within a fit-for-purpose e-signature system. Previously, signatures for contracts were organised manually and were time consuming to organise. SigningHub has seen a fundamental change to the Foundation's contract management practices.

Strategic Communications

The Foundation's communications activity is aligned to the Foundation's strategy, focused on raising awareness of the global safety challenges and increasing the Foundation's influence, building strategic partnerships, and showcasing the impact of the Foundation's work.

Media Relations

Between July 2024 and July 2025, more than 2,330 media articles have mentioned the Foundation and our work across our strategic areas.

The stories which received the highest levels of audience engagement include our Rewriting Women into Maritime history initiative, including the opening of our SHE_SEES exhibition at Portsmouth Historic Dockyard in August 2024. Our work with Project Tangaroa on potentially polluting wrecks has featured in The Maritime Executive, Marine Industry News and The Conversation.

The Foundation's World Risk Poll has also received significant engagement over the last 12 months, notable mentions related to our 'Resilience in a Changing World' report, and insights from our 'Global trends in occupational safety and

health' report. More recently, the launch of our World Risk Poll 'Focus On: risk perceptions and experiences of ocean workers' has been mentioned in Safety4Sea, Ship Management International and The Fishing Daily.

The announcement of Lloyd's Register Foundation's 'Engineering a Safer World' funding call in December 2024 resulted in an influx of global media coverage, particularly from Sub-Saharan Africa. Publications that covered the funding call in this region included, All Africa, Maritime Review Africa, Liberian Observer and Top Africa News.

The announcement of the Global Maritime Trends Deep Dive on Seafarer Sustainability Report received 39 pieces of media coverage with a total reach of 6,120,000, with coverage in Lloyd's List, Splash 247, Marine Link and Cyprus Shipping News.

The Foundation's thought leadership programme resulted in colleague and partner authored pieces in global and UK based trade publications, over the last 12 months. This included an opinion piece in Safety4Sea about how maritime education and training must evolve rapidly to keep pace with the rate of change, a feature in TradeWinds as part of our Rewriting Women campaign, with friend of the Foundation, Nancy Karigithu, urging shipping to tackle its looming challenges through the prism of diversity and inclusion, and an interview feature in The Engineer about how emerging technologies are rapidly changing the industrial landscape and, while they bring opportunities, they also present new risks to the safety of workers.

Website and Social Media

There has been continued increased engagement with the Foundation's website and social media channels through high quality, engaging content. In the last year, the website received 156,302 total views across 213 countries, with 21% of views to our published news articles.

We maintained our presence on LinkedIn and moved away from X (Twitter), setting up a new BlueSky account. Our following on LinkedIn has increased by 22% on the previous year, with 2,929 new followers and 366,040 total impressions secured between July 2024 and July 2025. This year, we also tested sponsored ad campaigns, which saw an additional 30,393,152 impressions on LinkedIn.

Foundation Newsletter

Engagement with the Foundation's monthly newsletter, which highlights our key stories, milestones and achievements, remains high. The Foundation's monthly newsletter now has a subscriber list of 7,081, and we have seen an increase of 17% in the total number of people receiving our monthly newsletter. Since the launch of our new newsletter templates in January 2025, we are now achieving an overall average open rate of 36%.

In addition, in the last year, we have sent 12 bespoke mailouts, with an average HTML open rate of 38%.

A Year of Impact 2024

We highlighted the impact the Foundation made in 2024 via our website using a digital platform called 'Shorthand', profiling the inspiring teams and communities who advance the Foundation's charitable mission to engineer a safer world through our global grant portfolio.

Strategic events

Foundation spokespeople and partners have attended several key influential events during the last 12 months, raising the profile of the Foundation through speaking opportunities, round tables, panel debates and workshops. These took place at global events including the Global Naval Architecture and Ocean Engineering conference, Baku Climate Action

Week, COP29, World Economic Forum's Annual Meeting, Singapore Maritime Week, Posidonia, Blue Economic Finance Forum, and the UN Ocean Conference.

World Economic Forum Annual Meeting, Davos

Thomas Thune Andersen represented the Foundation at the World Economic Forum's Annual Meeting in Davos in January 2025. While there, he attended and spoke at several events, including the opening remarks at a session about 'Transitioning Towards Nature & People Positive Ports' and as a panelist at the 'Opportunities of the Ocean Economy' event. Thomas also announced a new partnership with the World Economic Forum which will accelerate the transition to nature and people positive ports.

Blue Economy Finance Forum, France

Thomas Thune Andersen and Ruth Bournemouth attended the Blue Economy Finance Forum in Monaco where Thomas spoke at the 'Transforming blue ports and shipping' plenary session.

UN Oceans Conference, France

The Foundation attended the third UN Oceans Conference in Nice, France where we hosted and took part in a series of events, including:

- Hosting an official side event, focusing on why engineering is critical to a safe ocean economy and were joined by fantastic speakers from UNESCO Ocean, the Royal Academy of Engineering, the World Economic Forum, LR Group and many others. The focus of the event was to make engineering more central to the next UN Ocean Conference, which will be hosted in Korea in 2028.
- Launching our pioneering new network of global Ocean Centres, in partnership with the United Nations Global Compact, marking a major step forward for ocean sustainability
- Thomas Thune Andersen represented the Foundation during one of the World Economic Forum's flagship events 'Accelerating the transition of industrial clusters to nature and people positive outcomes'
- Launching the 'Malta Manifesto' - an urgent call to prevent catastrophic damage to coastal communities and marine life caused by polluting war wrecks.
- Publishing our latest World Risk Poll 'Focus On' report, 'Risk perceptions and experiences of ocean workers.' Based on new analysis of World Risk Poll data collected in 2023.

Examples of other hosted or attended events in 2024-25:

Ruth Bournemouth spoke at the Thomas Ashton Institute Lecture in 2024. Hosted by the Thomas Ashton Institute for Risk and Regulatory Research, Ruth talked about the Foundation, plus shared insights from the World Risk Poll and how our data is being used to help make the world a safer place.

Ruth also gave a keynote speech at the Global Naval Architecture and Ocean Engineering conference in Southampton, co-hosted by the Korean Association of Naval Architects and Lloyd's Register Group. It was the first time this conference has been held outside of Korea and celebrated the long-standing maritime ties between Korea and the UK.

We delivered key presentations at the International Congress of Maritime Museums (ICMM) biannual conference in the Netherlands, with over 200 delegates from maritime museums around the world. The Foundation's ICMM grant was announced and news about the Heritage Small Grants Scheme was shared, as well as talks on our Potentially Polluting Wrecks and the Rewriting Women programmes.

We held the world premiere of our *I Love You. Over.* film at the International Maritime Organisation in London on Day of the Seafarer, which was hosted by the Director General. The film shines a light on the critical role seafarers play and why it is vital to care for their physical and mental wellbeing.

We held an event at the Environmental Film Summit in Freetown, Sierra Leone to launch *Freetown Floodfighters*, a film created by MakerChange Studio in collaboration with the Freetown Media Centre, to highlight the inspirational work that women in Freetown are doing to keep their communities safe as they grapple with the impacts of climate change.

Ahead of the launch of the first deep dive report in our Global Maritime Trends programme, Professor Momoko Kitada from the World Maritime University (WMU) attended the International Maritime Organization's HTW (Human Element, Training and Watchkeeping) event to talk about the Foundation-funded report, and how we can address the seafarer shortage by unlocking the potential of women and African regions, to create a sustainable workforce for the future.

As part of the 2024 World Risk Poll, Director of Evidence and Insight, Nancy Hey attended the People Sustainability Global Summit in the UK where she presented to Occupational Safety and Health (OSH) professionals on findings from the World Risk Poll and took part in discussions and workshops on the leading and lagging indicators of safety at work.

Lloyd's Register Group

We joined Lloyd's Register Group's (LRG) Navigate leadership conference in September to discuss perspectives on key drivers for change in industry with Group experts. These conversations will be used to inform and prioritise interventions across decarbonisation, digitalisation, climate change adaptation, and improving safe work at sea. We also hosted a 'Foundation Cinema' where LRG colleagues from across the world joined us in viewing and discussing our high-quality films and the issues they raise about working at sea.

Future Plans

Throughout the next 12 months, we will continue to focus on activity that supports the delivery of our 2024-2029 strategy. This includes:

- Establishing the Lloyd's Register Building as an iconic destination for thought leadership, as the home of our historic archive, library and heritage assets, and implement arrangements to open our heritage assets to the public.
- Build strong partnerships with academic networks to focus on decarbonisation and digitalisation of shipping.
- Strengthen the Foundation's evidence capability through the Global Safety Evidence Centre, which will also lead the next iterations of the Lloyd's Register Foundation World Risk Poll - the first and only global study of worry about, and harm from, risks to people's safety.
- Take a locally led approach as part of our strategy through building networks to support local maritime economy networks in Brazil, Ghana, Kenya, India, Bangladesh, the Philippines, and Indonesia.
- Through our communications we will continue to show the impact the Foundation is having as a global safety charity through the creation of compelling and engaging content.
- Continue the Foundation's digital transformation with the integration of our new CRM and grants management system.

The Foundation's 2024-2029 strategy is already helping to increase and strengthen the impact the Foundation is making globally, by listening to communities around the world who can share their perceptions and experiences of safety challenges to help inform where its work is most needed.

This work is being completed against a backdrop of changing global workforce patterns, climate change, the energy transition, and technological innovation, that all continues to bring us new challenges and opportunities as we continue to drive forward our mission to engineer a safer world for the benefit of society.

Throughout this strategy period, the Foundation will seek to be better informed by local voices – those on the ground with expert knowledge of what is needed on a local level – to ensure its work is delivered to meet the needs of people in those locations. Our findings will be openly shared as always to encourage debate, dialogue and most importantly, action.

Accountability and Stakeholder Engagement

The following section describes how the Trustees have had regard to applying section 172 of the Companies Act to promote the success of Lloyd's Register Foundation and its subsidiaries. The Trustees confirm that they have acted in good faith to promote the long-term sustainable success of the charity to achieve its charitable purpose of working together for a safer world.

Oversight, Strategy and the Longer-term

The Trustee Board has a formal set of processes to enable it to discharge its duties in overseeing the management of the Foundation. The Board meets quarterly. The Audit, Risk and Investment Committee meets three times a year and the Grants and Direct Charitable Activities Committee meets quarterly. The Nominations Committee meets at least once a year, with additional meetings as required, to oversee succession planning and the composition of the Board and its Committees. The Remuneration Committee meets three times a year. The Board also has a less formal, off-site meeting once a year where broader strategic issues are considered and the Board has the opportunity to meet with the Foundation's executive team. In addition, the Board meets twice a year with the Board of its social investment subsidiary, Lloyd's Register Group Limited, for an update on its activities, with presentations by executive management, and there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees, customers and, where possible, Foundation beneficiaries.

The Board reviews all aspects of the Foundation's operations, risk management and objectives on a regular basis and those of its social investment subsidiary, Lloyd's Register Group Limited. This is achieved by means of an annual rolling agenda of items to be considered at its meetings, split into standing agenda items, such as reports from the Foundation Chief Executive, the Foundation Chief Operating Officer and the Chief Executive of Lloyd's Register Group Limited, and annual items, such as the Board evaluation review, review of the budget and risk management updates. In conjunction with the Audit, Risk and Investment Committee, the Board has agreed a schedule of risk deep dives for presentation at each Board meeting.

The Board has oversight of planning for the longer-term through its review processes, the approval of the five-year strategy, the work of the Audit, Risk and Investment Committee, which meets with one of the investment fund managers at each meeting. This longer-term approach is reflected in the composition of grants awarded by the Foundation, which is agreed by the Grants and Direct Charitable Activities Committee and reported to the Board at its meetings as a standing item. The Board has also established delegated levels of authority for the Grants and Direct Charitable Activities Committee, above which the Board determines the award of grants. Further details on the charitable activities can be found on pages 4 to 26.

The following section describes the Board's engagement with the various stakeholder groups and the impact on its key decisions taken during the year. It includes the disclosures required in respect of Section 172(1) of the Companies Act 2006.

Charity Stakeholder engagement

Society in general As the Foundation is a company limited by guarantee and a registered charity, the beneficiary is society in general through the Foundation's charitable purpose	
Why we focus on this stakeholder	How the Board engages and communicates
The Foundation's mission and objectives are of a public benefit nature as noted on page 52.	At each Board meeting, the Foundation Chief Executive provides an update on the activities of the Foundation and the Chief Operating Officer reports on the financial and operating performance. There is also a report on the activities of the Grants and Direct Charitable Activities Committee and a presentation by the beneficiaries of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose.	

The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. During the year under review, there were presentations in respect of the World Risk Poll, the World Economic Forum, the Global Safety Evidence Centre and the Foundation's approach to Evaluation of Impact. This enabled Trustees to hear about the work of the Foundation's large grants, to assess their impact and how they are working in practice. During the year under review, the Trustees joined the board of Lloyd's Register Group Limited on a joint board visit to the Lloyd's Register offices and clients in Shanghai. During the visit, Trustees visited Shanghai Jiao Tong University, a top-ranked university in China for engineering, teaching and research, with special emphasis on Marine Technology and which houses a school of Naval Architecture. During the visit, the Trustees attended presentations on Maritime Technology Teaching and Research, and on the Polar Technology programme, followed by a discussion on how the University and the Foundation could collaborate. The Foundation Chief Executive's report presented at each Board meeting lists upcoming Foundation events, which Trustees are invited to attend. During the period under review, notable presentations and events were (i) The launch of the first Global Maritime Trends Deep Dive on Seafarer Sustainability at Trinity House, highlighting the need for investment in Africa's emerging talent and supporting women in maritime; (ii) Playing a key role in a programme of events during the UN Ocean Conference in Nice, including the launch of the Ocean Centres in collaboration with the UN Global Compact and our flagship side event highlighting the role of engineers in building a safe and sustainable ocean economy; (iii) Launching our long term strategic partnership with the World Economic Forum on Nature and People Positive Ports at Davos in Switzerland, and; (iv) representing the Foundation at the UN General Assembly in New York. This enabled the Trustees to see the funding in action and to understand the benefits and challenges of projects more fully.	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and communicates
The workforce is vital to the success of the Foundation. By demonstrating the values shared with Lloyds Register Group Limited of "We care, We share, We do the right thing", we build and maintain the relationships with our beneficiaries. Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.	The Foundation has a relatively small number of employees (50) when compared to Lloyd's Register Group Limited (circa 4,250 employees). As a result, the Foundation receives support from Lloyd's Register Group Limited in respect of employee and workforce engagement, and details can be found in the Strategic Report of the Lloyd's Register Group Limited Report and consolidated financial statements. The Board continue to promote diversity and inclusion, and the Foundation has developed an action plan that embeds equity, diversity, and inclusion in everything that it does to create a sense of belonging for staff and also the global community of grant holders and partners. At each Board Meeting the Foundation's Chief Executive provides an update in their report on matters specifically relating to the Foundation's workforce. The Foundation Board is able to engage with senior members of the Foundation's workforce when they give Board presentations on the Foundation's activity. The Lloyd's Register Remuneration Committee comprises two separate committees, one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. The Chair and membership of both committees are the same. A report is provided at each Trustees' Board meeting of the activities of the committees since the previous Board meeting. In respect of the Foundation, the committee deals with the remuneration of the Foundation Chief Executive and the remuneration policy for their direct reports.
How the Board has taken account of these interests / Outcome The Foundation Chief Executive's report to the Board provides updates on staffing matters specific to the Foundation, including succession planning, changes in key posts and initiatives such as diversity and inclusion and flexible working and actions from Employee Opinion Surveys. A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings. Regular staff awaydays were held during the year which provided colleagues with the opportunities for learning, collaboration and social time and to comment on the new Foundation strategy.	
Customers The Foundation does not have customers, as such, but for this purpose regards the beneficiaries of its grants as customers	
Why we focus on this stakeholder	How the Board engages and communicates
The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.	Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.
How the Board has taken account of these interests / Outcome The Trustees are mindful of the impact of the Foundation's activities on its beneficiaries. To ensure that there is security of funding for the grants to be maintained for beneficiaries, the Foundation's investment fund managers provide updates at each meeting of the Audit, Risk and Investment Committee and provide annual updates to the Foundation Board. In addition, the Foundation Board receives updates on the income from its trading subsidiary, Lloyd's Register Group Limited. This enables the Trustee Board to oversee the security of funding over the longer-term. Further details on grant holder matters can be found in the section below. Details of Lloyd's Register Group Limited's oversight of customer matters can be found in the Strategic Report of the Lloyd's Register Group Limited Report and consolidated financial statements.	
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	How the Board engages and Communicates

Reliable suppliers are vital to the success of the Lloyd's Register Foundation. They include the provision of critical infrastructure such as IT systems and office accommodation. The Foundation relies upon a management services agreement with the Lloyd's Register Group Limited to provide key services.	The selection of suppliers and services are typically monitored by the Lloyd's Register Group Limited's operational functions, and policies and procedures are set out in the Business Management System which is available on the Group's intranet. However, the selection of key suppliers of, for example, banking arrangements, IT systems and major property leases are reviewed by the LRG Board. Lloyd's Register Group Limited's Chief Executive Officer provides a business update on Lloyd's Register Group Limited to the Foundation Board at each meeting and details of Lloyd's Register's oversight can be found in the Strategic Report of the Lloyd's Register Group Limited Report and consolidated financial statements.
How the Board has taken account of these interests / Outcome	
Details of Lloyd's Register's oversight of suppliers can be found in the Strategic Report of the Lloyd's Register Group Limited Report and consolidated financial statements. The Foundation engages regularly with the investment fund managers to ensure that all parties are engaged to provide a high level of service delivery.	
Regulators Regulators are those stakeholders by whom the Foundation and its services are assessed and regulated	
Why we focus on this stakeholder	How the Board engages and communicates
The key regulator for Lloyd's Register Foundation is the Charity Commission.	The Trustees receive annual training on Charity Commission guidance and updates from an external provider at a Board meeting. In addition, the Company Secretary and the Foundation's executive leadership, including the Foundation Chief Executive and the Foundation Chief Operating Officer, report to the Board on engagement with the Charity Commission and on matters relating to Charity Commission regulation and guidance, either as specific items or as risk deep dives. There is a standing item at Board meetings for serious incident reporting.
How the Board has taken account of these interests / Outcome	
The Board applies the guidance received from the Charity Commission in its review of the grants process and in its oversight of its social investment, Lloyd's Register Group Limited and engages with the Charity Commission on matters of Charity law as necessary.	
Grant Holders Grant holders are those stakeholders who receive funding awards from the Foundation.	
Why we focus on this stakeholder	How the Board engages and communicates
The Foundation furthers its objectives by way of grants to universities, individuals and other institutions.	At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee. At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. The Board provides oversight over the grants approval process and the decisions made based on applications from different beneficiaries. Details of presentations from the beneficiaries of the Foundation's large grants, of annual Board site visits and of events connected with activities of the Foundation can be found in the section of this report on Society in General on pages 27 to 28.	
Society and the Environment. Community and the environment - the impact on social and natural communities where LR deliver our services	
Why we focus on this stakeholder	How the Board engages and communicates
The Foundation has strong links to safety in the community. To further the Foundation's aim of 'working together for a safer world', the Foundation and Lloyd's Register Group Limited have a responsibility to use their position of influence to be a thought leader on sustainability. What society expects of us: - Corporate responsibility - Trusted advisor to our industries, promoting safety and efficiency.	The Board receives updates on the Foundation's activities at each Board meeting in the Foundation Chief Executive's report and presentations from large grant holders. They also receive regular communications on the Foundation's activities.
How the Board has taken account of these interests / Outcome	
The Board has underlined the Foundation's commitment to carbon neutrality by actively supporting decisions to work closely with the High-Level Climate Change Champions and supporting the Race to Zero and Race to Resilience campaigns. The Board has supported the work being done jointly by the Foundation and Lloyd's Register Group Limited. In the last financial year, Lloyd's Register Group Limited procured a new carbon reporting tool which will support better reporting of our carbon emissions and the ability to regularly provide updates on our carbon	

performance. Lloyd's Register Group remains committed to achieving its net zero target. In 2025 we will publish an updated Annual Sustainability Report which will detail our performance against our net zero target and broader ESG performance.

The Board receives regular updates on progress made by the Lloyd's Register Maritime Decarbonisation Hub Limited ('the Decarb Hub'). This project aims to accelerate the sustainable decarbonisation of the maritime industry by enabling the delivery and operation of safe, technically feasible, and commercially viable zero-emission vessels by 2030. This is an important part of the Foundation's mission to enable safer and more sustainable oceans. In April 2024, the Decarb Hub set up the Maritime Emission Reduction Centre Non Profit Company in Greece ('M-ERC') in collaboration with five leading shipowners as Founding Members. M-ERC will focus on optimising the efficiency of the existing fleet, with the goal of removing technical, investment and community barriers for the uptake of solutions to reduce the Greenhouse Gas emissions of the existing global fleet.

As noted above, the Trustees are updated on the activities of the Foundation against its Strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose.

The actions taken by the Lloyd's Register Group on Environmental, Social and Governance factors are reported in a separate publication on www.unglobalcompact.org

Trading Group Stakeholder Engagement

Lloyd's Register Group Limited (the **Trading Group**) is the Foundation's social investment subsidiary. The Foundation Board takes into consideration the commercial and reputational interests of the Trading Group when carrying out its activities, so as not to damage the interests of the Trading Group's customers, employees, subcontractors and suppliers.

The Foundation Board oversees stakeholder management through reports from the Lloyd's Register Group board and updates from its Chief Executive. The Foundation Board meets twice a year with the Trading Group's Board for updates and to discuss strategy and key areas of interest, and engages with employees, customers, and grant holders during site visits. Further details of the Trading Group's management of key stakeholders can be found in the Governance section of the Lloyd's Register Group Limited Report and consolidated financial statements.

Foundation Financial Review and Policies

Lloyd's Register Foundation ("the Foundation") generates its income from the investments that it holds.

These fall into two categories:

- Financial investments: a portfolio of listed and other investments; and
- A Social Investment: 100% ownership of the unlisted shares in the immediate subsidiary company Lloyd's Register Group Limited ("LR" or "the Trading Group").

The Trustees consider that the policies outlined in this section constitute the framework for their key financial risk management policies.

Results for the year

The Foundation had total income for the year ended 30 June 2025 of £13.0m (2024: £29.6m) consisting of income from its investment portfolio and gift aid donations from LRG.

Income of £13.0m (2024: £29.6m) comprised £5.0m (2024: £20.0m) of donations from the Trading Group and £8.0m (2024: £9.6m) of income from the returns on the investment portfolio.

The Foundation had total expenditure of £26.1m during the year to 30 June 2025 (2024: £26.8m). The level of charitable expenditure has remained consistent with the previous year.

Lloyd's Register Foundation

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Gift aid donations from Trading Group	5.0	20.0
Income from the investment portfolio and other resources	8.0	9.6
Total income	13.0	29.6
Investment management costs	(0.9)	(0.9)
Charitable activity costs	(25.2)	(25.9)
Total expenditure	(26.1)	(26.8)
Net gains on the investment portfolio	7.8	27.2
Net (expenditure) / income and net movement in funds	(5.3)	30.0

Charitable expenditure of £25.2m for the year (2024: £25.9m) includes grants of £17.6m (2024: £18.1m) which are discussed further in this Trustees' Report.

The Group Financial Review can be found on pages 78 to 79 and forms part of this Strategic Report.

Subsidiaries: Social Investment

The Foundation has one direct, wholly-owned subsidiary company: Lloyd's Register Group Limited (LR, or the Trading Group). Together LR and the Foundation share the same mission to make the world a safer place and work closely to maximise our global impact. The profits generated by LR help fund the public benefit activities of the Lloyd's Register Foundation.

LR heads up a global trading group of companies with over 260 years of history, focused on adding value to society through independent assurance, expert advice and digital solutions for clients in the maritime industry. The profits generated by the Trading Group help fund the public benefit activities of the Foundation. The Trading Group carries out a mix of charity-related and non-charitable activities globally. The Charities (Protection and Social Investment) Act 2016 ("the Act") sets out a general power for Trustees to make social investments (pursuing both a financial and social return). This effectively enshrines in legislation the basis for mixed-motive investment. The extent to which public benefit is delivered by the work of the Trading Group forms part of the Trustees' assessment of the return on their investment.

The Trading Group's operations include many activities which are of a public benefit nature, aligned to the Foundation's mission of securing high technical standards of design, manufacture, construction, maintenance, operation, and performance, and to advance public education.

The Trading Group's business includes the safety inspection of over 9,000 ships each year and the ongoing development of rules for their safe construction, maintenance and disposal. Its activities include research into technologies to support informed decision making for the industry. It provides data-led solutions for human capital management, regulatory compliance, fleet management and planning, and voyage optimisation and planning to around 30,000 vessels.

Overall, the Trading Group's activities include considerable investment in furthering the understanding of technology through research and a focus on 'data and digital innovation'. Typical areas of research include advanced materials; propulsion and powering; energy production and storage; robotics; marine biotechnology; and autonomous systems. The Trading Group has established key strategic relationships based around important digital capabilities and areas of focus for growth through investment or collaboration. This emphasis on research and data and digital innovation directly benefits public understanding of technology and means that when technology is deployed it is safe, suitable and dependable.

The Foundation's investment in the Trading Group is a social investment. The extent to which the Trading Group's activities further the Foundation's charitable objectives is assessed as well as its financial return. While acknowledging the social benefits of the Trading group, they are also expected to provide a financial return to help fund the additional public benefit activities of the Foundation. The Trustees base their expectations of future financial return from the Foundation's investment in the Trading Group on quarterly reports to their Board meetings and an annual five-year plan review from the executive leadership of the Trading Group. The performance of this unlisted investment is considered in the 'Investment performance: Social Investment' section. We monitor the social return on our investment in four key areas:

LR commercial products and services – they demonstrably contribute to making the world a safer place through the clients and sectors they serve.

LR leading by example – acting as a beacon, driving positive change in the world, being a good global citizen in core areas linked to charitable objects. Key priorities include maritime decarbonisation, sustainability, ocean stewardship, occupational health and safety, diversity and inclusion, ethics, delivering the UN Sustainable Development Goals and participation in the COP conferences.

LR as a trusted advisor and impact partner to the Foundation – providing a real-world, industrial, end-user perspective that helps inform the Foundation's strategy and deliver key programmes. Examples of LR as an impact partner include projects such as: the Safetytech Accelerator and the Maritime Industry Decarbonisation Hub.

LR employees supporting the organisation's charitable ethos in their local communities – the key initiative in this area is the LR Pathways to Impact project. A volunteering policy launched in June 2024 to encourage and support colleagues in their efforts to contribute to community and social causes by providing them with the opportunity to

volunteer during work hours. Colleagues are able to take three full working days off per calendar year to take part in an authorised voluntary activity or event.

As part of this same programme, colleagues can now also fundraise for Mercy Ships as an individual or a team. Mercy Ships is an international development charity that deploys hospital ships to some of the poorest countries in the world, delivering vital, free healthcare to people in desperate need.

Focus on social purpose

Together LR and the Foundation share the same mission of making the world a safer place and work closely to maximise our global impact. The relationship between LR and the Foundation represents a 21st century model for social business. Our value sheet highlights the social impact achieved across both the commercial services of LR and activities conducted on a non-commercial basis. This includes:

- classification, certification and compliance of over 9,000 LR in-service vessels and over 30,000 vessels using the Ocean platform;
- advisory and training encompassing multiple global technical and advisory committees and publication of Global Maritime Trends 2050;
- the Foundation-funded Maritime Decarbonisation Hub;
- setting unique rules information for maritime-related assets, pro bono and charity work;
- broader influence such as secondees from LR into the Foundation and onto the High-Level Climate Champions Team and the UN Global Compact.

Funds

In September 2012, the Trading Group transferred £206.4m of assets to the Foundation as an expendable endowment. The Trustees have the power to convert the capital within the fund to income and expend such amounts converted on the Foundation's objectives as they see fit. £100.0m of the endowment can only be converted to income from late 2025 at the earliest as discussed below in the reserves policy section.

Income generated from the assets held within the expendable endowment is shown in the Foundation's general fund, as it may be used in furtherance of the Foundation's charitable objectives.

Capital returns on the assets held within the expendable endowment are retained within the endowment and form part of the endowment into the future, subject to the same rules as the existing endowment funds.

Reserves policy

The Trustees review the Foundation's reserves policy on an ongoing basis and at least each financial year.

The Foundation's reserves underpin its long-term financial viability. The Foundation (charity only) has total reserves of £333.3m of which £320.1m is held in an expendable endowment as at 30 June 2025.

The level of general funds is maintained to facilitate meeting the medium-term overhead costs, forecast grant awards and direct charitable activities. The general reserves include the Foundation's £40.1m investment in LR held at cost. This Social Investment is integral to the Foundation's ability to generate future income and to delivering its public benefit, as noted elsewhere in this Strategic Report. Grant commitments approved and communicated to grantees to be claimed in future periods are also included in the general reserves fund. The Trustees have considered the Foundation's level of general reserves. The Foundation does not currently have large overheads and, in general, is able to rely on recurring income from its endowment and from the Trading Group. Excess funds are placed on investment and may be drawn down upon if required. For that reason, the Trustees do not currently consider that the charity has a need to hold other funds as general reserves.

The target for the expendable endowment is to maintain the real value of the initial £206.4m donation received from the Trading Group following the establishment of the Foundation in 2012.

However, should the Trustees consider there to be a shortfall in the general funds, part of the expendable endowment could be used to continue to meet the Foundation's short-term plans while the long-term reserve policy is reviewed. The original terms of the expendable endowment contained a condition that the Foundation must retain £100.0m of that sum until 1 July 2017 which was subsequently adjusted until at least the full actuarial valuation as at 31 March 2025 has been approved, with possible further extensions to 2034. During that period, there is a contractual obligation to transfer an amount not exceeding £100.0m to the Trading Group's UK defined benefit pension scheme should the Trading Group become insolvent.

Having reviewed the policy and the current reserves position, the Trustees consider the levels of reserves to be satisfactory.

Financial position

At 30 June 2025, the Foundation had unrestricted funds of £13.2m (2024: £24.9m). Of the £333.3m total funds (2024: £338.6m), £40.1m is invested in the Trading Group (2024: £40.1m).

Going concern

A review of financial performance and the Foundation's reserves position is set out above. In the opinion of the Trustees, the Foundation has adequate financial resources and is able to manage its business risks. The Foundation's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Foundation's ability to continue in operation. Accordingly, the Foundation's financial statements have been prepared on the basis that the charity is a going concern.

Grant-making policy

The Foundation has a formal governance structure for grant decision making. The Foundation can receive grant proposals and applications at any time. All proposals and applications are reviewed initially at its monthly grant applications meetings.

All grants are approved by the Chief Executive Officer with guidance from the members of the Grants Application Meeting Committee (GAM). Further approval is needed from the Grants and Direct Charitable Activities Committee (GDCA) for grants above £1m and from the Board of Trustees for grants above £2m.

Details of available funding and the application process are published on the Foundation's website and notified on social media. Grant holders are required to submit staged reports as part of the process to track delivery against the agreed grant objectives, as well as to monitor the impact and public benefit being generated.

Investment policy

The Trustees have delegated decision making on investment matters relating to all assets except the investment in the Trading Group (reviewed directly by the Board of Trustees) to an Audit, Risk and Investment Committee, which is governed by agreed Terms of Reference. In order to provide appropriate focus on the investment arrangements, day-to-day investment choice is delegated to investment managers, who have been given targets against which they are measured. With the guidance and oversight of the investment portfolio advisor, Trustees take account of the following classes of risk: capital; liquidity; market; valuation; counterparty; tax; and Environmental, Social and Governance issues.

The Foundation's financial objective is to at least maintain the real value of the 2012 initial donation from the Trading Group of £206.4m, whilst generating a stable and sustainable return to meet the Foundation's objectives as laid down under its governing document.

The investment portfolios are a mix of unrestricted funds and an expendable endowment, the income from which serves to provide funds for the ongoing charitable work of the Foundation. In this context, a number of portfolios exist, each of which has specific objectives.

The Foundation seeks to produce an optimum level of return within an acceptable level of risk. The current investment objective for the majority of the investment portfolio is to generate a return of inflation as defined by the Consumer Price Index ("CPI") which the government has set at a target rate of 2% per annum plus 4% per annum over the long term. These returns, when combined with the anticipated future gift aid donations from the Trading Group, should enable the present and future financial requirements of the Foundation to be met whilst maintaining the real value of the initial donation. Where there is a shortfall, part of the investment portfolio may be realised. The Trustees review the performance of the Trading Group on a regular basis.

A set of measurable performance objectives has been developed for the investment managers and pooled funds. Performance in each asset category is compared quarterly with a suitable performance benchmark. The managers are expected to demonstrate skill in the management of their portfolios consistent with the performance objectives, given the level of risks adopted. Investment performance is considered three times a year by the Audit, Risk and Investment Committee.

During the prior year, a review of Investment Fund Managers was carried out with the assistance of independent external advisors. Following this review, an extensive tender and selection process was carried out to appoint new Fund Managers and the portfolio of Investment Funds with the transfer of funds being completed in August 2025.

Cash-based investments support the Foundation's working capital, overhead expenses and anticipated near term grant awards and as such are invested in a prudent manner with a secondary objective of achieving reasonable rates of return relative to the deposit market. A short-term loan facility with the Trading Group is available to be utilised when required.

The Trustees are fully supportive of responsible investment as it aligns with the Foundation's aims to provide a benefit to society and is also central to long-term value creation. The Foundation's investment managers are required to adopt the same philosophy and whilst day-to-day investment decisions are delegated to them, the Trustees regularly receive investment reports enabling them to monitor the investments and the managers' performance. The Trustees expect them to take an active interest in the management of the investee companies, engaging with management on issues of corporate governance and with regard to social, environmental or ethical considerations all of which impact shareholder value.

Investment performance: investment portfolio

During the year, the investments delivered a total return of 5.0% (2024: 12.6%). This comprised an income yield of 2.5% (2024: 3.3%) and a capital yield of 2.5% (2024: 9.3%). The return on the endowment is lower than the long-term objective stated within the investment policy above due to the current market conditions.

Investment performance: Social Investment

The last financial year has been another period of significant transition and growth for the Trading Group. The Trading Group expanded the scope of services offered to the industry, augmented itself not only as a technical services provider, but as a trusted adviser in maritime consultancy and advisory, and secured its position as a leading partner in maritime digital solutions.

This has been achieved against a backdrop of geopolitical tensions and conflicts that are directly impacting trade flows, newbuilding decisions, maritime operations and security.

Classification and certification, which continue to be at the core of the Trading Group's operations, have seen marked successes during this financial year, with the strongest performance in new contracting in over a decade. The Trading Group secured an order book of 63 million gross tons, demonstrating the trust and confidence from clients.

The Trading Group acquired Ocean Technologies Group ("OTG") during the year. The integration of OTG and LR OneOcean to create a new digital business within the Trading Group, now known as OneOcean, adds a consolidated and

comprehensive digital offering to the Trading Group's clients. Additionally, it will support the energy transition by providing vital upskilling and training of crew to handle future fuels.

Financial results

Summarised consolidated financial information as disclosed in the Trading Group's consolidated financial statements for the year ended 30 June 2025 is provided in note 12 to the Foundation's financial statements. Further details of the financial performance of the Trading Group is included within LRG's financial statements.

The Trustees are satisfied with the Trading Group's performance and will continue to maintain and develop the effective working relationship with it. They will allow the Trading Group to retain funds for investment in operating improvements and potential acquisitions, but expect cash distributions in the medium term.

Governance and management

The Foundation is governed by a Board of Trustees, which is responsible for setting the Foundation's strategy, operating with good governance and monitoring the fulfilment of the Foundation's objective – delivering public benefit.

The Board is currently made up of seven Trustees who are also the Members and Directors of the Foundation for Companies Act 2006 purposes. The Board considers Foundation policies, receives committee reports and recommendations, approves annual budgets, reviews the performance of the Trading Group, and guides the Foundation Chief Executive.

Thomas Thune Andersen, Chairman (appointed 22 June 2012)

Thomas is the Chairman of both Lloyd's Register Foundation and Lloyd's Register Group Limited. He is a member of the Lloyd's Register Foundation Nominations Committee and a member of the Remuneration Committees of both Lloyd's Register Foundation and Lloyd's Register Group Limited. Thomas was Chairman of Ørsted A/S from 2014 to 2024 and is a former member of the executive Board of the A.P. Moller-Maersk Group with more than 30 years tenure in its maritime and energy sectors.

Thomas is a Senior Advisor to BW Group Limited and a Non-Executive Director of IMI plc, Lambert Energy Limited and Cadeler A/S. He is a member of Friends of Ocean Action, the Energy Transitions Commission and the Danish Committee on corporate governance.

Thomas previously served amongst others on the boards of SSE, DeepOcean (Chair), Petrofac (SID), VKR Holding A/S (Chair), and Green Hydrogen Systems.

Lambros Varnavides (appointed 24 July 2012)

Lambros was appointed Senior Independent Trustee of Lloyd's Register Foundation in September 2015 and is Chair of the Grants and Direct Charitable Activities Committee.

Lambros is the former Managing Director and Global Head of Shipping at The Royal Bank of Scotland. Lambros was Chairman of the Baltic Exchange during 2017 and is Vice President of The Baltic Exchange Charitable Foundation, as well as a member of its Finance Committee. He is a Court Assistant Emeritus to the Worshipful Company of Shipwrights and was Chair of its Finance Committee until May 2021. He is also a Younger Brother of Trinity House Corporation, a Court Assistant at the Honourable Company of Master Mariners (and a member of its Finance Committee), a Freeman and Member of the Almshouse and Charities Committee of the Company of Watermen and Lightermen of the River Thames. He was previously an Honorary Visiting Professor at the Bayes Business School, City University.

Andreas Sohmen-Pao (appointed 26 June 2018)

Andreas Sohmen-Pao is Chairman of BW Group and its listed affiliates, BW Offshore, BW Energy, BW LPG, Hafnia Limited and Cadeler A/S. He is also Chairman of the Global Centre for Maritime Decarbonisation in Singapore and of the Sohmen-Pao Foundation Limited. Andreas was previously Chairman of the Singapore Maritime Foundation and has served as a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited, Navigator Holdings, the London P&I Club, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore, amongst others.

Dame Una O'Brien (appointed 1 January 2021)

On 30 September 2023, Dame Una was appointed Chair of the Nominations Committee and a member of the Lloyd's Register Group Limited and Lloyd's Register Foundation Remuneration Committees. Una was a member of the Audit, Risk and Investment Committee from 29 September 2022 until 30 June 2024.

Dame Una was the Permanent Secretary at the Department of Health and Social Care between 2010 and 2016. She has extensive UK and international experience of healthcare policy and government, having held a wide variety of senior policy roles in Whitehall departments and the NHS over a 30-year career in public service. Whilst working primarily in and

for the Department of Health, she was also seconded to be Principal Private Secretary to the Secretary of State for Transport and worked in the Prime Minister's Efficiency Unit under both Conservative and Labour governments. Since leaving the Civil Service, Una has served as a trustee on charitable and higher education boards; she has completed a term of office as a trustee of Macmillan Cancer and as a Council member of the London School of Hygiene and Tropical Medicine. Currently Una is a member of the Board of Visitors at the Ashmolean Museum, University of Oxford.

Marina Wyatt (appointed 1 January 2023)

Marina was appointed as a Non-Executive Director of Lloyd's Register Group Limited and a Trustee of Lloyd's Register Foundation in January 2023, and Chair of each of the Lloyd's Register Group Audit and Risk Committee and the Lloyd's Register Foundation Audit, Risk and Investment Committee from that date.

Marina has more than 25 years of experience in senior finance leadership roles as Chief Financial Officer of UBM Plc, TomTom NV, Colt Telecom Plc and Psion Plc. Most recently Marina was the Chief Financial Officer and an Executive Director of the Board of Associated British Ports. With effect from 1 October 2025, Marina was appointed as a Non-Executive Director of United Utilities Group PLC and as a member of the Nomination, Audit and Treasury Committees. Marina is also a Trustee of The Woodland Trust. She previously served as a Non-Executive Director and Chair of the Audit and Risk Committee at Renewi PLC and as a member of the Supervisory Board at Lucas Bols BV. Marina is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an MA in Geography from Cambridge University.

Rani Koya (appointed 1 April 2023)

Rani was appointed as a Trustee of Lloyd's Register Foundation and a member of its Audit, Risk and Investment Committee with effect from 1 April 2023 and appointed as a member of the Grants and Direct Charitable Activities Committee with effect from March 2024. Rani ceased to be a member of the Audit, Risk and Investment Committee on 1 October 2025.

Rani has more than 25 years' experience internationally in a variety of technical, project management and executive management roles for companies including Shell International, Hess and Tullow. She has led multi-billion dollar projects across the globe from unconventional shales in the US to oil developments in East Africa. Between 2017 and 2020 Rani was Chief Petroleum Engineer at Tullow.

Rani is a Fellow of the Institution of Mechanical Engineers and a Fellow of the Energy Institute. She has a degree in Engineering Science from Durham University and an MSc in Public Policy and Management from the University of London School of Oriental and African Studies.

Paula Haynes (appointed 1 January 2024)

Paula was appointed as a Trustee of Lloyd's Register Foundation with effect from 1 January 2024 and is also a member of its Audit, Risk and Investment Committee, having been appointed to that role on 1 April 2023.

Paula has spent 30 years in international banking and financial markets, and is experienced in defining enterprise risk strategy. Paula is the European Chief Risk Officer for the investment bank and wealth manager, Stifel Financial Corporation. Previously, she has worked in senior investment banking and advisory roles with firms including HSBC, Goldman Sachs, Deutsche Bank, and with the Prudential Regulation Authority.

Paula is a Non-Executive Director (Co-opted Governor) of the Guildhall School of Music and Drama, the Chair of its Audit and Risk Committee and a member of its Governance and Effectiveness Committee, and she represents Women on Boards as an Ambassador. She holds a PhD in Physics from Imperial College, London.

Professor Dracos Vassalos (appointed 1 April 2025)

Professor Vassalos was appointed as a Trustee of Lloyd's Register Foundation and a member of the Foundation's Grants and Direct Charitable Activities Committee with effect from 1 April 2025.

Professor Vassalos is an Emeritus Professor of the University of Strathclyde, where he served for over 25 years as Professor of Maritime Safety, including as Head of Department of Naval Architecture, Ocean and Marine Engineering for 10 years. He is a world-leading maritime safety expert, promoting the use of scientific approaches for safety enhancement through innovation, by transferring research advances into practical applications. In this quest, he laid the foundations and paved the way for a complete modernisation of maritime safety (from regulations to life-cycle risk management), the full impact of which is still being delivered. He has been closely associated with the IMO Maritime Safety Committee and with the Maritime and Coastguard Safety Agency.

Professor Vassalos is a Fellow of the Royal Academy of Engineering and received a Life Achievement Award from the Academy in 2011. For his life-long contribution to maritime safety, he received the Froude Medal from RINA in 2012, the David Taylor Medal from SNAME in 2015 and a Doctor of Science Degree from the University of Strathclyde in 2016.

Professor Sir Peter Bruce (appointed 1 April 2025)

Professor Sir Peter Bruce was appointed as a Trustee of Lloyd's Register Foundation and a member of the Foundation's Grants and Direct Charitable Activities Committee with effect from 1 April 2025.

Professor Sir Peter Bruce is the Wolfson Chair, Professor of Materials at the University of Oxford. He is founder and Chief Scientist of the Faraday Institution, the UK Centre for Research on Electrochemical Energy Storage. He was also Physical Secretary and Vice President of the Royal Society from 2018 to 2023. His research interests embrace the science of energy conversion and storage, especially the materials chemistry and electrochemistry of lithium and sodium batteries.

Professor Sir Peter Bruce was awarded a knighthood in the Queen's Birthday 2022 Honours List in recognition of his visionary work and leadership in battery technology and sustainable energy. He has received a number of national and international awards for his research, including the Carl Warner Award from the US Electrochemical Society, the Royal Society Hughes Medal and in 2022 the Royal Society of Chemistry's Longstaff prize for pioneering research on the chemistry of materials with applications in renewable energy. He was elected to the Leopoldina, the German Academy of Sciences in 2024.

Governance structure

The Board is supported by four committees, which have been delegated authority on certain matters (Audit, Risk and Investment; Grants and Direct Charitable Activities; Nominations; and the Remuneration Committee). Details of which Trustees, executives and independent members sit on these committees are provided in the 'membership of committees' section below.

Trustee recruitment and training

The Board and the Nominations Committee invest considerable time in identifying Trustees with appropriate skills which will benefit the Foundation. They are equally keen that any new Trustee is properly inducted into the Board. All new Board members go through a structured period of training.

Thomas Thune Andersen and Lambros Varnavides have been in office for more than 9 years. Given their critical roles, their appointments have been extended for the purposes of succession planning, which has enabled them to oversee recent changes in the composition of the Board of Trustees and its Committees and to provide continuity and support.

During the period under review, the Nominations Committee carried out its annual review of the composition of the Trustee Board, its skills and experience. Recommendations were made to, and approved by, the Board on Trustee re-elections and succession planning.

During the training for new Trustees, the Chairman talks to them about the history of the Foundation, its role in society and the way the Board operates. The Company Secretary provides a fuller briefing on the operations of the Foundation, its structure, its risks, its key documentation and will provide a general overview of Trustees' duties and responsibilities and charity law. The new Board members meet with the Foundation Chief Executive and are also encouraged to meet with the senior staff in both the Foundation and in the Trading Group, to assist them in their understanding of the Group, and can therefore apply appropriate oversight.

Each year the full Trustee Board receives refresher training on the roles and responsibilities of charity trustees delivered by an external provider. This training was carried out during the period under review and included updates on the Foundation's legal structure, trustee duties and social investment issues.

Board Evaluation Review

The Trustee Board undertakes annual evaluations of its performance and effectiveness. In line with the UK Corporate Governance Code, evaluations are externally facilitated every third year, with the intervening reviews being carried out internally by way of a questionnaire and individual confidential conversations with the Chairman.

In order to gain the benefit of an informed perspective on the way in which the Trustee Board has evolved since the previous external evaluation in 2021, the Trustee Board appointed Leadership Advisor Group to facilitate the 2024 external Board evaluation.

This enabled the tailoring of the process to the Foundation, with a facilitator who has a demonstrable understanding of the Foundation. The evaluation was conducted during the second half of 2024 by way of questionnaires, individual interviews, and observation at a Board meeting, with the final report and discussion taking place in the first quarter of 2025.

The composition and effectiveness of the Board and the effectiveness of the relationship between the Board of the Foundation and the Board of Lloyd's Register Group Limited were areas of particular focus.

The final report detailed key strengths, areas for development and made recommendations. Following board discussion, a number of actions were agreed.

Remuneration of Trustees

The Trustees are the Directors of the Foundation. Trustees are not remunerated for their services as Trustees of the Foundation. The Foundation pays for Trustees' travel expenses to Board meetings.

Membership of committees:

	Status	Foundation Board	Grants and Direct Charitable ⁵	Audit, Risk and Investment	Nominations	Remuneration ¹
Thomas Thune Andersen ²	Trustee	Chair	—	—	Member	Member
Lambros Varnavides ³	Trustee	Member	Chair	—	—	—
Andreas Sohmen-Pao	Trustee	Member	—	—	—	—
Una O'Brien	Trustee	Member	—	—	Chair	Member
Marina Wyatt	Trustee	Member	—	Chair	—	—
Rani Koya ⁶	Trustee	Member	Member	Member	—	—
Paula Haynes	Trustee	Member	—	Member	—	—
Dracos Vassalos ⁴	Trustee	Member	Member	—	—	—
Peter Bruce ⁴	Trustee	Member	Member	—	—	—
Michelle Davies	Company Secretary	—	—	—	—	—
Ruth Boumphrey	Foundation Chief Executive	—	Member	—	—	—
Michael F. Lykiardopulo	Independent	—	—	—	Member	—
Rose Braithwaite ⁷	Independent	—	—	Member	—	—

Notes:

¹ The Remuneration Committee has the same membership composition as the Remuneration Committee of Lloyd's Register Group Limited and is chaired by Mark Kelsey, a Non-Executive Director of Lloyd's Register Group Limited.

² Appointed in 2024 for a fifth term of up to three years, subject to annual re-election, for the purposes of succession planning.

³ Appointed in 2025 for a fifth term to 15 January 2026, and as Chair of the Grants and Direct Charitable Activities Committee, to ensure a smooth transition to a successor.

⁴ Appointed on 1 April 2025 as a Trustee and as a member of the Grants and Direct Charitable Activities Committee.

⁵ The Terms of Reference of the Grants and Direct Charitable Activities Committee were amended during the year to facilitate continuity of membership and succession planning. Under the new Terms of Reference, the Board of Trustees appoints at least two additional Trustees to be members of the Committee for a three-year term of office (renewable up to a maximum term of nine years). In addition, the Committee Chair may invite an additional Trustee to be a member of the Committee for a six-month term. During the year, Rani Koya held the three-year appointment and attended four meetings, Dr Paula Haynes was appointed for the six-month term and attended two meetings, and each of Professor Sir Peter Bruce and Professor Dracos Vassalos were appointed for a three-year term and attended two meetings.

⁶ Rani Koya ceased to be a member of the Audit, Risk and Investment Committee on 1 October 2025.

⁷ Rose Braithwaite was appointed as a member of the Audit, Risk and Investment Committee on 1 October 2025.

Executive

The Foundation Chief Executive is responsible to the Board for the operation of the Foundation. Ruth Boumphrey was appointed as the Foundation Chief Executive with effect from 1 July 2022. Ruth has a background in research, development and regulation, primarily in the Space and Environmental sectors. She is a trustee of the National Oceanography Centre, a Non-Executive Director at the UK Government's Centre for Environment, Fisheries and Aquaculture Sciences (CEFAS) and she is a commissioner at the National Preparedness Commission. Ruth is also a member of the Board for Engineering X.

360Giving

Lloyd's Register Foundation is committed to being as transparent as possible so the Foundation is pleased to be one of the growing number of significant UK grant-givers to share grants data through the 360Giving standard. 360Giving supports organisations to publish their grants data in an open, standardised way and helps people to understand and use the data to support decision-making and learning across the charitable giving sector.

Employees

The Foundation and its Trading Group are equal opportunities employers.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Foundation's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Foundation and its Trading Group aim to provide employees with information on matters of concern to them as employees and to enable them to engage with the operations and objectives of the organisation.

Management of risk

The Board is responsible for establishing, monitoring and maintaining an effective risk management and internal control framework. The Foundation's risk management framework enables the leadership teams and those charged with governance to identify, evaluate, prioritise, and respond to the risk landscape in a consistent and managed way.

Risk management is overseen by the Board and its Audit, Risk and Investment Committee (ARIC), to whom the monitoring of the identification, review and assessment of key risks to the Foundation has been delegated.

The risk register provides an important tool for documenting and managing collective risk management efforts. The Foundation Leadership Team continuously monitors both internal and external risk landscapes. For each ARIC meeting, a risk update paper summarising key updates to the risk register is provided, and the risk register is reviewed at each meeting of the Committee. Additionally, a Risk Deep Dive paper on a specific risk is prepared for each board meeting.

The Risk Register describes the current mitigating controls and plans for future development, and risks are evaluated according to their impact and likelihood. The key elements of the Foundation's risk management framework for evaluating, categorising and presenting risks are as follows:

- risks are evaluated using a combination of impact and likelihood;
- each risk is evaluated at three points: the unmitigated (gross) risk score; the current (net) risk score considering all current controls; and the target risk score considering the impact of future mitigating actions;
- each risk is categorised according to whether it is a strategic, operational or legal and compliance risk;
- each risk has a risk sponsor and owner;
- each risk is flagged as to whether it is being monitored or managed;
- each risk has its own velocity score to assess the speed at which the exposure can impact the Foundation; and
- a risk evaluation scale is used to ensure a common approach and consistency when assessing the impact and likelihood.

A timetable is in place to manage the various elements of risk management across the Foundation, including:

- Board risk deep dives at every meeting;
- Inclusion of the Foundation Risk Register in ARIC papers and the Board dashboard for every meeting; and
- The Foundation's Risk Register undergoes regular updates, which are presented in a Risk Update paper at each ARIC meeting.

Key Risks

As at 30 June 2025, the Risk Register includes 15 risks: four strategic, seven operational, and four legal and compliance related. Of these, eight key risks are outlined below, each with a summary of current mitigating controls. These controls reduce the gross risk to the net position. We continue to focus on strengthening the control environment to align net risk scores with target levels.

Risk	Mitigation
Investment performance Investment income can be impacted (positively and negatively) by external events, stock market performance, the global economy, the operational performance of the Lloyd's Register Group (LRG), and the ability of the respective management teams to respond to and manage through a downturn. This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately. The investment in LRG is mixed motive as the Group's goals are aligned with those of the Foundation.	• The Audit, Risk and Investment Committee (ARIC) oversees the active management of investments, including regular reporting by third-party fund managers, performance benchmarking, and monitoring of service level agreements. • Appointed investment advisers support ARIC by monitoring performance, ensuring alignment with the Foundation's objectives and risk appetite, advising on asset allocation, managing investment risk, and facilitating communication. • Regular reporting of LRG strategy and financial performance to the Trustees. • Cash flow and reserves projected in the 5 Year Plan and performance against the plan is monitored by the Board. • Monthly cash and treasury management by the LRG Group Treasury team and the Foundation's Head of Finance and Risk. • Endowment funds are managed through a balanced portfolio across three fund managers to maximise risk-adjusted returns within the agreed risk appetite. Lower-risk money market funds are held to ensure liquidity for short- to medium-term cash flow needs.

Grant giving and direct charitable activities (DCA) Grants awarded and / or direct charitable activities (DCA) do not achieve stated objectives. This impacts the Foundation's achievement of its charitable purpose. This could arise from mismanagement of a project, misappropriation of funds or other unforeseen circumstances and might result in reputational damage and regulatory impact.	• Detailed and thorough evaluation and approval of grant/DCA applications, including applicant due diligence where there is uncertainty or risk. Pre-grant application process implemented to streamline / standardise processes. • Regular monitoring of grant progress and impact by Chief Executive and the Grants and Direct Charitable Activities Committee (GDCA) with focus on the need for strong evidence of impacts. Grant impact deep dives also undertaken at the GDCA and Board. • Controls over grant/DCA applications, including due diligence and 'red flag' reviews, guidance documents with strong screening processes in place. • Clear guidelines in place directing monitoring and recording of impact for grants, the Heritage and Education Centre (HEC) and internal charitable activity, including reporting against agreed progress and escalation policy for overdue progress reports. • Metrics library created to use for pathways to impact for grants, DCA, HEC and internal charitable activity (such as the foresight reviews). • Whistleblowing, anti-bribery and corruption, modern slavery and serious incident requirement clauses have been added to grant agreements and progress monitoring reports. • Social impact of LRG monitored through shared value sheet. • A peer review process incorporating quality assurance measures to strengthen the rigour and reliability of grant evaluations.
Negative reporting of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of: • an issue or incident relating to a Foundation grant recipient or investee; • negative press relating to current or historic activities of LRG; • controversial conclusions in published output of Foundation-funded research or by the Evidence and Insight Centre; • a misunderstanding of the social investment relationship between LRG and the Foundation; and • reputational damage amongst Foundation stakeholder and supplier network due to delays in operational processes.	• Crisis planning and media training in place to ensure Trustees and staff are prepared to respond appropriately to media coverage that concerns the Foundation. • Detailed technical and peer reviews of published material/reports. • Discussion and early warnings between the Foundation and LRG on any reports that could be sensitive. • Public statements controlled by the Foundation Communications Manager and external advice taken where appropriate. • Horizon scanning/social media review for issues/trends that could impact the Foundation's reputation. • All grants to LRG approved by the Foundation Board. • LRG Corporate narrative agreed and in place, which incorporates narrative specifically focused on the Foundation.
Safety and Security Incidents (including safeguarding) Grantee/DCA related staff or recipients of grantee services operate in environments that are not under the direct control of the Foundation. There may be incidents or issues that arise in a grantee organisation that impact individuals' safety and/or wellbeing, including vulnerable individuals. Safety and security incidents directly affecting Foundation employees.	• Consideration of grantee health, safety and security risk, where relevant, is incorporated into the grantee application and due diligence process. Safeguarding policy addressing vulnerable individuals is implemented, with grantees required to confirm compliance. • Safeguarding policy in place covering for Foundation staff interactions with potentially vulnerable people. • Whistleblowing, anti-bribery and corruption, modern slavery and safeguarding clauses have been added to grant agreements and progress monitoring reports. • The Foundation applies LRG's policies and procedures, with the office's HSE risk being managed by LRG.
Lloyds Register Building Project Relocation This risk includes broader concerns related to relocating into the refurbished Lloyds Register Building, such as delays in relocating Foundation staff, transitioning the HEC Archive, and potential	• Digital copies of historic archive documents retained, providing a preserved copy, including back-ups. • Safe transition of the archive to a modern, purpose-built archive at 71 Fenchurch Street is nearing completion and

events like damage, disaster, or theft of irreplaceable historical records, artefacts, or furniture. The risk is heightened during the transition but will be incorporated into the standard “Business Resilience Event/Crisis” risk once complete.	is being actively managed. During works, records and artefacts are being stored in a secure offsite location. • Insurance is in place for the Foundation’s collection. • The Foundation’s offices at 71 Fenchurch Street, London, have appropriate fire suppression systems and incident response plans, which are tested regularly, including testing of fire equipment. • A robust project management and governance framework for the Lloyds Register Building project has been established, featuring a Steering Committee of senior leaders and sub-committees comprising key project staff.
Cyber-attack or information security breach An advanced targeted cyber-attack could result in the loss of sensitive information.	• Sensitive information is identified and is subject to appropriate security measures, which are tested regularly. • Technology based security provided by LRG, with all Foundation staff required to undertake annual information security awareness training. • Multifactor authentication has been implemented to protect administrative, privileged and standard users. • Migration of data from physical servers to the cloud is now complete, resulting in reduced physical infrastructure footprint across the Foundation. • File upload platforms and AI usage monitored to follow best practice.
People and talent Loss of key staff potentially due to a decrease in employee morale, lack of development opportunities or misallocation of workloads. Furthermore, the inability to recruit new specialised roles and skill sets within the Foundation or replace lost talent.	• Succession planning and active talent management procedures implemented. • Annual Employee Opinion Survey undertaken, with plans implemented to address identified development issues. Increased attention and active management of current trends identified. • Annual appraisal process in place to ensure all staff are properly equipped to deliver their role. • Bi-annual salary review implemented to benchmark remuneration to the current labour market. • Consultants used to address necessary skills gaps. • LRF’s HR and People Development Manager provides senior-level support for Human Resources, learning, and people development initiatives.
Legal and regulatory compliance Failure to comply with UK or international law, regulatory requirements or sanctions. Key areas of compliance are charity law, anti-bribery and corruption, sanctions and conflicts of interest.	• The Foundation’s Chief Executive and Chief Operating Officer, along with LRG’s General Counsel and Company Secretary, maintain close oversight of compliance. • Advice and support sought from external advisers where appropriate.

Lloyd’s Register Group has Internal Audit, Risk, and Quality functions, some of which are outsourced to BDO. These functions provide independent and objective opinions and assurance on the adequacy of the Foundation and Trading Group’s risk processes, internal controls and governance frameworks. The resources of the Internal Audit and Risk functions and the Group Legal functions are available to the Foundation’s Audit, Risk and Investment Committee.

Overview of climate-related financial disclosure

The principle climate change related risks and opportunities arise in the operations of the Trading Group. The below summarises the disclosures applicable to the Trading Group and the Foundation.

As a trusted partner to the maritime industry, the Trading Group supports clients across a complex and rapidly evolving landscape shaped by tightening regulations, rising sustainability expectations and increasing competitive pressures.

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations) require certain publicly quoted companies and large private companies to incorporate climate disclosures in their annual reports.

Governance

The Board has overall responsibility for promoting LR's long-term success, which includes proactively addressing climate-related risks and opportunities. LR's risk management framework incorporates these considerations, enabling leadership teams and governance bodies to identify, assess, prioritise, and respond to climate-related risks and opportunities within the broader risk landscape.

Climate-related risks are overseen by the Board, with support from the Executive Leadership Team (ELT) and the Audit and Risk Committee (ARC). Together, they are responsible for identifying, assessing, and managing climate-related risks and opportunities.

The Board meets six times yearly. It receives updates on climate change trends and regulations to ensure ongoing monitoring of risks and opportunities. The Board follows a comprehensive review process that incorporates standing agenda items alongside rotating topics throughout the year, ensuring a holistic examination of all business facets, including: operations; risk management; and climate change, from both current and long-term perspectives.

In the last financial year the Board has received updates on commercial activities and opportunities linked to climate change. The Board has reviewed the group risk register, which includes climate risks. No specific issues have been reported to the board by the ELT or ARC during the year.

The Executive Leadership Team (ELT) evaluates climate-related issues in the context of our business, particularly concerning the impacts of climate change on the shipping industry and the resulting risks and opportunities for LR. The Net Zero Committee (formerly the Sustainability Steering Committee), the Energy Transition Steering Committee, the Insights Team and the Maritime Decarbonisation Hub provide the ELT with information for thorough and informed decision-making. The Quality, Environment, Health & Safety (QHSE) Director submits monthly reports to the ELT, including updates on sustainability and climate-related matters. The Executive Leadership Team (ELT) provides quarterly reports to the Board, ensuring the Board is informed of significant risk areas including the latest trends and developments in climate change where relevant. The ELT holds monthly meetings and conducts regular reviews of the Group Risk Register (GRR), reporting to the Board as necessary throughout the year to address emerging issues including climate change risks where applicable.

Additionally, the ELT meets as necessary to address specific risks related to climate change. These discussions cover transition risks such as increased regulation due to climate change, enhanced emissions reporting obligations, costs associated with transitioning to lower-emission technologies, and physical risks.

The Audit and Risk Committee (ARC) meets three times a year and oversees updates to the GRR at each meeting. The ARC is chaired by an independent Board member and attended by the Chief Financial officer (CFO). Each meeting includes discussions on risk management, a review of the risk register, and consideration of any significant changes.

Internal Audit supports the Board, ELT and ARC in overseeing risks, including climate change, and undertakes ad-hoc reviews of specific risk topics. The risk management framework is governed by a Group policy owned by Internal Audit and is mandated through the Business Management System (BMS). Each business stream and key central functions performs a risk assessment. The GRR consolidates the Group's key risks and is subject to regular review.

The Sustainability Steering Committee (SSC) was replaced in 2025 by a Net Zero Steering Committee (NZSC). In March 2025 it was decided to revise the approach to the SSC and replace this with a smaller group of senior leaders focussed on the delivery of LR's net zero commitments. This smaller, more focussed Group comprises senior representatives of respective departments from across LR facilitating the delivery of LR's net zero strategy specific to: Buildings; Company Cars; Business Travel and Procurement. The revised NZSC is chaired by the Chief Marketing Officer

(CMO), an ELT member. The CFO is also a member of the NZSC and a Board member. The QHSE Director attends the NZSC meetings alongside the Head of Sustainability who provides an update including carbon reductions and climate change risks.

Risk Management

LR employs a multi-layered approach to risk management, with a strong focus on Board oversight. Our approach fully integrates climate-related risks alongside other business risks. We leverage our existing risk management framework to identify, assess, and monitor climate-related risks, ensuring a consistent and cohesive approach. This process is done on an annual basis. Climate change is one of several risk management streams that contribute to the overall GRR.

The GRR is a central document reviewed and updated annually by the ELT, the ARC, and the Board. In June 2025, the ELT, ARC, and the Board reviewed the updates to the GRR, including climate change risks. Climate change risk management includes incorporating climate-related scenarios and conducting a more granular analysis of potential financial losses due to climate change.

The Group's approach to the identification, risk assessment and management of climate related risks is consistent with other risks described on page 42.

Strategy

LR recognises its critical role in navigating the maritime industry towards a sustainable future. Our strategy goes beyond simply offering traditional classification and compliance services to partner with clients actively throughout their sustainability journeys.

Sustainability and net zero are integrated throughout our strategy and service portfolio, as part of being a responsible business. By partnering with clients on their sustainability journeys, we enable them to comply with evolving regulations and future-proof their fleets for a decarbonised maritime industry. This proactive approach positions LR as a valuable partner for companies, seeking to navigate the challenges and opportunities presented by climate change.

Our commitment to sustainability goes beyond good intentions. We leverage the Climate-Related Financial Disclosures (CFD) recommendations, to build a robust sustainability program, embedded in our net zero and emissions reduction strategy. By proactively identifying and assessing climate-related risks that could directly affect our business over time, we can take steps to minimise their impact. This approach also allows us to identify and capitalise on opportunities arising from climate change, supporting our long-term business strategy.

Climate Scenarios

Following the guidance of the Task Force on Climate-related Financial Disclosure (TCFD), and now the ISSB Standards, we conducted a detailed climate scenario analysis across our operations to evaluate our climate-related risks and opportunities in 2024. This scenario analysis has been reviewed for significant developments and will be fully updated in 2027 in line with recommended practice. Climate scenarios are projections of future climate conditions, based on different warming pathways.

In conducting climate scenario analysis, we considered additional factors in line with guidance, including:

- **Transition and physical risks of climate change:** Transition risks are linked to the shift towards a decarbonised economy, encompassing potential challenges related to policy and legal adjustments, technological developments, market conditions, and reputational impacts. Physical risks include flooding, rising temperatures, and water stress, which can directly impact business operations.
- **Assessment across multiple time frames:** We evaluate risks across various time frames to determine their potential occurrence in the short term (2024-2027), medium term (2028-2037), and long term (2038-2052). The impacts of climate change go beyond traditional business planning horizons. The basis for the timeframes is summarised below.
- **Exploring various climate scenarios:** Based on global responses to climate change, different warming pathways are analysed, with scenarios including below 2°C, 2-3°C, and above 3°C by 2100 to gain comprehensive

insights to the possible warming pathways. These scenarios were developed by our third-party consultants and verified with our sustainability team.

- **International perspective:** LR is a truly global business, operating from 72 locations and serving clients in 182 countries. As such we have the potential to be impacted by a number of climatic perils due to the location of our offices and our clients.

Scenario Warming Pathways	
<2°C by 2100: A Collaborative Path to Net-Zero	The <2°C scenario represents a global ambition to limit global warming to below 2 degrees Celsius by 2100, aligning with the goals of the Paris Agreement. This optimistic yet challenging scenario requires extensive collaboration among governments, businesses, and individuals. Governments must enact ambitious policies and regulations, to promote clean technologies and discourage carbon-intensive practices. Businesses, including those in the maritime sector, would experience pressures to align with the Paris Agreement, potentially necessitating significant operational changes to achieve net-zero emissions by 2050. Despite the promising outlook, rapid decarbonisation entails significant transition risks. Even in a <2°C scenario, climate change will continue to have physical impacts, including rising sea levels and extreme weather events, affecting LR's operations and the maritime industry. Despite the challenges, the <2°C scenario offers substantial opportunities for LR, such as increased demand for low-emission vessel design and certification services, climate risk management advisory, and adopting cleaner fuels, which could drive future growth.
2-3°C by 2100: Navigating a Patchwork Approach	The 2-3°C scenario highlights the critical need for a strong and coordinated global response to climate change. The 2-3°C scenario reflects the potential consequences of uneven global action following COP26. While governments take some legislative steps, poorly designed and implemented regulations could create a challenging environment with high transition risks. This highlights the need for strong, coordinated responses to avoid reaching critical tipping points and mitigate the severity of physical climate impacts. However, this dynamic landscape could spur innovation for companies like LR that proactively adopt sustainable practices. Increased global cooperation on mitigation efforts could still lead to technological advancements, ultimately benefiting the industry.
>3°C by 2100: A Business-as-Usual Scenario	This scenario serves as a reminder of the urgency of climate action. In this scenario, organisations and governments lack interest, so we continue with a 'business as usual' attitude. Therefore, emissions will continue to rise until 2040. Decarbonisation does not occur in any of the sectors, with limited pressure on generating renewable energy and fossil fuels being used. The transition risks for businesses are limited. However, the physical risks are most severe under this scenario, with multiple tipping points being passed. While this scenario suggests limited transition risks for businesses in the short term, the lack of decarbonisation efforts leads to an escalation of physical risks.

The following outlines the time horizons used to identify when a risk or opportunity will significantly impact the business.

Short Term (2024-2027): This timeframe aligns with business planning cycles (3-5 years) for operational improvements and resource allocation. It allows for quick wins and early risk mitigation related to potential regulatory changes. It aligns with increasing client demand for sustainable practices in the maritime industry.

Medium Term (2028-2037): This allows LR to be a thought leader in developing solutions to address clients' future needs. It informs strategic investment decisions for research and development of new technologies necessary for achieving long-term net-zero goals. This timeframe aligns with our near-term targets to reduce absolute Scope 1 and 2 GHG emissions by 59% by 2034 from a 2023 baseline and to reduce absolute Scope 3 GHG emissions from purchased goods and services and business travel by 35% by 2034 from a 2023 baseline.

Long Term (2038-2052): This timeframe provides a long-term lens for risk management, considering potential shifts in consumer preferences or the emergence of new technologies that impact the maritime industry's carbon footprint. This timeframe sends a strong message of commitment to a sustainable future for the maritime industry. This timeframe encompasses the entire journey to net-zero emissions by 2050. It allows for exploring long-term technological advancements, infrastructure changes, and policy shifts that may be necessary to achieve this ambitious target.

Climate Scenario Analysis

Our detailed climate scenario analysis evaluated nineteen climate-related risks and found that no risks were individually material to the Group's future business and strategy.

Physical risks were analysed by location, with LR's ten largest office locations included in the assessment. Additionally, ports are essential for LR, both in terms of our customers and the delivery of our services. Due to their locations, we recognise that ports are susceptible to the impacts of climate change due to their exposure to coast and rivers. The physical risks for LR are mitigated since employees are able to work remotely, perform surveys in alternative locations and in some cases conduct remote surveys. We will continue to monitor the safety of LR employees deployed to ports and ensure full risk assessments are undertaken where surveys include shore side infrastructure.

Transition risks were analysed at the Group level and where relevant across the Group's business operations. The most significant climate related risks considered are described below. Each of the risks are expected to evolve over the short, medium and long term.

Area	Climate-related Risk	Impact Description
Policy & Legal	Failure to comply with increasing regulations	Increasing costs to guarantee compliance with new reporting requirements.
	Rising spend for carbon pricing	Expected impact is minimal, however a carbon tax on any of our suppliers may increase supply chain costs.
Market	Changing consumer preferences	With the increasing importance of ESG, stakeholder concern for the environment is likely to increase. Failing to transparently communicate our efforts to minimise our environmental impact could result in customers using a different provider and could impact our position in the market.
Reputation	Increased stakeholder concern for ESG	As the significance of sustainability grows, the attention of stakeholders towards LR's environmental sustainability effects is poised to escalate. Neglecting to effectively convey LR's strategies for minimising its environmental footprint might jeopardise our strong market standing. With increased transparency comes increased scrutiny.

Due to its industry focus and locations, LR may experience limited short / medium / long term impacts from climate change. However, these factors position them as leaders in navigating the changing landscape. Climate change is undoubtedly a severe global challenge, but it presents a significant opportunity for forward-thinking businesses.

Opportunities

LR identifies several opportunities to benefit from climate action across various timeframes. These opportunities range from resource efficiency savings and new revenue streams to building resilience and enhancing reputation.

We assessed the development of new low-emission product and service lines, resource efficiency and resilience as key factors influencing the industry.

1. Products and Services

- Description: New low-emission product and service lines
- Timeline: Short -Medium Term (2024-2037)
- Impact: New revenue streams

Lloyd's Register assists the maritime sector in navigating energy transition in a safe, commercially viable, and scalable way. Accelerating our journey to decarbonisation while assuring the safety, fitness for purpose and performance of maritime assets and new technologies with unmatched breadth and depth of trusted advice and capabilities.

2. Resource Efficiency

- Description: Implementing energy-efficient technology across operations
- Timeline: Short-Medium Term (2024-2037). Scenario Warming Pathway: <2°C and 2-3°C
- Impact: Reduced operating expenses through improved energy efficiency

LR has commenced its net-zero journey, by engaging with a third-party ESG specialist to set achievable GHG reduction targets in line with the UK's net-zero by 2050 strategy. As part of this work, recommendations may be made to implement energy-efficient technology across operations. While technology may have a high capital cost, it will improve process efficiency. As a result, less energy will be used to do the same work, reducing energy costs. The savings in energy will lead to fast payback times for the technology, resulting in net financial gain over the technology's lifetime.

To demonstrate the effectiveness of these initiatives, we will closely monitor key metrics:

- Energy consumption year-on-year comparison: Tracks annual energy use and measures progress in reduction.
- Energy intensity year-on-year comparison: This measure measures energy efficiency by dividing total energy consumption by a relevant business activity unit (e.g., per employee or per project).

3. Resilience

- Description: The business is currently well-adapted and positioned to deal with climate change. An increase in resilience is considered an opportunity due to the limited risks and significant opportunities discussed above
- Timeline: Short -Medium Term (2024-2037). Scenario Warming Pathway: <2°C and 2-3°C
- Impact: Developing an adaptive strategy

Climate resilience involves organisations developing adaptive capacity to respond to climate change, better manage the associated risks and seize opportunities, including the ability to respond to transition and physical risks. LR collaborates with other progressive organisations, to provide support through leadership to all industry stakeholders, including regulators, policymakers, investors, owners, operators, charterers, and clients. LR aims to showcase the costs, benefits, opportunities, and risks associated with various potential pathways towards decarbonisation. By increasing the ability to adapt, grow, survive, and recover - in other words, become more resilient – LR can mitigate the complex and interconnected challenges that confront them.

To demonstrate our resilience, we will closely monitor and actively track greenhouse gas emissions, continuously making progress in reducing them.

Metrics and Targets

For LR, sustainability is not an isolated initiative; it is embedded in the Group and is the lens through which we make decisions and build value. Like safety, it is embedded into our governance, risk management, and day-to-day operations. This approach builds trust, attracts exceptional talent, and secures our licence to operate. By grounding our actions in data and remaining agile we ensure that we operate safely, ethically and responsibly – always with people, the planet and future generations in mind.

Our target is to achieve net-zero by 2050. Metrics have been identified to track the reduction of our environmental impact and are regularly reviewed. Annually, the Group's GHG emissions and intensity metrics are measured and compared to our baseline. Our latest specific emissions reduction metrics are planned to be considered by the board in November 2025 and will be published in future reporting.

We achieve our decarbonisation targets through focus areas that reflect our drive to create long-term value for our clients and communities while acting as a responsible business. These are supported by our ongoing commitment to fostering a productive, diverse and healthy workforce. We are continuously working to enhance our performance across all areas of our operations, with a focus on:

- Procurement
- Business Travel
- Company Cars
- Buildings

Our footprint includes:

- Scope 1: Consumption and emissions include direct combustion of natural gas and fuels utilised for transportation operations, such as company vehicle fleets.
- Scope 2: Consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.
- Scope 3: Consumption and emissions cover emissions resulting from sources not directly owned by LR, i.e., purchased goods and services across our supply chain and grey fleet business travel undertaken in employee-owned vehicles only. These are emissions associated with a company's entire value chain.

The Group reports annually on energy consumption and emissions in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) guidance. In addition, LR also reports its Scope 3 emissions annually.

In 2025 energy efficiency actions implemented include:

- Onboarded a new data tool: to support improved reporting and management of our carbon emissions.
- Launched an electric vehicle salary sacrifice scheme for UK employees.
- Launched a new ESG Dashboard, publicly reporting our performance against KPI's to support transparency.
- Continued monitoring of our sustainability performance to identify opportunities for increased energy efficiency across our office portfolio.

Streamlined Energy and Carbon Reporting (SECR), covering scope 1, 2 and 3 (purchased goods and business travel).

GHG scope	Category	Global	
		Total Emissions (tCO ₂ e)	
		12 months to 30th June 2025	12 months to 30th June 2024
Scope 1	Scope 1- Gas, lease car miles, refrigerants	1,294	1,139
Scope 2	Scope 2 - location based electricity consumption	835	842
Scope 3	Scope 3 (purchased goods and business travel)	44,870	33,892
Total scope 1 and 2		2,129	1,981
Total scope 1 and 2 tCO₂e / £m turnover		3.2	3.6

Quantity of Energy consumed for which the company is responsible	Global	
	Kilowatt Hours kWh	
	12 months to 30th June 2025	12 months to 30th June 2024
Gas	2,748,439	2,053,656
Purchased electricity	4,031,021	3,751,785

A location-based approach is used to track progress against targets using each region's average grid emissions factor to calculate Scope 1 and 2 emissions. Reported emissions data is calculated in line with the GHG Protocol.

In 2025, Scope 1 and 2 emissions increased reflecting the OTG acquisition while the intensity metric tCO₂ per £m turnover reduced from 3.6 to 3.2.

Our Scope 3 emissions have increased due to the OTG acquisition and improvements in the accuracy of emissions factors applied in respect of purchased goods and services calculations. For example, in the prior year UK Government GHG Conversion Factors, which are largely UK-specific and generally lower than those in many other countries were applied. For the current period, LR adopted country-specific emission factors, which are typically higher than the UK equivalents. With around 30% of our purchased goods and services spend outside the UK, the change in methodology resulted in higher reported emissions in this category.

Other Information

Public benefit

As described throughout this Trustees' Report, the Trustees place specific focus on the public benefits arising from the output and activities of the Foundation having regard to the Charity Commission guidance on public benefit.

Research and development

The Trading Group carries out research and development activities. The amount of £11.1m (2024: £8.5m) has been charged to the consolidated statement of financial activities. This relates to research and development into new and better ways to improve safety, performance and quality in the maritime industries.

Organisational structure

The Foundation has a total of 50 members of staff supported by secondees from the Trading Group. A service level agreement exists between the Foundation and the Trading Group for the provision of specialist business support in areas including finance, HR, communications, legal and IT. The Foundation pays for these services at an agreed market rate.

Disclosure of information to the Auditor

Having made enquiries each of the Trustees, listed above, in office at the time of approving the Trustees' Report confirm that:

- so far as each Trustee is aware, there is no information relevant to the preparation of its report and the financial statements of which the Foundation's Auditor is unaware; and
- each Trustee has taken all steps a trustee might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Foundation's Auditor is aware of that information.

Independent Auditor

Deloitte LLP has expressed a willingness to continue in office.

Governing document

Lloyd's Register Foundation is a company limited by guarantee registered in England, incorporated in 2012, governed by its Memorandum and Articles of Association.

Financial statements and Trustees' Report

The company and consolidated financial statements have been prepared in accordance with the accounting policies set out on pages 65 to 66 and 84 to 87 respectively and comply with applicable laws and the FRS102 Charity SORP (Statement of Recommended Practice) except for the disclosures relating to employee benefit banding (see page 97).

This Trustees' Report on pages 1 to 52 and 78 to 79 has been prepared in accordance with Part 8 of the Charities Act 2011 and the Companies Act 2006 and incorporates the Strategic Report and has been approved by order of the Board.

Michelle K Davies

[Michelle K Davies \(Nov 5, 2025 10:22:23 GMT\)](#)

Michelle K. Davies
Company Secretary

5 November 2025

Legal and administrative details

Company number

07905861 (England and Wales)

Charity number

1145988 (England and Wales)

Principal Banker

HSBC UK Bank PLC
1 Centenary Square
Birmingham
United Kingdom
B1 1HQ

Statutory Auditor

Deloitte LLP
London
United Kingdom

Investment managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Partners Group
33 Charterhouse Street
London
EC1M 6HA

Newton Investment Management
160 Queen Victoria Street
London
EC4V 4LA

Investment custodians

Bank of New York Mellon
One Canada Square
Canary Wharf
London
E14 5AL

Solicitors

Geldards LLP
4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Registered and principal office

71 Fenchurch Street
London
EC3M 4BS

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Foundation and Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration Committee Report

This report describes the constitution and activities of the Remuneration Committee during the year ended 30 June 2025.

The Committee

Two separate remuneration committees operate within the Group; one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. A report is provided at each Trustees' Board meeting of the activities of the Foundation Remuneration Committee since the previous Board meeting.

Both Committees comprise members of the Board of Directors of Lloyd's Register Group Limited and Trustees of the Lloyd's Register Foundation. Their current membership is as follows:

- Mr M Kelsey (Chair)
- Mr T T Andersen
- Mrs U O'Brien

The members of the Foundation's Committee are appointed and removed by the Board of Trustees.

It is the role of the Foundation's Remuneration Committee to:

- Aim to ensure that the Foundation reward structure reflects best practice;
- Provide advice to the Board of Trustees on the remuneration policy for the Foundation's Chief Executive Officer and their direct reports;
- Implement the remuneration policy in practice through determination of all aspects of the remuneration of the Foundation Chief Executive;
- Approve the salary and bonus proposals and payments for the Foundation's Chief Executive and review remuneration decisions with reference to the Foundation employee salary budget, including approval of the overall level of any annual pay increase applied in the Foundation;
- Review and approve all changes to terms in pension scheme arrangements for the Foundation Chief Executive;
- Review and advise upon the level of remuneration for senior direct reports to the Foundation Chief Executive;
- Have oversight of the diversity and gender spread across the globe, insofar as it relates to remuneration matters of the Foundation; and
- Oversee any major changes to remuneration strategy for the Foundation.

The Foundation is anchored in the charity sector but is differentiated by greater commercial and technical involvement than would be the norm in many charitable organisations. Therefore, our pay and benefits provide market competitiveness within those other sectors from which we seek to attract and retain senior talent to lead the Foundation and deliver its charitable aims. These include the charity, science and technology sectors.

General Policy

In determining the general policy regarding the total remuneration of the Foundation's Chief Executive and their direct reports, the Board of Trustees has directed the Committee to have regard to the following guidelines:

- Our aim is to pay at the market median, but roles that need specific skills, specialisms or business experience may command a remuneration premium as a result of the value they add.
- Reward and affordability align to efficient and effective delivery of the Foundation's short and long-term strategies and priorities and will include links to the business performance of the Trading Group.
- We recognise high performance by individuals and teams through the use of variable pay.

- We believe in the principles of fairness and equality of opportunity in employment. We are committed to all our colleagues receiving equal pay for the same or broadly similar work, regardless of gender, ethnicity or other non-performance related differences.

The remuneration of the charity's key management personnel is set to:

- provide a base salary designed to attract and retain key management which also reflects their level of responsibility and experience;
- see that they are fairly and responsibly rewarded for their individual contributions; and
- take account of competitive rates of total remuneration, based upon surveys of comparative organisations which are undertaken annually.

Remuneration

The highest paid Foundation employee serving in year received aggregate emoluments, including performance-based remuneration, of £307,000 (2024: £296,000) which includes £27,000 of employer defined contribution pension benefits (2024: £26,000).

A summary of employee remuneration is included in note 12 of the consolidated financial statements.

Independent External Advice

The Committee has access to, and takes cognisance of, professional advice both from within the organisation and from independent external consultants. The current external advisor is EY and the Chief People Officer of Lloyd's Register Group Limited acts as Secretary to the Committee.

Audit, Risk and Investment Committee Report

This report describes the constitution and activities of the Audit, Risk and Investment Committee in place during the year ended 30 June 2025.

Summary of the role of the Audit, Risk and Investment Committee

The membership of the Audit, Risk and Investment Committee is:

Mrs M Wyatt (Chair)
Mrs Paula Haynes
Mrs Rani Koya (resigned 1 October 2025)
Ms Rose Braithwaite (appointed 1 October 2025)

The Audit, Risk and Investment Committee is a sub-committee of the Board of Trustees. The Committee reviews the application and effectiveness of the policies and processes of the Lloyd's Register Foundation.

The Committee assists the Board of Trustees in monitoring the integrity of the Foundation's published financial statements and the compliance of the Foundation's Report and Accounts with UK accounting standards, the Companies Act and the Charities SORP. The external auditor attends each meeting of the Committee and reports on the external audit plan, the results of the external audit and on the annual report and accounts.

The Committee also reviews the performance of the Foundation's investment portfolio and its investment managers and makes decisions on behalf of the Board of Trustees as to an appropriate investment strategy for the Foundation. At each meeting, the Committee receives reports from the Group Treasurer and the investment fund managers.

The Group's outsourced Internal Audit and Risk function reports to the Committee on any issues which it considers impact on the adequacy and effectiveness of the Foundation's internal financial controls and risk management systems. The Committee reviews the risk register at each meeting. No material items have been reported to the Committee by the Group Audit and Risk Team during the financial year.

The Committee oversees the relationship with the external auditor including approval of the audit plan and scope of the audit. The assessment of the auditor's independence and review of the level of fees payable for non-audit services did not identify any significant matters.

The financial statements are reviewed by the Committee before recommending their consideration by the Board of Trustees, focusing particularly on any significant adjustments resulting from the audit and major judgmental areas. The Audit, Risk and Investment Committee typically meets three times a year, and at least once a year a meeting is held between the Chair of the Committee, the Head of Internal Audit and Risk and the external auditor, at which no employees are present.

The Committee met three times during the year under review. Matters considered by the Committee during the year and subsequently include:

- the review of the 30 June 2024 and 30 June 2025 Report and Consolidated Financial Statements and the Auditor's Report thereon;
- the reports of the investment fund managers and investment portfolio advisor;
- the review of the risk register;
- internal audit updates on risk incidents, grantee audits and ongoing actions;
- the approval of the schedule of risk deep dives for presentation to the Board of Trustees; and
- the annual review of the risk appetite statement.

Nominations Committee Report

The Nominations Committee is a committee of Lloyd's Register Foundation which addresses the needs of Lloyd's Register Foundation, Lloyd's Register Group Limited and other related senior appointments or succession issues. It comprises one Foundation Trustee, one Lloyd's Register Group Board Director and the Chairman. The current members of the Committee are the following:

Dame Una O'Brien – Committee Chair and a Trustee of Lloyd's Register Foundation
Mr T T Andersen
Mr M Lykiardopulo

The Committee meets at least annually to consider the matters noted below in respect of both Lloyd's Register Foundation and Lloyd's Register Group Limited, with additional meetings as required, for example, for the appointment of additional board members and succession planning.

- Board succession planning;
- Reviewing the composition of the Boards of the Group and the Foundation and making recommendations regarding the annual re-election of Board members and changes and new appointments of the Chairman, Trustees and Directors, to ensure an appropriate balance of skills, experience and diversity;
- Reviewing the membership and operation of Board committees and making recommendations where appropriate;
- Reviewing the succession of senior executive positions and making recommendations accordingly;
- Identifying, nominating and recommending for approval of the Boards, candidates to fill Board vacancies; and
- Making recommendations to the Boards regarding changes to the positions of Chief Executive and Chief Financial Officer of Lloyd's Register Group Limited, and to the position of the Chief Executive of Lloyd's Register Foundation.

The Committee Chair provides updates on its activities to both Boards at their meetings.

During the year under review, the Committee recommended and approved the appointment of a new Non-Executive Director, the appointment of two new Trustees of the Foundation, made recommendations with regard to the re-election of Board members on the expiry of terms of office which were due to expire in the coming year, reviewed the Board Committee memberships, including the consideration of the appointment of a replacement Chair for the Foundation Grants and Direct Charitable Activities Committee and the search for an additional member of the Foundation's Audit, Risk and Investment Committee, and made recommendations for the independent board evaluation review for both Lloyd's Register Group Limited and Lloyd's Register Foundation. In addition, the Committee's Terms of Reference were reviewed and updated.

Also during the year under review, the Committee set up a New Chair Search Sub-Committee to carry out the search for a new Chair of both Boards for succession planning, and to make recommendations in respect of that appointment. The Chair of the Nominations Committee is the Chair of the Sub-Committee. In addition to the Chair, membership of the Sub-Committee comprises Mr M Lykiardopulo, Mr L Varnavides and Mrs M Wyatt. The Sub-Committee Chair provides regular reports to both Boards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lloyd's Register Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 30 June 2025 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Foundation statement of financial activities (incorporating an income and expenditure account);
- the Foundation balance sheet;
- the Foundation cash flow statement;
- the related notes to the Foundation financial statements 1 to 20;
- the consolidated statement of financial activities, incorporating an income and expenditure account;
- the consolidated balance sheets;
- the consolidated statement of cash flow; and
- the related notes to the consolidated financial statements 1 to 33.

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).

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 financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the board of Trustees, management, and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the group and charitable company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, UK Companies Act, pension and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our procedures performed to address them are described below:

- Manual adjustments are posted to the general ledger to true-up revenue recognised under multi-year marine in-service contracts. We have performed substantive tests of detail on a sample of contracts to assess the accuracy of the adjustments that were made; and
- Grant expenditure validity and cut off – We performed a substantive test of details on a sample of grants, inspecting contracts and agreements, bank statements, grant application meeting minutes and other supporting documentation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


[Jeremy Black \(Nov 5, 2025 17:25:48 GMT\)](#)

Jeremy Black, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 November 2025

FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 JUNE 2025

	Note	General funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	General funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Income							
Income from investments:							
Gift aid donation from Trading Group		5,000	—	5,000	20,000	—	20,000
From the investment portfolio and other investments		7,994	—	7,994	9,590	—	9,590
Total income	3	<u>12,994</u>	<u>—</u>	<u>12,994</u>	<u>29,590</u>	<u>—</u>	<u>29,590</u>
Expenditure on raising funds							
Investment management costs	4	—	(923)	(923)	—	(855)	(855)
Charitable activities							
Total grant activities	5	(17,580)	—	(17,580)	(18,138)	—	(18,138)
Total direct activities	5	<u>(7,644)</u>	<u>—</u>	<u>(7,644)</u>	<u>(7,837)</u>	<u>—</u>	<u>(7,837)</u>
Total expenditure		<u>(25,224)</u>	<u>(923)</u>	<u>(26,147)</u>	<u>(25,975)</u>	<u>(855)</u>	<u>(26,830)</u>
Net (expenditure) / income before gains on investments		<u>(12,230)</u>	<u>(923)</u>	<u>(13,153)</u>	<u>3,615</u>	<u>(855)</u>	<u>2,760</u>
Realised gains / (losses) on disposal of the investment portfolio		2,506	31,610	34,116	(483)	(7,147)	(7,630)
Unrealised (losses) / gains on the investment portfolio		(1,929)	(24,325)	(26,254)	2,205	32,630	34,835
Net (expenditure) / income and net movement in funds		<u>(11,653)</u>	<u>6,362</u>	<u>(5,291)</u>	<u>5,337</u>	<u>24,628</u>	<u>29,965</u>
Reconciliation of funds							
Funds brought forward		24,876	313,730	338,606	19,539	289,102	308,641
Funds carried forward	17	<u>13,223</u>	<u>320,092</u>	<u>333,315</u>	<u>24,876</u>	<u>313,730</u>	<u>338,606</u>

All of the Company's income is derived from continuing activities.

There are no recognised gains or losses for the current and preceding year other than those shown above. All funds are unrestricted.

FOUNDATION BALANCE SHEET AT 30 JUNE 2025

	Note	30 June 2025 £000	30 June 2024 £000
Fixed assets			
Tangible fixed assets	10	89	—
Investments	11	<u>368,230</u>	<u>360,626</u>
		368,319	360,626
Current assets			
Cash at bank and in hand		2,210	9,562
Debtors	12	<u>1,183</u>	<u>682</u>
		3,393	10,244
Creditors: amounts falling due within one year	14	<u>(22,856)</u>	<u>(18,184)</u>
Net current liabilities		(19,463)	(7,940)
Total assets less current liabilities		348,856	352,686
Creditors: amounts falling due after one year	15	<u>(15,541)</u>	<u>(14,080)</u>
Net assets		<u>333,315</u>	<u>338,606</u>
The funds of the charity			
Unrestricted – general fund		5,529	17,759
Revaluation reserve	18	<u>7,694</u>	<u>7,117</u>
Total general funds		13,223	24,876
Endowment funds		221,645	222,568
Revaluation reserve	18	<u>98,447</u>	<u>91,162</u>
Total endowment funds		<u>320,092</u>	<u>313,730</u>
Total charity funds	17	<u>333,315</u>	<u>338,606</u>

The financial statements on pages 62 to 77 were approved by the Trustees on 5 November 2025 and signed on their behalf by:


[Marina Wyatt \(Nov 5, 2025 14:31:04 GMT\)](#)
 Marina Wyatt, Trustee

Lloyd's Register Foundation
 Company registration number 07905861

FOUNDATION CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

		2025	2024
	Note	£000	£000
Cash flows from operating activities:			
Net cash used in operating activities	A	(20,512)	(25,371)
Cash flows from investing activities:			
Income from investments		12,994	29,590
Purchase of investments		(358,641)	(151,424)
Proceeds from sale of the investment portfolio		358,899	150,791
Purchase of tangible fixed assets		(92)	—
Net cash provided by investing activities		13,160	28,957
Change in cash and cash equivalents in the year		(7,352)	3,586
Cash and cash equivalents at the beginning of the year	B	9,562	5,976
Cash and cash equivalents at the end of the year	B	2,210	9,562

A. Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£000	£000
Net (expenditure) / income for the reporting year (as per the statement of financial activities)	(5,291)	29,965
Adjustments for:		
Depreciation	3	—
Gains on investments	(7,862)	(27,205)
Income from investments	(12,994)	(29,590)
Increase in debtors	(501)	(408)
Increase in creditors	6,133	1,867
Net cash used in operating activities	(20,512)	(25,371)

B. Analysis of cash and cash equivalents

	30 June 2024 £000	Cash flow £000	30 June 2025 £000
Cash at bank and in hand	9,562	(7,352)	2,210
Total cash and cash equivalents	<u>9,562</u>	<u>(7,352)</u>	<u>2,210</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Basis of accounting

Lloyd's Register Foundation ("the Foundation") is a private charitable company limited by guarantee, incorporated in the United Kingdom, registered in England and Wales and a registered charity. It is governed by its memorandum and articles.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments. They have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP") FRS102 "Accounting and Reporting by Charities" ("the Charities SORP"), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Foundation meets the definition of a public benefit entity under FRS102. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed in the Trustees' report on page 34.

The functional currency of the Foundation is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Foundation operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Foundation is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds represents costs associated with generating income from investment management.

Expenditure on charitable activities comprises all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities represents all the expenditure by the Foundation in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Foundation formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Foundation, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

Short-term employee benefits are recognised as an expense in the year in which they relate.

c. Tangible Fixed Assets – Office fittings and equipment

Tangible fixed assets are stated at cost, net of depreciation and impairment. Depreciation is provided using the straight-line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives of 8 years.

d. Investments

Listed and other investments within the investment portfolio are stated at market value. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment in the Trading Group (Lloyd's Register Group Limited), which is a social investment, is valued at cost less any impairment.

e. Cash

Items considered to be cash are those held in hand, in current accounts and on short-term deposit (where the term is less than three months) with recognised financial institutions.

f. Taxation and Value Added Tax

The Foundation is a UK registered charity and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The Foundation registered for VAT during the year ended 30 June 2025. Before becoming VAT registered the Foundation suffered irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

g. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 17.

h. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are recognised at their settlement amount while grant liabilities are discounted to net present value where the impact is material.

i. Significant accounting estimates and assumptions

The Foundation makes estimates and assumptions to produce the Financial Statements. The accounting estimates will, by nature, differ from the actual results. The key estimate that may have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year relates to the discounting of grant liabilities. The rate applied to discount grant liabilities payable after more than twelve months requires an estimate of the appropriate discount rate, as well as an estimate of when the liability will be called down as a claim to be paid. A discount rate of 6.0% (30 June 2024: 5.7%) has been applied based on the opportunity cost of income from investments foregone and considering the investment return objective. A 1.0% increase in the discount rate would reduce grant liabilities by £0.3 million while a 1.0% decrease in the discount rate would increase grant liabilities by £0.3 million. The discounted grant liability as at 30 June 2025 is £32.2m (2024: £29.9m). There are no other significant accounting estimates or judgements for the Foundation.

3. Investment income

	General funds £000	Endowment funds £000	Total 2025 £000	Total 2024 £000
Gift aid from Trading Group	5,000	—	5,000	20,000
Listed and other investments:				
Fixed Interest – UK	1,267	—	1,267	1,505
Fixed Interest – Overseas	202	—	202	—
Equities – UK	885	—	885	502
Equities – Overseas	3,612	—	3,612	2,999
Index Linked – Overseas	19	—	19	—
Pooled Funds	1,326	—	1,326	3,822
Cash Instruments	416	—	416	247
Bank interest	267	—	267	515
	<u>7,994</u>	<u>—</u>	<u>7,994</u>	<u>9,590</u>
Total	<u>12,994</u>	<u>—</u>	<u>12,994</u>	<u>29,590</u>

4. Expenditure on raising funds

Expenditure on raising funds represents investment management costs, which are charged to the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Analysis of expenditure on charitable activities

	Grants (note 6)	Direct costs	Support costs	2025
	£000	£000	£000	£000
Grant making activities:				
Safer Maritime Systems	6,376	215	1,096	7,687
Skilled People for Safer Engineering	2,049	71	352	2,472
Safer Sustainable Infrastructure	2,040	70	383	2,493
Heritage	2,615	89	452	3,156
Global Safety Evidence Centre	1,601	50	274	1,925
Write back of grants awarded under previous strategic themes	(596)	—	—	(596)
	<u>14,085</u>	<u>495</u>	<u>2,557</u>	<u>17,137</u>
Discounting of grant liabilities *	443	—	—	443
Total grant activities	<u>14,528</u>	<u>495</u>	<u>2,557</u>	<u>17,580</u>
Activities undertaken directly:				
Safer Maritime Systems	—	1,168	194	1,362
Heritage	—	2,872	477	3,349
Global Safety Evidence Centre	—	2,515	418	2,933
	<u>—</u>	<u>6,555</u>	<u>1,089</u>	<u>7,644</u>
	<u>14,528</u>	<u>7,050</u>	<u>3,646</u>	<u>25,224</u>

*Impact of unwinding the discounting of grants awarded in prior years and the change in discount rate. The impact of unwinding the discount of the grant liabilities is £508,000. The impact of changing the discount rate is a reduction in the expenditure of £65,000.

During the year, the Foundation started a new five-year strategy, the details of which can be found in the Strategic Report. As part of this new strategy, new grant making goals were established. The comparatives from the year ended 30 June 2024 for both Notes 5 and 6 have not been restated under these new strategic goals and instead have been presented under the strategic goals which were active at the time.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £3,646,000 (2024: £3,478,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property, and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £2,163,000 (2024: £2,023,000) and governance costs of £59,000 (2024: £68,000).

Governance costs are the fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £59,000 (2024: £68,000).

Analysis of expenditure by charitable activities in 2024 is shown below.

	Grants (note 6)	Direct costs	Support costs	2024
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,497	45	253	1,795
Goal 2: Challenge area: Safety at Sea	5,866	183	935	6,984
Goal 2: Challenge area: Safety of Food	(2)	—	—	(2)
Goal 2: Challenge area: Safety for a Sustainable Future	1,430	40	219	1,689
Goal 2: Challenge area: Skills for Safety	3,269	96	488	3,853
Heritage and education centre	1,090	29	163	1,282
Foundational	1,637	84	427	2,148
	<u>14,787</u>	<u>477</u>	<u>2,485</u>	<u>17,749</u>
Discounting of grant liabilities*	389	—	—	389
Total grant activities	<u>15,176</u>	<u>477</u>	<u>2,485</u>	<u>18,138</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,665	387	3,052
Goal 2: Challenge area: Safety of Food	—	—	—	—
Goal 2: Challenge area: Safety for a Sustainable Future	—	—	—	—
Heritage and education centre	—	2,959	429	3,388
Foundational	—	1,220	177	1,397
Total direct activities	<u>—</u>	<u>6,844</u>	<u>993</u>	<u>7,837</u>
	<u>15,176</u>	<u>7,321</u>	<u>3,478</u>	<u>25,975</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Grants awarded

Lloyd's Register Foundation achieves its mission through awarding charitable grants to fund research, intervention programmes and other impact-led initiatives. Grants awarded in the year ended 30 June 2025 are analysed by institution below.

	Number of grants	Global Safety Evidence Centre	Heritage	Safer Maritime Systems	Safer Sustainable Infra-structure	Skilled People for Safer Engineering	Grants awarded under previous themes	2025
		£000	£000	£000	£000	£000	£000	£000
Elohim Foundation	1	10	—	—	—	—	—	10
ITU Maritime Faculty	1	—	—	—	10	—	—	10
Aristotle University of Thessaloniki	1	—	10	—	—	—	—	10
Atlantic Pacific International Rescue Ltd	1	—	—	10	—	—	—	10
Bayes Business School, City St George's, University of London	1	—	—	10	—	—	—	10
Building and Wood Workers International (BWI)	1	250	—	—	—	—	—	250
Career Ready	1	—	—	—	—	5	—	5
Climate Ed	1	—	—	—	—	5	—	5
Coastal Forces heritage Trust	1	—	10	—	—	—	—	10
Commonwealth Engineers' Council - Aston University	1	—	—	—	—	63	—	63
Cranfield University	1	—	—	45	—	—	—	45
Danish Institute of Fire and Security Technology (DBI)	1	—	—	500	—	—	—	500
Data4Change	1	10	—	—	—	—	—	10
Engineers Board of Kenya	1	—	—	—	—	299	—	299
Fab Foundation Nepal	1	—	—	—	—	10	—	10
GIRT Scientific Divers Pty Ltd	1	—	10	—	—	—	—	10
Global Network of Civil Society Organisations for Disaster Reductions	1	250	—	—	—	—	—	250
Global Resilient Cities Network	1	250	—	—	—	—	—	250
Global Sustainable Futures Network CIC	1	—	—	10	—	—	—	10
Health and Safety Executive	1	—	—	—	312	—	—	312
IfM Engage University of Cambridge	1	—	—	—	189	—	—	189
IITNDT	1	—	—	—	—	2	—	2
IMRF	2	—	—	249	—	—	—	249
International Federation of the Red Cross and Red Crescent Societies	1	250	—	—	—	—	—	250
Kwame Nkrumah University of Science and Technology	1	—	—	—	—	10	—	10
Mankind Development Initiative	1	—	—	—	—	5	—	5
Maritime Archaeology Trust	1	—	10	—	—	—	—	10
Maritime Decarbonisation Hub	1	—	—	—	1,200	—	—	1,200
Maritime Museum Rotterdam	1	—	10	—	—	—	—	10
MaritimEA Research	1	—	10	—	—	—	—	10
Memorial University of Newfoundland	1	—	10	—	—	—	—	10
Moi University	1	—	—	—	—	10	—	10
MOI UNIVERSITY	1	—	—	—	—	612	—	612
Monash University	1	100	—	—	—	—	—	100
Museo historico de La Boca	1	—	10	—	—	—	—	10
National Archives	1	—	1,000	—	—	—	—	1,000
National Museums Liverpool	2	—	1,010	—	—	—	—	1,010
National University of Singapore	1	—	10	—	—	—	—	10
Nautical Archaeology Society	2	—	16	—	—	—	—	16
Onyia Construction	1	—	—	—	—	10	—	10
Queen Mary University of London (QMUL)	1	—	—	998	—	—	—	998
Queensland University of Technology	1	10	—	—	—	—	—	10
Rockefeller Philanthropy Advisors for Climate Champion Team	1	—	—	—	267	—	—	267
Royal Society for the Prevention of Accidents	1	66	—	—	—	—	—	66
SafetyTech Accelerator Limited	1	—	—	—	200	—	—	200
Sea2Carbon Ltd	1	—	—	10	—	—	—	10
Seafarers Charity	1	—	—	810	—	—	—	810
South African Weather Service - The UK Met Office	1	98	—	—	—	—	—	98
Subworx Ltd	1	—	10	—	—	—	—	10
Teesside University	1	—	—	10	—	—	—	10
The Nautical Institute	1	—	—	—	—	10	—	10
The Nautical Institute - Seafarers and Technology	1	—	—	990	—	—	—	990
The Ocean Foundation	1	—	152	—	—	—	—	152
The Oslo School of Architecture and Design (AHO)	1	—	—	919	—	—	—	919
The Society for the Documentation of Submerged Sites	1	—	10	—	—	—	—	10
The University of Auckland	1	—	—	10	—	—	—	10
UCL	1	—	—	—	—	255	—	255
UN Office for Disaster Risk Reduction	1	161	—	—	—	—	—	161
UNEP International Environmental Technology Centre	1	95	—	—	—	—	—	95
UNESCO Accredited NGOs c/o The Maritime Archaeology Trust	1	—	10	—	—	—	—	10
University of Coimbra	1	—	10	—	—	—	—	10
University of Essex	1	—	—	9	—	—	—	9
University of Greenwich	1	—	—	—	—	10	—	10
University of Groningen	1	42	—	—	—	—	—	42
University of Nottingham	1	9	—	—	—	—	—	9
University of Portsmouth	2	—	10	772	—	—	—	782
University of Pretoria	1	—	—	—	—	956	—	956
University of Queensland	1	—	—	50	—	—	—	50
University of Southampton	1	—	—	10	—	—	—	10
University of Strathclyde	2	—	—	250	—	5	—	255
University of Surbaya	1	—	—	—	8	—	—	8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

University of Tasmania	1	—	—	—	—	2	—	2
University of Wolverhampton	1	—	—	—	50	—	—	50
Voyage Solutions	1	—	—	—	—	10	—	10
World Economic Forum	1	—	—	947	—	—	—	947
World Monuments Fund Britain	1	—	509	—	—	—	—	509
Worldwide Ferry Association	1	—	—	10	—	—	—	10
Yildiz Technical University	1	—	—	228	—	—	—	228
Grant Adjustments*		—	(20)	(10)	(196)	(2)	(596)	(824)
	83	1,601	2,807	6,837	2,040	2,277	(596)	14,966
Impact of discounting grants awarded in the year			(192)	(461)		(228)		(881)
Net (excluding allocation of support costs)		1,601	2,615	6,376	2,040	2,049	(596)	14,085

*Grant adjustments are commitments which have been written back during the year, for example due to project underspend by a grantee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Grants awarded in the year ended 30 June 2024 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Under- standing Risk £000	Found- ational £000	2024 £000
Atlantic Pacific International Rescue Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Center of Maritime History Institute for Mediterranean Studies	1	—	—	—	—	—	—	—	—	—	10	10
IMRF	1	—	—	—	—	—	—	—	—	—	10	10
Pembrokeshire Coastal Forum CiC	1	—	—	—	—	—	—	—	—	—	10	10
Travel for research	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	10	10
University of Wolverhampton	1	—	—	—	—	—	—	—	—	—	10	10
Queensland University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
Strathclyde University	1	—	—	—	—	—	—	—	—	—	10	10
HELMEPA	1	—	—	—	—	—	612	—	—	—	—	612
International Maritime Organization	1	399	—	—	—	—	—	—	—	—	—	399
University of California Santa Barbara	1	—	—	—	—	—	—	—	206	—	—	206
Sea Shepherd Global	1	—	—	—	—	—	—	—	—	—	10	10
Nest Funding for Completing professional certificate courses	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	2	2
Climate Adaptation Works Ltd	1	—	—	—	—	—	—	—	—	—	10	10
International Congress of Maritime Museums	1	—	—	—	—	—	—	42	—	—	—	42
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	21	—	—	21
UArctic ry - Arctic Maritime Safety	1	—	—	—	—	—	—	90	—	—	—	90
The Seafarers' Charity	1	450	—	—	—	—	—	—	—	—	—	450
University of York	1	—	—	—	—	—	—	—	—	—	1,196	1,196
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	—	600	600
TWI Ltd - SEASEP	1	—	—	—	—	—	2,000	—	—	—	—	2,000
United Nations Global Compact	1	1,394	—	—	—	—	—	—	—	—	—	1,394
The Sustainable Shipping Initiative Limited	1	65	—	—	—	—	—	—	—	—	—	65
Global Manufacturing Organisation Limited	1	—	—	—	—	—	—	—	200	—	—	200
Delft University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
REV Ocean	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
The University of Queensland	1	—	—	—	—	—	—	—	—	—	10	10
Human Rights at Sea	1	—	—	—	—	—	—	—	—	—	10	10
Western Sydney University	1	—	—	—	—	—	—	—	—	—	10	10
MOI UNIVERSITY	1	—	—	—	—	—	—	—	—	—	10	10
RNLI	1	—	—	—	—	—	—	—	—	—	6	6
World Maritime Museum	1	—	—	—	—	—	—	—	—	—	10	10
National Sea Rescue Institute	1	—	—	—	—	—	—	—	—	—	8	8
Canadian Marine Careers Foundation	1	—	—	—	—	—	—	—	—	—	10	10
UArctic ry	1	—	—	—	—	—	—	410	—	—	—	410
GMG Group	1	—	—	—	—	—	—	—	—	—	10	10
International Maritime Law Institute (IMLI)	1	—	—	—	—	—	1,000	—	—	—	—	1,000
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	698	—	—	698
World Maritime University	1	399	—	—	—	—	—	—	—	—	—	399
University of Portsmouth	1	—	—	—	—	—	—	336	—	—	—	336
The University of Auckland	1	—	—	—	—	—	—	—	38	—	—	38
Travel to International Conference	1	—	—	—	—	—	—	—	—	—	2	2
UN High Level Climate Champions	1	—	—	—	—	—	—	—	—	—	462	462
University of Philippines Visayas Foundation	1	—	—	—	—	—	—	—	—	—	10	10
Practical Action	1	—	—	—	—	—	—	—	—	—	250	250
Interview seaplane pilots and other safety professionals in Canada	1	—	—	—	—	—	—	—	—	—	1	1
Resilience Rising	1	—	—	—	—	—	—	—	—	—	178	178
World Maritime University - Global Maritime University	1	164	—	—	—	—	—	—	—	—	—	164
The Alan Turing Institute	1	—	—	—	—	—	—	—	—	—	47	47
Northumbria University	1	—	—	—	—	—	—	—	247	—	—	247
IfM Engage	1	—	—	—	—	—	—	—	246	—	—	246

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Under- standing Risk £000	Found- ational £000	2024 £000
Maritime Decarbonisation Hub Phase 2	1	—	—	—	1,480	—	—	—	—	—	—	1,480
Catanduanes State University	1	—	—	—	—	—	—	—	47	—	—	47
Seoul National University	1	4,000	—	—	—	—	—	—	—	—	—	4,000
Museum of London Archaeology	1	—	—	—	—	—	—	212	—	—	—	212
Highland Archive Service, High Life Highland - Following the Fish: Stories of the Herring Girls	1	—	—	—	—	—	—	—	—	—	8	8
West Sussex County Council	1	—	—	—	—	—	—	—	—	—	7	7
Lancashire Archives & Local History, Lancashire County Council	1	—	—	—	—	—	—	—	—	—	9	9
Swansea University - A voyage of discovery on the Avon Searider	1	—	—	—	—	—	—	—	—	—	10	10
The Common Room of the Great North - Northern Coal Shipments: Navigating Global Impact in a Warming World	1	—	—	—	—	—	—	—	—	—	9	9
Maritime Archaeological Society of Finland - Identifying Potential "Lloyd's" Shipwrecks on the Gulf of Finland	1	—	—	—	—	—	—	—	—	—	10	10
Gloucestershire Archives - Gloucestershire Mariners	1	—	—	—	—	—	—	—	—	—	10	10
National Life Stories - Exploring Innovations in Maritime Safety	1	—	—	—	—	—	—	—	—	—	10	10
SS Great Britain Trust	1	—	—	—	—	—	—	—	—	—	10	10
Maritime Archaeology Sea Trust - Royal Navy Loss List interlinking with NMRN and MoD Salmo	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
Transaid Worldwide Services - Madereva Salama Zaidi	1	—	—	—	—	—	—	—	—	—	10	10
London South Bank University	1	—	—	—	—	—	—	—	—	—	9	9
National Historic Ships UK	1	—	—	—	—	—	—	—	—	—	10	10
EPFL	1	—	—	—	—	—	—	—	—	—	10	10
Grant Adjustments*	73	(399)	(2)	—	(50)	—	—	—	(206)	—	(1,223)	(1,880)
		6,472	(2)	—	1,430	—	3,612	1,090	1,497	—	1,885	15,984
Impact of discounting grants awarded in the year		(606)	—	—	—	—	(343)	—	—	—	(248)	(1,197)
		5,866	(2)	—	1,430	—	3,269	1,090	1,497	—	1,637	14,787

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Grants awarded but not paid

	2025 £000	2024 £000
At start of year	29,930	27,853
Awarded in the year	14,909	16,667
Unwinding of discounting (note 5)	443	389
Grant adjustments (note 6)	(824)	(1,880)
Grant adjustments written back in year and reported within other debtors	112	—
Paid in the year	(12,366)	(13,099)
At end of year	<u>32,204</u>	<u>29,930</u>

The aging of grants payable is shown in note 15.

8. Employees

	General funds £000	Endowment funds £000	2025 £000	2024 £000
Wages and salaries	3,461	—	3,461	3,114
Social security costs	396	—	396	296
Pension costs	422	—	422	397
	<u>4,279</u>	<u>—</u>	<u>4,279</u>	<u>3,807</u>

All employees are engaged in charitable activities. The average number of employees during the year was 50 (2024: 45).

Included within employee costs above is £307,000 (2024: £296,000) remuneration received by key management personnel which includes £27,000 of employer defined contribution pension costs (2024: £26,000). See note 31 of the consolidated financial statements for the key management personnel of the Foundation Group.

The following number of employees earned emoluments within the bands shown below. Emoluments include benefits in kind, but exclude employer defined contribution pension costs.

	2025 Number	2024 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	4	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	—
£100,001 - £110,000	1	—
£110,001 - £120,000	—	2
£120,001 - £130,000	1	2
£130,001 - £140,000	4	2
£160,001 - £170,000	1	1
£180,001 - £190,000	1	—
£260,001 - £270,000	—	1
£270,001 - £280,000	1	—

The Foundation made no termination payments during the current or prior year.

9. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £6,000 for reimbursement for out of pocket expenses (2024: £3,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Tangible Fixed Assets

	Office fittings and equipment £000
Cost:	
At 1 July 2024	—
Additions	92
At 30 June 2025	92
Depreciation:	
At 1 July 2024	—
Charged in year	3
At 30 June 2025	3
Net book value:	
At 30 June 2025	89
At 30 June 2024	—

11. Investments

	30 June 2025 £000	30 June 2024 £000
Investment portfolio at market value comprises:		
Fixed Interest – UK	30,024	29,467
Fixed Interest – Overseas	5,178	—
Equities – UK	23,645	7,419
Equities – Overseas	144,127	189,600
Index Linked - Overseas	1,119	—
Pooled Funds	116,033	82,618
Derivatives	326	(166)
Cash Instruments	4,453	8,071
Cash at investment managers and accrued interest	3,275	3,567
	328,180	320,576
Unlisted investments		
Investment in subsidiaries – social investment at cost less impairment	40,050	40,050
	368,230	360,626

Investment portfolio and cash held by investment managers	30 June 2025 £000	30 June 2024 £000
At start of year	317,009	289,810
Additions at cost	358,933	150,785
Disposal proceeds	(358,899)	(150,791)
Realised gains / (losses) on disposals	34,116	(7,630)
Unrealised (losses) / gains	(26,254)	34,835
At end of year	324,905	317,009
Cash at investment managers and accrued interest	3,275	3,567
	328,180	320,576

Subsidiaries (note 13)

The Foundation has invested £40,050,000 (2024: £40,050,000) in its only immediate subsidiary, Lloyd's Register Group Limited. The subsidiaries and joint ventures of Lloyd's Register Group Limited are shown in note 32 to Lloyd's Register Foundation Group Consolidated Financial Statements.

12. Debtors

	30 June 2025 £000	30 June 2024 £000
Other Debtors	819	—
Prepayments and accrued income	364	682
	1,183	682

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited, which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection, compliance services, expert advice and digital solutions to clients in the marine industry.

The summarised financial information of the consolidated Trading Group is provided below, as per the Trading Group's consolidated financial statements for the year ended 30 June 2025.

	2025	2024
	£000	£000
Turnover	667,720	546,617
Cost of sales	(381,520)	(347,338)
Gross profit	286,200	199,279
Administrative expenses	(236,989)	(214,611)
Administrative expenses before exceptional costs	(219,864)	(194,299)
Operating profit before exceptional costs	66,336	4,980
Exceptional costs	(17,125)	(20,312)
Operating profit / (loss)	49,211	(15,332)
Profit on disposal	619	—
Share of net operating loss of joint ventures	(208)	(759)
Net investment income	683	10,745
Interest payable and similar charges	(15,950)	(44)
Other finance income	790	1,874
Profit / (loss) before taxation	35,145	(3,516)
Tax on profit / (loss)	(55,709)	(12,432)
Loss for the financial year	(20,564)	(15,948)
	30 June 2025	30 June 2024
	£000	£000
Assets	1,341,738	1,170,462
Liabilities	(683,324)	(404,087)
Net Assets	658,414	766,375
Shareholder's funds	658,414	766,375

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Creditors: amounts falling due within one year

	30 June 2025 £000	30 June 2024 £000
Trade creditors	486	219
Amounts due to related companies	4,675	1,123
Grants payable	16,663	15,850
Accruals and deferred income	1,032	992
	22,856	18,184

15. Creditors: amounts falling due after one year

	30 June 2025 £000	30 June 2024 £000
Grants payable	15,541	14,080
	15,541	14,080

The timing of grants payable is shown in the table below:

	30 June 2025 £000	30 June 2024 £000
Due within one year	16,663	15,850
Due within 1-2 years	8,801	8,909
Due within 2-5 years	8,898	6,892
Due after 5 years	150	150
Impact of discounting	(2,308)	(1,871)
	15,541	14,080
Net grants payable	32,204	29,930

Of the net grants payable creditor of £32,204,000 (2024: £29,930,000), £1,300,000 (2024: £1,630,000) relates to grants payable to the trading group. These are discussed in more detail in note 20.

16. Financial Commitments

The Foundation has a contractual obligation to transfer up to £100m (2024: £100m) of the investment assets received from the Trading Group in September 2012 to the Lloyd's Register Superannuation Fund Association in the event of an insolvency of Lloyd's Register Group Limited. The Trustees consider the risk of insolvency, and therefore the risk of payment of the contingent liability, to be minimal. Additional funding commitments to related parties are detailed in note 20.

17. Funds

	30 June 2024 £000	Income £000	Expenditure £000	Other movements £000	30 June 2025 £000
Total general funds	24,876	12,994	(25,224)	577	13,223
Endowment funds:					
Expendable endowment	313,730	—	(923)	7,285	320,092
	338,606	12,994	(26,147)	7,862	333,315

Other movements relate to realised and unrealised gains and losses on investment assets.

	30 June 2023 £000	Income £000	Expenditure £000	Other movements £000	30 June 2024 £000
Total general funds	19,539	29,590	(25,975)	1,722	24,876
Endowment funds:					
Expendable endowment	289,102	—	(855)	25,483	313,730
	308,641	29,590	(26,830)	27,205	338,606

Other movements relate to realised and unrealised gains and losses on investment assets.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift was subsequently amended to adjust the contingent asset to £100m and extend the period at least until the finalisation of the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Revaluation reserve

	30 June 2024 £000	Unrealised gains £000	Realised revaluation reserve £000	30 June 2025 £000
General funds – revaluation reserve	7,117	(1,929)	2,506	7,694
Endowment funds:				
Expendable endowment	91,162	(24,325)	31,610	98,447
	<u>98,279</u>	<u>(26,254)</u>	<u>34,116</u>	<u>106,141</u>

	30 June 2023 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2024 £000
General funds – revaluation reserve	5,395	2,205	(483)	7,117
Endowment funds:				
Expendable endowment	65,679	32,630	(7,147)	91,162
	<u>71,074</u>	<u>34,835</u>	<u>(7,630)</u>	<u>98,279</u>

19. Analysis of net assets between funds

	General funds £000	Endowment funds £000	Total 30 June 2025 £000	Total 30 June 2024 £000
Fixed assets	48,227	320,092	368,319	360,626
Current assets	3,393	—	3,393	10,244
Creditors: amounts falling due within one year	(22,856)	—	(22,856)	(18,184)
Creditors: amounts falling due after one year	(15,541)	—	(15,541)	(14,080)
	<u>13,223</u>	<u>320,092</u>	<u>333,315</u>	<u>338,606</u>

	General funds £000	Endowment funds £000	Total 30 June 2024 £000	Total 30 June 2023 £000
Fixed assets	46,896	313,730	360,626	332,788
Current assets	10,244	—	10,244	6,250
Creditors: amounts falling due within one year	(18,184)	—	(18,184)	(19,911)
Creditors: amounts falling due after one year	(14,080)	—	(14,080)	(10,486)
	<u>24,876</u>	<u>313,730</u>	<u>338,606</u>	<u>308,641</u>

20. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

In accordance with the provisions of Financial Reporting Standard 102 the related party transactions entered into by the charity are detailed below. The transactions that arose were in the normal course of business.

Two grants have been awarded to the Trading Group during the year ended 30 June 2025:

- A £1,200,000 grant to support decarbonisation in the marine sector. £1,200,000 remains outstanding as at 30 June 2025.
- A £200,000 grant to support the SafetyTech Accelerator Programme. £100,000 remains outstanding as at 30 June 2025.

Additionally, during the year, a grant was awarded to a third party of which it is expected that £41,000 will be paid by the grant recipient to the SafetyTech Accelerator Programme to help achieve the aims of the original grant. £41,000 remains outstanding as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Two grants were awarded to the Trading Group during the year ended 30 June 2024:

- A £1,480,000 grant to support decarbonisation in the marine sector. £nil remains outstanding as at 30 June 2025. (2024: £1,480,000)
- A £600,000 grant to support the SafetyTech Accelerator Programme. £nil remains outstanding as at 30 June 2025. (2024: £150,000)

In addition to the grants provided, a further £3,312,000 may become payable to the Trading Group over the following two years, with the majority payable within the following year. The additional payments are dependent upon periodic reviews of the project outcomes. The commitments are planned to be funded from general funds, following receipt of future investment income.

During the year ended 30 June 2025, the Foundation was charged the following amounts from the Trading Group:

- £885,000 in respect of the provision of services including accommodation and IT support (2024: £1,013,000); and
- £450,000 in respect of Trading Group employees seconded to the Foundation (2024: £425,000).

The above recharges do not include any amounts in respect of services for key management personnel.

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP

Strategic report of the Foundation

The Foundation has a direct social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies ("the Trading Group"). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection, compliance services, expert advice and digital solutions to clients in the maritime sector. The activities of the Trading Group in furthering the charitable objects of the Foundation are discussed on pages 35 and 36.

The Foundation's consolidated total income for the year ended 30 June 2025 of £691.7 million (2024: £572.1 million) comprises of income recognised by the Trading Group of £683.7 million (2024: £562.5 million) and investment income recognised by the Foundation of £8.0 million (2024: £9.6 million). Income recognised by the Trading Group includes turnover of £667.7 million (2024: £546.6 million), investment income of £14.0 million (2024: £13.5 million), finance income relating to pensions of £1.4 million (2024: £2.4 million) and profit on disposal of discontinued operations of £0.6 million (2024: £nil million).

The Foundation's consolidated total expenditure for the year ended 30 June 2025 of £662.4 million (2024: £589.6 million) relates principally to the Trading Group of £637.7 million (2024: £564.9 million) with the remainder relating to the activities of the charitable entity.

Consolidated net assets for the Foundation at 30 June 2025 are £954.9 million (2024: £1,069.2 million), a decrease of £114.3 million from the prior year.

Net consolidated funds (cash and short term deposits less overdrafts) for the Foundation at 30 June 2025 are £159.7 million (2024: £123.3 million), an increase of £36.4 million from 30 June 2024.

The performance of the Charitable entity is discussed on pages 31 to 35 and the results of the Trading Group below.

Results of the Trading Group

This financial review of the Trading Group forms part of the strategic report.

The summarised financial information of the consolidated Trading Group is provided in note 18 to the consolidated financial statements, as per the Trading Group's consolidated financial statements for the year ended 30 June 2025.

Turnover for the year ended 30 June 2025 was £667.7 million (2024: £546.6 million).

Total Group operating profit before exceptional costs for the year ended 30 June 2025 was £66.3 million, (2024: £5.0 million).

Exceptional costs for the year of £17.1 million (2024: £20.3 million) relate to restructuring costs relating to globalisation of the Trading Group's processes and integration costs related to Ocean Technologies Group and LR OneOcean.

Statutory operating profit for the year, after exceptional costs, was £49.2 million (2024: loss of £15.3 million).

Financial position of the Trading Group

Net assets for the Trading Group at 30 June 2025 are £658.4 million (2024: £766.4 million), a decrease of £108.0 million.

Branches of the Group

The Lloyd's Register Foundation group (the Group) has branches, as defined in section 1046(3) of the Companies Act 2006, which are outside the UK.

Financial risk management policies and objectives

The Group is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include litigation, foreign exchange risk, credit risk, and interest rate risk.

Litigation

In the normal course of business, the Trading Group receives claims for compensation from clients and other associated parties. The Trading Group has in place appropriate policies and procedures to mitigate litigation risk. Although insurance cover is carried to mitigate this risk, the results of litigation can be uncertain and the Trading Group remains exposed to a potential shortfall in this cover.

Foreign exchange risk (price risk)

Foreign exchange exposure is an expected risk of operating across a number of geographies. The Trading Group monitors the impact of foreign exchange on a regular basis. Where possible, the Trading Group uses natural hedges (offsetting costs incurred in a particular currency against revenues earned in that currency) that arise from its normal operating activities to manage its foreign exchange exposures. Where cash-pooling is not permitted by local regulations, non-GBP entities submit cash to head office companies by paying dividends and management charges. Derivative financial instruments are used by the Group's third-party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Residual foreign exchange exposure is monitored and is considered tolerable.

Liquidity risk and going concern

The Group has net cash after overdrafts of £159.7 million (2024: £123.3 million). In addition, the Group holds an investment portfolio of £328.3 million (2024: £585.1 million) of which £nil (2024: £45.9 million) is held in escrow to make good the deficit on overseas defined benefit pension schemes in future periods.

The Trustees consider that the cash held by the Group, together with its investment portfolio, are sufficient to address the Group's liquidity requirements, both in the near and longer term.

The Trustees therefore have a reasonable expectation that the Foundation and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Credit risk

It is company policy to perform an assessment of the creditworthiness of new clients and, where appropriate, assign a credit limit to clients' accounts.

Interest rate risk

Derivative financial instruments are used by the Group's third party investment manager to manage the exposure to foreign exchange risk associated with the Foundation's investment portfolio. The Group has exposure to interest rate risk due to the external bank loan (note 21).

Further details of the Trading Group

Further details of the financial performance of the Trading Group is included within the Lloyd's Register Group Limited's statutory accounts.

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2025

	Note	Trading funds 2025 £000	General funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income						
Income from investments:						
Investment portfolio	4	1,715	7,727	—	9,442	16,410
Property	4	3,614	—	—	3,614	3,998
Other	4	8,685	267	—	8,952	2,631
Other finance income - pensions	24	1,388	—	—	1,388	2,400
Income from other trading activities	5	667,720	—	—	667,720	546,617
Profit on disposal of discontinued operations	14	619	—	—	619	—
Total income		683,741	7,994	—	691,735	572,056
Expenditure on raising funds						
Investment management costs		—	—	(923)	(923)	(855)
Cost of other trading activities		(636,880)	—	—	(636,880)	(563,605)
Unwinding of provision discounting	22	(598)	—	—	(598)	(526)
Net interest in the results for the year in joint ventures		(208)	—	—	(208)	(759)
Total costs of raising funds		(637,686)	—	(923)	(638,609)	(565,745)
Expenditure on charitable activities						
Total grants activities	7	—	(16,180)	—	(16,180)	(16,058)
Total direct activities	7	—	(7,644)	—	(7,644)	(7,837)
Total expenditure		(637,686)	(23,824)	(923)	(662,433)	(589,640)
Net income / (expenditure) before (losses) / gains on investments	11	46,055	(15,830)	(923)	29,302	(17,584)
Unrealised gains / (losses) on investments		(38,441)	(1,929)	(24,325)	(64,695)	45,627
Realised gains / (losses) on disposal of investments		25,110	2,506	31,610	59,226	(21,126)
Net (expenditure) / income before taxation		32,724	(15,253)	6,362	23,833	6,917
Taxation	10	(55,709)	—	—	(55,709)	(12,432)
Net (expenditure) / income		(22,985)	(15,253)	6,362	(31,876)	(5,515)
Transfers between funds		(2,579)	2,579	—	—	—
Foreign exchange differences on translation of net assets of overseas operations		(21,190)	—	—	(21,190)	(3,607)
Net actuarial movements on defined benefit pension schemes	24	(86,289)	—	—	(86,289)	(18,414)
Tax relating to components of other comprehensive income		25,082	—	—	25,082	2,931
Net movement in funds		(107,961)	(12,674)	6,362	(114,273)	(24,605)
Funds brought forward		766,375	(10,936)	313,730	1,069,169	1,093,774
Funds carried forward		658,414	(23,610)	320,092	954,896	1,069,169

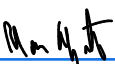
All amounts presented above relate to continuing operations.

There are no recognised gains or losses for the year other than those shown above. An analysis of the prior year funds is shown in note 6. All funds are unrestricted.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2025

	Note	30 June 2025 £000	30 June 2024 £000
Fixed Assets			
Goodwill	14	720,591	300,009
Other intangible fixed assets	15	25,013	23,790
Tangible assets	16	106,930	116,973
Investments	17	331,237	587,455
Interests in joint ventures: share of net assets	17	115	115
		1,183,886	1,028,342
Current assets			
Debtors falling due within one year	19	244,602	212,305
Debtors falling due after more than one year	19	16,407	12,688
Cash at bank and in hand		200,553	123,297
Pension surplus	24	23,277	123,527
		484,839	471,817
Creditors: amounts falling due within one year	20	(344,764)	(249,734)
Net current assets		140,075	222,083
Total assets less current liabilities		1,323,961	1,250,425
Creditors: amounts falling due after one year	21	(221,698)	(14,080)
Provisions for liabilities excluding pension deficits	22	(37,871)	(39,886)
Provisions for pension deficits	24	(109,496)	(127,290)
Net assets		954,896	1,069,169
The funds of the group	27,28		
Non charitable trading funds		666,329	735,847
Non charitable trading funds revaluation reserve	28	(7,915)	30,528
General fund		(31,304)	(18,053)
General fund revaluation reserve	28	7,694	7,117
Total unrestricted funds	27	634,804	755,439
Endowment funds		221,645	222,568
Endowment fund revaluation reserve	28	98,447	91,162
Total endowment funds	27	320,092	313,730
Total group funds		954,896	1,069,169

The financial statements on pages 81 to 115 were approved by the Trustees on 5 November 2025 and signed on their behalf by:


[Marina Wyatt \(Nov 5, 2025 14:31:04 GMT\)](#)
Marina Wyatt, Trustee

Lloyd's Register Foundation
Company registration number 07905861

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £000	2024 £000
Net cash inflow / (outflow) from operating activities	30	29,222	(24,979)
Cash flows from investing activities			
Decrease in loans		10	19
Proceeds from sale of investments		639,439	241,671
Proceeds from sale of tangible fixed assets		253	535
Purchase of investments		(373,688)	(244,825)
Purchase of intangible fixed assets		(10,488)	(5,019)
Purchase of tangible fixed assets		(10,633)	(16,328)
Interest paid		—	(44)
Investment income		22,008	23,083
Additional investment in existing joint ventures		(164)	(672)
Acquisition of subsidiaries including debt settled on acquisition, net of cash acquired		(432,945)	—
Disposal of subsidiaries		104	2,838
Gain on foreign exchange derivative settlement		3,038	—
Net cash (outflows) / inflows from investing activities		(163,066)	1,258
Cash flows from financing activities			
Interest paid on external loan and overdraft		(13,488)	—
Increase in overdraft		9,867	—
Net proceeds from bank loan		223,298	—
Net cash inflow from financing activities		219,677	—
Net increase / (decrease) in cash and cash equivalents		85,833	(23,721)
Cash and cash equivalents at beginning of year		123,297	150,822
Net increase / (decrease) in cash and cash equivalents		85,833	(23,721)
Effect of foreign exchange rate changes		(8,577)	(3,804)
Cash and cash equivalents at end of year		200,553	123,297

Reconciliation of net cash flow to movements in net funds / (debt)

Group	At 1 July 2024 £000	Cash flow £000	Acquisition of subsidiaries £000	Other movements £000	At 30 June 2025 £000
Cash and cash equivalents	123,297	518,778	(432,945)	(8,577)	200,553
Bank overdraft	—	(9,867)	(31,650)	647	(40,870)
External loan	—	(211,791)	—	5,634	(206,157)
Net funds / (debt)	123,297	297,120	(464,595)	(2,296)	(46,474)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. Basis of accounting and consolidation

The Group financial statements consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and derivative financial instruments. They have been prepared in accordance with the Statement of Recommended Practice FRS 102 "Accounting and Reporting by Charities" ("the Charities SORP"), with the exception of banding disclosures of employee benefits (excluding pension costs) in £10,000 bandings from £60,000 for employees of the Foundation's trading subsidiaries (see note 12), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed further in the Trustees' report on page 34.

The functional currency of the Group is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Group is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Turnover from surveys and inspections, which are the main activities of the Trading Group's Maritime business is recognised by reference to the stage of completion of the contract activity as at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs once the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Where revenue is recognised in advance of invoicing, the amounts are recorded as accrued income and included as part of debtors within prepayments and accrued income.

Turnover from the supply of recurring subscriptions for online software and learning tools, which is the main activity of the Trading Group's OneOcean business, is recognised over the period of the subscription as a proportion of the total service to be provided since the customer receives and benefits from the service simultaneously. This is determined based on the actual months of use relative to the total months of service set out in the contract. Turnover from the sale of goods and non-recurring services is recognised when the goods have been physically delivered to the customer or when the service has been provided.

Where the commercial effect of a transaction cannot be understood without reference to a series of transactions as a whole, revenue recognition is based on the group of transactions.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds includes costs associated with trading activities and investment management.

Expenditure on charitable activities comprise all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities are all the expenditure by the Foundation in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Group formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Group, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

c. **Tangible fixed assets**

Tangible fixed assets (other than investment properties) are stated at cost, net of depreciation and impairment.

Depreciation of tangible fixed assets is provided using the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives as follows:

Motor vehicles	5 years
Office fittings and equipment	8 years
Computer equipment	5 years
Plant and machinery	5 to 20 years
Freehold buildings	5 to 40 years
Leasehold improvements	Length of the lease

Depreciation is not provided in respect of freehold land as it is deemed to have an infinite useful life.

Investment properties relates to one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the profit and loss account. A valuation of the building is pro-rated according to the value of floor space occupied by third party tenants.

d. **Intangible fixed assets: goodwill**

Goodwill arises on the acquisition of subsidiary undertakings and businesses and represents the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired.

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

e. **Intangible fixed assets**

Intangible assets relating to purchased software are recognised at cost including any directly attributable costs of preparing the software for its intended use and amortised using the straight line method over their useful economic lives which are estimated to be from 3 to 11 years.

Provision is made for any impairment.

f. **Research expenditure**

Research expenditure is written off as incurred. Software development expenditure is capitalised as an intangible asset. For expenditure to be considered development activity, the following criteria must be met in full:

- i. It must be technically feasible for the software to be completed such that it would be available for use in its intended purpose.
- ii. The Group has the intention and the resources to complete the software development.
- iii. The Group has the ability to utilise the software.
- iv. The software being developed is expected to produce future economic benefits for the Group.
- v. Expenditure relating to the software during development can be reliably measured.

Capitalised development costs are amortised on a straight-line basis over the expected useful life of the software of up to 5 years. Amortisation of development costs commences when the software development is complete.

g. **Investments**

The investment portfolio is stated at market value. Unlisted investments are stated at cost less provision for impairment. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment properties includes one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the consolidated statement of financial activities. The valuation of the building is pro-rated according to the value of floor space occupied by third party tenants.

h. **Cash**

Items considered to be cash are those held in hand, in current accounts and on term deposit (where the term is less than three months) with recognised financial institutions.

i. **Taxation and Value Added Tax**

The Foundation is a UK registered charity, and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Trading Group includes companies and branches that operate overseas and that are subject to foreign tax. Direct tax relating to those entities is included within the consolidated financial statements as a trading cost, and analysed in note 10 to the financial statements. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Foundation registered for VAT during the year ended 30 June 2025. Before becoming VAT registered the Foundation suffered irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

j. **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less or to receive more tax in the future.

Deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

k. **Fund accounting**

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Non-charitable trading funds represent the accumulated surpluses and deficits retained within the Trading Group.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 27.

l. **Financial assets and liabilities:**

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments and derivative financial instruments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Income from quoted securities, which is recorded on an accruals basis, is recognised in investment income as are changes in the fair value of the remainder of the investment portfolio. The Group does not apply hedge accounting for any of its financial instruments.

m. **Foreign currencies:**

i. Foreign currency denominated assets and liabilities of the Group and its overseas operations are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities and accumulated in net funds.

ii. Income and expenditure for the year are translated at the appropriate rates prevailing during the year, updated on a monthly basis.

iii. Other exchange differences are shown in net income within the statement of financial activities except for exchange differences on monetary items receivable or payable from / to a foreign operation for which settlement is neither planned nor likely to occur (forming part of the net investment in the foreign operations) which are accumulated in net funds.

n. **Leases**

The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

o. **Rental income**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

p. Interest receivable

Interest receivable from bank and short term deposits includes interest accrued. Income from the investment portfolio is recorded on an accruals basis when the income becomes payable to the Group.

q. Short-term employee benefits

Short-term employee benefits are recognised as an expense in the period in which they relate.

r. Debt instruments

Debt instruments which comply with all of the conditions of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, it is considered whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

s. Pensions

For defined benefit schemes the amounts charged to costs of activities for generating funds are the costs arising from employee services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest income on the net defined benefit liability is charged to the statement of financial activities and included within other finance income - pensions. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

For defined contribution schemes the amount charged to the statement of financial activities account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

t. Investment in joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

u. Heritage assets

The Group's collection of pictures, furniture and fittings, ship models, books and archive material are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation charged on the grounds that for many of the assets, reliable historical cost information is not available and that the depreciated historical cost of these assets is now immaterial.

v. Provisions

Provision is made on a case-by-case basis in respect of defending claims received and where appropriate, the estimated cost of settling claims. Provisions for employee benefits arising on termination of employment, are recognised when a company is demonstrably committed to a formal plan for termination and is without realistic possibility of withdrawal from the plan.

w. Comparative balance sheet

The comparative consolidated balance sheet and related notes have been restated to reflect the following presentation updates which follows the statutory format as permitted under Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/310).

- i. Deferred tax assets are included within debtors falling due after one year.
- ii. Debtors falling due after one year are presented within current assets instead of fixed assets.
- iii. Balances relating to pension schemes in surplus are presented within current assets instead of fixed assets.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Critical judgements in applying the Group's accounting policies

The Trustees do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Group has long-term customer contracts under which service delivery can extend over a number of years. In accounting for such long-term contracts, an estimate is required of the costs to complete the contract to determine the percentage of completion, which is used to determine the amount of revenue to be recognised. These estimates are used to forecast the ultimate profitability of each contract. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the contract is recognised immediately. If the estimates change, the measurement of the percentage of completion will change, with a consequential remeasurement of cumulative revenue recognised to date on the contract. Consequently the determination of cost estimates on long-term customer contracts that span more than one accounting period are considered a critical judgement. However, there are no such long-term projects that are individually material to the Group's reported result. At 30 June 2025, the Group has recognised £53.4m of net deferred income in respect of long term contracts.

Pension plans

The Group operates pension schemes worldwide, including defined benefit pension schemes, the most significant of which is in the United Kingdom. For a description of the related accounting policies refer to Note 2 above. During the year, the Trustees of the main UK scheme entered into a bulk annuity contract ('buy-in') which minimises the risk of future actuarial movements since changes in the pension obligations are offset by changes in the insurance asset. Changes in significant assumptions on other schemes, with liabilities of £167.8m, could affect the amounts recorded, particularly the rate used to discount the projected benefit obligation. Note 24 to the financial statements describes the principal discount rate, salary increase, inflation, mortality and pension payment increase assumptions that have been used to determine the pension and post-retirement charges. The calculation of any charge relating to pensions is dependent on the assumptions used, which reflects the exercise of judgement. The assumptions adopted are made on advice of the Group's actuaries, prior experience and market conditions.

Goodwill impairment

The Group assesses at each reporting date whether there is any indication that the goodwill recognised in respect of acquisitions is impaired. Where an indicator is identified an impairment review is performed which requires the estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £720.6m (2024: £300.0m).

Goodwill useful economic life

The Group assesses the useful economic life of goodwill for all acquisitions. The OneOcean and Ocean Technologies Group acquisitions are significant for the group providing a stable customer base with recurring revenue streams, and significant long term synergies. Synergies are expected both from cross selling and cost efficiencies. The useful economic life of both acquisitions has been estimated at 20 years and resulted in a current year amortisation charge of £29.8m.

4. Investment income

	Trading funds £000	General funds £000	Endowment funds £000	Total funds 2025 £000	Total funds 2024 £000
Fixed Interest – UK	751	1,267	—	2,018	4,891
Fixed Interest – Overseas	—	202	—	202	—
Equities – UK	59	885	—	944	843
Equities – Overseas	426	3,612	—	4,038	5,210
Index Linked - Overseas	—	19	—	19	—
Pooled Funds	204	1,326	—	1,530	4,518
Cash Instruments	275	416	—	691	948
	<u>1,715</u>	<u>7,727</u>	<u>—</u>	<u>9,442</u>	<u>16,410</u>
Bank interest	5,647	267	—	5,914	2,631
Gain on foreign exchange forward contract	3,038	—	—	3,038	—
Income from UK investment property	<u>3,614</u>	<u>—</u>	<u>—</u>	<u>3,614</u>	<u>3,998</u>
	14,014	7,994	—	22,008	23,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Income from other trading activities

	2025	2024
Turnover by class of business of the Trading Group:	£000	£000
Maritime	540,330	459,686
OneOcean*	127,390	86,931
	667,720	546,617

* The previously reported LR OneOcean business line has been renamed OneOcean and includes the acquired Ocean Technologies Group.

Expenditure on raising funds

Costs of raising funds include investment management costs and all expenses of the Trading Group including those attributable to public benefit activities but excluding any charitable donations made directly by the Trading Group.

6. Breakdown of total funds for 2024

	Trading funds 2024	General funds 2024	Endowment funds 2024	Total funds 2024	Total funds 2023
	£000	£000	£000	£000	£000
Income					
Income from investments:					
Investment portfolio	7,335	9,075	—	16,410	19,029
Property	3,998	—	—	3,998	3,585
Other	2,116	515	—	2,631	2,628
Other finance income - pensions	2,400	—	—	2,400	2,524
Income from other trading activities	546,617	—	—	546,617	516,793
Profit on disposal of discontinued operations	—	—	—	—	15,842
Total income	562,466	9,590	—	572,056	560,401
Expenditure on raising funds					
Investment management costs	—	—	(855)	(855)	(863)
Cost of other trading activities	(563,605)	—	—	(563,605)	(525,591)
Unwinding of provision discounting	(526)	—	—	(526)	(361)
Net interest in the results for the year in joint ventures	(759)	—	—	(759)	(744)
Other	—	—	—	—	(649)
Total costs of raising funds	(564,890)	—	(855)	(565,745)	(528,208)
Expenditure on charitable activities					
Total grants activities	—	(16,058)	—	(16,058)	(15,930)
Total direct activities	—	(7,837)	—	(7,837)	(5,969)
Total expenditure	(564,890)	(23,895)	(855)	(589,640)	(550,107)
Net (expenditure) / income before gains / (losses) on investments	(2,424)	(14,305)	(855)	(17,584)	10,294
Unrealised gains / (losses) on investments	10,792	2,205	32,630	45,627	(973)
Realised losses on disposal of investments	(13,496)	(483)	(7,147)	(21,126)	(39,213)
Net (expenditure) / income before taxation	(5,128)	(12,583)	24,628	6,917	(29,892)
Taxation	(12,432)	—	—	(12,432)	(3,411)
Net (expenditure) / income	(17,560)	(12,583)	24,628	(5,515)	(33,303)
Transfers between funds	(18,388)	18,388	—	—	—
Acquisition of non-controlling interest	—	—	—	—	(5,354)
Foreign exchange differences on translation of net assets of overseas operations	(3,607)	—	—	(3,607)	(7,020)
Net actuarial movements on defined benefit pension schemes	(18,414)	—	—	(18,414)	(36,047)
Tax relating to components of other comprehensive income	2,931	—	—	2,931	11,702
Net movement in funds	(55,038)	5,805	24,628	(24,605)	(70,022)
Funds brought forward	821,413	(16,741)	289,102	1,093,774	1,163,796
Funds carried forward	766,375	(10,936)	313,730	1,069,169	1,093,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Analysis of expenditure on charitable activities

	Grants (note 8)	Direct costs	Support costs	2025
	£000	£000	£000	£000
Grant making activities:				
Safer Maritime Systems	6,376	215	1,096	7,687
Skilled People for Safer Engineering	2,049	71	352	2,472
Safer Sustainable Infrastructure	640	70	383	1,093
Heritage	2,615	89	452	3,156
Global Safety Evidence Centre	1,601	50	274	1,925
Write back of grants awarded under previous strategic themes	(596)	—	—	(596)
	<u>12,685</u>	<u>495</u>	<u>2,557</u>	<u>15,737</u>
Discounting of grant liabilities *	443	—	—	443
Total grant activities	<u>13,128</u>	<u>495</u>	<u>2,557</u>	<u>16,180</u>
Activities undertaken directly:				
Safer Maritime Systems	—	1,168	194	1,362
Heritage	—	2,872	477	3,349
Global Safety Evidence Centre	—	2,515	418	2,933
	<u>—</u>	<u>6,555</u>	<u>1,089</u>	<u>7,644</u>
	<u>13,128</u>	<u>7,050</u>	<u>3,646</u>	<u>23,824</u>

*Impact of unwinding the discounting of grants awarded in prior years and the change in discount rate. The impact of unwinding the discount of the grant liabilities is £508,000. The impact of changing the discount rate is a reduction in the expenditure of £65,000.

During the year, the Foundation started a new five-year strategy, the details of which can be found in the Strategic Report. As part of this new strategy, new grant making goals were established. The comparatives from the year ended 30 June 2024 for both Notes 7 and 8 have not been restated under these new strategic goals and instead have been presented under the strategic goals which were active at the time.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £3,646,000 (2024: £3,478,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property, and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £2,163,000 (2024: £2,023,000) and governance costs of £59,000 (2024: £68,000).

Governance costs are the fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £59,000 (2024: £68,000).

Analysis of expenditure by charitable activities in 2024 is shown below.

	Grants (note 8)	Direct costs	Support costs	2024
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,497	45	253	1,795
Goal 2: Challenge area: Safety at Sea	5,866	183	935	6,984
Goal 2: Challenge area: Safety of Food	(2)	—	—	(2)
Goal 2: Challenge area: Safety for a Sustainable Future	(50)	40	219	209
Goal 2: Challenge area: Skills for Safety	3,269	96	488	3,853
Heritage and education centre	1,090	29	163	1,282
Foundational	1,037	84	427	1,548
	<u>12,707</u>	<u>477</u>	<u>2,485</u>	<u>15,669</u>
Discounting of grant liabilities	389	—	—	389
Total grant activities	<u>13,096</u>	<u>477</u>	<u>2,485</u>	<u>16,058</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,665	387	3,052
Heritage and education centre	—	2,959	429	3,388
Foundational	—	1,220	177	1,397
Total direct activities	<u>—</u>	<u>6,844</u>	<u>993</u>	<u>7,837</u>
	<u>13,096</u>	<u>7,321</u>	<u>3,478</u>	<u>23,895</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Grants awarded

Lloyd's Register Foundation achieves its mission through awarding charitable grants to fund research, intervention programmes and other impact-led initiatives. Grants awarded in the year ended 30 June 2025 are analysed by institution below.

	Number of grants	Global Safety Evidence Centre	Heritage	Safer Maritime Systems	Safer Sustainable Infra-structure	Skilled People for Safer Engineering	Grants awarded under previous themes	2025
		£000	£000	£000	£000	£000	£000	£000
Elohim Foundation	1	10	—	—	—	—	—	10
ITU Maritime Faculty	1	—	—	—	10	—	—	10
Aristotle University of Thessaloniki	1	—	10	—	—	—	—	10
Atlantic Pacific International Rescue Ltd	1	—	—	10	—	—	—	10
Bayes Business School, City St George's, University of London	1	—	—	10	—	—	—	10
Building and Wood Workers International (BWI)	1	250	—	—	—	—	—	250
Career Ready	1	—	—	—	—	5	—	5
Climate Ed	1	—	—	—	—	5	—	5
Coastal Forces heritage Trust	1	—	10	—	—	—	—	10
Commonwealth Engineers' Council - Aston University	1	—	—	—	—	63	—	63
Cranfield University	1	—	—	45	—	—	—	45
Danish Institute of Fire and Security Technology (DBI)	1	—	—	500	—	—	—	500
Data4Change	1	10	—	—	—	—	—	10
Engineers Board of Kenya	1	—	—	—	—	299	—	299
Fab Foundation Nepal	1	—	—	—	—	10	—	10
GIRT Scientific Divers Pty Ltd	1	—	10	—	—	—	—	10
Global Network of Civil Society Organisations for Disaster Reductions	1	250	—	—	—	—	—	250
Global Resilient Cities Network	1	250	—	—	—	—	—	250
Global Sustainable Futures Network CIC	1	—	—	10	—	—	—	10
Health and Safety Executive	1	—	—	—	312	—	—	312
IfM Engage University of Cambridge	1	—	—	—	189	—	—	189
IITNDT	1	—	—	—	—	2	—	2
IMRF	2	—	—	249	—	—	—	249
International Federation of the Red Cross and Red Crescent Societies	1	250	—	—	—	—	—	250
Kwame Nkrumah University of Science and Technology	1	—	—	—	—	10	—	10
Mankind Development Initiative	1	—	—	—	—	5	—	5
Maritime Archaeology Trust	1	—	10	—	—	—	—	10
Maritime Museum Rotterdam	1	—	10	—	—	—	—	10
MaritimEA Research	1	—	10	—	—	—	—	10
Memorial University of Newfoundland	1	—	10	—	—	—	—	10
Moi University	1	—	—	—	—	10	—	10
MOI UNIVERSITY	1	—	—	—	—	612	—	612
Monash University	1	100	—	—	—	—	—	100
Museo historico de La Boca	1	—	10	—	—	—	—	10
National Archives	1	—	1,000	—	—	—	—	1,000
National Museums Liverpool	2	—	1,010	—	—	—	—	1,010
National University of Singapore	1	—	10	—	—	—	—	10
Nautical Archaeology Society	2	—	16	—	—	—	—	16
Onyia Construction	1	—	—	—	—	10	—	10
Queen Mary University of London (QMUL)	1	—	—	998	—	—	—	998
Queensland University of Technology	1	10	—	—	—	—	—	10
Rockefeller Philanthropy Advisors for Climate Champion Team	1	—	—	—	267	—	—	267
Royal Society for the Prevention of Accidents	1	66	—	—	—	—	—	66
Sea2Carbon Ltd	1	—	—	10	—	—	—	10
Seafarers Charity	1	—	—	810	—	—	—	810
South African Weather Service - The UK Met Office	1	98	—	—	—	—	—	98
Subworx Ltd	1	—	10	—	—	—	—	10
Teesside University	1	—	—	10	—	—	—	10
The Nautical Institute	1	—	—	—	—	10	—	10
The Nautical Institute - Seafarers and Technology	1	—	—	990	—	—	—	990
The Ocean Foundation	1	—	152	—	—	—	—	152
The Oslo School of Architecture and Design (AHO)	1	—	—	919	—	—	—	919
The Society for the Documentation of Submerged Sites	1	—	10	—	—	—	—	10
The University of Auckland	1	—	—	10	—	—	—	10
UCL	1	—	—	—	—	255	—	255
UN Office for Disaster Risk Reduction	1	161	—	—	—	—	—	161
UNEP International Environmental Technology Centre	1	95	—	—	—	—	—	95
UNESCO Accredited NGOs c/o The Maritime Archaeology Trust	1	—	10	—	—	—	—	10
University of Coimbra	1	—	10	—	—	—	—	10
University of Essex	1	—	—	9	—	—	—	9
University of Greenwich	1	—	—	—	—	10	—	10
University of Groningen	1	42	—	—	—	—	—	42
University of Nottingham	1	9	—	—	—	—	—	9
University of Portsmouth	2	—	10	772	—	—	—	782
University of Pretoria	1	—	—	—	—	956	—	956
University of Queensland	1	—	—	50	—	—	—	50
University of Southampton	1	—	—	10	—	—	—	10
University of Strathclyde	2	—	—	250	—	5	—	255
University of Surabaya	1	—	—	—	8	—	—	8
University of Tasmania	1	—	—	—	—	2	—	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

University of Wolverhampton	1	—	—	—	50	—	—	50
Voyage Solutions	1	—	—	—	—	10	—	10
World Economic Forum	1	—	—	947	—	—	—	947
World Monuments Fund Britain	1	—	509	—	—	—	—	509
Worldwide Ferry Association	1	—	—	10	—	—	—	10
Yildiz Technical University	1	—	—	228	—	—	—	228
Grant Adjustments*		—	(20)	(10)	(196)	(2)	(596)	(824)
	81	1,601	2,807	6,837	640	2,277	(596)	13,566
Impact of discounting grants awarded in the year			(192)	(461)		(228)		(881)
Net (excluding allocation of support costs)		1,601	2,615	6,376	640	2,049	(596)	12,685

*Grant adjustments are commitments which have been written back during the year, for example due to project underspend by a grantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Grants awarded in the year ended 30 June 2024 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Under- standing Risk £000	Found- ational £000	2024 £000
Atlantic Pacific International Rescue Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Center of Maritime History Institute for Mediterranean Studies	1	—	—	—	—	—	—	—	—	—	10	10
IMRF	1	—	—	—	—	—	—	—	—	—	10	10
Pembrokeshire Coastal Forum CIC	1	—	—	—	—	—	—	—	—	—	10	10
Travel for research	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	10	10
University of Wolverhampton	1	—	—	—	—	—	—	—	—	—	10	10
Queensland University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
Strathclyde University	1	—	—	—	—	—	—	—	—	—	10	10
HELMEPA	1	—	—	—	—	—	612	—	—	—	—	612
International Maritime Organization	1	399	—	—	—	—	—	—	—	—	—	399
University of California Santa Barbara	1	—	—	—	—	—	—	—	206	—	—	206
Sea Shepherd Global	1	—	—	—	—	—	—	—	—	—	10	10
Nest Funding for Completing professional certificate courses	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	2	2
Climate Adaptation Works Ltd	1	—	—	—	—	—	—	—	—	—	10	10
International Congress of Maritime Museums	1	—	—	—	—	—	—	42	—	—	—	42
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	21	—	—	21
UArctic ry - Arctic Maritime Safety	1	—	—	—	—	—	—	90	—	—	—	90
The Seafarers' Charity	1	450	—	—	—	—	—	—	—	—	—	450
University of York	1	—	—	—	—	—	—	—	—	—	1,196	1,196
TWI Ltd - SEASEP	1	—	—	—	—	—	2,000	—	—	—	—	2,000
United Nations Global Compact	1	1,394	—	—	—	—	—	—	—	—	—	1,394
The Sustainable Shipping Initiative Limited	1	65	—	—	—	—	—	—	—	—	—	65
Global Manufacturing Organisation Limited	1	—	—	—	—	—	—	—	200	—	—	200
Delft University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
REV Ocean	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
The University of Queensland	1	—	—	—	—	—	—	—	—	—	10	10
Human Rights at Sea	1	—	—	—	—	—	—	—	—	—	10	10
Western Sydney University	1	—	—	—	—	—	—	—	—	—	10	10
MOI UNIVERSITY	1	—	—	—	—	—	—	—	—	—	10	10
RNLI	1	—	—	—	—	—	—	—	—	—	6	6
World Maritime Museum	1	—	—	—	—	—	—	—	—	—	10	10
National Sea Rescue Institute	1	—	—	—	—	—	—	—	—	—	8	8
Canadian Marine Careers Foundation	1	—	—	—	—	—	—	—	—	—	10	10
UArctic ry	1	—	—	—	—	—	—	410	—	—	—	410
GMG Group	1	—	—	—	—	—	—	—	—	—	10	10
International Maritime Law Institute (IMLI)	1	—	—	—	—	—	1,000	—	—	—	—	1,000
World Maritime University	1	399	—	—	—	—	—	—	—	—	—	399
University of Portsmouth	1	—	—	—	—	—	—	336	—	—	—	336
The University of Auckland	1	—	—	—	—	—	—	—	38	—	—	38
UN High Level Climate Champions	1	—	—	—	—	—	—	—	—	—	462	462
Practical Action	1	—	—	—	—	—	—	—	—	—	250	250
Interview seaplane pilots and other safety professionals in Canada	1	—	—	—	—	—	—	—	—	—	1	1
Resilience Rising	1	—	—	—	—	—	—	—	—	—	178	178
World Maritime University - Global Maritime University	1	164	—	—	—	—	—	—	—	—	—	164
The Alan Turing Institute	1	—	—	—	—	—	—	—	—	—	47	47
Northumbria University	1	—	—	—	—	—	—	—	247	—	—	247
IfM Engage	1	—	—	—	—	—	—	—	246	—	—	246
Catanduanes State University	1	—	—	—	—	—	—	—	47	—	—	47
Seoul National University	1	4,000	—	—	—	—	—	—	—	—	—	4,000
Museum of London Archaeology	1	—	—	—	—	—	—	212	—	—	—	212
Highland Archive Service, High Life Highland - Following the Fish: Stories of the Herring Girls	1	—	—	—	—	—	—	—	—	—	8	8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra-structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Underst-anding Risk £000	Found-ational £000	2024 £000
Lancashire Archives & Local History, Lancashire County Council	1	—	—	—	—	—	—	—	—	—	9	9
Swansea University - A voyage of discovery on the Avon Searider	1	—	—	—	—	—	—	—	—	—	10	10
The Common Room of the Great North - Northern Coal Shipments: Navigating Global Impact in a Warming World	1	—	—	—	—	—	—	—	—	—	9	9
Maritime Archaeological Society of Finland - Identifying Potential "Lloyd's" Shipwrecks on the Gulf of Finland	1	—	—	—	—	—	—	—	—	—	10	10
Gloucestershire Archives - Gloucestershire Mariners	1	—	—	—	—	—	—	—	—	—	10	10
National Life Stories - Exploring Innovations in Maritime Safety	1	—	—	—	—	—	—	—	—	—	10	10
SS Great Britain Trust	1	—	—	—	—	—	—	—	—	—	10	10
Maritime Archaeology Sea Trust - Royal Navy Loss List interlinking with NMRN and MoD Salmo	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
Transaid Worldwide Services - Madereva Salama Zaidi	1	—	—	—	—	—	—	—	—	—	10	10
London South Bank University	1	—	—	—	—	—	—	—	—	—	9	9
National Historic Ships UK	1	—	—	—	—	—	—	—	—	—	10	10
EPFL	1	—	—	—	—	—	—	—	—	—	10	10
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	698	—	—	698
Travel to International Conference	1	—	—	—	—	—	—	—	—	—	2	2
University of Philippines Visayas Foundation	1	—	—	—	—	—	—	—	—	—	10	10
West Sussex County Council	1	—	—	—	—	—	—	—	—	—	7	7
Grant Adjustments*		(399)	(2)	—	(50)	—	—	—	(206)	—	(1,223)	(1,880)
	71	6,472	(2)	—	(50)	—	3,612	1,090	1,497	—	1,285	13,904
Impact of discounting grants awarded in the year		(606)	—	—	—	—	(343)	—	—	—	(248)	(1,197)
		5,866	(2)	—	(50)	—	3,269	1,090	1,497	—	1,037	12,707

9. Grants awarded but not paid

	2025 £000	2024 £000
As at 1 July	28,300	25,295
Awarded in the year	13,509	14,587
Unwinding of discounting (note 7)	443	389
Grant adjustments (note 8)	(824)	(1,880)
Grant adjustments written back in year and reported within other debtors	112	—
Paid in the year	(10,636)	(10,091)
As at 30 June	30,904	28,300

The aging of grants payable is shown in note 21.

10. Taxation

The Foundation is a UK registered charity and is not subject to UK corporation tax on its charitable activities.

Many companies and branches within the Trading Group are in jurisdictions where there is no such exemption, and so the overall Group is subject to tax.

	2025 £000	2024 £000
Current tax on net income / (expenditure)	£000	£000
UK corporation tax	185	29
Foreign tax	32,266	17,098
	32,451	17,127
Adjustment in respect of prior periods		
• UK corporation tax	151	(152)
• Foreign tax	(562)	(530)
Total current tax	32,040	16,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Deferred tax

Origination and reversal of timing differences	23,416	(1,885)
Adjustments in respect of previous periods	253	(2,128)
Total deferred tax	23,669	(4,013)
Total tax on net income / (expenditure)	55,709	12,432

The standard rate of tax applied to the reported loss is 25% (2024: 25%).

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group continues to monitor the impact of this legislation as further guidance is published and has performed an assessment of the impact of the UK's Pillar 2 rules based on prior periods. The impact of these rules is not expected to be material and the Group will continue to monitor other income tax developments in the territories in which it operates to understand their potential future impacts.

During the year beginning 1 July 2025, the net reversal of deferred tax assets and liabilities is expected to decrease the corporate tax charge for the year by £6.5 million (2024: £1.2 million). This is due to the reversal of timing differences expected within the next 12 months.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the net income before tax are as follows:

	2025	2024
	£000	£000
Net income / (expenditure) before taxation	23,833	6,917
Net income / (expenditure) multiplied by the average standard rate of United Kingdom corporation tax of: 25% (2024: 25%)	5,958	1,729
Effects of:		
• Pension buy in deferred tax impact*	24,665	—
• Tax exempt losses	(2,239)	(5,524)
• Overseas rate differences	309	(1,199)
• Goodwill amortisation not deductible for tax purposes	7,958	4,462
• Expenses not deductible for tax purposes	7,410	732
• Brought forward unprovided timing differences now recognised in year	(1,251)	(298)
• Impact of UK qualifying corporate donations	(1,302)	(5,000)
• Current year unprovided timing differences	5,486	6,583
• Fair value loss on investment property not subject to tax	4,152	5,720
• Other taxes	4,721	3,665
• Adjustments in respect of prior periods	(158)	(2,810)
• Lease surrender	—	4,372
Group tax charge for year	55,709	12,432

* Following the UK LRSFA pension buy-in (note 24), an actuarial loss has been recorded below net (expenditure) / income. The reduction in the deferred tax liability in respect of the reduction in surplus is similarly recorded below net (expenditure) / income. The deferred tax asset on UK losses of £24.7m has been written off since the offsetting deferred tax liability no longer exists. The write-off of deferred tax asset has been recorded in the taxation line in the consolidated statement of financial activities, where the benefit was originally recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Deferred tax (assets) / liabilities

	2025 £000	2024 £000
(Asset) / liabilities at 1 July	(9,830)	(1,788)
Arising in the year	(1,150)	(7,887)
Acquisition of business	(3,606)	—
Foreign exchange differences	(108)	(155)
Assets at 30 June	(14,694)	(9,830)
Deferred tax asset (note 19)	(16,407)	(12,688)
Deferred tax liability (note 22)	1,713	2,858
	(14,694)	(9,830)
Deferred tax is recognised as follows:		
Accelerated capital allowances	3,996	3,773
Deferred tax arising in relation to retirement benefit obligations	(1,594)	23,249
Tax losses	(10,602)	(35,851)
Other timing differences	(6,494)	(1,001)
	(14,694)	(9,830)

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of the financial statements. Deferred tax assets on short-term timing differences and any overseas losses have not been recognised unless the asset is expected to be recovered in the foreseeable future. Deferred tax assets not recognised amount to £92.3 million (2024: £24.3 million). Unrecognised assets will potentially become recoverable against future profits generated in the relevant overseas operations.

11. Net income / (expenditure) before (losses) / gains on investments

This is stated after charging / (crediting):

	2025 £000	2024 £000
Staff costs (note 12)	336,520	318,367
Charge for bad and doubtful debts	952	1,914
Research and development costs	11,134	8,459
Loss on disposal of fixed assets	30	70
Amortisation of intangible fixed assets (note 15)*	8,776	7,795
Depreciation and impairment of tangible fixed assets (note 16)	6,151	8,466
Amortisation of goodwill (note 14)*	32,779	18,563
Rentals payable under operating leases	19,994	19,507
Exceptional costs (note 18)	(17,125)	(20,312)
Auditor's remuneration:		
Audit of parent	59	68
Audit of subsidiaries	2,034	1,750
Other services	53	18
Tax compliance services	6	—
Foreign exchange loss	8,825	1,044

*Amortisation and impairment of intangible assets and impairment losses on trade debtors are included in cost of other trading activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Employees

	Trading funds £000	General funds £000	Total funds 2025 £000	Total funds 2024 £000
Wages and salaries	270,302	3,461	273,763	260,414
Social security costs	32,029	396	32,425	29,875
Pension costs (note 24)	29,910	422	30,332	28,078
	<u>332,241</u>	<u>4,279</u>	<u>336,520</u>	<u>318,367</u>

In addition, £6.5 million (2024: £4.0 million) of redundancy costs have been incurred.

The average number of employees, analysed by function was:

	2025	2024
	Number	Number
Charitable activities	50	45
Trading activities	4,113	3,719
	<u>4,163</u>	<u>3,764</u>

The Charities SORP, which is applicable to the Foundation, recommends that charities disclose the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards.

Employee benefit banding disclosures for the Foundation only employees are provided on page 72 in compliance with the requirements of the Charities SORP.

In addition, the Trustees are providing summary information on employee benefits in the Foundation's trading subsidiaries (the 'Trading Group'). The emoluments received by employees of the Trading Group in the year to 30 June 2025 were as follows: 2 employees received over £1,000,000; 7 employees received between £500,001 and £1,000,000; 2 employees received between £400,001 and £500,000; 5 employees received between £300,001 and £400,000; 44 employees received between £200,001 and £300,000; 460 employees received between £100,001 and £200,000; and 1,306 employees received between £60,001 and £100,000.

The Trustees have chosen, however, not to provide this disclosure on a consolidated basis in £10,000 bandings for the employees of the Foundation's trading subsidiaries (the 'Trading Group') as they believe that these disclosures will not be material to users of the Foundation's financial statements for the following reasons:

- In 2012, Lloyd's Register converted its status from an industrial and provident society to a company limited by shares, with the Foundation created as a new parent to hold the shares in Lloyd's Register Group Limited. One of the principal reasons for this action was to facilitate the furtherance of the charitable goals of Lloyd's Register. It is the view of the Trustees, that the employment of individuals within the Trading Group has not arisen from the deployment of the resources of the Foundation, but rather it is the endeavours of past and present employees of the Trading Group that have given rise to the ability to create a charity that is financially strong and that is capable of furthering its charitable objectives. The work of the Trading Group contributes to the achievement of the charitable objectives of the Foundation however to do so it is necessary to recruit employees with the necessary skills by offering employee benefits which are competitive within their respective markets. Accordingly, this disclosure is not necessary to enable potential stakeholders to assess whether the balance between expenditure on employment of individuals to generate trading profits (which benefit the charity) and expenditure on charitable purposes is appropriate.
- The Trading Group had an average of 4,113 employees for the year ended 30 June 2025 (2024: 3,719). These employees are located throughout the world and their salaries reflect local market conditions. Provision of the disclosure required by the Charities SORP for the consolidated group would not aid comparability with other companies in the Charities sector because of the vast geographical diversity of the Trading Group's employee base and the employee benefits received by Trading Group employees can only be understood in the context of the market trends in the many countries in which the Trading Group operates. The vast majority of the Trading Group's employees are not in roles which exist in other charitable groups, and therefore any benchmarking against similarly sized charitable groups would not be meaningful for stakeholders.

This disclosure addresses the requirement of Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100), which requires that when an entity does not provide a disclosure required by a Statement of Recommended Practice, the financial statements explain which recommended disclosures have not been provided and the reasons why.

13. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £6,000 for reimbursement for out of pocket expenses (2024: £3,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Goodwill

	Group £000
Cost:	
At 1 July 2024	363,574
Additions	496,070
Disposals	(858)
Exchange adjustment	(42,941)
At 30 June 2025	<u>815,845</u>
Amortisation:	
At 1 July 2024	63,565
Disposals	(288)
Charged during the year	32,779
Exchange adjustment	(802)
At 30 June 2025	<u>95,254</u>
Net book value:	
At 30 June 2025	<u>720,591</u>
At 30 June 2024	<u>300,009</u>

Acquisition: Ocean Technologies Group

On 22 November 2024, the Group acquired a 100% shareholding in the Pelican Topco Limited group by purchasing 100% of the issued share capital. There was £300.6m of cash consideration and £11.3m of acquisition costs. In addition, liabilities of £179.0m were settled on acquisition. There was no deferred or contingent consideration.

Pelican Topco Limited is the owner of Ocean Technologies Group, a supplier of global learning and operational technologies in the maritime industry. The acquisition has been accounted for using the acquisition method of accounting. The fair value of net liabilities acquired was £184.2m.

	Book Value £000	Fair Value Adjustments £000	Fair Value £000
Fixed assets	1,094	—	1,094
Current assets	22,438	—	22,438
Cash and cash equivalents	57,906	—	57,906
Overdraft	(31,650)	—	(31,650)
Current liabilities	(55,007)	—	(55,007)
Non-current liabilities	<u>(179,004)</u>	<u>—</u>	<u>(179,004)</u>
	<u>(184,223)</u>	<u>—</u>	<u>(184,223)</u>
 Total consideration payable			300,588
Acquisition expenses			11,259
Net liabilities acquired			<u>184,223</u>
Goodwill arising on acquisition			<u>496,070</u>

The useful economic life of goodwill arising on acquisition is estimated to be 20 years. Intangible assets included within goodwill includes the assembled workforce, company knowhow and future development potential.

The consolidated profit and loss account for the year ended 30 June 2025 includes the result of Pelican Topco Limited since the acquisition date and which contributed £34.1m of turnover and £4.7m of profit after taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Disposal: dKart

On 25 September 2024 the Group agreed to sell the trade and assets of dKart (part of the original acquisition of C-MAP), legally held by Lloyd's Register Voyage AS to Geophone.

Net liabilities disposed of and the related sale proceeds were as follows:

	£000
Creditors	(279)
Net liabilities	(279)
Net book value of goodwill disposed	570
Sale proceeds:	
Deferred consideration	806
Cash received	104
Profit on disposal	619
Net cash inflows in respect of the sale comprised:	
Cash and cash equivalents received	104

15. Intangible fixed assets

	Internally generated software development £000	Software £000	Total £000
Cost:			
At 1 July 2024	4,203	59,532	63,735
Additions	6,183	4,305	10,488
Exchange adjustment	(1,317)	—	(1,317)
At 30 June 2025	9,069	63,837	72,906
Amortisation:			
At 1 July 2024	769	39,176	39,945
Charged during the year	1,991	6,785	8,776
Exchange adjustment	(828)	—	(828)
At 30 June 2025	1,932	45,961	47,893
Net book value:			
At 30 June 2025	7,137	17,876	25,013
At 30 June 2024	3,434	20,356	23,790

The Group has developed a group-wide enterprise resource planning and financial reporting solution. The net book value as at 30 June 2025 was £7,082,000 (2024: £9,443,000). The intangible asset is being amortised over its estimated useful life of 11 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Tangible fixed assets

	Investment property* £000	Land and buildings £000	Leasehold improvements £000	Office fittings and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation:								
At 1 July 2024	68,301	49,923	18,169	34,946	3,282	8,843	905	184,369
Additions	6,993	1,365	116	337	279	1,425	118	10,633
Acquisition of business	—	—	8	14	—	1,072	—	1,094
Revaluations	(15,066)	—	—	—	—	—	—	(15,066)
Disposals	—	—	(23)	(827)	—	(245)	(1)	(1,096)
Exchange differences	—	—	(471)	(364)	(8)	(339)	(27)	(1,209)
At 30 June 2025	<u>60,228</u>	<u>51,288</u>	<u>17,799</u>	<u>34,106</u>	<u>3,553</u>	<u>10,756</u>	<u>995</u>	178,725
Depreciation:								
At 1 July 2024	—	16,523	13,435	31,456	1,901	3,419	662	67,396
Charged in year	—	648	685	985	166	2,023	104	4,611
Disposals	—	—	—	(799)	—	(13)	(1)	(813)
Impairment	—	1,540	—	—	—	—	—	1,540
Exchange differences	—	—	(457)	(348)	(7)	(111)	(16)	(939)
At 30 June 2025	<u>—</u>	<u>18,711</u>	<u>13,663</u>	<u>31,294</u>	<u>2,060</u>	<u>5,318</u>	<u>749</u>	71,795
Net book value:								
At 30 June 2025	<u>60,228</u>	<u>32,577</u>	<u>4,136</u>	<u>2,812</u>	<u>1,493</u>	<u>5,438</u>	<u>246</u>	<u>106,930</u>
At 30 June 2024	<u>68,301</u>	<u>33,400</u>	<u>4,734</u>	<u>3,490</u>	<u>1,381</u>	<u>5,424</u>	<u>243</u>	<u>116,973</u>

*77% (2024: 77%) of the mixed used property is classified as an investment property. Land and buildings includes freehold property in the United Kingdom with a net book value of £32,628,000 (2024: £32,737,000) and estimated market value of £24,296,000 (2024: £20,025,000).

Heritage Assets

Lloyd's Register Group Limited has accumulated a collection of heritage assets as described in the accounting policies. As a result of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. The latest insurance valuation of these assets was £7.0 million.

Investment property

Investment property includes one freehold property that is in mixed functional and investment use. Areas of the building occupied by or marketed to third party tenants are deemed to be in investment property use and are held at market value. A proportion of 77% (2024: 77%) is deemed an investment property, based on the value of space let or marketed to third party tenants. The property valuation was estimated by the directors having regard to the consideration agreed with a third party at the balance sheet date. If the investment property had not been revalued it would have been included at £24,708,000 (2024: £18,266,000).

As set out in note 4, rental income from investment properties for the year ended 30 June 2025 was £3,614,000 (2024: £3,998,000).

The Group leases the investment property to a portfolio of tenants. Lease agreements are up to 10 years and typically include rent review clauses. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2025 £000	2024 £000
Within one year	3,363	4,025
In the second to fifth years inclusive	7,583	11,924
After five years	3,548	8,138
	<u>14,494</u>	<u>24,087</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investments

	2025 £000	2024 £000
Investment portfolio at market value comprises:		
Fixed Interest – UK	30,024	128,437
Fixed Interest – Overseas	5,178	—
Equities – UK	23,645	12,448
Equities – Overseas	144,127	318,546
Pooled Funds	116,033	105,287
Derivatives	326	(166)
Index linked - overseas	1,119	—
Cash Instruments	4,453	8,071
	324,905	572,623
Cash at investment managers and accrued interest	3,425	12,486
	328,330	585,109
Long-term loans	51	61
Unlisted investments	2,856	2,285
	331,237	587,455
Investments in joint ventures: share of net assets	115	115
	331,352	587,570

At 30 June 2024, Investments with market value of £45.9m were held in a ring-fenced portfolio relating to the funding of pension liabilities outside the UK.

Investment portfolio and cash held by investment managers

	2025 £000	2024 £000
At start of year	572,623	527,035
Additions at cost	382,124	239,878
Disposals proceeds	(639,439)	(241,671)
Realised gain / (loss) on disposals	59,226	(21,126)
Unrealised (loss) / gains	(49,629)	68,507
At end of year	324,905	572,623
Cash held by investment managers and accrued interest	3,425	12,486
	328,330	585,109

Subsidiaries

A complete list of the subsidiaries and joint ventures is included in note 32.

Joint ventures

The following entities are treated as joint ventures of the Group:

Company	Share of company owned	Country of incorporation and registration	Principal activity
Lloyd's Maritime Information Services Ltd	50%	United Kingdom	Dormant
Common Structural Rules Software LLC	50%	United States of America	Software development

The shareholders' agreements in place for the above entities means that the Group does not have overall control of the Company despite the nominal level of ownership.

The following shows the share of net assets recognised by the Group for these entities:

	2025 £000	2024 £000
Lloyd's Maritime Information Services Limited	115	115
Common Structural Rules Software LLC	—	—
	115	115

At 30 June 2025 the Group's share of the net liabilities of Common Structural Rules Software LLC were £ nil (2024: £73,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited, which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection, compliance services, expert advice and digital solutions to clients in the marine industry.

The summarised financial information of the consolidated Trading Group position is provided below, as per the Trading Group consolidated accounts for the year ended 30 June 2025.

	2025 £000	2024 £000
Turnover	667,720	546,617
Cost of sales	(381,520)	(347,338)
Gross profit	286,200	199,279
Administrative expenses	(236,989)	(214,611)
Administrative expenses before exceptional costs	(219,864)	(194,299)
Operating profit before exceptional costs	66,336	4,980
Exceptional costs	(17,125)	(20,312)
Operating profit / (loss)	49,211	(15,332)
Profit on disposal of discontinued operations	619	—
Share of net operating loss of joint ventures	(208)	(759)
Net investment income	683	10,745
Interest payable and similar charges	(15,950)	(44)
Other finance income	790	1,874
Profit / (loss) before taxation	35,145	(3,516)
Taxation on loss	(55,709)	(12,432)
Loss for the financial year	(20,564)	(15,948)

	2025 £000	2024 £000
Assets	1,341,738	1,170,462
Liabilities	(683,324)	(404,087)
Net Assets	658,414	766,375
Shareholder's funds	658,414	766,375

Exceptional costs within administrative expenses

The Group has continued to incur material administrative expenses associated with its restructuring and development programmes along with costs related to:

Current year:

- £11.2m of restructuring costs relating to the globalisation of the Group's processes which includes £6.5m of redundancy costs.
- £5.9m of costs associated with the acquisition of OTG and OneOcean integration costs.

Prior year:

- £5.7m of restructuring costs relating to the globalisation of the Group's processes including the implementation and set-up costs of the Global Delivery Centres which includes £1.3m of redundancy costs.
- £5.2m of costs relating to the transformation of the Group's Technology and Innovation teams. This includes streamlining and consolidating the Group's IT partners and associated dual running costs and £2.7m of redundancy costs.
- An update of the assumptions in respect of an onerous lease resulted in a charge of £7.0m and is considered exceptional. The charge represents the expected costs to settle the lease obligations and impairment of capitalised leasehold improvements.
- £2.4m of LR OneOcean integration costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Debtors

Amounts falling due within one year

	2025 £000	2024 £000
Trade debtors	124,735	110,607
Other debtors	11,822	10,041
Prepayments and accrued income	99,443	80,016
Taxation recoverable	8,602	11,641
	244,602	212,305

Amounts falling due after more than one year

	2025 £000	2024 £000
Deferred tax assets (note 10)	16,407	12,688

20. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	32,204	39,657
Grants payable	15,363	14,220
Other creditors	6,061	4,968
Other taxation and social security	7,125	7,885
Taxation	21,831	13,779
Overdraft	40,870	—
Accruals and deferred income	221,310	169,225
	344,764	249,734

21. Creditors: amounts falling due after one year

	2025 £000	2024 £000
Grants payable	15,541	14,080
Bank loan	206,157	—
	221,698	14,080

Bank loans of £206,157,000 (2024: £nil) are classified as a basic financial instruments and are repayable after five years. The bank loan is secured on the assets of the OneOcean business line. Interest is payable on the loan at a variable rate of SOFR plus a variable margin of between 5.5% and 4.5% based on the total net leverage of the OneOcean subgroup. At 30 June 2025 the variable margin rate was 5.25%.

The timing of grants payable is shown in the table below:

	2025 £000	2024 £000
Due within one year	15,363	14,220
Due within 1-2 years	8,801	8,909
Due within 2-5 years	8,898	6,892
Due after 5 years	150	150
Impact of discounting	(2,308)	(1,871)
	15,541	14,080
Net grants payable	30,904	28,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Provisions for liabilities

	Legal claims £000	Employee related £000	Onerous lease £000	Deferred tax £000	Other £000	Total £000
At 1 July 2024	640	10,066	18,063	2,858	8,259	39,886
Exchange revaluation	(11)	1	—	390	(26)	354
Charged to statement of financial activities	555	11,252	—	23,449	192	35,448
Credited to statement of financial activities below net (expenditure) / income	—	—	—	(24,984)	—	(24,984)
Utilisation of provision	—	(6,777)	(4,039)	—	(2,615)	(13,431)
Unwinding of discount	—	—	598	—	—	598
At 30 June 2025	1,184	14,542	14,622	1,713	5,810	37,871

Legal claims: In the normal course of business, the Trading Group may receive claims for compensation from clients. Substantial insurance cover is carried for this purpose. Where appropriate, provision is made for the uninsured costs arising from such claims. Adequate provision has been made for the claims notified. The timing on these liabilities is dependent upon the conclusion of the continuing legal proceedings which typically span several years.

Employee related: Provision is made for redundancy and relocation costs with respect to the restructuring programmes in addition to certain employee benefits and repatriation of expatriate workers and other employment related costs. Settlement of these provisions is expected within two years.

Deferred tax: Liabilities are recognised in relation to deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax.

Onerous lease: Provision is made for the anticipated settlement of leasehold rental obligations where the space is vacant or currently not planned to be used for ongoing operations. Settlement of these provisions is expected within seven years.

Other: Included in this category are provisions maintained to meet contractual obligations to perform restoration on leasehold properties on exit. In addition, provision is made for losses on long-term contracts, expected liabilities on self-insurance programmes and other project related costs. With the exception of a small number of leasehold properties, settlement of these provisions is expected within 8 years.

23. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit and loss are summarised by category below.

Financial assets	2025 £000	2024 £000
Investments in investment portfolio (note 17)	324,905	572,623

The Group's gains and losses in respect of financial instruments are summarised in note 17. The fair value of investments in the investment portfolio is measured using market prices in an active market.

24. Retirement benefits

Defined benefit pension schemes

Worldwide

The Group operates pension schemes in many of the countries in which the Group operates including defined benefit final salary schemes. Assets of certain schemes are held separately from those of the Group ('funded' schemes) whilst others are unfunded.

UK

The main funded scheme, the Lloyd's Register Superannuation Fund Association ('LRSFA') was closed to future accrual from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The most recent completed valuation was carried out as at 31 March 2022. This showed that the funding position of the scheme had improved from the previous valuation, a funding surplus of £23m on a technical provisions basis (31 March 2019: a shortfall of £17m). As a result of the surplus, no recovery contributions are required from the Lloyd's Register Group Limited (2024: no recovery contributions). The Trustees of the LRSFA entered into a bulk annuity contract ('buy-in') in October 2024 when an insurance contract was purchased using scheme assets. The assets of the plan are equal to the value of the buy-in policy plus any residual invested assets and bank balances. Contributions of £0.1m (2024: £1.3m) were made to fund administration expenses of the scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other long-term employee benefits

The Group also contributes to other long-term schemes which provide other benefits. Significant employee benefits are as follows:

- USA: provision of medical insurance for retired employees subject to age qualification restrictions. This benefit is unfunded with an obligation at 30 June 2025 of £0.8m (2024: £0.9m).
- Korea: provision of a statutory lump sum payable to qualifying employees on leaving service. This is a funded benefit with an obligation at 30 June 2025 of £10.1m (2024: £9.6m), assets of £3.2m (2024: £3.5m) a net obligation of £6.9m (2024: £6.1m).
- UK: the UK has other benefits schemes. These benefits are unfunded with an obligation at 30 June 2025 of £4.7m (2024: £5.9m).

Long-term unfunded employee benefits included within provisions are:

- UK: £8.8m (2024: £7.7m) in respect of the Trading Group's Executive Directors and Executive Leadership team participation in a Long Term Incentive Plan.
- Australia: £1.2m (2024: £1.2m) provision for paid sabbatical leave.

Assumptions

The disclosures have been calculated by qualified independent actuaries, based on the assumptions of the Directors of the Trading Group and the most recent full actuarial valuations for funded schemes (completed at various dates) and updated to 30 June 2025.

The value of the defined benefit liabilities has been measured using the projected unit method.

The financial assumptions used at 30 June 2025 and 30 June 2024 for the different areas are summarised below.

	UK ⁽¹⁾		Japan ⁽²⁾		Eurozone ⁽³⁾		Rest of the World ⁽⁴⁾	
	2025	2024	2025	2024	2025	2024	2025 ⁽⁵⁾	2024 ⁽⁵⁾
Liabilities:	%	%	%	%	%	%	%	%
Rate of price inflation	2.9	3.2	2.0	1.0	2.1	2.3	Nil to 2.0	Nil to 2.0
Rate of increase in salaries	n/a	n/a	2.0	1.8	2.1	2.3	Nil to 5.5	Nil to 5.5
Rate of increase in pensions	Various	Various	1.6	0.8	Nil to 2.1	Nil to 2.3	Nil to 5.0	Nil to 5.0
Discount rate	5.7	5.2	2.4	1.8	3.2 to 3.9	3.6 to 3.8	3.5 to 7.0	4.3 to 7.2

⁽¹⁾ Main United Kingdom funded scheme.

⁽²⁾ Japanese unfunded liability.

⁽³⁾ The Eurozone rates have been used to assess the overall deficit within the separate funded schemes in Europe.

⁽⁴⁾ This represents a grouped disclosure for the remaining liabilities.

⁽⁵⁾ Represents the range of assumptions used for the countries covered in the region.

For mortality tables, the Group has used various different tables appropriate to the territory under review.

The most significant contribution to the Group pension liability is from the United Kingdom. The base mortality table for the UK and the weightings applied to it are unchanged from the last financial reporting period and in line with the best estimate assumption derived as part of the assumption setting process for the latest completed statutory funding valuation. The future mortality improvement model has been updated since the last financial reporting period to reflect the latest analysis from the Continuous Mortality Investigation (CMI). The UK mortality assumption adopted for the 30 June 2025 accounts is the self-administered pension schemes (SAPS) "S3NA" tables with a 100% (102%) weighting for males (females) and future long term improvements based on the CMI 2023 model with a long-term improvement rate of 1.25% p.a., a smoothing parameter of 7, an initial addition parameter of nil with no weighting placed on mortality experience data in 2020 and 2021 and a 15% weighting for 2022 and 2023.

The assumptions shown above are arrived at following discussion with, and in accordance with advice received from the scheme actuaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts recognised in the consolidated balance sheet:

	United Kingdom		Japan		Eurozone		Rest of the World		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	9.9	52.4	—	—	0.1	0.1	12.0	12.6	22.0	65.1
Equity instruments	—	—	—	—	2.4	2.4	5.0	5.7	7.4	8.1
Debt instruments	0.9	669.6	—	—	2.6	2.6	33.1	36.5	36.6	708.7
Other	560.6	—	—	—	10.3	10.0	6.7	6.9	577.6	16.9
Market value of assets	571.4	722.0	—	—	15.4	15.1	56.8	61.7	643.6	798.8
Present value of scheme liabilities	(562.0)	(613.4)	—	—	(15.6)	(16.4)	(52.3)	(55.6)	(629.9)	(685.4)
	9.4	108.6	—	—	(0.2)	(1.3)	4.5	6.1	13.7	113.4
Present value of unfunded liabilities	(4.7)	(5.9)	(23.1)	(22.5)	(33.8)	(35.3)	(38.3)	(53.5)	(99.9)	(117.2)
Net pension asset / (liability)	4.7	102.7	(23.1)	(22.5)	(34.0)	(36.6)	(33.8)	(47.4)	(86.2)	(3.8)

The net pension asset is reported on the balance sheet as:

	30 June 2025	30 June 2024
	£m	£m
Pension surplus	23.3	123.5
Pension liability	(109.5)	(127.3)
Net pension asset	(86.2)	(3.8)

Amounts recognised within income and expenditure (statement of financial activities):

	2025	2024
	£m	£m
Current service cost	1.9	1.9
Curtailment losses / (gains)	—	0.3
Administrative expenses	3.5	3.0
	5.4	5.2
Interest cost on schemes' liabilities	38.3	39.3
Interest income on schemes' assets	(39.7)	(41.7)
Total amount included under other finance income	(1.4)	(2.4)

In addition, there is a charge in respect of contributions to defined contribution plans for the year of £24.5m (2024: £22.5m).

The actual return on scheme assets for the year to 30 June 2025 was a loss of £103.2m (2024: gain of £28.8m).

Amounts recognised in the Consolidated Statement of Comprehensive Income (statement of financial activities):

	2025	2024
	£m	£m
Loss on pension scheme assets	(142.9)	(12.9)
Experience losses	(4.6)	(4.0)
Change in assumptions	61.2	(1.5)
Actuarial loss	(86.3)	(18.4)

Changes in the present value of the defined benefit obligations are as follows:

	2025	2024
	£m	£m
Opening defined benefit obligation	(802.6)	(810.5)
Current service cost	(1.9)	(1.9)
Curtailments	—	(0.3)
Interest cost	(38.3)	(39.3)
Actuarial gain / (loss)	56.6	(5.5)
Exchange gain	3.0	4.6
Benefits paid	53.4	50.3
Closing defined benefit obligation	(729.8)	(802.6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Changes in the market value of plan assets are as follows:

	2025 £m	2024 £m
Opening market value of plan assets	798.8	814.1
Expected return on plan assets	39.7	41.7
Benefits and expenses paid	(56.9)	(53.3)
Employer contributions	9.2	10.6
Actuarial loss on assets	(142.9)	(12.9)
Exchange loss	(4.3)	(1.4)
Closing market value of plan assets	643.6	798.8

25. Financial commitments

	2025 £000	2024 £000
In respect of bank guarantees	4,392	4,423
Escrow account for pension schemes	—	45,929
	4,392	50,352

The Group has issued guarantees to its customers and other stakeholders in relation to its contractual operations in compliance with local legislation and industry practice. The Directors do not assess the likelihood of transferring economic benefits in respect of these guarantees to be probable. No associated liability has been recognised on the Group's Consolidated Balance Sheet.

At 30 June 2024, the investment portfolio and cash held at investment managers included £45.9 million which was held in a ring-fenced portfolio relating to the funding of pension liabilities outside of the UK.

In November 2022, the Group committed SGD 5m for shares in Rainmaking Ventures (S) VCC attributable to Motion Ventures Fund 1. As at 30 June 2025, the group has paid of SGD 5m (30 June 2024: SGD 4m) of the total commitment.

At 30 June 2025 the Group had no capital commitments (30 June 2024: £3.4m).

In April 2024, the Group entered into an agreement with five external stakeholders to create the Maritime Emissions Reduction Centre, a not-for-profit company established in Greece. The objective of the company is to address the barriers towards the adoption of energy-saving technologies and practices in the maritime industry. As part of this agreement, the Group has committed to funding €340,000 per annum for five years. At 30 June 2025, a commitment of €1,360,000 (30 June 2024: €1,700,000) remains unpaid.

26. Operating lease commitments

At 30 June 2025, the Group had total future lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2025 £000	2024 £000	2025 £000	2024 £000
Within one year	8,627	9,041	3,485	3,998
Between two to five years	22,941	24,358	4,762	5,451
After five years	9,277	13,697	—	—
	40,845	47,096	8,247	9,449

27. Funds

Trading funds are the retained reserves of the Trading Group, and include the Trading Group's pension deficit.

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2025					
Trading funds	766,375	683,741	(637,686)	(154,016)	658,414
General funds	(10,936)	7,994	(23,824)	3,156	(23,610)
Endowment funds:					
Expendable endowment	313,730	—	(923)	7,285	320,092
	1,069,169	691,735	(662,433)	(143,575)	954,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2024					
Trading funds	821,413	562,466	(564,890)	(52,614)	766,375
General funds	(16,741)	9,590	(23,895)	20,110	(10,936)
Endowment funds:					
Expendable endowment	289,102	—	(855)	25,483	313,730
	<u>1,093,774</u>	<u>572,056</u>	<u>(589,640)</u>	<u>(7,021)</u>	<u>1,069,169</u>

Other movements include realised and unrealised gains and losses on investment assets, taxation charge and also include transfers between funds, foreign exchange differences on the translation of net assets in overseas operations and actuarial movements relating to defined benefit pension schemes.

Transfers between funds relates to a gift from the Trading Group to the Foundation and grants from the Foundation to the Trading Group.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were amended in the prior year to adjust the contingent asset to £100m and extend the period at least until the finalisation of the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

28. Revaluation reserve

	Brought forward £000	Unrealised gains arising in year £000	Released from revaluation reserve in year and other movements £000	Total £000
30 June 2025				
Trading funds – investment portfolio	23,377	(23,375)	(2)	—
Trading funds – investment property	7,151	(15,066)	—	(7,915)
General fund revaluation reserve	7,117	(1,929)	2,506	7,694
Endowment funds:				
Expendable endowment	91,162	(24,325)	31,610	98,447
	<u>128,807</u>	<u>(64,695)</u>	<u>34,114</u>	<u>98,226</u>
30 June 2024				
Trading funds – investment portfolio	(10,300)	33,672	5	23,377
Trading funds – investment property	30,031	(22,880)	—	7,151
General fund revaluation reserve	5,395	2,205	(483)	7,117
Endowment funds:				
Expendable endowment	65,679	32,630	(7,147)	91,162
	<u>90,805</u>	<u>45,627</u>	<u>(7,625)</u>	<u>128,807</u>

29. Fund distribution

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2025 £000
Non-current assets	855,617	8,177	320,092	1,183,886
Current assets	481,446	3,393	—	484,839
Creditors: amounts falling due within one year	(329,800)	(14,964)	—	(344,764)
Creditors: amounts falling due after one year	(206,157)	(15,541)	—	(221,698)
Provisions	(37,871)	—	—	(37,871)
Pension deficit	(109,496)	—	—	(109,496)
Inter-fund balance	4,675	(4,675)	—	—
	<u>658,414</u>	<u>(23,610)</u>	<u>320,092</u>	<u>954,896</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2024 £000
Non-current assets	707,766	6,846	313,730	1,028,342
Current assets	461,573	10,244	—	471,817
Creditors: amounts falling due within one year	(236,911)	(12,823)	—	(249,734)
Creditors: amounts falling due after one year	—	(14,080)	—	(14,080)
Provisions	(39,886)	—	—	(39,886)
Pension deficit	(127,290)	—	—	(127,290)
Inter-fund balance	1,123	(1,123)	—	0
	766,375	(10,936)	313,730	1,069,169

30. Reconciliation of operating surplus / (deficit) to net cash inflow / (outflow) from operating activities

	2025 £000	2024 £000
Net income / (expenditure) before taxation and other recognised gains and losses	29,302	(17,584)
Profit on disposal of discontinued operations	(619)	—
Net interest in the results for the year in joint ventures	208	759
Pension interest cost	(1,388)	(2,400)
Loss on disposal of fixed assets	30	70
Exchange adjustment	11,343	(2,600)
Depreciation and impairment charges relating to fixed assets	6,151	8,466
Amortisation and impairment charges relating to intangibles	41,555	26,358
Increase in debtors	(12,092)	(2,265)
(Decrease) / increase in creditors	(5,207)	17,609
Decrease in provisions	(1,432)	(3,426)
Foreign tax paid	(29,112)	(22,913)
Foreign tax received	2,726	900
Defined benefit contributions in excess of funds charges	(3,720)	(5,715)
Curtailed (gain) / loss	(25)	275
Interest paid	15,950	—
Net investment income	(24,448)	(22,513)
Cash used in operations	29,222	(24,979)

Cash at bank and in hand includes cash held in local bank accounts in countries where exchange controls or other legal restrictions mean the balances are not available for general use by the Company or other Group subsidiaries. In total, £16.4m (2024: £18.6m) of cash was held by overseas entities which cannot be remitted to other Group entities. In addition to these balances, the immediate movement of cash assets held by other Group entities is subject to compliance with local regulation and legal restrictions; however the Group does not consider this cash unavailable for use by the Group. Countries where such restrictions exist and significant cash balances are held are China £35.2m (2024: £23.1m) due to exchange controls and Korea £18.0m (2024: £14.7m) where remittance is permitted following external audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

The Foundation defines its key management personnel as the Board of Directors and the Executive Leadership Team. The total remuneration for key management personnel for the year ended 30 June 2025 totalled £9,636,000 (2024: £11,302,000).

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the year to 30 June 2025:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2025 £000
Subsidiaries			
Lloyd's Register Middle East LLC	957	(801)	(2,957)
Lloyd's Register Oman LLC	97	(298)	2,675
Lloyd's Register Qatar LLC	562	(485)	656
Lloyd's Register Services (Malaysia) Sdn. Bhd	158	(137)	(324)
Lloyd's Register Algeria SARL	62	—	(103)

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the year ended 30 June 2024:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2024 £000
Subsidiaries			
Lloyd's Register Middle East LLC	1,100	(489)	(1,521)
Lloyd's Register Oman LLC	45	(355)	2,526
Lloyd's Register Qatar LLC	333	(91)	1,334
Lloyd's Register Services (Malaysia) Sdn. Bhd	226	(8)	(176)
Lloyd's Register Algeria SARL	52	—	(64)

During the year the Group has increased its investments in Common Structural Rules Software LLC from \$23,775,000 to \$24,000,000.

The Company provides administrative services to the Group's pension schemes. The following transactions took place between Lloyd's Register Group Limited and Lloyd's Register Superannuation Fund Association:

	2025 £000	2024 £000
Administrative services provided	240	240
Administrative services payable	240	240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Group companies

The following are the subsidiaries and joint ventures of the Group at 30 June 2025. All subsidiaries are consolidated. Details are given of the principal country of operation. The equity share capital of these entities is wholly owned by the Group except where its percentage interest is shown otherwise. All companies are incorporated in their principal country of operation except where stated.

There are five entities included in the below list where the Group owns less than 50% of the subsidiary. All of these entities are incorporated in countries where local legislation requires local nationals to hold at least 50% of the issued share capital of each company. For each of these entities, arrangements exist which afford the Group control of the company's financial and operating policies so as to obtain benefit from its activities.

Company	Country of Origin	Registered Address	% of Ownership
Classification and Quality Services Ltd	UK	71 Fenchurch Street, London, England, EC3M 4BS	100
Classification Holdings Ltd	UK		100
Lloyd's Maritime Information Services Ltd	UK		50
Lloyd's Register Asia	UK		100
Lloyd's Register Asia Trustees Limited	UK		100
Lloyd's Register Central and South America Ltd	UK		100
Lloyd's Register EMEA	UK		100
Lloyd's Register EMEA Trustees Ltd	UK		100
Lloyd's Register GMT Ltd	UK		100
Lloyd's Register Group Limited	UK		100
Lloyd's Register Group Services Limited	UK		100
Lloyd's Register International	UK		100
Lloyd's Register Limited	UK		100
Lloyd's Register Nominee 1 Ltd	UK		100
Lloyd's Register Nominee 2 Ltd	UK		100
Lloyd's Register of Shipping Trust Corporation Limited	UK		100
Lloyd's Register Trust Corporation Limited	UK		100
Lloyd's Register Superannuation Trustees Ltd	UK		100
Seasafe Marine Software & Computation (UK) Ltd	UK		100
Lloyd's Register Marine Limited	UK		100
Safetytech Accelerator Limited	UK		100
Lloyd's Register Maritime Decarbonisation Hub Limited ¹	UK		100
IT Energy Systems and Consulting Limited	UK		100
Ensign Holdco 1 Limited	UK		100
Ensign Holdco 2 Limited	UK		100
Ensign Holdco 3 Limited	UK		100
Ensign Holdco 4 Limited	UK		100
OneOcean Group Limited	UK		100
Regs4Ships Limited	UK		100
Regs4Yachts Limited	UK		100
Shipping Guides Limited	UK		100
Orion Midco Limited	UK		100
Orion Pledgeco Limited	UK		100
LR Orion Bidco Limited	UK		100
Pelican Topco Limited	UK		100
Pelican Holdco Limited	UK		100
Ocean Technologies Group Limited	UK		100
Marlins Training Limited	UK		100
Canopus Bidco Limited	UK		100
Tero Marine UK Limited	UK		100
Pelican Bidco Limited	UK		100
Ocean TG UK Limited	UK		100
Lloyd's Register Finance Limited	UK	Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU	100
LR 1760 (1) Limited	UK		100
Interactive Petrophysics Limited	UK		100
LR 1760 (2) Limited	UK	Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100
Lloyd's Register Aligned Services Limited	UK		100
71FS Insurance Company Limited	GUERNSEY	Level 1, IFC1, Esplanade, St. Helier, JE2 3BX, Jersey	100
Orion Holdco (Jersey) Limited	JERSEY		100
Lloyd's Register Algeria SARL	ALGERIA	Business Center Tower - Algeria Business Center – 11e Etage, Pins maritimes, Mohammadia, Algiers, Algeria	49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Bangladesh Pvt Ltd	BANGLADESH	11 th Floor, 9 Mohakhali C/A, Dkaka – 1212, Dhaka, Bangladesh	100
Lloyd's Register Drilling Integrity Services Australia Pty Ltd	AUSTRALIA	Level 1, 503 Murray Street, Perth WA 6000, Australia	100
Lloyd's Register Maritiem België BV	BELGIUM	Jan van Gentstraat 7 bus 202, 2000 Antwerpen, Belgium	100
Lloyd's Register Do Brasil Ltda	BRAZIL	Rua da Gloria, 311-11, Andar, Rio de Janeiro, RJ, 20.241.180, Brazil	100
Lloyd's Register Canada Limited	CANADA	1741 Lower Water Street, Suite 600, Halifax, NS B3J 0J2, Canada	100
MARTEC Limited	CANADA	237 Brownlow Avenue, Suite 200, Dartmouth, B3B 2C7, NS, Canada	100
OneOcean (Canada) Inc	CANADA	1600-555 Boulevard René-Lévesque Ouest, Montréal Québec H2Z1B1, Canada	100
11146726 Canada Inc	CANADA	1600-555 Boulevard René-Lévesque Ouest, Montréal Québec H2Z1B1, Canada	100
Lloyd's Register Classification Society (China) Co Ltd	CHINA	Room 1215, 12th Floor, No. 288, Nanjing West Road, Shanghai 200003, China	100
Lloyd's Register Advisory Services China (Shanghai) Co Ltd	CHINA	Room 1215, 12th Floor, No. 288, Nanjing West Road, Shanghai 200003, China	100
Lloyd's Register Central and South America (Curaçao) NV	CURAÇAO	Alablancaweg No. 30 Wilhelminalaan 13, Curaçao	100
LR (1760) Danmark ApS	DENMARK	C/O Harbour House, 2 Sundkrogsvej 19, 2100 Copenhagen, Denmark	100
DanDocs ApS	DENMARK	Symfonivej 18, 2730 Herlev, Denmark	100
Lloyd's Register Egypt LLC	EGYPT	Apartment no 303-3 rd Floor, 13 Ramo Gardens Street – EL Nasr Road, Nasr City, Cairo, Egypt	100
Hanseaticsoft GmbH	GERMANY	Poßmoorweg 2; 22301 Hamburg; Germany	100
Lloyd's Register Marine Deutschland GmbH	GERMANY	Willy-Brandt-Straße 59-65, 20457 Hamburg, Germany	100
Seagull Maritime Information Technology GmbH	GERMANY	Alstertor 1, 20095 Hamburg, Germany	100
Maritime Emission Reduction Centre Civil Non-Profit Company	GREECE	348 Syggrou Avenue, Kallithea, Athens, 17674, Greece	100
Hellenic Lloyd's SA	GREECE	348 Syggrou Avenue, Kallithea, Athens, 17674, Greece	100
Lloyd's Register Guyana Inc	GUYANA	Unit 1, Upper Level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana	100
Lloyd's Register Advisory (Hong Kong) Co., Ltd	HONG KONG	Unit 2505-2506, 25F, One ChinaChem Central, 22 Des Voeux Road Central, Central, Hong Kong	100
Ocean TG Hong Kong Limited	HONG KONG	123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	100
Super Dragon Ltd	HONG KONG	123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	100
Lloyd's Register Italia S.R.L	ITALY	Via Sottoripa 1A/112, 16124 Genova GE, Italy	100
Lloyd's Register Industrial Services (India) Pvt Ltd ¹	INDIA	17th Floor, Unit no's 1702 – 1704, Building Q2, Aurum Q Parc, Gen 4/1 TTC, Thane Belapur Road, Ghansoli Navi Mumbai, Maharashtra, 400710, India	51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Marine and Offshore India LLP	INDIA	Unit no's 1702 – 1704, Building Q2, Aurum Q Parc, Gen 4/1 TTC, Thane Belapur Road, Ghansoli Navi Mumbai, Maharashtra, 400710, India	100
Ocean TG India Pvt Ltd	INDIA	Regus Office Centre Services Private Limited, Level 15, Eros Corporate Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, 110019, India	100
Ocean Technologies Group KK	JAPAN	Ryumeikan Honten 3F, 3-4 Kanda Surugadai, Chiyoda-ku, Tokyo, Japan	100
Lloyd's Register Kazakhstan LLP	KAZAKHSTAN	29/6 Satpayev Street, Floor, Rakhat Palace Hotel, Almaty, Kazakhstan	100
Lloyd's Register Advisory Services Asia Ltd	KOREA	(CJ Logistics Bldg., Joongang-dong 6-ga) 10F, 119, Daegyo-ro, Jung-gu, Busan, Korea	100
Lloyd's Register of Shipping (Malaysia) Bhd ¹	MALAYSIA	Anchor Space 2, Level 25 Naza Tower, Platinum Park, No.10 Persiaran, KLCC 50088, Kuala Lumpur, Malaysia	100
Lloyd's Register Services (Malaysia) Sdn. Bhd	MALAYSIA	Anchor Space 2, Level 25 Naza Tower, Platinum Park, No.10 Persiaran, KLCC 50088, Kuala Lumpur, Malaysia	49
OneOcean (Malaysia) Sdn Bhd	MALAYSIA	Level 13, Menara 1 Sentrum, 201 Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia	100
Lloyd's Register Mozambique Lda	MOZAMBIQUE	1 Bairro da Polana, Av. Marginal Tenente Ovaldo Tazama Torres Rani Torre 1, 2 Piso, Fraccao 5, Mozambique, Maputo	100
Lloyd's Register Advisory Services BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Lloyd's Register Maritiem Nederland BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
OneOcean (Nederland) BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Pelican Netherlands BV	NETHERLANDS	3 Cadogan Gate, London, England SW1Z 0AS	100
Lloyd's Register EMEA (Nigeria) Ltd Gte	NIGERIA	6th Floor, B Wing, Shippers Plaza, 4 Park Lane, Apapa, Lagos, Nigeria	100
Lloyd's Register West Africa Ltd	NIGERIA	The Pro Space Centre, 18 Olu Holloway Road, Ikoyi, Lagos, Nigeria	100
Lloyd's Register Voyage AS	NORWAY	Strandgaten 2; 4370 Egersund; Norway	100
OneOcean (Norway) AS	NORWAY	Skøyen Atrium, Askekrøken 11, 0277 Oslo, Norway	100
Pelican Bidco AS	NORWAY	Gamlevei 36, 3189 Horten, Norway	100
SG Bidco AS	NORWAY	Kjelleveien 21, 3125 Tønsberg, Norway	100
Seagull AS	NORWAY	Kjelleveien 21, 3125 Tønsberg, Norway	100
Ocean TG Norway AS	NORWAY	Inger Bang Lunds vei 12, 5059 Bergen, Norway	100
Ocean Technologies Group Norway AS	NORWAY	Kjelleveien 21, 3125 Tønsberg, Norway	100
Lloyd's Register Oman LLC	OMAN	Bait Al Bahja, Building No 603, Room 21, Way No 2710, Ruwi CBD, Muscat, Sultanate of Oman	70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Marine Polska Sp Zoo	POLAND	Al. Zwyciestwa 13a, 80-219, Gdansk, Poland	100
Vesopt Poland Sp Zoo	POLAND	Rondo Organizacji Narodow Zjednoczonych, 1, Xxv P., Warszawa, 00-124, Warszawa, Poland	100
Lloyd's Register Qatar LLC	QATAR	Al Rayyan Complex, Excellence Tower, 22nd Floor, Office No. 2204, Al Shatt Street 850, Onaiza Zone 63, Bdg No. 10, PO Box No. 10285, Westbay, Doha, Qatar	49
Lloyd's Register (Romania) SRL	ROMANIA	158 Mamaia Boulevard, room 3, 2nd floor, Constanta, Romania	100
Ocean Technologies Group Srl	ROMANIA	Ground Floor, 10 Farului Street, Constanta, Romania	100
Lloyd's Register Saudi Arabia Ltd	SAUDI ARABIA	Novotel Business Park, King Fahd Bin Abdulaziz Road 4292, Northern Khalidiya District 6140, Dammam, 32232, Saudi Arabia	100
Lloyd's Register D.O.O. (Beograd)	SERBIA	Vojvode Stepe 78, Beograd, Serbia	100
Lloyd's Register Singapore Pte Limited	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588, Singapore	100
Lloyd's Register Pte. Ltd	SINGAPORE		100
Marine Press Asia Pacific Pte Ltd	SINGAPORE		100
OneOcean Maritime Solutions Pte Limited	SINGAPORE		100
Maritime Training Services Singapore Pte Ltd	SINGAPORE	315 Outram Road, #15-03 Tan Boon Liat Building, 169074, Singapore	100
Seagull Maritime Information Technology Pte Ltd	SINGAPORE		100
Ocean TG Singapore Pte Ltd	SINGAPORE	7 Temasek Boulevard, #37-01B Suntec Tower One, 038987, Singapore	100
Ocean Tech Asia Pte Ltd	SINGAPORE	#17-02A Keck Seng Tower, 133 Cecil Street, 069535, Singapore	100
Videotel Pte. Ltd.	SINGAPORE	100G Pasir Panjang Road, ~06-27, 28 Interlocal Centre, 118523, Singapore	100
Ocean TG Spain S.L.U.	SPAIN	Príncipe de Vergara Street, number 211, stair 2, 1st floor, 5th door, Madrid, Spain	100
OneOcean AB	SWEDEN	Göteborgsvägen, 74 433 63, Sävedalen, Västra Götaland, Sweden	100
Lloyd's Register Marine Taiwan Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Marine Consulting Taiwan Co., Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Gozetim Ltd Sti	TURKEY	19 Mayıs Mah. Atatürk Caddesi, Sitkibey Plaza, No 82 Kat 3 No. 12, Kadıköy, Istanbul, Turkey	100
Lloyd's Register (Ukraine)	UKRAINE	63 Bolshaya Morskaya Street, Office 203, Mykolaiv, 54001, Ukraine	100
Lloyd's Register Middle East LLC	UAE	Khalifa Bin Zayed The First, 312 St. Al Danah, Abu Dhabi 22207, UAE	49
Lloyd's Register Middle East & Africa Advisory Services LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Americas, Inc.	USA	820 Gessner Road, Suite 300, Houston, Texas 77024, USA	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Common Structural Rules Software LLC	USA	16855 Northchase Drive, Houston, TX77060, USA	50
Lloyd's Register North America, Inc.	USA	820 Gessner Road, Suite 300, Houston, Texas 77024, USA	100
Lloyd's Register Americas Advisory Services, Inc.	USA		100
Lloyd's Register Technical Services, Inc.	USA		100
i4Insight, Inc	USA	300 Creek View Road, Suite 209, Newark, DE 19711, USA	100
Ocean Technologies Group USA Inc.	USA	2500 WESTLAKE AVE N SUITE K SEATTLE WA 981092262, USA	100
Lloyd's Register Asia (Vietnam) Company	VIETNAM	Suite 450 PetroVietnam Tower, 8 Hoang Dieu Street, Ward 1, Vung Tau City, Ba Ria, Vung-Tau Province, Vietnam	100

The only subsidiary directly owned by the Foundation is Lloyd's Register Group Limited (registered number: 08126909)

The following subsidiaries have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Company	Place of registration	Registered number
Classification and Quality Services Limited	England and Wales	03973758
Classification Holdings Limited	England and Wales	03704447
Lloyd's Register Finance Limited	Scotland	SC320138
Lloyd's Register GMT Limited	England and Wales	06428883
Lloyd's Register Group Services Limited	England and Wales	06193893
Lloyd's Register Aligned Services Limited	Scotland	SC318186
LR 1760 (2) Limited	Scotland	SC346964
LR 1760 (1) Limited	Scotland	SC252441
Safetytech Accelerator Limited	England and Wales	13099135
Lloyd's Register Marine Limited	England and Wales	13281335
Ensign Holdco 1 Limited	England and Wales	10172727
Ensign Holdco 2 Limited	England and Wales	10172773
Ensign Holdco 3 Limited	England and Wales	10172900
Ensign Holdco 4 Limited	England and Wales	10173156
Lloyd's Register Maritime Decarbonisation Hub Limited	England and Wales	14704215
Seasafe Marine Software & Computation (UK) Ltd	England and Wales	03791480
Orion Midco Limited	England and Wales	15890691
Orion Pledgeco Limited	England and Wales	15890744

33. Post balance sheet events

Subsequent to the year end, the group repaid \$28.9m of its external debt in advance of its due date.

Accounts

Lloyd's Register Foundation

Report and financial statements

30 June 2024

Company number: 07905861 (England and Wales)
Charity registration number: 1145988 (England and Wales)

Contents

TRUSTEES' REPORT

Chairman's statement	1
Foundation Chief Executive's Review	2

THE STRATEGIC REPORT

Our strategy	3
Establish the best evidence and insight	4
Focus on the most pressing challenges	7
Building coalitions	17
Heritage and Education Centre (HEC)	20
Accountability and Stakeholder Engagement	25
Foundation Financial Review and Policies	29
Governance and management	35
Climate-related financial disclosure	42

LEGAL AND ADMINISTRATIVE DETAILS	50

STATEMENT OF TRUSTEES' RESPONSIBILITIES	51

REMUNERATION COMMITTEE REPORT	52

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT	54

NOMINATIONS COMMITTEE REPORT	55

INDEPENDENT AUDITOR'S REPORT	56

THE FINANCIAL STATEMENTS	59

GROUP FINANCIAL REVIEW	74

THE CONSOLIDATED FINANCIAL STATEMENTS	76

Trustees' Report incorporating the Strategic Report

Chairman's Statement

It's been another year of change with geopolitical tensions and extreme weather conditions around the world reinforcing our reliance on society's infrastructure. As a global safety charity with a focus on engineering, Lloyd's Register Foundation (the Foundation) is uniquely positioned to raise awareness of the role of safe critical infrastructure and how it can help mitigate some of the challenges the world is facing to keep people safer.

By working together with others in the private, public and philanthropic sectors, we can scale up our efforts and achieve greater impact, building coalitions to drive change where they are most needed. The work of the Foundation team ensures it plays an important role in embedding safety practices, principles and standards in a changing landscape.

The last 12 months brought sadness with the loss of Sir Peter Gregson who passed away unexpectedly in February 2024. A highly respected and much-admired Trustee, colleague and friend who devoted considerable time and expertise to the Foundation since joining the Board of Trustees in June 2021, Sir Peter is greatly missed by all of us who had the good fortune to work with him. The Foundation remains resolute in our commitment to safety and engineering, both of which were huge passions of Sir Peter. This resolution is embedded in our new five-year strategy, which Sir Peter helped us to shape.

Our next strategy brings focus to supporting a safer and more sustainable ocean economy, building on our vision and driving further impact from our work on safe sustainable infrastructure and engineering skills from the past decade. We are committing to a more locally-led approach, and in partnership with the United Nations Global Compact, we have supported local stakeholders, initially from seven less developed countries with ambitions to grow their maritime industries, to share their experiences, needs and opportunities to help us shape our work. In addition, Global Maritime Trends 2050 launched this year, a joint initiative between Lloyd's Register and Lloyd's Register Foundation. It will be a long-term initiative to support the maritime sector with evidence, insight and foresight so that it can transition safely towards decarbonisation and digitalisation in the context of a changing climate and shifting global demographics.

The Board of Trustees and the Foundation's Leadership Team, alongside that of Lloyd's Register, are committed to supporting diversity, inclusion and equity which sit at the heart of our work in maritime. Our organisation is looking at ways in which to ensure we embody best practice, from how we recruit new talent to the development of a new employee value proposition in which social purpose is central to how we work. Our revised 'Pathways to Impact' initiative launched this year, which invites colleagues from around the organisation to apply for volunteering days to support charities and initiatives around the world.

In 2025, London based colleagues will move into our historic 'Collcutt' building, the home of Lloyd's Register since 1901, a culmination of an extensive refurbishment project. This building will not only be an inspiring place to work but also a vibrant visitor centre, and a place for dialogue, debate and thought leadership across the maritime and other sectors, and somewhere for our partners and networks to convene.

The Foundation team has worked tirelessly over the last 12 months in its mission to engineer a safer world. As always, I would like to express my thanks to everyone involved, from across our global organisations, and to our partners who dedicate their work to engineering a safer world.

Thomas Thune Andersen

Chairman, Lloyd's Register Foundation

Foundation Chief Executive's Review

This last year marks the culmination of a five-year strategy during which the Foundation has given over £66m in grants to organisations around the world. In that time, the Foundation has grown its in-house capability from 21 to 45 colleagues, strengthening our expertise, ability to deliver our mission, and building our reputation for our in-house excellence in maritime heritage and safety evidence. Apart from the pandemic period in 2020/2021, the number of our investments has increased year on year, from 36 grants awarded in 2018/2019 to 73 awarded in 2023/2024.

Changing global workforce patterns, climate change, the energy transition, and technological innovation continue to bring us new challenges and opportunities as we drive forward with our mission to engineer a safer world. To address these challenges, and the safety issues they bring, it is important that we listen to those most affected. Being more 'locally led' is important for us to secure true impact in our mission. We have completed phase one of our internationalisation programme, developed with our strategic partner the United Nations Global Compact (UNGC), which identified seven locations where there is strong ambition for safety leadership in the ocean industries and beyond, and where we are now supporting networks to identify safety issues and develop solutions.

The successful launch of our award-winning Maritime Trends 2050 programme during London International Shipping Week 2023 highlights the strength of our unique structure and ongoing relationship with LR. Furthermore, the Foundation funded Maritime Decarbonisation Hub (MDH) has this year collaborated with five leading shipowners in establishing a not-for-profit global Maritime Emissions Reduction Centre based in Athens, as well as launching a Maritime Fuel Supply Dialogue initiative supported by shipping and energy ministries from seven countries including Singapore, Kenya and Namibia.

Through our secondee Programme we have supported a new Africa focused role in the High-Level Climate Champions team to build a stronger voice for maritime in climate negotiations and we continue to champion safety as an important central theme in ocean finance.

The latest Lloyd's Register Foundation World Risk Poll launched a report on global resilience in June 24, with engagement from multiple UN agencies, academic institutions and community leaders. Foundation spokespeople continue to act as World Risk Poll ambassadors, with speaking engagements around the world, including the annual public lecture of the Thomas Ashton Institute, which I was honoured to present.

We were also delighted to announce the appointment of Nancy Hey as our new Director of Evidence & Insight. Nancy will lead the World Risk Poll and establish a Global Safety Evidence Centre bringing with her a wealth of experience and expertise.

We continue to digitise our heritage asset collection, making it accessible across the world. As we look forward to moving back into our historical home at 71 Fenchurch Street in 2025, we are now developing an exciting engagement programme to ensure our maritime heritage can benefit society and help us learn from the past, as well as build a destination for new ideas and thought leadership where the wider maritime community can convene.

Our strategic partnership with the international evaluation and research organisation Technopolis is teaching us how to be a better Foundation. Building on their insights, we seek to continually improve with the coming year seeing us strengthen our open calls competitions, and associated peer review, to find the best partners to make the world safer.

It has been an incredible 12 months and, as we embark on a new five-year strategy which launched in September 2024, I would like to say a heartfelt thank you to everyone who works in and with the Foundation. From our Chairman and trustees, our grant holders, partners and of course my colleagues in the Foundation, we have all worked hard and with passion as we are more determined than ever to make a difference and play our part in engineering a safer world.

Ruth Bumphrey

Chief Executive, Lloyd's Register Foundation

Our Strategy

July 2023 to June 2024 marks the last year of our 2019-2024 five-year strategy. The Foundation continued to focus on seven significant safety challenges during this time, underpinned by the best evidence and insight to understand the complex factors that most affect safety which was openly shared for others to use. The challenges included safety at sea – ensuring safety is embedded in a growing ocean economy, making infrastructure safer and improving society's understanding of risk. We continued to strengthen our partnerships and build new coalitions with organisations around the world who share our mission values and social purpose. We remain committed to skills and engineers to raise awareness of the need for more engineers, especially in those geographies where they are most needed in the context of a changing world. The digitisation of our unique maritime heritage collection made it more accessible to people around the world to help them understand how learning from the past can inform the future. We continued to invest in programmes across the globe, drawing on the expertise of Lloyd's Register, building relationships and creating impact through our partners, grant holders and our wider community to engineer a safer world.

Our Vision: Engineering a safer world

Our charitable purpose is to secure high standards of design, manufacture, construction, maintenance, operation and performance, enhancing the safety of life and property at sea, on land and in the air. We also advance public education and safety skills for engineering.

Goal 1: Establish the best evidence and insight

We use the best data, evidence, and insight available to understand better the complex factors that affect safety to identify areas of greatest need and areas where we can make a real difference with an aim to build the world's best source of safety evidence, making it open to all.

Goal 2: Focus on the most pressing challenges

We focus on the biggest safety challenges, where there's clear evidence and a compelling need for change to make a real difference. We work in areas where we can harness our unique strengths and assets. We have identified seven challenges to focus on:

1. Safety at sea
2. Safety of digital systems
3. Safety for a sustainable future
4. Safety of food
5. Skills for safety
6. Safety of physical infrastructure
7. Public understanding of risk

Goal 3: Build global coalitions for change

Global challenges cannot be tackled effectively by working alone. Therefore, we will be at the forefront of building new coalitions, tirelessly promoting safety issues through our strategic communications activity and building partnerships with willing and likeminded collaborators worldwide to generate the most impact.

GOAL 1: Establish the best evidence and insight

Impact highlight

In December 2023, the Senate of the Philippines published a press release which cited findings from the 2021 World Risk Poll Violence and Harassment module in support of their ratification of ILO Convention 190 (Elimination of Violence and Harassment in the World of Work). The Senate Leader also made extensive reference to the WRP data during his co-sponsorship speech. The Philippines' implementation of C190 could benefit a large proportion of their population. There are an estimated 75 million workers in the Philippines, of whom 20% said they had experienced violence and harassment at work. As well as being home to a large number of overseas workers, the Philippines is also the largest supplier of seafarers according to the latest BIMCO/ICS Seafarer Workforce Report.

Evidence and Insight Activities

In August 2023 Sarah Cumbers moved on from the Foundation and Ruth Frankish took over as interim Director of Evidence and Insight. During this time two grant holders completed their projects – the National Safety Council and York Health Economics Consortium (YHEC), and the World Risk Poll finished its third cycle of polling. Work towards the establishment of a Global Safety Evidence Centre (GSEC) within the Foundation has also progressed.

Nancy Hey joined the Foundation from the What Works Centre for Wellbeing in June as the new Director of Evidence and Insight. Nancy will lead the Foundation in building capacity and good practice for safety evidence and insight, supporting the generation, collation and implementation of evidence and data to improve safety across the world.

Evidence and Insight Grants

The new Valuation of Safety report, conducted by the National Safety Council, was published in November 2023. The research built on findings from an earlier Evidence and Insight grant and highlights the importance of context considerations when developing safety initiatives. The outputs are intended to encourage and support discussions about plans and policy change, and the Foundation is now exploring possible next steps.

The findings of YHEC's assessment of the evidence base for OSH leading indicators was published in April 2024. The study found a substantial evidence base evaluating the impact of leading indicators on safety lagging indicators. However, that evidence base was disparate and there is a clear need for further research in the area. These findings, together with other research commissioned by the Evidence and Insight team, has contributed to the Foundation's extensive groundwork to explore the potential impact of a Global Safety Evidence Centre.

Global Safety Evidence Centre

Following the feasibility study which explored the potential impact that using a 'what works' approach might bring to safety challenges, the Evidence and Insight team are moving forward to develop a Global Safety Evidence Centre at the Foundation. Preliminary research has been initiated and aims to:

- Identify potential priorities for the centre
- Propose effective methods for evidence brokering and evidence standards that the centre might adopt
- Engage stakeholders who will contribute as co-producers and beneficiaries of the centre's outputs

RAND Europe has been commissioned to support this work.

Impact programme

Through LR Foundation's partnership with [Technopolis](#), a systematic evaluation programme has been established to review emerging impacts, support continuous improvements and learning by focusing on major flagship programmes and other key strategic investments.

Two major evaluation projects were completed this year:

Evaluation of the Discovering Safety programme: the headline finding was that the programme had made novel use of health and safety data, creating some initial prototypes of potential products and processes. As an exploratory programme it has been very successful; what was less clear was the extent to which these successes may eventually

translate into major societal impact. The recommendations were for the programme to focus on enhancing the maturity of technologies for the remainder of the Foundation's funded period, as its long-term sustainability will depend on the ability to showcase technologies that are developed, with demonstrable use to businesses.

Technical Standards: a thematic evaluation to assess the extent to which different initiatives supported by the Foundation have contributed to safety through the development and use of technical standards. The review highlighted the Foundation's multifaceted approach to standards-related activities, encompassing the support for formal standard-setting, human capacity building, and addressing vulnerabilities in local systems, usually achieved through three specific pathways (advisory and toolkits; innovations; skills and education), leading to three main groups of outcomes (knowledge and insights; innovations; skills and capacity).

Learning so far has helped the Foundation and its strategic partners to widen their views of what major flagship programmes and other initiatives had achieved, as well as to strengthen governance and delivery processes. For example, the Foundation's Senior Impact Manager has developed new ways of articulating impact through creating a bespoke impact management and measurement framework to support grant holders and impact reporting across the whole portfolio.

World Risk Poll

During this period, multiple World Risk Poll workstreams were in motion. The polling for 2023 concluded, planning commenced for the launch of the findings across four modules, and a draft questionnaire was developed for 2025. In addition, dissemination of the 2021 findings continued alongside a further two funding calls for World Risk Poll into action grants helping to grow networks and knowledge of the poll considerably.

Dissemination activities for 2021 and 2023

Efforts to ensure increasing awareness and utility of the 2021 World Risk Poll findings continued with the release of two further 'Focus On' reports by the end of 2023. Several creative projects have also been commissioned using storytelling about the safety issues highlighted by the 2021 data. This included a film by multi-award-winning journalist, and author, Sophia Smith Galer which looked at perceptions of AI in Ghana; exploration of global experiences of workplace violence and harassment International Consultant on Gender Equality, Susan Maybud; and a film looking at women's resilience on the frontline in Sierra Leone: Freetown Flood Fighters. Likewise, events and speaking engagements have continued including partnerships at COP and Climate Week in New York.

This past year we have seen influential stakeholders using the 2021 data too. In March 2024, UNDP included WRP resilience data in their 23/24 Human Development Report to show how economic insecurity correlates with a decreased sense of people's feelings of control over their actions and the consequences of those actions (their sense of agency) in disaster scenarios, and how there is also a marked gender gap in this sense of agency.

The final dataset for 2023 was delivered by Gallup in April 2024 and meetings to examine early analysis of each 2023 WRP module were attended by over 20 expert organisations, many of whom provided specialist input on report drafts. The network of influential individuals and organisations engaged with the WRP findings continues to grow.

The first report ***Resilience in a Changing World*** was launched in June 2024 at the Understanding Risk Global Forum in Himeji, Japan. We also hosted a webinar following this in partnership with the Global Network of Civil Society Organisations for Disaster Reduction (GNDR), with speakers from UNDRR, Cardiff University, Women and Youth Development Initiative and SEEDS. The report and data were published on the brand new WRP section of the Foundation's website which saw visits from the Cabinet Office, World Bank and the World Economic Forum within the first few hours. The combination of 2021 dissemination efforts and 2023 launch activities during this past year has led to over 11,000 report downloads and more than 29,000 data explorer sessions.

World Risk Poll Into Action

Following the very positive response to the first World Risk Poll into action call for funding, there have been two further rounds in December 2023 and April 2024. A total of 33 applications were received amounting to £5.2million against an available budget of £1.5million. Five organisations have been selected through a robust decision-making process bringing the total number of World Risk Poll into Action projects to twelve. The projects are a mix of practical and research-based interventions improving the safety and resilience of communities around the world.

A funding strategy for the 2023 World Risk Poll Into Action funding call is being developed following on from our learning from the previous funding calls and strategy review.

2025 Questionnaire Development

Extensive stakeholder consultations to develop modules and questions for the 2025 Poll went ahead throughout the remainder of 2023 and early into 2024. The prospect of a module on transport/infrastructure safety received an overwhelmingly positive response from a wide range of high-profile organisations including UNEP, WHO, UNCTAD, RoSPA and World Bank. In addition, UNDP have developed a question on second order risk perceptions which has the potential to enrich the core risk and safety module. UNDP are keen to work closely with the Foundation to disseminate and action the data generated by this question should we take it forward. We have also been engaging with our growing network of stakeholders working within disaster resilience and early warning systems to strengthen the resilience module to ensure we continue to add value to this area. The new questions are now being tested in eight countries and the final questionnaire will be translated with polling underway from January 2025.

Future plans for the next 12 months to June 2025

Global Safety Evidence Centre

The following foundational work is planned for GSEC over the next year:

- Establishing a multi-year Global Safety Evidence Centre to support the new Strategy
- Review of existing quality and advisory processes to underpin our role as a trusted evidence partner to support the new Centre
- Review and implementation of our strengthened evaluation practice and impact reporting to support the new strategy

World Risk Poll

- Launch of the final three World Risk Poll reports from 2023, dataset and associated activities:
 - Waste Disposal report launch planned for ISWA Congress – Cape Town, South Africa in September 2024
 - Workplace Harm and Safety Training report launch planned at Gallup Berlin Office - in October 2024. An additional event is in planning for a policy roundtable discussion at the ILO Headquarters- Geneva in December.
 - Risk and Safety (trended items) report launch planned for November 2024
- Planning further analysis of the World Risk Poll 2023 data to be shared in 2024/25
- An evaluation of the World Risk Poll's impact to date will take place towards the end of 2024
- Cognitive testing of the new questions for the 2025 poll and pilot testing of the full questionnaire by December 2024
- The 2025 poll will be out in the field from January 2025

GOAL 2: Focus on the most pressing challenges

Plan

We continue to progress in addressing the challenges identified in our Strategy, which launched in July 2019. These are:

- Safety at sea
- Safety of digital systems
- Safety for a sustainable future
- Safety of food
- Skills for safety
- Safety of physical infrastructure
- Public understanding of risk

Activities and impact

During the last year, we have continued to deliver a mix of activities from ongoing programmes and new initiatives. All are focused on impact and delivering benefits to society in different ways.

Our mission explicitly directs us to enhance safety and advance public education. In many cases, as seen from the following sections, our activities deliver impact in both safety and education.

Challenge: Safety at sea

Impact highlight

In September 2023 we launched the Global Maritime Trends 2050 report– a long-term collaboration between LR Group and the Foundation that provides reliable foresight and thought leadership to policy makers, business and ourselves as we collectively make decisions about the future. This first report, created in partnership with The Economist Impact unit highlighted the global influences that together will shape the future of maritime in the coming decades: geopolitics, demographics, macro-economics; technology and climate change. Using these insights and expert opinion, the report identifies four possible future transition types what-if scenarios to illustrate what these could look like.

Global Maritime Trends 2050

Following the successful launch on the Global Maritime Trends 2050 report, we have started a longer-term programme of deep dives exploring aspects the report's findings. With expert advice from UNESCO-IOC, International Energy Agency, IUCN Oceans, University of Southampton, UN global Compact, High Level Climate champions, World Maritime University, International Transport Worker's Union, Alan Turing Institute and Heriot-Watt University we are commissioning peer reviewed research that will be openly published in the years to come.

Ferry Safety

In 2018 the Foundation published its insight report on ferry safety which revealed that over 1,000 lives are lost on domestic ferries globally. In July 2023 the Foundation approved its latest grant to a consortium of World Maritime University (WMU), International Maritime Law Institute (INLI) and their parent International Maritime Organisation (IMO). The grant with a global remit will support work towards adoption and implementation of the model regulations, creating tailored National requirements for domestic ferries that will lead to safer outcomes.

New fund for fisher safety

Fishing remains one of the most dangerous occupations in the world with an estimate of at least 100,000 deaths globally each year. Building on our experience in the area since 2018, the Foundation awarded a grant to The Seafarers' Charity in partnership with the Fishing Industry's Safety and Health Platform (FISH Platform) to establish the International Fund for Fishing Safety (IFFS). The fund will support fisher organisations in initiatives that reduce accidents and fatalities in parts

of Asia initially, which is home to 80% of fishers and some of the most hazardous and unregulated working environments. Learnings from the completed projects will be shared widely and used to inform and refine future fishing safety interventions. In the absence of significant legislative progress, the fund provides a vehicle for LRF to fund impactful, scalable work, and to raise global support for improved fishing safety. Crucially, the funded work includes attracting others' additional investment so that the fund grows and sustains. In June 2024 IFFS awarded its first grants enabling local community action.

Ensuring safe engineering is central to the UN's Ocean Decade

In May 2024, Christopher Whitt was appointed and contracted by the Foundation into the role of Senior Engineering and Safety Consultant within the Decade's Co-ordination unit in UNESCO-IOC to ensure that safe engineering is embedded into the UN Decade of Ocean Science for Sustainable Development. Over an initial two-year contract, Christopher will foster collaboration between ocean science and ocean engineering/industry communities, plus advance evidence, standards and skills for safe and sustainable ocean engineering practices.

Seoul National University

In June 2024 the Foundation awarded a grant of £4m to Seoul National University that leverages on the research being conducted by the Korean Shipbuilding industry for future ships including those that support a decarbonised world and which will see increasing digitalization. The Foundation's grant is opening the research results with the aim of informing international regulations and standards, openly sharing datasets and developing methodologies to enable safety assurance of future global ship designs.

Challenge: Safety of digital systems

Impact highlight

The world's first Safetytech regulatory sandbox project, a collaboration between our two grant holders Safetytech Accelerator and Discovering Safety, successfully completed in November 2023. The sandbox model brought together startups, industry and the regulator (HSE) to learn and share perspectives which will lead to the acceleration of digital technologies for the purpose of safety on construction projects. The success of the project has resulted in further funding to run additional sandboxes with HSE and other safety critical regulators are also showing interest in running their own versions of the sandbox.

Assuring Autonomy

Building on the success of a previous grant to University of York that established the Assuring Autonomy International Programme, the Foundation awarded a second grant to University of York to establish the Centre for Assuring Autonomy. Whereas the first grant focused on building new knowledge and using this to create frameworks for assurance, the latest grant focuses on the application of frameworks to real world applications of the technology with key stakeholders and to advance skills and education. As part of the new centre, University of York has been successful in leveraging to maximise impact of the centre including winning EPSRC funding to establish a Centre for Doctoral Training on lifelong safety of AI enabled autonomous systems (SAINTS), a gift from the Jacobs Foundation.

Alan Turing Institute

Following the launch event of Data Centric Engineering (DCE) 2.0 held on HMS Belfast in July 2023, the programme has now reported over £100m of leveraged funds and more than 500 engagements with industry, government, and public bodies. Four Theme Lead roles in Maritime Cybersecurity, Digital Manufacturing, Critical Infrastructure and Humanities and Social Science in DCE have now been recruited and the Institute was an official sponsor at London International Shipping Week with breakfast briefings about artificial intelligence in maritime. DCE Director Professor Adam Sobey has visited Japan, South-East Asia and the USA to set up collaborations with organisations in those countries.

Discovering Safety influencing in Malaysia

The Foundation's work with Discovering Safety has advanced 'design for safety' in construction - essentially bringing together all the relevant standards, regulations and experiences into one digital platform which is applied to the design stage of large construction projects. The Thomas Ashton Institute at University of Manchester, who along with the UK

Health and Safety Executive, collaborated with the Universiti Teknologi MARA in Malaysia and local regulators, architects and public works departments to share knowledge.

Addressing concerns with draft IMO code for autonomy

The International Maritime Organisation's Maritime Autonomies Surface Ship Code (IMO MASS Code) is in development with adoption of voluntary code scheduled in 2024 and with mandatory adoption to follow. Across the full stakeholder spectrum, there has been unease voiced about the readiness of this foundational safety document for a decision to be taken. The Foundation commissioned experts from the Centre for Assuring Autonomy to conduct a rapid independent assessment of the proposed wording by subject matter experts from multiple sectors with the aim of highlighting potential shortfalls and safety issues and indicating best practice to influence the code to prevent unsafe deployment of autonomous ships. The findings from the report have helped inform a now recognised need for additional work before a decision can be taken.

Maritime Safety and Emerging Technologies project: Enhancing board level decision making about cyber risk

A University College London project's findings have influenced the UK government's Cyber Governance Code of Practice, a voluntary set of guidelines developed in collaboration with the Department of Science, Innovation, and Technology. The draft code incorporates recommendations derived from extensive engagement with various stakeholders, including board members, executives, and the insurance sector. While presently voluntary, there's speculation about its potential integration into the Corporate Code. The project aims to elevate cybersecurity literacy on par with financial literacy among board members, marking a significant stride towards enhancing organisational resilience and safety. Future updates on the project's impact are anticipated.

Beneficiary of our funding scales impact of work with business success

Vianair Inc- the aviation startup founded by a former Foundation funded PhD student and supported by an initial Foundation grant has now reached £1m turnover, supported by multi-year contracts with major airports and airlines in the world enhancing the safe design of air corridors to airports. Current clients include the Port Authority of NY/NJ, Fraport, five of the largest US airlines, nine communities including The City of Lakeland, Howard County, the City of Alexandria and Loudoun County. There is an increasing amount of trust in Vianair to enhance the safety of life and property on land and in the air.

Challenge: Safety for a sustainable future

Impact highlight

The Lloyd's Register Maritime Decarbonisation Hub's Ammonia Safety Program has previously published Recommendations for Design and Operation of Ammonia-Fuelled Vessels," which included Quantitative Risk Assessments (QRA) and human factors studies. This work is now being applied to real-world ship designs including the Maersk Feeder Containership and CASTOR Aframax tanker.

LR Maritime Decarbonisation Hub

One of the Lloyd's Register Maritime Decarbonisation Hub's objectives to ensure that the fleet of today is enabled for the future. In February 2024 the Hub announced a collaboration with five leading shipowners to establish of a not-for-profit Athens-based global Maritime Emissions Reduction Centre (M-ERC) that will focus on optimising the efficiency of the existing fleet. The M-ERC has been created with the goal of removing technical, investment and community barriers for the uptake of solutions to reduce the Green House Gas (GHG) emissions of the existing global fleet, offering a collaborative 'safe space' for the maritime value chain's stakeholders, to safely navigate to net zero. The centre will also play an important role in ensuring that today's ships are suitable for the energy transition whilst ensuring that people within the industry have the necessary training and skills.

The **Maritime Fuel Supply Dialogues**, an initiative of the Lloyd's Register Maritime Decarbonisation Hub, aims to unlock the potential for clean and sustainable maritime fuels through dialogue and collaboration amongst energy and transport ministries across Asia Pacific and Africa. Launched in April 2024, through a roundtable hosted by the Ocean Stewardship Coalition of the United Nations Global Compact (UNGC) in partnership with Lloyd's Register Maritime Decarbonisation

Hub, the initiative focuses on how to drive regional green hydrogen fuel supply development at scale to support maritime decarbonisation across the Indian and Pacific Ocean. Recognising the value of open exchange, participating ministries have committed to further communication and collaboration through Maritime Fuel Supply Dialogues at a roundtable meeting in September 2024, as a pre-cursor to COP29.

UNGC Just Transition Task Force

Phase one of the Maritime Just Transition Task Force which included a £250,000 grant from the Foundation attracted £610,000 cash and £48,000 in-kind leverage. Its ten-point action plan to achieve a just transition for seafarers is arguably now a key reference document when it comes to just transition and seafarers. It was an important contribution to defining how Just Transition is referred to in the IMO's 2023 Strategy on the reduction of GHG emissions from ships and has also been used to strongly inform both industry just transition plans (e.g. PTC) and country green skills strategy (e.g. Ukraine 'Green Skills for Sustainable Shipping Project and the ongoing Philippines Maritime Decarbonization strategy and roadmap).

Engineering X – Safer End of Life (SEEL)

Following its success in addressing the safety issue of open burning of waste via awareness raising, evidence building and £600,000 funding for impactful projects, the SEEL programme is now looking at the safety of offshore wind decommissioning. A two-day London workshop in May 2024 brought together 40, highly-engaged policy, academic and industry experts from around the world to understand the challenges relating to technology, circularity and regulation, and to identify themes and starting points for action by different stakeholder categories. Initial findings include that we are simply not prepared or preparing for offshore wind farms end of life at scale.

Supporting Climate Champions Team

In 2023 the Foundation strengthened its support to the Climate Champions Team by increasing the resources of the Shipping team. In addition to the secondment of Katharine Palmer as the shipping Lead, the Foundation has supported a specific shipping lead for Africa and a coordinator supporting the shipping related activities at COP 28.

Challenge: Safety of food

Impact highlight

Under our 2019-2024 strategy, we provided an £82,000 grant to the UN FAO to develop undergraduate food safety educational curricula for East Africa and the Caribbean. Since then, three networks of higher education have signed a Memoranda of Understanding with FAO to expand and continue this programme around the world including in the Euro-Mediterranean region, Sub-Saharan Africa, Middle East, Western Balkans, Latin America and the Caribbean. Work continues to encourage the adoption of the curriculum in East Africa and Vietnam.

Our work on 'Safety of Food' has achieved considerable success and we are now in a position where other organisations are better placed for taking forward this challenge area. Examples of this success are:

New protocols for seaweed safety

Foundation funding to Wageningen University and Research for the Safe Seaweed by Design project this year succeeded in developing and disseminating protocols that support the seaweed industry in monitoring and assessing safety aspects, via a study report, scientific publications and an animation. The project involved a pilot experiment in Norway to test and revise the protocols that illustrated what is needed to remove safety hurdles that hamper the further development of the seaweed value chain. The pilot was also used to evaluate how monitoring and information sharing can be used to assess and manage risks. The key outcome of the project is its contribution to improved risk identification, assessment and mitigation in the seaweed sector. This required the development of high-quality, scientifically sound workable guidance to support the global seaweed sector in dealing with risks. The £789,000 funding from the Foundation attracted £150,000 cash and £50,000 in-kind leverage.

Sea of Hope

The Global Seaweed Coalition (GSC), now hosted by the UNGC, is the new name of our Safe Seaweed Coalition and better reflects the potential for seaweed to have positive impact on many sectors, not just food. Membership has grown over

the last 12 months to 1,200 individuals and institutions, with 50 new members acquired during and since the first-ever EU Algae Awareness Summit in October 2023, co-organized by the GSC, the European Commission and the French Government. The GSC's third Call for Proposals launched in November 2023, resulting in £1.2m funding for eight projects supported by the GSC, over three years. Separately, the BNP Foundation (BNP is the largest bank in France and the 9th biggest worldwide) agreed to provide €60k of grant funding to the Global Seaweed Coalition for research around seaweed cultivation and its impact on global biodiversity in the ocean.

UNGC Norway

The Foundation funded UNGC Norway to perform a scoping project to determine the structure, funding and priority topics of a UNGC Food Platform. This was a direct response to the UN Food Systems Summit at which the need for UN-level representation of the food private sector in improving food safety and sustainability was made clear. 35 UNGC local networks actively engaged in this work, which reached over 6,000 contact points at 1,700 companies around the world. An estimated £259,000 of in-kind leverage was generated. The scoping report, was launched at COP28, resulting in an initiative – “FORWARD FASTER FOOD” – which launched in Davos in January 2024. The first year of the Forward Faster Food Initiative will seek to engage 20 companies from G20 countries and convene a G20+ Food network and support the UN Food Systems Coordination Hub's work in developing regional roadmaps for "Achieving SDG2 Without Breaching the 1.5 Degree Threshold" to be launched at COP29.

Challenge: Skills for safety

Impact highlight

SEASEP continues to strengthen the evidence base for skills needs in South-East Asia. Newly acquired survey data from over 1,000 programme participants reveals that 45% of workers are being asked to perform tasks for which they have received inadequate training and that the use of international standards in the SEASEP training is a key driver for employers. It is partly for these reasons that this phase of the programme has already leveraged over £900,000.

Engineering X

The Engineering X Skills programme has been updating the Global Engineering Capability Review, last published by the programme in 2020. It will further strengthen the evidence base (early results already show a clear correlation between engineering skills and safety outcomes), and so will be a resource for funders and stakeholders around the world to help build understanding of engineering capability gaps and safety priorities around the world. It will include an Engineering Capacity Index with a framework that provides a tool to diagnose capacity by stakeholder groups (professional engineers, industry and government) and their areas of responsibility. Based on data availability, the index allows people to rank between 90-120 countries and provide them with a structured way to assess strengths and weaknesses in their overall engineering capacity. For countries that have insufficient data to be in the official ranking, we are aiming for the framework to provide both a working model to assess areas of strengths and weaknesses and also a structured way to improve data collection capabilities.

The Foundation's grant for Engineering X this year leveraged another £100,000 (mainly in-kind funding), and the programme will be represented on the Executive Committee of the International Federation of Engineering Education Societies for the next two years. Of its nearly 40 impact grants, 16 are ongoing and continue to report enhanced safety and capability. For example, Kenya MOI University increased the safety skills of ten engineering graduates through internships in industry and Uganda RedR has trained 113 local engineers to implement humanitarian initiatives in a safe and sustainable manner via professional standards.

SEASEP

This year, the South-East Asia Skills Enhancement Programme (SEASEP), which targets India, Indonesia, Thailand and the Philippines has trained over 1,000 people to work more safely. TWI (the grant-holder) continues to develop a train the trainer model of delivery, which is enabling better use of resources and more efficient, sustainable delivery of training. A new IOSH Working Safely course, to sit alongside an existing IOSH Managing Safely course, has been fully approved for use, providing a baseline for health and safety in the workplace to underpin and provide a foundation for other courses delivered under the SEASEP portfolio. This phase of SEASEP has leveraged over £900,000 to date.

Skills for the Safe Adoption of Emerging Technologies

In early November 2023, the Foundation launched a new report with the RSA, exploring skills needed for the safe adoption of emerging technologies in engineering which pointed to the acute need to address skills shortages in the engineering sector. Moreover, the Foundation recognises that many of these technologies have the potential to reduce risk and so, if the skills shortage is not addressed, we will miss out on opportunities to enhance the safety of the world's critical infrastructure and the people who build, design and operate it. Next steps are being actively considered.

Challenge: Safety of physical infrastructure

Impact highlight

Since the inception of the National Structural Integrity Research Centre (NSIRC) in 2012, a report released this year highlighted that the centre has supported 382 students globally, representing 49 nationalities, and has contributed to over 800 publications and 39 codes and standards. With a remarkable 100% employment rate for graduates within one year of graduating, NSIRC has this year expanded its global reach through NSIRC International, focusing on supporting PhD training outside the UK with Greece, Thailand, Malaysia, Indonesia, and India already signed up. NSIRC International concentrates on building local capacity addressing local needs related to Digitalization, Smart Manufacturing, New Materials, and Net Zero, with LR providing support through project selection and mentoring. This signifies a strategic move toward a more globally impactful future for NSIRC.

European Bank for Reconstruction and Development (EBRD)

In February 2024 the Foundation contributed to the Terms of Reference for OHS assessment in Ukraine to ensure safety is embedded in the process. For reconstruction EBRD is going to champion at the level of up to US\$ 50 billion a year. For the Foundation, Ukraine presents an interesting case of the role of safety in rebuilding economies and infrastructures after man-made disaster (in this case war). For the EBRD this assessment is a systematic review of huge safety issues that need to be addressed as part of building back Ukraine including male labour shortages and massive influx of migrant labour from India, Bangladesh, Philippines who lack safety skills.

Live trial for Discovering Safety outputs

The Foundation programme Discovering Safety (DS) in partnership with the UK Health & Safety Executive, lead an initiative focused on enhancing health and safety through better use of data, particularly in construction. DS has now developed a standardised library of data and processes that can be seamlessly incorporated into visualization and modelling tools including Building Information Modelling (BIM) to address safety risks in construction projects. In February 2024, a live trial on a construction project at the AstraZeneca's Macclesfield Campus, utilised sensors attached to individuals and machinery, digitally connected to a BIM model, to establish dynamic safety zones on a construction site. This innovative approach sought to enhance the accuracy of zonal procedures and pre-emptively manage risks to workers before any harm occurs.

New Value of Safety

A Foundation grant to U.S. based National Safety Council led to the publication of a report in September 2023 that redefined safety using a model that links outcomes to different dimensions of value: health, economic, environmental, sustainability, resilience, ethics, society, reputation. The New Value of Safety was published in tandem with a unique activation guide and Nike case study that provide methodologies for putting the model into practice. The Foundation is now shaping the next stage of work on New Value of Safety towards scaling uptake.

Advancing Complex Systems thinking in South America

In April 2024, Engineering X partnered with the Royal Academy of Engineers' Frontiers team to deliver a symposium on the theme of 'Systems approaches in a just energy transition and for equitable access' in Columbia. Chaired by Professor Yasmin Merali and Professor Franklin Jaramillo Isaza, it brought together over 70 delegates from across six regions and over 30 countries globally. This highly interactive event brought together academics, industry professionals, NGO staff, and policymakers across a range of disciplines across social sciences and engineering. The symposium was drawing on Engineering X - Safer Complex Systems programme learnings to date which put a spotlight on the need to develop a

systems mindset and awareness of complexity; the need to identify levers of change; and the challenges of building trust while addressing governance in complex systems.

The symposium was followed by a 40-person multi-stakeholder event held with the British Embassy, Colombia in Bogotá on 26 April 2024, focusing on the Colombian energy sector. Engineering X is now working with partners to engage the Colombian government on next steps and formulate high-impact interventions.

Challenge: Public understanding of risk

Impact highlight

The Foundation's Institute for the Public Understanding of Risk at NUS in Singapore was commissioned by the UN Secretary General's office to conduct research for a new UN Global Risk Perception Survey, unveiled at the UN Summit for the Future in September 2024. It is the first global risk report to feature input from official national government respondents and the first to place emphasis on the role of multinational institutions.

Measuring Risk Know How

Two project officers joined Sense About Science in August and September 2023 as part of the Risk Know How programme, a grant to Sense About Science. The Risk Know How programme launched a new platform at the American Association for the Advancement of Science (AAAS) meeting in February 2024. AAAS is the world's largest general scientific society, and its annual meeting was attended by scientists, journalists and policymakers globally. Building on the Risk Know-How framework launched in 2023, the platform provides case studies, curated materials and tailored help to frontline risk communicators. Over a hundred people around the world, who have found themselves involved in helping others to navigate risk information, contributed to the platform and it is clear that the framework is now being incorporated into best practice guidelines for the provision of risk information. It is a central part of the IPUR 'Understanding and Communicating Risk' MOOC and is being used in collaboration with other Foundation grant-holders (notably SafetyKnot to focus on the risk of accidents at work) and across the world (e.g. Spain, Nigeria, Sweden, Mexico).

Institute for the Public Understanding of Risk

The Foundation's Institute for the Public Understanding of Risk at NUS in Singapore was commissioned by the UN Secretary General's office to conduct research for a new UN Global Risk Perception Survey unveiled at the UN Summit for the Future in September 2024. There is a clear focus on "major global shocks" (that would have a significant impact on a large proportion of humanity) in the survey with an aim for better management of the risks from the multilateral system. We anticipate that this will complement and draw attention to the Foundation's World Risk Poll work. IPUR also relaunched its online learning course (MOOC) in early 2024. It contains a number of new elements and special masterclasses from experts like Paul Slovic.

Skills and education

The Foundation's strategy states that, in addition to its three goals, the charity will continue to invest in longer-term capability and activities in support of its mission of safety and education.

Impact highlight

The Making Spaces programme has published "Towards Equitable Makerspaces: A guide to the 3-STEP approach." This guidebook is a resource to help makerspace practitioners develop equitable practice. It includes key ideas, case studies, reflective questions and activities. It also details some of the outcomes experienced by young people and practitioners who took part in the study and is applicable to a variety of engineering education practices.

Making Spaces

A Foundation grant to Prof Louise Archer at UCL delivers a programme of work across makerspaces in the UK, USA, Slovenia, Nepal and Palestine. It identifies and shares equitable practice to support diverse young people's engagement with engineering, and so aims to open new pathways to engineering-related careers and making the world a safer place. We know that about 1,000 young people have already been engaged and we can see significant increases in skills and

career readiness. A new model for equitable practice, with an accompanying guidebook, MOOC and resources for practitioners, was launched in June 2024 and the programme has leveraged nearly £1.8m.

Fire Engineering Education for Africa to Stellenbosch University

This £165,000 grant fund served as the first phase of creating formal engineering training in a specialised field with a major skills shortage. After almost six years of very hard work, the overall project has culminated in a degree programme that trains fire engineers from across the developing world. Ten times cheaper than the USA, such education is now accessible to engineers at mines, industrial facilities, oil processing plants, consulting firms, government entities, health services and other sectors across Africa. Outputs from the grant include the world's first fire engineering guideline for informal settlements, the creation of Africa's first masters in fire engineering by distance learning, now with expanded content and 600 multiple PhD and MEng student graduates plus 400 industry engineers. Current and past PhD students come from countries such as India, Chile, Ethiopia, Nigeria, Namibia, South Africa and Zambia – these graduates are the foundation of advancing fire safety in their countries.

Making Spaces in Türkiye

The Foundation provided additional funding to the Education Volunteers Foundation of Türkiye (TEGV) in the aftermath of the devastating Türkiye-Syria earthquake. The money was used to support the delivery of continued, quality education and psychological support to children in Gaziantep, one of 11 cities hit by the earthquake and to where about 400,000 people migrated from other regions of the disaster zone. The new learning unit aims to reach at least 2,000 children every year. It opened on 23 May 2024 and our LR Group colleague Engin Yazicioglu represented us at the opening ceremony.

Small Grants

The programme has awarded more than £600,000 so far and really does show that "a little goes a long way." An internal mini-review of the programme has identified potential emerging themes and groupings that reveal clear potential for the programme to be used more strategically; we have tested this in recent months by including a specific reference to our heritage work and, to very positive effect, hosting a short series of online workshops for existing small grant-holders. These workshops were intended to generate collaborative proposals between two or more grant-holders, based on ideas that they would not have come up with by themselves. We are currently assessing the first expressions of interest. We also recognise the diversity of funded small grants as a strength that we can work with to advance our mission. Recent successful applications include projects looking at the safety of offshore wind turbines, training in the maritime sector and safety of life in South African waters. In the meantime, we continue to note good impact. For example:

- The Foundation has funded Universiti Teknologi MARA (Malaysia) and the University of Greenwich (UK) to assess design for safety competence in construction. The work has led to clear recommendations to further improve safety, including enhancing the role of Design for Safety competencies in the Malaysian government's OSH in construction management guidelines and prioritisation of Design for Safety training within continuous professional development.
- The Foundation has supported the RNLI in convening governments, IGOs, NGOs, academia and local communities to discuss data collection related to the fatalities of fishers in Tanzania and there is now an agreed data collection tool that will standardise data gathering and recording, and better inform the design of interventions that will improve safety. A small grant to IMRF led to the "Tides of Change: Adaptive Strategies for Maritime SAR in a Changing Climate" report, which outlines climate change impacts on maritime search and rescue (SAR) operations and lays a foundation for climate change resilience in the maritime SAR community.
- Previous small grants are unlocking significant leveraged funding. A small grant to Lancaster University for tracking icebergs is now using significant funds from other sources that will pay for two years of research and commercialisation of a system that will make polar shipping safer. Similarly, a grant to Queensland University of Technology has resulted in an AUS\$2million Australian Research Council Industry Fellow grant (approximately 100x leverage).

NEST

The Foundation has closed the old Network to Engineer a Safer Tomorrow (NEST) platform as part of the Digital Transformation Project. The programme will remain in place and will continue to support the careers of those that have benefitted from Foundation funding, whilst also acting as a 'ripple-wave' for the Foundation's mission and helping to track longer-term impact. One of the ways in which we do this is by providing grants of up to £2,000.

- NEST member Dr. Sanley S. Abila used NEST funding to host a public engagement event on seafarers' mental health at the Museum of Philippine Maritime History. The event served as a crucial platform for raising awareness and promoting proactive measures to support the mental health of seafarers.
- Adriana Castro Vargas is another NEST member, who the Foundation supported to undertake a three-month internship at the University of La Rochelle in France to better understand damage tolerance of aluminium coatings that have potential be used in an offshore environment. As a result of this support, Adriana was able to work with experts in her field and further understanding of how reliable corrosion mitigation systems can enhance the safety of offshore infrastructure on the environment. It is estimated that offshore coating repair costs are 50-100 times higher than onshore installations. Also, the unexpected failure of coatings to mitigate corrosion of offshore structures can lead to severe environmental damage, injuries and sometimes loss of life.
- Iulia Manole was supported to engage with the seaplane pilot community in Canada and improve safety practices. The insights gained revealed various factors influencing pilot decisions and highlighted the need for diverse safety promotion methods.
- Dr Charanraj Mohan successfully completed a series of professional certificate courses on edX, enhancing his skills in strategic management, project management, business communication, teamwork, and ethical decision-making. This newfound knowledge has already been applied to his current projects, improving his approach and methodologies.

Pathways to Impact

Building on the success of Pathways to Impact projects, the Foundation and Lloyd's Register Group relaunched this collaborative programme in June 2024. The Foundation provides up to £5,000 of funding to organisations that can help to engineer a safer world and Group provides up to three volunteering days for colleagues to partake in relevant initiatives. In the last year, an LR colleague worked with Winchester Action on the Climate Crisis to build a bespoke campaign in favour of solar farms, aiming to prevent inaccurate reactions to their planning and implementation. Key local decision-makers now have a much better understanding of a difficult topic, often prominent in media discourse. This tool can be replicated for all land-based categories of renewable energy (wind, anaerobic digestion and battery energy storage). Additionally, support for the East Sutherland Rescue Association (ESRA) enabled a number of crew members to attend courses associated with Lifeboat Operations, and ESRA now have increased capability to launch their lifeboat and operate search and rescue operations in darkness and are up to speed with the boat handling characteristics of their new vessel. Ultimately, ESRA are now able to provide increased safety during training and/or rescue operations. Lloyds Register Surveyor Andrew Graham gave a number of days onsite working at the facilities, carrying out a full risk assessment of the new Lifeboat Station.

Future grant/programme plans for the next 12 months to June 2025

Kicking off our new strategy

We will publish an open call for applications based on our new strategy and approach to international funding. We will target groups and networks in developing economies and direct applications towards the technical standards and capacity and capabilities for safer engineering.

Foresight Review on Nature Positive Engineering:

Savina Carluccio, Executive Director of the International Consortium for Sustainable Infrastructure (ICSI) will lead our foresight review on Nature positive Engineering. The focus topic was initially identified in the Ocean Safety Foresight Review in 2021. ICSI has been selected based upon its experience of leading such convening and reporting activity in the past, its extensive networks across the stakeholder system, and its understanding of the role of nature-based engineering in delivery of nature positive projects.

Foresight Review on AI

New technology can impact safety in two ways; it may improve safety and its adoption may create new risks to safety. The rapid development and application of artificial intelligence (AI) is already having an impact on society, with its use increasing within critical infrastructure sectors. The Foundation intends to launch a foresight review that will explain and explore the use, opportunities and threats of AI in the context of safety critical engineering infrastructures.

Maritime Trends Deep dives

As described earlier in this report, the work conducted by The Economist provided an insight into the global trends that will influence the future evolution of the blue economy. The Foundation has now started commissioning deep dives that

explore the impact of these trends. What will these trends mean for global trade, and how will this impact safety and skills development needs?

Maritime Connected

The Foundation believes that only through hearing diverse voices from across the maritime system can it make meaningful progress in creating a safe maritime future. The Foundation launched Maritime Connected in late September 2024, via its website to bring together global voices to understand the maritime system and its future in ways that have not happened before. With these diverse voices, the work will expose ways to unblock collective challenges and take steps to achieve them.

Ocean Stewardship Centres

The Foundation is a global charity and our funding already reaches 96 countries. Much of this funding is directed via UK-based grant-holders with excellent international networks. The Foundation recognizes that it can have more impact internationally if our international funding is driven by understanding of local, in-country needs and networks. In this space, the Foundation has been developing a partnership with the UN Global Compact over the last 12 months, with an initial scoping project identifying seven initial locations based on the work of local consultants in Bangladesh, India, Indonesia, the Philippines, Brazil, Ghana and Kenya.

Over the next 12 months, this partnership with the UN Global Compact will see the launch of Ocean Stewardship Centres in these locations to map key stakeholders, build a network overview, analyse political and industry ambitions, and identify gaps in local solutions. Potential focus areas for the implementation phase will obviously build on this work and can access LR knowledge, resources and understanding – from maritime decarbonisation to small grants mechanisms.

Developing skilled people/capacity in safety

By learning lessons from our SEASEP and EngineeringX programmes, and our focus on internationalisation, we will build a new Skills for Safety intervention targeting the safe building, operation and maintenance of critical infrastructure in a region of Africa, where population growth is leading to rapid industrialisation and growth of critical infrastructure.

GOAL 3 – BUILDING COALITIONS

Impact highlight

Building on our work with grant holders, the Foundation launched its first small grant holder collaborative workshop in May 2024, bringing together a cohort of 27 small grant holders from around the world including Kenya, South Africa and the US to help catalyse innovative thinking and produce new, ambitious ideas to advance our charitable mission and engineer a safer world. Participants were asked to explore the biggest safety challenges across the maritime, infrastructure and engineering skills sectors and collaborate to develop new proposals eligible for further funding. Proposals are now underway and further workshops will take place during 2024 and 2025 to stimulate new thinking and fresh ideas.

Activities and impact

The Foundation's communications strategy continued to focus on raising awareness of the global safety challenges and increasing the Foundation's influence, building strategic partnerships, and enhancing the impact of the work the Foundation funds.

Brand and reputation

A refreshed narrative for the Foundation's mission and priority areas was developed between January and July 2024 to give a clearer understanding of our history, expertise and ways of working to stakeholders. This new strategy launched in September 2024 alongside the launch of the Foundation's new website.

During the last year, approximately 2,500 articles in the press and podcasts mentioned and/or featured Lloyd's Register Foundation, further building its reputation particularly in relation to programmes of work in maritime and the public understanding of risk. Many of the press mentions were in relation to the launch of the Global Maritime Trends 2050 report, the SHE SEEs exhibition which took place at the International Maritime Organization during London International Shipping Week, the Potentially Polluting Wrecks programme of work, the grant funded report in collaboration with the National Safety Council, and the latest World Risk Poll 2024 report 'Resilience in a Changing World' which was launched during the 2024 Understanding Risk Global Forum in Japan.

Our news articles remain immensely popular on the Foundation's website. Over the last 12 months, the Foundation's website has received nearly 150,000 views, a third of which were of news articles, while just over a tenth were of publications. Visitors to the site came from 172 countries, demonstrating the Foundation's global digital reach.

The Foundation's thought leadership programme resulted in 49 colleague and partner authored pieces in global and UK based trade publications over the last 12 months. This included an article in The Engineer, making the case for new policies and investment in the maintenance of critical infrastructure to change prevailing attitudes and keep people safe; a feature in TradeWinds discussing the experiences of female engineers in the shipping industry and an article on how a wider appreciation of the knowledge needed across Science, Technology, Engineering and Mathematics disciplines could bridge the global skills gap in Further Education.

Foundation spokespeople have attended several key influential events during the last 12 months, raising the profile of the Foundation through speaking opportunities, round tables, panel debates and workshops. These took place at global events including Climate Week NYC, COP28, UN Ocean Decade Conference, Singapore Maritime Week, Posidonia and the UNCTAD Global Supply Chain Forum.

The Foundation's social purpose remains core to its mission and initiatives to embed this both internally and communicate it effectively externally continue. The film 'The world's ocean is in our hands' tells the story of the shared safety mission and how together, the two organisations are working towards a safer more sustainable world. It covers LR and LR Foundation's work in a rapidly evolving industry, work in future fuels, how LR Foundation is contributing to a safer ocean economy and how our two organisations are making a tangible contribution to the current and future safety of the maritime industry.

Campaigns

Maritime & Oceans

The Global Maritime Trends 2050 report, delivered in collaboration with LR and Economist Impact launched at a private event in the Gherkin during London International Shipping Week in September 2023 to key stakeholders and LR clients. The report includes expert commentary and considers four fictional futures for an energy transition, dependant on actions taken by the industry. Press coverage of the report appeared in Reuters, Straights Times, CNBC Africa, Trade Winds and Lloyds List and was shared on the Foundation's external and internal platforms.

The Foundation had a significant presence at COP28 is now underway, with a partnership with the Ocean Pavilion. Foundation representatives ran, coordinated and took part in more than 30 panel discussions, raising awareness of the need for a safer ocean economy, not just a more sustainable one. Discussions included the critical role of Engineering: turning science into action, a debate on what happens if average global sea levels rose by at least 40 cm by 2050, the need for diverse and local voices in decision making, the barriers to decarbonisation and knowledge sharing in maritime and ports as a gateway to building equitable and resilient communities. In addition, the Foundation was a co-lead for the Resilience Hub's Oceans and Coasts theme and worked closely with LR to run sessions at the International Chamber of Shipping COP28 Conference based on the Global Maritime Trends 2050 report.

The Foundation's latest documentary film produced by award winning journalists and film production company Miran Media launched in June 2024 at the IMO as part of the International Day of the Seafarer activities. This year, the IMO's campaign looked at seafarers' contribution to making the maritime sector a safer workplace, which resonates strongly with the Foundation's mission. More than 200 IMO technical committee delegates gathered to watch the screening which prompted discussion around steps which need to be taken to keep seafarers safer.

World Risk Poll

From July 2023 to June 2024, the Foundation continued to further disseminate and drive impact from the 2021 Poll data with the publication of a series of four data visualisations with Visual Capitalist, disseminated across their far-reaching website, email and social networks, and several speaking engagements at Climate Week NYC, COP 28, the Warnings for All Conference at UCL, GovTech 2023 and the International Risk and Resilience Conference 2023.

The Foundation also commissioned four storytelling projects, bringing to life stories and data from the Poll to make an impactful case for change, a short film on perceptions of AI risk in Ghana, which received extensive coverage in the Ghanaian press; a documentary digging deeper into our data on workplace violence and harassment; and a short film on community flood resilience in Sierra Leone, which was previewed at a well-attended local event for invited guests including the Mayor of Freetown, and launched publicly as part of the new World Risk Poll resilience report launch.

October 2023 saw the publication of the final 'Focus On' report based on the 2021 World Risk Poll data, on 'Critical infrastructure resilience and perceptions of disaster preparedness'. The report was launched with a Reuters webinar, for which there were over 500 sign-ups.

The Foundation team continues to use insights from the Poll to advocate for action on critical safety issues via thought leadership articles in influential trade publications. By coupling the World Risk Poll data with the respected expertise of grant holders via co-authored articles, features were secured in Civil Service World and Green Business Journal. The success of the media launch campaign for the 2021 World Risk Poll was recognised by winning a PRCA DARE Award (recognizing exceptional PR and communications practice in the UK) in the social purpose category.

Meanwhile, World Risk Poll data on violence and harassment in the workplace was cited by the International Chamber of Shipping as it announced the publication of a new set of industry principles for combatting harassment and bullying in the maritime sector. This development was covered across numerous maritime trade publications and is just one example of how the Poll can deliver impact.

World Risk Poll data was also cited in several influential policy publications, including the new edition of UNDP's Human Development Report, widely read by governments around the world, and in a new paper from the Carnegie Endowment

for International Peace (a respected international affairs think tank), with recommendations on how to ensure more equitable global distribution of the benefits of AI systems.

Grant holder activities and communications

Over the last financial year, several events with grant holders have taken place including the successful launch of DCE 2.0 at HMS Belfast with attendees from LR, HiLo, and the Royal Academy of Engineering. The Foundation secured speaking opportunities for several grant holders during London International Shipping Week in September 2023, at COP 28, a high-profile PortWatch event in partnership with the International Monetary Fund and University of Oxford, AI UK 2024, Risk Quotient and at the Centre for Safe Autonomy launch.

Over the last 12 months, the Foundation has coordinated a suite of co-branded media relations activities, with 1,200 articles in the press related to the Foundation's grant giving and funding activities, and an estimated reach of over 4 billion. Working closely with communications teams at grant holder organisations, this has included press releases announcing a small grant to Sea Shepherd Global, the International Fund for Fishing Safety, profiling our new World Maritime University fellows, the launch of METAVASEA and specialised media relations with the RSA for the Skills Needed for the Safety of Emerging Technologies report. This resulted in articles in top tier publications such as Business Times Singapore, The Manila Times, TradeWinds, Lloyds' List, The Washington Post, The Kenya Standard, one of the oldest newspapers in Kenya with a 48% market share and the BBC. These efforts have also helped bolster the Foundation's digital performance this year, with 60 news items published to our website with a total viewership of 39,343 (26.5% of website visits over this period).

Across all Foundation websites, including the World Risk Poll site and that of our Heritage and Education Centre, we have seen a 65% increase in users, an 8% increase in downloads and an 8% increase in total page views over the last 12 months.

Future plans for the next 12 months to June 2025

- The Foundation's new strategy was launched in September 2024 to both internal and external stakeholders, featuring on a new website which launched at the same time.
- A dedicated thought leadership and media relations programme for the Foundation overall and for each of the focus areas in our new strategy will roll out over the next 12 months, targeting specific publications to reach intended audiences.
- An events programme for the newly reopened Colcutt building will launch in 2025 to position the Foundation as an inspirational venue for debate, dialogue and new ideas across the maritime, infrastructure and skills sectors, as well as for the City of London. It will also provide an opportunity for community led activities such as workshops and visits for young people to learn about maritime and the careers opportunities within this industry.
- As the Foundation internationalises, convening diverse stakeholders from different regions will ensure local voices are heard and these experiences, knowledge and insight will be shared on Foundation channels to raise awareness of local safety challenges and needs.

HERITAGE AND EDUCATION CENTRE (HEC)

Impact highlight:

On 11 September 2023 the Foundation opened SHE_SEES at the International Maritime Organization for London International Shipping Week, this marked the first year of our showcase Rewriting Women into Maritime History project. The launch night welcomed over 550 people from a broad spectrum of maritime and heritage organisations, this included former MP, Nusrat Ghani who mentioned the initiative in the House of Commons. A digital exhibition was created with over 50 stories of women in maritime, this has been hugely successful, reaching 73 countries worldwide including Madagascar, Nigeria, Taiwan and Qatar. The HEC website has seen a growth of 68.4% in female visitors.

HEC's activities are designed to promote its vision: *Maritime Safety: increasing the understanding of its importance to the past, present and future ocean economy* and progress its mission.

Collections

The Heritage & Education Centre completed a sitemap for the Foundation's historic archive collection in February 2024. This involved creating a hierarchical collection structure that organises records into relevant series, sub series, files and items and facilitated the cataloguing of collection areas that remain unprocessed.

The collections team have catalogued and re-housed large parts of the corporate collections, cataloguing the Governance, Estate, Staffing and Finance records to file level (up to the year 1970). This encompasses more than 240 volumes, over 100 plans and over 140 boxes of archive material. The rehoused material covers over 45 linear meters of shelving and over 90 archive boxes. This work marks the first time the archive has been catalogued to internationally recognised archive standard ISAD (G).

To meet the demands of collections management across the archive, library and assets, the Heritage & Education Centre formally established a Collections Committee (CC) in November 2023 to provide a forum for discussion surrounding the execution of policy, procedure and planning across the Foundation's collections; facilitate their care and management to the highest standards and ensure that they can be leveraged to increase understanding of the global importance of maritime safety to the ocean economy.

In November 2023, the Centre purchased the Frank Strike Collection at auction. The collection consists of approximately 300 magic lantern slides dating from the early to mid-20th century of Cornish shipwrecks and lifesaving equipment. Collected by Frank Strike, a local historian, undertaker and member of the Porthleven Coastguard, the collection represents an unusual and rare asset.

In December 2023 the collections team visited the University of Glasgow and Ballast Trust to discuss the acquisition of the remaining parts of the British Corporation (BC) archives not currently held by the Foundation. This contains 60 boxes of survey reports and over 900 ship plans relating to ships surveyed by BC, which will now move to the Foundation's archive. This will unite the historic records of BC for the first time in over 30 years and bring the records of all the UK based maritime classification societies under one roof.

In March 2024 the Centre saw the return of a selection of BC material out for conservation with specialist conservators, Harwell Restoration. The material that was conserved is now in excellent condition and will be more accessible for onsite access and in a better condition to digitise or display in the future.

In addition, the Lloyd's Register Technical Association and Staff Association papers, comprising 63 items dating back to its 1920 inception, were digitised in late 2023. These publications, originally intended for exclusive internal use to enhance LR's competitive edge, are now accessible for public research, offering valuable insights into best practices within the industry. Over the years, they have served as a crucial reference point for technical expertise and knowledge dissemination. Over 4,000 images, once stored on an obsolete hardware format have been recovered and securely transferred to a reliable storage medium.

Systems

Axiell was secured as the supplier for our Collections Management System (CMS). The team conducted data cleaning and prepared existing catalogues for ingest into the new system. A prototype of the system is now being tested by the Collections team. The system is expected to launch in Autumn 2024.

Work has commenced with securing a Digital Asset Management System (DAMS) for the storage and governance of the Foundation's digital assets to provide a means to securely and efficiently house, manage, organise and facilitate access and sharing of all digital assets and files. A tender procurement exercise commenced with a supplier selected in Autumn 2024.

A hosting supplier, Sundive, was formally selected via targeted tender in June 24 to provide hosting and infrastructure services that will support HEC's suite of systems. All HEC systems will be hosted through this single integrated service layer. Sundive's provided service will see the development of a phased architecture and implementation plan, hosting, configuration and implementation, system installation support, ongoing maintenance and documented training guides and information.

Research, Interpretation & Engagement

History Hit and Dan Snow have recorded a four-part series on ship histories and historical crime. The team and Curators from the National maritime Museum were interviewed about *Cutty Sark*, *Thermopylae*, *SS Dunedin* and *SS Politician*.

The Centre also partnered with the International Maritime Organization, the Science Museum and the Discovery Museum, Newcastle for the next series of Maritime Innovation in Miniature - a joint five-month campaign which ran until May 2024, publishing a total of 15 ship models and three 'behind the scenes' pieces for YouTube and socials.

In March 2024, the Centre extended its partnership with the Society for Nautical Research funding the *Mariner's Mirror* Podcast until 2025 on a bi-weekly basis, with 10 episodes dedicated to either LRF-funded grants or on topics of maritime safety and history since 1760. To date, the lifetime downloads of the Podcast are 494,819 with total YouTube views of 1,128,675. Episodes include 'Freak ships of the nineteenth century: *SS Bessemer*' and 'The Rules and Regulations for Composite Ships'.

The Centre has continued partnership with three authors, Roy and Lesley Adkins, Rose George and Anna Grybenyuk, to write on topics of maritime safety, innovation and technology. Over the past 12 months, stories have included: 'Ballast: a hidden history on how to avoid shipwreck', 'Anna Shchetinina: A Figure of Resilience and Perseverance' and 'What harm could one do?': The Disastrous Result of Smoking at Sea'.

Grants

The Ocean Foundation (TOF)

A two year, £413,000 grant to The Ocean Foundation's programme 'Threats to Our Ocean Heritage' is helping disseminate evidence on Underwater Cultural Heritage. The first two books produced by TOF are freely accessible via Springer Links and cover *Threats from Trawl Fishing* and *Threats from Potentially Polluting Wrecks*. Globally, there are over 8,500 wrecks classified as 'potentially polluting wrecks' (PPW). Under the grant, Project TANGAROA has been initiated by Lloyd's Register Foundation, The Ocean Foundation (TOF) and Waves Group, based on real potentially polluting wrecks (PPW) experience. Aligned with the International Union for the Conservation of Nature (IUCN) resolution, it aims by 2028 to develop a 'Global Framework for the Near- and Long-Term Assessment, Intervention and Sharing of Data for PPW'. The first of three expert workshops on proactive risk management was held in London in April 2024 and attended by over 60 stakeholders from around the world, including representatives from the IMO, Major Projects Foundation, UNESCO and UK MoD.

International Congress of Maritime Museums (ICMM)

A one million pound, five year programme 'Global Maritime Histories: Case Studies for Change' launched in 2023 and developed in collaboration with the International Congress of Maritime Museums, will deliver new and authoritative perspectives into the urgent debate about how to address global safety and sustainability challenges in the maritime economy. The programme will leverage the outreach programmes of more than 120 member museums to act as professional 'storytellers', a key component in understanding and promoting change.

Museum of London Archaeology (MOLA)

Widening Access to HEC Resources through Citizen Science (£100,000, 2019-2024) with Coastal and InterTidal Zone Archaeological Network (CITiZAN) has engaged new and diverse audiences and documented at-risk archaeology around the UK coasts. Scoping and application for a new project 'Coasts in Mind' has also been underway as part of the grant.

University of the Arctic (UArctic)

In 2024, HEC invested in a £410,000 programme with UArctic 'Arctic Maritime Safety: learning from the past to help address the challenges of peoples in the Arctic' to build research into historical perspectives on current safety challenges. It is shaped by two discovery seminars and new research fellowships that will include indigenous organisations, as well as inputs from industry and other institutions in the UArctic network. The programme will deliver new insights, evidence and case materials to policy and change makers, and in parallel it will also explore further opportunities for collaboration across the Foundation.

The National Maritime Museum, UK

Creating Ocean Citizens for a Safer World is a £1m large-scale partnership with the National Maritime Museum, Greenwich to create a programme of maritime topics including the importance of shipping, threats to ocean health, seafarer wellbeing and the need for safer seas. The Foundation-funded Curators of Contemporary Maritime will continue to evolve the Museum to become a place where the public, academia, and maritime industries tackle contemporary maritime matters. The aim is to create active ocean citizens; using collections to learn from the past, understand the present and inspire the future, as a collaboration with the Foundation, museum, academic and industry partners, ensuring maritime issues are visible throughout its work.

The Ocean Decade Heritage Network (ODHN)

The Cultural Heritage Framework Programme (£374,000, 2022-2026) has created two digital platforms dedicated to sharing the work of associated and endorsed Decade Actions and external projects. *SeaVoice* is designed as a popular magazine, to which articles are submitted for public dissemination.

University of Portsmouth

Sail to Steam Carbon to Green: Empowering Port Communities in the Global South (£626,000, 2024-2030) a new project to learn lessons from past maritime energy transitions has been awarded to the Centre for Port Cities and Maritime Cultures at the University of Portsmouth. Four PhD students and post-doctoral researchers will be recruited as part of the six-year project, with the first focusing on Macau in China and Callao in Peru.

Lloyd's Register Surveyors in China, 1869-1918 (£90,000, 2021-2024) a doctoral-level research project assessing the influence and impact that Lloyd's Register (LR) and its surveyors had on international understandings of health, safety, and risk management, and their broader influences on local infrastructures and imperial cultural knowledge.

HEC Digital Presence

Since July 2023, the Foundation's digital estate has continued to evolve following changes implemented as part of the long-term Digital Transformation Project. The second phase of the Digital Transformation Project is now underway, with the adoption of a new site architecture for the Heritage & Education Centre (Collections Management System, Website, Digital Asset Management System, Digital Preservation System) and further site features and launches including a new grants interactive map, chat assistant and information architecture.

Future plans for the next 12 months to June 2025

Rewriting Women into Maritime History: From August 2024 until August 2025, Portsmouth Historic Quarter will exhibit SHE_SEES at Boathouse 4. The same exhibition that was featured in 2023 at London International Shipping Week with two additional portraits of women working at the Dockyard today as well as the historical stories of women working during the First World War up until the 1970s.

This programme will internationalise over the next three years, visiting up to three other country locations per year that reflect the Foundation's international grant portfolio and global interests of Lloyd's Register. The international phase will also be presented at the International Congress of Maritime Museums in September 2024 to 152 global maritime

museums. We will also be running a ‘thought leadership’ campaign in *Horizons*, featuring interviews with maritime industry leads about D&I.

Our showcase Learning from the past (LFP) programme will continue to expand with key focus on the work of Project TANGAROA and the coalition to build momentum to globally assess the risks from potentially polluting wrecks. Other work in the LFP space includes bringing new types of evidence to support work on today's safety challenges.

In 2025 the archive and library will have returned to the City of London and a new public facing archive service will be established in the Colcutt building at 71 Fenchurch Street. The archive, library and heritage material will be fully accessible onsite for the first time in over five years and reopen to visitors.

Digital Transformation Project

The first phase of the Foundation's long-term Digital Transformation Project (2023-2026) has delivered in its commitment to overhaul the Foundation's digital maturity, platforms, ways of working and outreach. Delivered activities include the completion of the development and launch of Drupal as the Foundation's new centralised content management system, followed by the release of the World Risk Poll site in June 24. In addition, the decommissioning of several unsustainable platforms and microsites have been completed (WordPress, Safe Showcase, NEST, Universal Analytics).

To ensure the Foundation becomes technologically agile and responsive to sector changes, key initiatives such as the digital academy were organised, focusing on six key subjects across digital from project management programming to ensuring digital projects are commissioned correctly.

The Foundation is now continuing to develop Salesforce Not For Profit as its joint grant management and customer relationship management system. Currently the team is reviewing the initial design specification of the system, which will then outline the build and training programme for colleagues ahead of the system's launch. Finally, the release of the Foundation's new strategy will coincide with a new Shorthand and website launch in Autumn 2024.

Following platform audits, SEO reviews and aligned content promotion, the Foundation's platforms and content have seen a 65% overall increase in global users (249,755 v 151,645), an 8% increase in total viewership (633,207 v 584,968) and an 8% increase in file downloads (26,940 v 24,469). The release of the new World Risk Poll has also seen a 355% increase in engagement time.

The second phase of the Digital Transformation Project will build on this success, with the adoption of a new site architecture for the Heritage & Education Centre (Collections Management System, Website, Digital Asset Management System, Digital Preservation System) and further site features and launches including a new grants interactive map, chat assistant and information architecture.

LONGER-TERM PLANS BEYOND JUNE 2025

In July 2024 the Foundation's next five-year strategy begins. Led by Chief Executive Ruth Boumphrey, the new strategy focuses on three areas of priority – safer maritime systems, safe and sustainable infrastructure and safer skills for engineering. Work in these areas will continue to be supported by the best evidence and insight and maritime heritage and expertise. During this time, the Foundation will continue to manage its existing grant portfolio and make additional interventions through direct activities or grants based on evidence of the most pressing challenges in these priority areas and where the Foundation is able to achieve the most positive impact in the areas where it is most needed. At the same time, the Foundation will continue to invest in its heritage archive and learning from the past programmes to help inform a safer future and its evidence and insight work to create a new Global Safety & Evidence Centre to better understand the complex factors affecting safety. Over the next five years, the Foundation will seek to be better informed by local voices – those on the ground with expert knowledge of what's needed on a local level – to ensure its work is delivered to meet the needs of people in those locations. Our findings will be openly shared as always to encourage debate, dialogue and most importantly, action.

Changing global workforce patterns, climate change, the energy transition, and technological innovation continue to bring us new challenges and opportunities as we continue to drive forward our mission to engineer a safer world for the benefit of society.

Following the culmination of the 2019-2024 strategy, the Foundation has taken stock of its many successes and challenges over the past five years to shape the development of the new strategy, launched in September 2025. This new strategy will increase and strengthen the impact the Foundation makes globally, by listening to communities around the world who can share their perceptions and experiences of safety challenges to help inform where its work is most needed.

Accountability and Stakeholder Engagement

The following section describes how the Trustees have had regard to applying section 172 of the Companies Act to promote the success of Lloyd's Register Foundation and its subsidiaries. The Trustees confirm that they have acted in good faith to promote the long-term sustainable success of the charity to achieve its charitable purpose of working together for a safer world.

Oversight, Strategy and the Longer-term

The Trustee Board has a formal set of processes to enable it to discharge its duties in overseeing the management of the Foundation. The Board meets quarterly. The Audit, Risk and Investment Committee meets three times a year and the Grants and Direct Charitable Activities Committee meets quarterly. The Nominations Committee meets once a year, with additional meetings as required, to oversee succession planning and the Board composition. The Remuneration Committee meets three times a year. The Board also has a less formal, off-site meeting once a year where broader strategic issues are considered and the Board has the opportunity to meet with the Foundation's executive team. In addition, the Board meets twice a year with the Board of its operating subsidiary, Lloyd's Register Group Limited, for an update on its trading activities, with presentations by executive management, and there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees, customers and, where possible, Foundation beneficiaries.

The Board reviews all aspects of the Foundation's operations, risk management and objectives on a regular basis and those of its trading subsidiary, Lloyd's Register Group Limited. This is achieved by means of an annual rolling agenda of items to be considered at its meetings, split into standing agenda items, such as reports from the Foundation Chief Executive, the Foundation Chief Operating Officer and the Chief Executive of Lloyd's Register Group Limited, and annual items, such as the Board evaluation review, review of the budget and risk management updates. In conjunction with the Audit, Risk and Investment Committee, the Board has agreed a schedule of risk deep dives for presentation at each Board meeting.

The Board has oversight of planning for the longer-term through its review processes, the approval of the five-year strategy, the work of the Audit, Risk and Investment Committee, which meets with the investment fund managers at each meeting, and the annual Board update from each fund manager. This longer-term approach is reflected in the composition of grants awarded by the Foundation, which is agreed by the Grants and Direct Charitable Activities Committee and reported to the Board at its meetings as a standing item. The Board has also established delegated levels of authority for the Grants and Direct Charitable Activities Committee, above which the Board determines the award of grants. Further details on the charitable activities can be found on pages 4 to 24.

The following section describes the Board's engagement with the various stakeholder groups and the impact on its key decisions taken during the year. It includes the disclosures required in respect of Section 172 of the Companies Act 2006.

Charity Stakeholder engagement

Society in general	
As the Foundation is a company limited by guarantee and a registered charity, the beneficiary is society in general through the Foundation's charitable purpose	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation's mission and objectives are of a public benefit nature as noted on page 48.	At each Board meeting, the Foundation Chief Executive provides an update on the activities of the Foundation and the Chief Operating Officer reports on the financial and operating performance. There is also a report on the activities of the Grants and Direct Charitable Activities Committee and a presentation by the beneficiaries of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee.	

During the year under review, there were presentations in respect of the World Risk Poll, the Evidence and Insight Centre, the Maritime Emission Reduction Centre, a project in conjunction with Lloyd's Register Maritime Decarbonisation Hub Limited, and a presentation in respect of the renewal of a grant to Seoul National University. This enabled Trustees to hear about the work of the Foundation's large grants, to assess their impact and how they are working in practice. During the year under review, the Trustees joined the board of Lloyd's Register Group Limited on a joint board visit to the Lloyd's Register offices and clients in Greece. During the visit, Trustees met with the Hellenic Marine Environment Protection Association (HELMEPA) at the Athina Maritime Learning and Development Centre which provides training to seafarers. During the meeting, the Trustees attended presentations regarding HELMEPA's projects with Lloyd's Register funding, and in particular received an update on the METAVASEA project which aims to train and upskill seafarers, shipping professionals and port workers in accident prevention, new fuels, marine environmental awareness and decarbonisation initiatives. The Foundation Chief Executive's report presented at each Board meeting lists upcoming Foundation events, which Trustees are invited to attend. During the period under review, notable presentations were (i) an exhibition, SHE_SEES, at the International Maritime Organisation for London Shipping Week, an exhibition of the role of women in Maritime; (ii) a programme of grant holder events including the FAO Food Safety Curriculum Webinar, the launch of the Institute for Safe Autonomy with AAIIP and Safetytech Accelerator and HSE vent at the Department for Business, Energy and Industrial Strategy; (iii) the launch of the Foundation's latest documentary film 'I Love You, Over' regarding the plight of Filipino seafarers whilst away at sea, at the International Maritime Organisation in London, as part of the IMO's International Day of Seafarers; and (iv) a presentation by the Foundation Chief Executive at the Thomas Ashton Institute for Risk and Regulation at the University of Manchester, at an event 'A World of Risk: The underheard voices and what we can learn from them' - discussing insights from the World Risk Poll. This enabled the Trustees to see the funding in action and to understand the benefits and challenges of projects more fully.	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and Communicates
The workforce is vital to the success of the Foundation. By demonstrating the values shared with Lloyds Register Group Limited of "We care, We share, We do the right thing" we build and maintain the relationships with our beneficiaries. Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.	The Foundation has a relatively small number of employees (45) when compared to Lloyd's Register Group Limited (circa 3,700 employees). As a result, the Foundation receives support from Lloyd's Register Group Limited in respect of employee and workforce engagement, and details can be found in the Strategic Report of the Lloyd's Register Group Limited financial report and accounts. The Board continue to promote diversity and inclusion, and the Foundation has developed an action plan that embeds equity, diversity, and inclusion in everything that it does to create a sense of belonging for staff and also the global community of grant holders and partners. At each Board Meeting the Foundation's Chief Executive provides an update in their report on matters specifically relating to the Foundation's workforce. The Foundation Board is able to engage with senior members of the Foundation's workforce when they give Board presentations on the Foundation's activity. The Lloyd's Register Remuneration Committee comprises two separate committees, one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. The Chair and membership of both committees are the same. A report is provided at each Trustees' Board meeting of the activities of the committees since the previous Board meeting. In respect of the Foundation, the committee deals with the remuneration of the Foundation Chief Executive and the remuneration policy for their direct reports.
How the Board has taken account of these interests / Outcome	
The Foundation Chief Executive's report to the Board provides updates on staffing matters specific to the Foundation, including succession planning, changes in key posts and initiatives such as diversity and inclusion and flexible working and actions from Employee Opinion Surveys. A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings. Regular staff awaydays were held during the year which provided colleagues with the opportunities for learning, collaboration and social time and to comment on the new Foundation strategy.	
Customers The Foundation does not have customers, as such, but for this purpose regards the beneficiaries of its grants as customers	
Why we focus on this stakeholder	How the Board engages and Communicates
The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.	Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.
How the Board has taken account of these interests / Outcome	
The Trustees are mindful of the impact of the Foundation's activities on its beneficiaries. To ensure that there is security of funding for the grants to be maintained for beneficiaries, the Foundation's investment fund managers provide updates at each meeting of the Audit, Risk and Investment Committee and provide annual updates to the Foundation Board. In addition, the Foundation Board receives updates on the income from its trading subsidiary, Lloyd's Register Group Limited. This enables the Trustee Board to oversee the security of funding over the longer-term. Further details on grant holder matters can be found in the section below. Details of Lloyd's Register Group Limited's oversight of customer matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.	
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	How the Board engages and Communicates

Reliable suppliers are vital to the success of the Lloyd's Register Foundation. They include the provision of critical infrastructure such as IT systems and office accommodation. The Foundation relies upon a management services agreement with the Lloyd's Register Group Limited to provide key services.	The selection of suppliers and services are typically monitored by the Lloyd's Register Group's operational functions, and policies and procedures are set out in the Business Management System which is available on the Group's intranet. However, the selection of key suppliers of, for example, banking arrangements, IT systems and major property leases are reviewed by the LRG Board. Lloyd's Register Group Limited's Chief Executive Officer provides a business update on Lloyd's Register Group Limited to the Foundation Board at each meeting and details of Lloyd's Register's oversight can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.
How the Board has taken account of these interests / Outcome	
Details of Lloyd's Register's oversight of suppliers can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts. The Foundation engages regularly with the investment fund managers to ensure that all parties are engaged to provide a high level of service delivery.	
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	How the Board engages and Communicates
The key regulator for Lloyd's Register Foundation is the Charity Commission.	The Trustees receive annual training on Charity Commission guidance and updates from an external provider at its annual off-site meeting. In addition, the Company Secretary and the Foundation's executive leadership, including the Foundation Chief Executive and the Foundation Chief Operating Officer, report to the Board on engagement with the Charity Commission and on matters relating to Charity Commission regulation and guidance, either as specific items or as risk deep dives. There is a standing item at Board meetings for serious incident reporting.
How the Board has taken account of these interests / Outcome	
The Board applies the guidance received from the Charity Commission in its review of the grants process and in its oversight of its social investment, Lloyd's Register Group Limited and engages with the Charity Commission on matters of Charity law as necessary.	
Grant Holders Grant holders are those stakeholders who receive funding awards from the Foundation.	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation furthers its objectives by way of grants to universities, individuals and other institutions.	At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee. At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. The Board provides oversight over the grants approval process and the decisions made based on applications from different beneficiaries. Details of presentations from the beneficiaries of the Foundation's large grants, of annual Board site visits and of events connected with activities of the Foundation can be found in the section of this report on Society in General on pages 25 to 26.	
Society and the Environment. Community and the environment - the impact on social and natural communities where LR deliver our services	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation has strong links to safety in the community. To further the Foundation's aim of 'working together for a safer world', the Foundation and Lloyd's Register Group Limited have a responsibility to use their position of influence to be a thought leader on sustainability. What society expects of us: - Corporate responsibility - Trusted advisor to our industries promoting safety and efficiency.	The Board receives updates on the Foundation's activities at each Board meeting in the Foundation Chief Executive's report and presentations from large grant holders. They also receive regular communications on the Foundation's activities.
How the Board has taken account of these interests / Outcome	
The Board has underlined the Foundation's commitment to carbon neutrality by actively supporting decisions to work closely with the High Level Climate Change Champions and supporting the Race to Zero and Race to Resilience campaigns. The Board has supported the work being done jointly by the Foundation and Lloyd's Register Group Limited, working with the Carbon Trust to measure our carbon and emission footprint in order to inform and achieve the Science Based Targets submission (more details can be found at pages 42 to 47). During 2021 Lloyd's Register signed up to the UN's Business Ambition for 1.5C and joined the Race to Zero in the lead up to COP26.	

The Board receives regular updates on progress made by the Lloyd's Register Maritime Decarbonisation Hub Limited (LRMDH). This project aims to accelerate the sustainable decarbonisation of the maritime industry by enabling the delivery and operation of safe, technically feasible, and commercially viable zero-emission vessels by 2030. This is an important part of the Foundation's mission to enable safer and more sustainable oceans. In March 2024, the LRMDH set up the Maritime Emission Reduction Centre Non Profit Company in Greece (the M-ERC) in collaboration with five leading shipowners as Founding Members. The M-ERC will focus on optimising the efficiency of the existing fleet, with the goal of removing technical, investment and community barriers for the uptake of solutions to reduce the Green House Gas emissions of the existing global fleet.

As noted above, the Trustees are updated on the activities of the Foundation against its Strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose.

The actions taken by the Lloyd's Register Group on ESG factors are reported in a separate publication on www.unglobalcompact.org.

Trading Group Stakeholders

Additional stakeholders specific to the Trading Group are summarised below:

Workforce The Trading Group defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	The workforce is vital to the success of the Trading Group. By demonstrating the values of "We care, We share, We do the right thing" they build and maintain the relationships with customers and continue to support the Group's reputation for technical excellence and client service.
Customers The Trading Group is an operating company. Its customers are those stakeholders to whom it provides services.	
Why we focus on this stakeholder	Customers are at the heart of everything that the Trading Group does. Its customers expect LRG to not only deliver world-class testing, inspection and certification services but increasingly also become a trusted advisor, helping them to maximise their operating efficiency, profitability and sustainability. Customers care about: - Safety - Sustainability - Trusted long-term partnerships - Technical expertise - Value for Money - Both a global and a local presence - Being easy to work with - Proactive communication
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	Reliable suppliers are vital to the success of the Trading Group as they include not only the provision of critical infrastructure such as IT systems but also contractors who provide services alongside our workforce to complement services provided to clients by the Trading Group.
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	Many of the services provided by the Trading Group, are subject to compliance with regulation and accreditation.

How the Foundation Board engages and Communicates and how the Foundation Board has taken account of these interests / Outcome

The Foundation Board has delegated day to day responsibility for the management of the stakeholders referred to above to the Lloyd's Register Group board. It exercises oversight through reporting received from the updates provided by the Lloyd's Register Group Limited Chief Executive at each Trustee Board meeting where there are matters to report, as well as receiving a trading update on the activities of the Lloyd's Register Group.

Additionally, the Foundation Board meets twice a year with the Board of the Trading Group for an update on its activities, with presentations by executive management. Each year, there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees and customers, and grant holders where possible.

Further details of Lloyd's Register Group Limited's oversight of the above matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.

Foundation Financial Review and Policies

Lloyd's Register Foundation ("the Foundation") generates its income from the investments that it holds.

These fall into two categories:

- Financial investments: a portfolio of listed investments; and
- A Social Investment: 100% ownership of the unlisted shares in the immediate subsidiary company Lloyd's Register Group Limited ("LR" or "the Trading Group").

The Trustees consider that the policies outlined in this section constitute the framework for their key financial risk management policies.

Results for the year

The Foundation had total income for the year ended 30 June 2024 of £29.6m (2023: £32.5m) consisting of income from its listed investments and gift aid donations from LRG.

Income of £29.6m (2023: £32.5m) comprised £20.0m (2023: £22.0m) of donations from the Trading Group and £9.6m (2023: £10.5m) of income from the return on the investment portfolio.

The Foundation had total expenditure of £26.8m during the year to 30 June 2024 (2023: £27.1m). The level of charitable expenditure has remained consistent with the previous year.

Lloyd's Register Foundation

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Gift aid donations from Trading Group	20.0	22.0
Income from listed investments and other resources	9.6	10.5
Total income	29.6	32.5
Investment management costs	(0.9)	(0.9)
Charitable activity costs	(25.9)	(26.2)
Total expenditure	(26.8)	(27.1)
Net gains / (losses) on listed investments	27.2	(2.6)
Net income and net movement in funds	30.0	2.8

Charitable expenditure of £25.9m for the year (2023: £26.2m) includes grants of £18.1m (2023: £20.2m) which are discussed further in this Trustees' Report.

The Group Financial Review can be found on pages 74 to 75 and forms part of this Strategic Report.

Subsidiaries: Social Investment

The Foundation has one direct, wholly-owned subsidiary company: Lloyd's Register Group Limited (LR, or the Trading Group). Together LR and the Foundation share the same mission to make the world a safer place and work closely to maximise our global impact.

LR heads up a global trading group of companies with over 260 years of history, focused on adding value to society through independent assurance and expert advice for clients in the maritime industry. The profits generated by the Trading Group help fund the public benefit activities of the Foundation. The Trading Group carries out a mix of charity-related and non-charitable activities globally. The Charities (Protection and Social Investment) Act 2016 ("the Act") sets out a general power for Trustees to make social investments (pursuing both a financial and social return). This effectively enshrines in legislation the basis for mixed-motive investment. The extent to which public benefit is delivered by the work of the Trading Group forms part of the Trustees' assessment of the return on their investment.

The Trading Group's operations include many activities which are of a public benefit nature, aligned to the Foundation's mission of securing high technical standards of design, manufacture, construction, maintenance, operation, and performance, and to advance public education.

The Trading Group's business includes the safety inspection of over 6,000 ships each year and the ongoing development of rules for their safe construction, maintenance and disposal. For example, LR has helped the International Maritime Organization (IMO) to devise international safety standards such as the Ballast Water Management Convention and helped the International Labor Organization (ILO) devise the Maritime Labor Convention. Following its input into the creation of these internationally recognised safety standards, the Trading Group then performs design approvals, surveys, and audits to verify that its customers' assets comply with these requirements.

Overall, the Trading Group's activities include considerable investment in furthering the understanding of technology through research and a focus on 'data and digital innovation'. Typical areas of research include advance materials; propulsion and powering; energy production and storage; robotics; marine biotechnology; and autonomous systems. The Trading Group has established key strategic relationships based around important digital capabilities and areas of focus for growth through investment or collaboration. This emphasis on research and data and digital innovation directly benefits public understanding of technology and means that when technology is deployed it is safe, suitable and dependable.

The Foundation's investment in the Trading Group is a social investment. The extent to which the Trading Group's activities further the Foundation's charitable objectives is assessed as well as its financial return. While acknowledging the social benefits of the Trading group, they are also expected to provide a financial return to help fund the additional public benefit activities of the Foundation. The Trustees base their expectations of future financial return from the Foundation's investment in the Trading Group on quarterly reports to their Board meetings and an annual five-year plan review from the executive leadership of the Trading Group. The performance of this unlisted investment is considered in the 'Investment performance: Social Investment' section. We monitor the social return on our investment in four key areas:

LR commercial products and services – they demonstrably contribute to making the world a safer place through the clients and sectors they serve.

LR leading by example – acting as a beacon, driving positive change in the world, being a good global citizen in core areas linked to charitable objects. Key priorities include maritime decarbonisation, sustainability, ocean stewardship, occupational health and safety, diversity and inclusion, ethics, delivering the UN Sustainable Development Goals and participation in the COP conferences.

LR as a trusted advisor and impact partner to the Foundation – providing a real-world, industrial, end-user perspective that helps inform the Foundation's strategy and deliver key programmes. Examples of LR as an impact partner include projects such as: the Safetytech Accelerator, the Maritime Industry Decarbonisation Hub, and HILo Maritime Risk Management Limited.

LR employees supporting the organisation's charitable ethos in their local communities – the key initiative in this area is the LR Pathways to Impact project. A new volunteering policy launched in June 2024 to encourage and support colleagues in their efforts to contribute to community and social causes by providing them with the opportunity to volunteer during work hours. Colleagues are now able to take three full working days off per calendar year to take part in an authorized voluntary activity or event.

As part of this same programme, colleagues can now also fundraise for Mercy Ships as an individual or a team. Mercy Ships is an international development charity that deploys hospital ships to some of the poorest countries in the world, delivering vital, free healthcare to people in desperate need.

Value sheet

The relationship between LR Group and Foundation represents a 21st century model for social business. Technopolis, an independent organisation, were commissioned in March 2022 to identify the social impact of LR through a 'value sheet'. The value sheet highlights that social impact is achieved across both the commercial services of LR and activities conducted on a non-commercial basis, through six different, measurable pathways to social impact:

- **Classification, certification and compliance** including over 9,000 LR in-service vessels (16.5% of market share) and over 23,000 vessels using the OneOcean platform.
- **Advisory, consultancy and training** including 24 global technical and advisory committees and 22 ships in distress helped by LR.
- **Supply chains in the maritime and offshore industries** such as 15 employees working in/with the Foundation funded Maritime Decarbonisation Hub.
- **Producing public goods** such as unique rules information which has been downloaded over 13,000 times.
- **Pro bono and charitable** work such as LR's support for Mercy Ships.
- **Broader influence** such as secondees from LR into the Foundation and onto the High-Level Climate Champions Team and the UN Global Compact.

This value sheet is updated annually by LR and presented at the Annual General Meeting.

Funds

In September 2012, the Trading Group transferred £206.4m of assets to the Foundation as an expendable endowment. The Trustees have the power to convert the capital within the fund to income and expend such amounts converted on the Foundation's objectives as they see fit. £100.0m of the endowment can only be converted to income from late 2025 at the earliest as discussed below in the reserves policy section.

Income generated from the assets held within the expendable endowment is shown in the Foundation's general fund, as it may be used in furtherance of the Foundation's charitable objectives.

Capital returns on the assets held within the expendable endowment are retained within the endowment and form part of the endowment into the future, subject to the same rules as the existing endowment funds.

Reserves policy

The Trustees review the Foundation's reserves policy on an ongoing basis and at least each financial year.

The Foundation's reserves underpin its long-term financial viability. The Foundation (charity only) has total reserves of £338.6m of which £313.7m is held in an expendable endowment as at 30 June 2024.

The level of general funds is maintained to facilitate meeting the medium-term overhead costs, forecast grant awards and direct charitable activities. The general reserves include the Foundation's £40.1m investment in LR held at cost. This Social Investment is integral to the Foundation's ability to generate future income and to delivering its public benefit, as noted elsewhere in this Strategic Report. Grant commitments approved and communicated to grantees to be claimed in future periods are also included in the general reserves fund. The Trustees have considered the Foundation's level of general reserves. The Foundation does not currently have large overheads and, in general, is able to rely on recurring

income from its endowment and from the Trading Group. Excess funds are placed on investment and may be drawn down upon if required. For that reason, the Trustees do not currently consider that the charity has a need to hold other funds as general reserves.

The target for the expendable endowment is to maintain the real value of the initial £206m donation received from the Trading Group following the establishment of the Foundation in 2012.

However, should the Trustees consider there to be a shortfall in the general funds, part of the expendable endowment could be used to continue to meet the Foundation's short-term plans while the long-term reserve policy is reviewed. The original terms of the expendable endowment contained a condition that the Foundation must retain £100.0m of that sum until 1 July 2017 which was subsequently adjusted until at least the full actuarial valuation as at 31 March 2025 has been approved, with possible further extensions to 2034. During that period, there is a contractual obligation to transfer an amount not exceeding £100.0m to the Trading Group's UK defined benefit pension scheme should the Trading Group become insolvent.

Having reviewed the policy and the current reserves position, the Trustees consider the levels of reserves to be satisfactory.

Financial position

At 30 June 2024, the Foundation had unrestricted funds of £24.9m (2023: £19.5m). Of the £338.6m total funds (2023: £308.6m), £40.1m is invested in the Trading Group (2023: £40.1m).

Going concern

A review of financial performance and the Foundation's reserves position is set out above. In the opinion of the Trustees, the Foundation has adequate financial resources and is able to manage its business risks. The Foundation's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Foundation's ability to continue in operation. Accordingly, the Foundation's financial statements have been prepared on the basis that the charity is a going concern.

Grant-making policy

The Foundation has a formal governance structure for grant decision making. The Foundation can receive grant proposals and applications at any time. All proposals and applications are reviewed initially at its monthly grant applications meetings.

All grants are approved by the Chief Executive Officer with guidance from the members of the Grants Application Meeting Committee (GAM). Further approval is needed from the Grants and Direct Charitable Activities Committee (GDCA) for grants above £1m and from the Board of Trustees for grants above £2m.

Details of available funding and the application process are published on the Foundation's website and notified on social media. Grant holders are required to submit staged reports as part of the process to track delivery against the agreed grant objectives, as well as to monitor the impact and public benefit being generated.

Investment policy

The Trustees have delegated decision making on investment matters relating to all assets except the investment in the Trading Group (reviewed directly by the Board of Trustees) to an Audit, Risk and Investment Committee, which is governed by agreed Terms of Reference. In order to provide appropriate focus on the investment arrangements, day-to-day investment choice is delegated to investment managers, who have been given targets against which they are

measured. With the guidance and oversight of the investment managers, Trustees take account of the following classes of risk: capital; liquidity; market; valuation; counterparty; tax; and Environmental, Social and Governance issues.

The Foundation's financial objective is to at least maintain the real value of the 2012 initial donation from the Trading Group of £206m, whilst generating a stable and sustainable return to meet the Foundation's objectives as laid down under its governing document.

The investment portfolios are a mix of unrestricted funds and an expendable endowment, the income from which serves to provide funds for the ongoing charitable work of the Foundation. In this context, a number of portfolios exist, each of which has specific objectives.

The Foundation seeks to produce an optimum level of return within an acceptable level of risk. The current investment objective for the majority of the investment portfolio is to generate a return of inflation as defined by the Consumer Price Index ("CPI") which the government has set at a target rate of 2% per annum plus 4% per annum over the long term. These returns, when combined with the anticipated future gift aid donations from the Trading Group, should enable the present and future financial requirements of the Foundation to be met whilst maintaining the real value of the initial donation. Where there is a shortfall part of the investment portfolio may be realised. The Trustees review the performance of the Trading Group on a regular basis.

A set of measurable performance objectives has been developed for the investment managers and pooled funds. Performance in each asset category is compared quarterly with a suitable performance benchmark. The managers are expected to demonstrate skill in the management of their portfolios consistent with the performance objectives, given the level of risks adopted. Investment performance is considered three times a year by the Audit, Risk and Investment Committee.

During the year, a review of Investment Fund Managers was carried out with the assistance of independent external advisors. Following this review, an extensive tender and selection process was carried out to appoint new Fund Managers and the portfolio of Investment Funds with the transfer of funds being completed in August 2024. A revised approach to investment performance management by the Trustees and the Audit Risk and Investment Committee with assistance from the independent external advisors is now in place.

Cash-based investments support the Foundation's working capital, overhead expenses and anticipated near term grant awards and as such are invested in a prudent manner with a secondary objective of achieving reasonable rates of return relative to the deposit market.

The Trustees are fully supportive of responsible investment as it aligns with the Foundation's aims to provide a benefit to society and is also central to long-term value creation. The Foundation's investment managers are required to adopt the same philosophy and whilst day-to-day investment decisions are delegated to them, the Trustees regularly receive investment reports enabling them to monitor the investments and the managers' performance. The Trustees expect them to take an active interest in the management of the investee companies, engaging with management on issues of corporate governance and with regard to social, environmental or ethical considerations all of which impact shareholder value.

Investment performance: listed investments

During the year, the investments delivered a total return of 12.6% (2023: 2.7%). This comprised an income yield of 3.3% (2023: 3.6%) and a capital yield of 9.3% (2023: (0.9%)). The return on the endowment is higher than the long-term objective stated within the investment policy above due to the current market conditions.

Investment performance: Social Investment

The Trading Group continues to execute its strategy, evaluating areas for collaboration as well as relevant acquisitions, recognising the importance of working with others as the industry addresses issues such as the maritime energy transition.

The global economic rebound post-Covid has moderated and the Russian invasion of Ukraine, combined with some of the effects of monetary policy to combat inflation, led to a mix of divergent forces for shipping and shipbuilding. More recently, further geopolitical stress in the Red Sea has increased the demand for tonne miles and prompted a further flurry of containership newbuilding projects. Liquefied Natural Gas Carrier (LNGC) ordering has remained very strong, adding nearly 100 ships, driven by the Qatar Energy mega project.

In addition, the Trading Group has seen a new construction surge in the tanker markets, due mainly to energy security demands, and in the bulk carrier sector due to the ageing profile of the fleet.

The Trading Group is supporting the needs of shipping and the wider maritime industry in managing the energy transition, including developing, assessing and approving innovative technology to enable a real-time reduction of emissions, and particularly as the industry makes decisions on future fuels. Digitalisation and increased automation are also evolving at speed, creating a rapidly changing landscape. Here, LR is leading through LR OneOcean.

Following the Trading Group's acquisition of OneOcean in 2022, the Trading Group is forging ahead with the ongoing development of its digital solutions, which are now installed on over 23,000 vessels worldwide. The activities have been consolidated under the LR OneOcean brand which has been structured into three business units – Comply, Perform and Manage – to support our clients with distinct sets of products and solutions to meet their needs.

Financial results

Summarised consolidated financial information as disclosed in the Trading Group's consolidated financial statements for the year ended 30 June 2024 is provided in note 12 to the Foundation's financial statements. Further details of the financial performance of the Trading Group is included within LRG's financial statements.

The Trustees are satisfied with the Trading Group's performance, and will continue to maintain and develop the effective working relationship with it. They will allow the Trading Group to retain funds for investment in operating improvements and potential acquisitions, but expect cash distributions in the medium term.

Governance and management

The Foundation is governed by a Board of Trustees, which is responsible for setting the Foundation's strategy, operating with good governance and monitoring the fulfilment of the Foundation's objective – delivering public benefit.

The Board is currently made up of seven Trustees who are also the Members and Directors of the Foundation for Companies Act 2006 purposes. The Board considers Foundation policies, receives committee reports and recommendations, approves annual budgets, reviews the performance of the Trading Group, and guides the Foundation Chief Executive.

Thomas Thune Andersen, Chairman (appointed 22 June 2012)

Thomas is the Chairman of the Lloyd's Register Foundation and Chairman of Lloyd's Register Group Limited. He is a member of the Foundation's Nominations Committee and both the Foundation and Lloyd's Register Group Limited Remuneration Committee. Thomas was Chairman of Ørsted A/S from 2014 to 2024 and is a former member of the executive Board of the A.P. Moller-Maersk Group with more than 30 years tenure in its maritime and energy sectors. Thomas was appointed to the Board in June 2012.

Thomas is Chairman of VKR Holding A/S, the Senior Independent Director of IMI plc and a Non-Executive Director of BW Group Limited and Lambert Energy Limited. He is a member of Friends of Ocean Action, the Energy Transitions Commission, an advisor to Arcus Infrastructure Partners LLP and a member of the Danish Committee on corporate governance.

Thomas previously served amongst others on the boards of SSE, DeepOcean (Chair), Petrofac (SID) and Green Hydrogen Systems.

Lambros Varnavides (appointed 24 July 2012)

Lambros is the former Managing Director and Global Head of Shipping at The Royal Bank of Scotland. Lambros was Chairman of the Baltic Exchange during 2017 and is Vice President of The Baltic Exchange Charitable Foundation, as well as a member of its Finance Committee. He is a court assistant to the Worshipful Company of Shipwrights and was Chair of its Finance Committee until May 2021. He is also a Younger Brother of Trinity House Corporation, a Court Assistant at the Honourable Company of Master Mariners (including its Finance Committee), a Freeman and Member of the Almshouse and Charities Committee of the Company of Watermen and Lightermen of the River Thames, and an Honorary Visiting Professor at the Bayes Business School, City University. Lambros was appointed Senior Independent Trustee of Lloyd's Register Foundation in September 2015 and is Chair of the Grants and Direct Charitable Activities Committee.

Andreas Sohmen-Pao (appointed 26 June 2018)

Andreas Sohmen-Pao is Chairman of BW Group and its listed affiliates, BW Offshore, BW Energy, BW LPG, Hafnia and Cadeler. He is also Chairman of the Global Centre for Maritime Decarbonisation in Singapore. Andreas was previously Chairman of the Singapore Maritime Foundation and has served as a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited, Navigator Holdings, the London P&I Club, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore, amongst others.

Dame Una O'Brien (appointed 1 January 2021)

Dame Una O'Brien was the Permanent Secretary at the Department of Health and Social Care between 2010 and 2016. She has extensive UK and international experience of healthcare policy and government, having held a wide variety of senior policy roles in Whitehall departments and the NHS over a 30-year career in public service. Whilst working primarily in and for the Department of Health, she was also seconded to be Principal Private Secretary to the Secretary of State for Transport and worked in the Prime Minister's Efficiency Unit under both Conservative and Labour governments. Since leaving the Civil Service, Una has served as a trustee on charitable and higher education boards; she recently completed a term of office as a trustee of Macmillan Cancer and as a Council member of the London School of Hygiene and Tropical Medicine. Currently Una is a member of the Board of Visitors at the Ashmolean Museum, University of Oxford. Una was a member of the Audit, Risk and Investment Committee from 29 September 2022 until 30 June 2024. On

30 September 2023, Una was appointed Chair of the Nominations Committee and a member of the Lloyd's Register Group Limited and Lloyd's Register Foundation Remuneration Committees.

Marina Wyatt (appointed 1 January 2023)

Marina was appointed as a Non-Executive Director of Lloyd's Register Group Limited and a Trustee of Lloyd's Register Foundation on 1 January 2023, and Chair of each of the Lloyd's Register Group Audit and Risk Committee and the Lloyd's Register Foundation Audit, Risk and Investment Committee from that date.

Marina has more than 25 years of experience in senior finance leadership roles as Chief Financial Officer of UBM Plc, TomTom NV, Colt Telecom Plc and Psion Plc. Most recently Marina was the Chief Financial Officer and an Executive Director of the Board of Associated British Ports. Marina previously served as a Non-Executive Director and Chair of the Audit and Risk Committee at Renewi PLC and as a member of the Supervisory Board at Lucas Bols BV. Marina is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an MA in Geography from Cambridge University.

Rani Koya (appointed 1 April 2023)

Rani was appointed as a Trustee of Lloyd's Register Foundation and a member of its Audit, Risk and Investment Committee with effect from 1 April 2023 and appointed as a member of the Grants and Direct Charitable Activities Committee with effect from March 2024. Rani has more than 25 years' experience internationally in a variety of technical, project management and executive management roles for companies including Shell International, Hess and Tullow. She has led multi-billion dollar projects across the globe from unconventional shales in the US to oil developments in East Africa. Between 2017 and 2020 Rani was Chief Petroleum Engineer at Tullow.

Rani is currently the Chief Executive Officer of OGL Geothermal Limited. She is a Fellow of the Institution of Mechanical Engineers and a Fellow of the Energy Institute. She has a degree in Engineering Science from Durham University and an MSc in Public Policy and Management from the University of London School of Oriental and African Studies.

Paula Haynes (appointed 1 January 2024)

Paula was appointed as a Trustee of Lloyd's Register Foundation with effect from 1 January 2024 and is also a member of its Audit, Risk and Investment Committee, having been appointed to that role on 1 April 2023. Paula has spent more than 25 years in international banking and financial markets, and is experienced in defining enterprise risk strategy. Paula is the European Chief Risk Officer for the investment bank and wealth manager, Stifel Financial Corporation. Previously, she has worked in senior investment banking and advisory roles with firms including HSBC, Goldman Sachs, Deutsche Bank, and with the Prudential Regulation Authority.

Paula is a Non-Executive Director (Co-opted Governor) of the Guildhall School of Music and Drama, the Chair of its Audit and Risk Committee and a member of its Governance and Effectiveness Committee, and she represents Women on Boards as an Ambassador. She holds a PhD in Physics from Imperial College, London.

Governance structure

The Board is supported by four committees, which have been delegated authority on certain matters (Audit, Risk and Investment; Grants and Direct Charitable Activities; Nominations; and the Remuneration Committee). Details of which Trustees, executives and independent members sit on these committees are provided in the 'membership of committees' section below.

Trustee recruitment and training

The Board and the Nominations Committee invest considerable time in identifying Trustees with appropriate skills which will benefit the Foundation. They are equally keen that any new Trustee is properly inducted into the Board. All new Board members go through a structured period of training.

Thomas Thune Andersen and Lambros Varnavides have been in office for more than 9 years. Given their critical roles, their appointments have been extended for the purposes of succession planning, which has enabled them to oversee recent changes in the composition of the Board of Trustees and its Committees and to provide continuity and support.

During the period under review, the Nominations Committee carried out its annual review of the composition of the Trustee Board, its skills and experience. Recommendations were made to, and approved by, the Board on Trustee re-elections and succession planning.

During the training for new Trustees, the Chairman talks to them about the history of the Foundation, its role in Society and the way the Board operates. The Company Secretary provides a fuller briefing on the operations of the Foundation, its structure, its risks, its key documentation and will provide a general overview of Trustees' duties and responsibilities and charity law. The new Board members meet with the Foundation Chief Executive and are also encouraged to meet with the senior staff in both the Foundation and in the Trading Group, to assist them in their understanding of the Group, and can therefore apply appropriate oversight.

Each year the full Trustee Board receives refresher training on the roles and responsibilities of charity trustees delivered by an external provider. This training was carried out during the period under review and included updates on the Foundation's legal structure, trustee duties and social investment issues.

Board Evaluation Review

The Trustee Board undertakes annual evaluations of its performance and effectiveness. In line with the UK Corporate Governance Code, evaluations are externally facilitated every third year. The last external Board evaluation was carried out in 2021 and was carried out by Leadership Advisor Group.

During the year under review, the Board evaluation was carried out internally by way of a questionnaire and individual confidential conversations with the Chairman. The questionnaire covered key governance matters, including the effectiveness of the Board and Committee meetings, oversight of risks, the execution of strategy, working with executive management, working with the Board of Lloyd's Register Group Limited and the effectiveness of the Chairman. The meetings with the Chairman discussed Board effectiveness and the future development of the Board and its operations.

The final report detailed key strengths, areas for development and made recommendations. Following board discussion, a number of actions were agreed, including the continuation of regular discussions between the board of the Foundation and the board of Lloyd's Register Group Limited in respect of strategic developments and to consider ways in which opportunities can be created within the existing schedule of meeting commitments for the Trustees to engage in more strategic discussions.

Remuneration of Trustees

The Trustees are the Directors of the Foundation. Trustees are not remunerated for their services as Trustees of the Foundation. The Foundation pays for Trustees' travel expenses to Board meetings.

Membership of committees:

	Status	Foundation Board	Grants and Direct Charitable ⁷	Audit, Risk and Investment	Nominations	Remuneration ¹
Thomas Thune Andersen ³	Trustee	Chair	—	—	Member	Member
Rosemary Martin ²	Trustee	Member	Member	—	Chair	Member
Lambros Varnavides ⁴	Trustee	Member	Chair	—	—	—
Andreas Sohmen-Pao	Trustee	Member	—	—	—	—
Una O'Brien ⁵	Trustee	Member	—	—	Chair	Member
Marina Wyatt	Trustee	Member	—	Chair	—	—
Rani Koya	Trustee	Member	Member	Member	—	—
Paula Haynes ⁶	Trustee	Member	—	Member	—	—
Michelle Davies	Company Secretary	—	—	—	—	—
Ruth Bounphrey	Foundation Chief Executive	—	Member	—	—	—
Michael F. Lykiardopulo	Independent	—	—	—	Member	—

Notes:

¹ The Remuneration Committee has the same membership composition as the Remuneration Committee of Lloyd's Register Group Limited and is chaired by Mark Kelsey, a Non-Executive Director of Lloyd's Register Group Limited with effect from 30 September 2023 as successor to Chris Finlayson, who resigned on 30 September 2023.

² Resigned 30 September 2023.

³ Appointed in 2024 for a fifth term of up to three years, subject to annual re-election, for the purposes of succession planning.

⁴ Appointed in 2024 for a further term to 31 March 2025, and as interim Chair of the Grants and Direct Charitable Activities Committee, to ensure a smooth transition to a successor, following the untimely death of Sir Peter Gregson in February 2024.

⁵ Appointed as Chair of the Nominations Committee and a member of the Remuneration Committees on 30 September 2023 as successor to Rosemary Martin who resigned on 30 September 2023; member of the Audit, Risk and Investment Committee from 29 September 2022 until 30 June 2024.

⁶ Appointed 1 January 2024 as a Trustee; previously appointed 1 April 2023 as a member of the Audit, Risk and Investment Committee.

⁷ The Committee Chair invites two additional Trustees to be members of the Committee. One is invited to sit on the Committee for a three-year term of office (renewable); the other for 6 months. During the year, Sir Peter Gregson held the three-year appointment and Carol Sergeant (one meeting) Rosemary Martin (3 meetings) held the 6-month appointment.

⁸ Sir Peter Gregson, Trustee and Chair of the Grants and Direct Charitable Activities Committee passed away on 23 February 2024 and is greatly missed by colleagues and friends at LR.

Executive

The Foundation Chief Executive is responsible to the Board for the operation of the Foundation. Ruth Bournemouth was appointed as the Foundation Chief Executive with effect from 1 July 2022. Ruth has a background in research, development and regulation, primarily in the Space and Environmental sectors. She is a trustee of the National Oceanography Centre and Non-Executive Director at the UK Centre for Environment, Fisheries and Aquaculture Sciences. Ruth is a member of the Board for Engineering X, a member of the advisory board for Resilience Rising and is a commissioner with the National Preparedness Commission.

360Giving

Lloyd's Register Foundation is committed to being as transparent as possible so the Foundation is pleased to be one of the growing number of significant UK grant-givers to share grants data through the 360Giving standard. 360Giving supports organisations to publish their grants data in an open, standardised way and helps people to understand and use the data to support decision-making and learning across the charitable giving sector.

Employees

The Foundation and its Trading Group are equal opportunities employers.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Foundation's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Foundation and its Trading Group aim to provide employees with information on matters of concern to them as employees and to enable them to engage with the operations and objectives of the organisation.

Management of risk

The Board is responsible for establishing, monitoring and maintaining an effective risk management and internal control framework. The Foundation's risk management framework enables the leadership teams and those charged with governance to identify, evaluate, prioritise, and respond to the risk landscape in a consistent and managed way.

Risk management is overseen by the Board and its Audit, Risk and Investment Committee (ARIC), to whom the monitoring of the identification, review and assessment of key risks to the Foundation has been delegated.

The risk register provides an important tool for documenting and managing collective risk management efforts. The Foundation Leadership team continuously monitors both internal and external risk landscapes. For each ARIC meeting, a risk update paper summarising key updates to the risk register is provided, and the risk register is reviewed at each meeting of the Committee. Additionally, a Risk Deep Dive paper on a specific risk is prepared for each board meeting.

The Risk Register describes the current mitigating controls and plans for future development, and risks are evaluated according to their impact and likelihood. The key elements of the Foundation's risk management framework for evaluating, categorising and presenting risks are as follows:

- risks are evaluated using a combination of impact and likelihood;
- each risk is evaluated at three points: the unmitigated (gross) risk score; the current (net) risk score considering all current controls; and the target risk score considering the impact of future mitigating actions;
- each risk is categorised according to whether it is a strategic, operational or legal and compliance risk;
- each risk has a risk sponsor and owner;
- each risk is flagged as to whether it is being monitored or managed;
- each risk has its own velocity score to assess the speed at which the exposure can impact the Foundation; and
- a risk evaluation scale is used to ensure a common approach and consistency when assessing the impact and likelihood.

A timetable is in place to manage the various elements of risk management across the Foundation, including:

- Board risk deep dives at every meeting;
- Inclusion of the Foundation Risk Register in ARIC papers and the Board dashboard for every meeting; and
- The Foundation's Risk Register undergoes regular updates, which are presented in a Risk Update paper at each ARIC meeting.

Key Risks

As of 30 June 2024, the Risk Register contains a total of 15 risks categorised into four strategic, seven operational, and four compliance risks. Eight key risks are identified below, each accompanied by a description of the current mitigating controls. These controls effectively reduce the gross risk score to the net risk score. A continuous focus is maintained on enhancing the control environment, which serves to align the net risk score with the target scores.

Risk	Mitigation
Investment performance Investment income can be impacted (positively and negatively) by external events, stock market performance, the global economy, the operational performance of the Lloyd's Register Group (LRG), and the ability of the respective management teams to respond to and manage through a downturn. This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately. The investment in LRG is mixed motive as the Group's goals are aligned with those of the Foundation.	• Review by Audit, Risk and Investment Committee with active management and frequent reporting by third party investment managers. • Portfolio split between two competing managers to enable a champion/challenger approach. • Regular reporting of LRG strategy and financial performance to the Trustees. • Cash flow and reserves projected in the 5 Year Plan and performance against the plan is monitored by the Board. • Monthly cash and treasury management by the LRG Group Treasury team and the Foundation Head of Finance and Risk. • Management of short and medium-term funds in conjunction with the longer-term endowment funds, including medium-term lower risk fund to cover cash requirements for the period 12-24 months in the event of a sustained major market downturn.

	• Benchmarking of fund managers assessed by ARIC. • Oversight of fund manager service level agreements in place.
Grant giving and direct charitable activities (DCA) Grants awarded and / or direct charitable activities (DCA) do not achieve stated objectives. This impacts the Foundation's achievement of its charitable purpose. This could arise from mismanagement of the project, misappropriation of funds or other unforeseen circumstances and might result in reputational damage and regulatory impact.	• Detailed and thorough evaluation and approval of grant/DCA applications, including applicant due diligence where there is uncertainty or risk. Pre-grant application process implemented to streamline / standardise processes. • Regular monitoring of grant progress and impact by Chief Executive and the Grants and Direct Charitable Activities Committee (GDCA) with focus on the need for strong evidence of impacts. Grant impact deep dives also undertaken at the GDCA and Board. • Controls over grant/DCA applications, including due diligence and 'red flag' reviews, guidance documents with strong screening processes in place. • Clear guidelines in place directing monitoring and recording of impact for grants, the Heritage and Education Centre (HEC) and internal charitable activity, including reporting against agreed progress and escalation policy for overdue progress reports. • Metrics library created to use for pathways to impact for grants, DCA, HEC and internal charitable activity (such as the foresight reviews). • Whistleblowing, anti-bribery and corruption, modern slavery and serious incident requirement clauses have been added to grant agreements and progress monitoring reports. • Social impact of LRG monitored through shared value sheet.
Negative reporting of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of: • an issue or incident relating to a Foundation grant recipient or investee; • negative press relating to current or historic activities of LRG; • controversial conclusions in published output of Foundation funded research or by the Evidence and Insight Centre; • a misunderstanding of the social investment relationship between LRG and the Foundation; and • reputational damage amongst Foundation stakeholder and supplier network due to delays in operational processes.	• Crisis planning and media training in place to ensure Trustees and staff are prepared to respond appropriately to media coverage that concerns the Foundation. • Detailed technical and peer reviews of published material/reports. • Discussion and early warnings between the Foundation and LRG on any reports that could be sensitive. • Public statements controlled by the Foundation Communications Manager and external advice taken where appropriate. • Horizon scanning/social media review for issues/trends that could impact the Foundation's reputation. • All grants to LRG approved by the Foundation Board. • LRG Corporate narrative agreed and in place, which incorporates narrative specifically focused on the Foundation.
Safety and Security Incidents (including safeguarding) Grantee/DCA related staff or recipients of grantee services operate in environments that are not under the direct control of the Foundation. There may be incidents or issues that arise in a grantee organisation that impact individuals' safety and/or wellbeing, including vulnerable individuals. Safety and security incidents directly affecting Foundation employees.	• Consideration of grantee health, safety and security risk, where relevant, is incorporated into the grantee application and due diligence process. Safeguarding policy addressing vulnerable individuals implemented, with grantees required to confirm compliance. • Safeguarding policy in place covering for Foundation staff interactions with potentially vulnerable people. • Whistleblowing, anti-bribery and corruption, modern slavery and safeguarding clauses have been added to grant agreements and progress monitoring reports. • The Foundation applies LRG policies and procedures, with the office HSE risk being managed by LRG.
Collcutt Project Relocation This risk includes broader concerns related to relocating into the refurbished Collcutt building, such as delays in relocating Foundation staff, transitioning the HEC Archive, and potential events like damage,	• Digital copies of historic archive documents retained, providing a preserved copy, including back ups. • Safe transition of the archive to a modern, purpose-built archive at 71 Fenchurch Street is underway and is being

disaster, or theft of irreplaceable historical records, artefacts, or furniture. The risk is heightened during the transition but will be incorporated into the standard “Business Resilience Event/Crisis” risk once complete.	actively managed. During works, records and artefacts are being stored in a secure offsite location. • Insurance is in place for the Foundation’s collection. • The Foundation’s offices at 71 Fenchurch Street, London, have appropriate fire suppression systems and incident response plans, which are tested regularly, including testing of fire equipment. • An improved project management and governance structure for the Collcutt project has been implemented, including a Steering Committee with senior leadership staff and sub-committees with key project staff in attendance.
Cyber attack or information security breach An advanced targeted cyber attack could result in the loss of sensitive information.	• Sensitive information is identified and is subject to appropriate security measures, which are tested regularly. • Technology based security provided by LRG, with all Foundation staff required to undertake annual information security awareness training. • Multifactor authentication has been implemented to protect administrative, privileged and standard users. • Migration of data from physical servers to the cloud is now complete, resulting in reduced physical infrastructure footprint across the Foundation.
People and talent Loss of key staff potentially due to a decrease in employee morale, lack of development opportunities or misallocation of workloads. Furthermore, the inability to recruit new specialised roles and skill sets within the Foundation or replace lost talent.	• Succession planning and active talent management implemented. • Annual Employee Opinion Survey undertaken, with plans implemented to address identified development issues. Increase attention and active management of current trends identified. • Annual appraisal process in place to ensure all staff are properly equipped to deliver their role. • Consultants used to address necessary skills gaps. • New HR and People Development Manager provides senior-level support for HR, learning, and people development initiatives.
Legal and regulatory compliance Failure to comply with UK or international law, regulatory requirements or sanctions. Key areas of compliance are charity law, anti-bribery and corruption, sanctions and conflicts of interest.	• The Foundation’s Chief Executive and LRG’s General Counsel and Company Secretary keep compliance under close review. • Advice and support sought from external advisers where appropriate.

Lloyd’s Register Group has Internal Audit, Risk, and Quality functions, some of which are outsourced to BDO. These functions provide independent and objective opinions and assurance on the adequacy of the Foundation and Trading Group’s risk processes, internal controls and governance frameworks. The resources of the Internal Audit and Risk functions and the Group Legal functions are available to the Foundation’s Audit, Risk and Investment Committee.

Overview of climate-related financial disclosure

The principle climate change related risks and opportunities arise in the operations of the Trading Group. The below summarises the disclosures applicable to the Trading Group and the Foundation.

LR's deep technical expertise, collaborative approach, and commitment to innovation inspire confidence as we navigate the challenges of today and the transition to a decarbonised future.

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations) require certain publicly quoted companies and large private companies to incorporate climate disclosures in their annual reports.

Governance

The Board has overall responsibility for promoting LR's long-term success, which includes proactively addressing climate-related risks and opportunities. LR's risk management framework incorporates these considerations, enabling leadership teams and governance bodies to identify, assess, prioritise, and respond to climate-related issues within the broader risk landscape.

Climate-related risks are overseen by the Board of the Foundation and Trading Group, with support from the Trading Group's Executive Leadership Team (ELT) and the Audit and Risk Committee (ARC). Together, they are responsible for identifying, assessing, and managing climate-related risks and opportunities.

The Trading Group's Board meets six times yearly. It receives updates on climate change trends and regulations to ensure ongoing monitoring of risks and opportunities. The Board follows a comprehensive review process that incorporates standing agenda items alongside rotating topics throughout the year, ensuring a holistic examination of all business facets, including operations, risk management, and climate change, from both current and long-term perspectives.

The Board included climate change as an agenda item at its meeting in July 2024. In this meeting, the Board reviewed the Group's climate risk assessment, discussed the potential impacts of future climate regulations, and set an ambitious target to reduce absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 59% and Scope 3 emissions by 35% by 2035 against a 2023 baseline, a target verified by The Science Based Targets Initiative (SBTi).

The Executive Leadership Team (ELT) evaluates climate-related issues in the context of our business, particularly concerning the impacts of climate change on the shipping industry and the resulting risks and opportunities for LR. The Sustainability Committee, the Energy Transition Steering Committee, the Insights Team, and the Maritime Decarbonisation Hub provide the ELT with information for thorough and informed decision-making. The Quality, Environment, Health & Safety (QHSE) Director submits monthly reports to the ELT, including updates on sustainability and climate-related matters. The Executive Leadership Team (ELT) provides quarterly reports to the Board, ensuring the Board is informed of significant risk areas including the latest trends and developments in climate change where relevant. The ELT holds monthly meetings and conducts regular reviews of the Group Risk Register (GRR), reporting to the Board as necessary throughout the year to address emerging issues including climate change risks where applicable.

Additionally, the ELT meets as necessary to address specific risks related to climate change. These discussions cover transition risks such as increased regulation due to climate change, enhanced emissions reporting obligations, costs associated with transitioning to lower-emission technologies, and physical risks including heat waves and water stress.

In May 2024, a Climate Risk workshop was held with support from LR's third-party ESG specialists. The workshop facilitated a comprehensive update of the risks, focusing on actions needed to mitigate them and to integrate the climate risk register into the Group Risk Register. The ELT nominated members of their respective teams to attend the workshop. The QHSE Director was also present at the workshop, is a member of the Sustainability Committee and attends the Audit and Risk Committee meetings.

The Audit and Risk Committee (ARC) meets three times a year and oversees updates to the GRR at each meeting. The ARC is chaired by an independent Board member and attended by the Chief Financial officer (CFO). Each meeting includes discussions on risk management, a review of the risk register, and consideration of any significant changes. In June 2024, the QHSE Director presented the GRR to the ARC, highlighting climate change as a newly assessed risk. The ARC meets

three times a year and reports to the Board following its meetings on the key matters discussed including climate-related risks.

The Sustainability Steering Committee (SSC) is chaired by the Chief Marketing Officer (CMO), an ELT member. The CFO is also a Sustainability Committee Member and a Board member. The QHSE Director attends the Sustainability Committee meetings and provides an update including sustainability and climate change. During the May 2024 SSC meeting, climate-related legislation LR is subject to was reviewed, particularly the Energy Savings Opportunity Scheme (ESOS), Streamlined Energy and Carbon Reporting (SECR), the EU's Corporate Sustainability Reporting Directive (CSRD) and Climate-related financial disclosure reporting (CFD). In addition, actions regarding emissions reduction in travel and procurement were discussed to enhance our plan to achieve net zero emissions.

Internal Audit supports the Board, ELT and ARC in overseeing risks, including climate change, and undertakes ad-hoc reviews of specific risk topics. The risk management framework is governed by a Group policy owned by internal audit and is mandated through the Business Management System (BMS). Each business stream and key central functions performs a risk assessment. The GRR consolidates the Group's key risks and is subject to regular review.

Risk Management

LR employs a multi-layered approach to risk management, with a strong focus on Board oversight. Our approach fully integrates climate-related risks alongside other business risks. We leverage our existing risk management framework to identify, assess, and monitor climate-related risks, ensuring a consistent and cohesive approach. This process is done on an annual basis. Climate change is one of several risk management streams that contribute to the overall GRR.

The GRR is a central document reviewed and updated annually by the ELT, the ARC, and the Board. In May 2024, the ELT, ARC, and the Board reviewed the updates to the GRR, to which climate change was added as a principal risk. Climate change risk management includes incorporating climate-related scenarios and conducting a more granular analysis of potential financial losses due to climate change.

The Group's approach to the identification, risk assessment and management of climate related risks is consistent with other risks described on page 39.

Strategy

LR recognises its critical role in navigating the maritime industry, towards a sustainable future. Our strategy goes beyond simply offering traditional classification and compliance services to partner with clients actively throughout their sustainability journeys.

Sustainability is integrated throughout our strategy and service portfolio, as part of being a responsible business. By partnering with clients on their sustainability journeys, we enable them to comply with evolving regulations and future-proof their fleets for a decarbonised maritime industry. This proactive approach positions LR as a valuable partner for companies, seeking to navigate the challenges and opportunities presented by climate change.

Our commitment to sustainability goes beyond good intentions. We leverage the Climate-Related Financial Disclosures (CFD) recommendations, to build a robust sustainability program. By proactively identifying and assessing climate-related risks that could directly affect our business over time, we can take steps to minimise their impact. This approach also allows us to identify and capitalise on opportunities arising from climate change, supporting our long-term business strategy.

Climate change is a pressing global concern with potentially significant ramifications for businesses. We recognise this urgency and advocate for proactive measures. LR is committed to significantly reducing its GHG emissions. The targets have been submitted to the Science-Based Targets Initiative (SBTi) and were validated in July 2024, including near and long-term targets. A breakdown of our near-term and net zero targets can be found in the Metrics and Targets section on page 47.

Climate Scenarios

Following the guidance of the Task Force on Climate-related Financial Disclosure (TCFD), we conducted a climate scenario analysis across our operations to evaluate our climate-related risks and opportunities. Climate scenarios are projections of future climate conditions, based on different warming pathways. To develop our scenarios, we utilised a variety of climate models and internationally recognised frameworks.

In conducting this climate scenario analysis, we considered additional factors in line with TCFD guidance, including:

- **Transition and physical risks of climate change:** Transition risks are linked to the shift towards a decarbonised economy, encompassing potential challenges related to policy and legal adjustments, technological developments, market conditions, and reputational impacts. Physical risks include flooding, rising temperatures, and water stress, which can directly impact business operations.
- **Assessment across multiple time frames:** We evaluate risks across various time frames to determine their potential occurrence in the short term (2024-2027), medium term (2028-2037), and long term (2038-2052). The impacts of climate change go beyond traditional business planning horizons. Aligning with the UK and the Group’s net-zero targets for 2050, the long-term horizon was set accordingly.
- **Exploring various climate scenarios:** Based on global responses to climate change, different warming pathways are analysed, with scenarios including below 2°C, 2-3°C, and above 3°C by 2100 to gain comprehensive insights to the possible warming pathways.

Scenario Warming Pathways	
<2°C by 2100: A Collaborative Path to Net-Zero	The <2°C scenario represents a global ambition to limit global warming to below 2 degrees Celsius by 2100, aligning with the goals of the Paris Agreement. This optimistic yet challenging scenario requires extensive collaboration among governments, businesses, and individuals. Governments must enact ambitious policies and regulations, to promote clean technologies and discourage carbon-intensive practices. Businesses, including those in the maritime sector, would experience pressures to align with the Paris Agreement, potentially necessitating significant operational changes to achieve net-zero emissions by 2050. Despite the promising outlook, rapid decarbonisation entails significant transition risks. Even in a <2°C scenario, climate change will continue to have physical impacts, including rising sea levels and extreme weather events, affecting LR’s operations and the maritime industry. Despite the challenges, the <2°C scenario offers substantial opportunities for LR, such as increased demand for low-emission vessel design and certification services, climate risk management advisory, and adopting cleaner fuels, which could drive future growth.
2-3°C by 2100: Navigating a Patchwork Approach	The 2-3°C scenario highlights the critical need for a strong and coordinated global response to climate change. The 2-3°C scenario reflects the potential consequences of uneven global action following COP26. While governments take some legislative steps, poorly designed and implemented regulations could create a challenging environment with high transition risks. This highlights the need for strong, coordinated responses to avoid reaching critical tipping points and mitigate the severity of physical climate impacts. However, this dynamic landscape could spur innovation for companies like LR that proactively adopt sustainable practices. Increased global cooperation on mitigation

	efforts could still lead to technological advancements, ultimately benefiting the industry.
>3°C by 2100: A Business-as-Usual Scenario	This scenario serves as a reminder of the urgency of climate action. In this scenario, organisations and governments lack interest, so we continue with a ‘business as usual’ attitude. Therefore, emissions will continue to rise until 2040. Decarbonisation does not occur in any of the sectors, with limited pressure on generating renewable energy and fossil fuels being used. The transition risks for businesses are limited. However, the physical risks are most severe under this scenario, with multiple tipping points being passed. While this scenario suggests limited transition risks for businesses in the short term, the lack of decarbonisation efforts leads to an escalation of physical risks.

The following outlines the time horizons used to identify when a risk or opportunity will significantly impact the business.

Short Term (2024-2027): This timeframe aligns with business planning cycles (3-5 years) for operational improvements and resource allocation. It allows for quick wins and early risk mitigation related to potential regulatory changes. It aligns with increasing client demand for sustainable practices in the maritime industry.

Medium Term (2028-2037): This allows LR to be a thought leader in developing solutions to address clients’ future needs. It informs strategic investment decisions for research and development of new technologies necessary for achieving long-term net-zero goals. This timeframe aligns with our near-term targets to reduce absolute Scope 1 and 2 GHG emissions by 59% by 2034 from a 2023 baseline and to reduce absolute Scope 3 GHG emissions from purchased goods and services and business travel by 35% by 2034 from an 2023 baseline.

Long Term (2038-2052): This timeframe provides a long-term lens for risk management, considering potential shifts in consumer preferences or the emergence of new technologies that impact the maritime industry’s carbon footprint. This timeframe sends a strong message of commitment to a sustainable future for the maritime industry. This timeframe encompasses the entire journey to net-zero emissions by 2050. It allows for exploring long-term technological advancements, infrastructure changes, and policy shifts that may be necessary to achieve this ambitious target.

Climate Scenario Analysis

Our climate scenario analysis, conducted in April 2024 and subsequently presented and discussed in a workshop in May 2024, evaluated nineteen climate-related risks and found that no risks were individually material to the Group’s future business and strategy. Physical risks were analysed by location, with ten sites included in the assessment. Transition risks were analysed at the Group level and were relevant across the Group’s business operations. The most significant climate related risks considered are described below:

Area	Climate-related Risk	Impact Description
Policy & Legal	Failure to comply with increasing regulations	Increasing costs to guarantee compliance with new reporting requirements.
	Rising spend for carbon pricing	Expected impact is minimal, however a carbon tax on any of our suppliers may increase supply chain costs.
Market	Changing consumer preferences	With the increasing importance of ESG, stakeholder concern for the environment is likely to increase. Failing to transparently communicate our efforts to minimise our environmental impact could result in customers using a different provider and could impact our position in the market.
Reputation	Increased stakeholder concern for ESG	As the significance of sustainability grows, the attention of stakeholders towards LR's environmental sustainability effects is poised to escalate. Neglecting to effectively convey LR's strategies for minimising its environmental footprint might

		jeopardise our strong market standing. With increased transparency comes increased scrutiny. Therefore, there is a reputational and credibility risk of not meeting the targets we have publicly and officially committed to.

Due to its industry focus and locations, LR may experience limited short / medium / long term impacts from climate change. However, these factors position them as leaders in navigating the changing landscape. Climate change is undoubtedly a severe global challenge, but it presents a significant opportunity for forward-thinking businesses.

Opportunities

LR identifies several opportunities to benefit from climate action across various timeframes. These opportunities range from resource efficiency savings and new revenue streams to building resilience and enhancing reputation.

We assessed the development of new low-emission product and service lines, resource efficiency and resilience as key factors influencing the industry.

1. Products and Services

- Description: New low-emission product and service lines
- Timeline: Short -Medium Term (2023-2037)
- Impact: New revenue streams

Lloyd’s Register assists the maritime sector in navigating energy transition in a safe, commercially viable, and scalable way. Accelerating our journey to decarbonisation while assuring the safety, fitness for purpose and performance of maritime assets and new technologies with unmatched breadth and depth of trusted advice and capabilities.

2. Resource Efficiency

- Description: Implementing energy-efficient technology across operations.
- Timeline: Short-Medium Term (2023-2037). Scenario Warming Pathway: <2°C and 2-3°C.
- Impact: Reduced operating expenses through improved energy efficiency.

LR has commenced its net-zero journey, by engaging with a third-party ESG specialist to set achievable GHG reduction targets in line with the UK’s net-zero by 2050 strategy. As part of this work, recommendations may be made to implement energy-efficient technology across operations. While technology may have a high capital cost, it will improve process efficiency. As a result, less energy will be used to do the same work, reducing energy costs. The savings in energy will lead to fast payback times for the technology, resulting in net financial gain over the technology’s lifetime.

LED lighting consumes significantly less energy than traditional lighting sources, leading to lower electricity bills and a smaller carbon footprint. We are continuing to upgrade LED lighting in our London office. LR continue to review the investment case for energy efficiency upgrades with a view to commencing this work in the coming financial year.

To demonstrate the effectiveness of these initiatives, we’ll closely monitor key metrics:

- Energy consumption year-on-year comparison: Tracks annual energy use and measures progress in reduction.
- Energy intensity year-on-year comparison: This measure measures energy efficiency by dividing total energy consumption by a relevant business activity unit (e.g., per employee or per project).

3. Resilience

- Description: The business is currently well-adapted and positioned to deal with climate change. An increase in resilience is considered an opportunity due to the limited risks and significant opportunities discussed above.
- Timeline: Short -Medium Term (2023-2037). Scenario Warming Pathway: <2°C and 2-3°C.
- Impact: Developing an adaptive strategy.

Climate resilience involves organisations developing adaptive capacity to respond to climate change, better manage the associated risks and seize opportunities, including the ability to respond to transition and physical risks. LR collaborates with other progressive organisations, to provide support through leadership to all industry stakeholders, including regulators, policymakers, investors, owners, operators, charterers, and clients. LR aims to showcase the costs, benefits, opportunities, and risks associated with various potential pathways towards decarbonisation. By increasing the ability to adapt, grow, survive, and recover - in other words, become more resilient - LR can mitigate the complex and interconnected challenges that confront them.

To demonstrate our resilience, we will closely monitor and actively track greenhouse gas emissions, continuously making progress in reducing them. By setting ambitious science-based targets (SBTi), we aim to minimise our environmental impact (see Metrics & Targets for details).

Metrics and Targets

Sustainability is embedded in the Group, from reducing the impacts of LR's operations, through to the charity work of the Lloyd's Register Foundation. Metrics have been identified to track the reduction of our environmental impact on the pathway to net-zero. Annually, the Group's GHG emissions are measured and compared to our 2023 baseline. During the financial year, emissions were re-baselined to incorporate significant structural changes within the business. LR has the following targets, which have been submitted for validation through the Science-based Targets initiative (SBTi).

- Scope 1: Consumption and emissions include direct combustion of natural gas and fuels utilised for transportation operations, such as company vehicle fleets.
- Scope 2: Consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.
- Scope 3: Consumption and emissions cover emissions resulting from sources not directly owned by LR, i.e., grey fleet business travel undertaken in employee-owned vehicles only. These are emissions associated with a company's entire value chain. A list of emissions in scope has been mentioned further in the report.

Near-term targets:

- Reduce absolute Scope 1 and 2 GHG emissions by 59% by 2034 from a 2023 baseline.
- Reduce absolute Scope 3 GHG emissions from purchased goods and services and business travel by 35% by 2034 from a 2023 baseline.

The targets differ between Scope 1, 2 and Scope 3, due to the varying levels of control and data accessibility.

Net-zero targets:

- Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2023 baseline.

A location-based approach is used to track progress against targets using each region's average grid emissions factor to calculate Scope 1 and 2 emissions.

This approach will ensure LR reduces overall energy consumption to meet targets. A planned annual reduction of 5.4% of baseline emissions will be used to track progress against the Group's Scope 1 and 2 near-term targets.

For Scope 3, an annual emissions reduction from purchased goods and services and business travel of 3.2% of baseline emissions would place LR on track to meet our FY34 target. The Group reports annually on energy consumption and emissions in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) guidance. In addition, LR also reports its Scope 3 emissions annually.

Streamlined Energy and Carbon Reporting (SECR), covering scope 1, 2 and 3 (purchased goods and business travel).

GHG scope	Category	Global	
		Total Emissions (tCO ₂ e)	
		12 months to 30th June 2024	12 months to 30th June 2023
Scope 1	Scope 1- Gas, lease car miles, refrigerants	1,139	1,639
Scope 2	Scope 2 - location based electricity consumption	842	689
Scope 3	Scope 3 (purchased goods and business travel)	33,892	32,780
Total scope 1 and 2		1,981	2,328
Total scope 1 and 2 tCO₂e / £m turnover		3.6	4.5

Quantity of Energy consumed for which the company is responsible	Global	
	Kilowatt Hours kWh	
	12 months to 30th June 2024	12 months to 30th June 2023
Gas	2,053,656	1,111,196
Purchased electricity	3,751,785	2,655,334

In 2024, Scope 1 and 2 emissions decreased by 15% due to a reduction in refrigerant usage. This exceeds the projected annual reduction required to meet our target of reducing emissions by 59% by 2034. Transportation in owned vehicles is the largest source of Scope 1 and 2 emissions; therefore, the Group is focused on transitioning vehicles to fully electric by the end of 2030.

As purchased goods and services and business travel account for over 75% of baseline Scope 3 emissions, these are the focus in the near term. In 2024, these emissions have increased by 3% due to an increase in goods and services expenditure.

Public benefit

As described throughout this Trustees' Report, the Trustees place specific focus on the public benefits arising from the output and activities of the Foundation having regard to the Charity Commission guidance on public benefit.

Research and development

The Trading Group carries out research and development activities. The amount of £8.5m (2023: £7.2m) has been charged to the consolidated statement of financial activities.

Organisational structure

The Foundation has a total of 45 members of staff supported by secondees from the Trading Group. A service level agreement exists between the Foundation and the Trading Group for the provision of specialist business support in areas including finance, HR, communications, legal and IT. The Foundation pays for these services at an agreed market rate.

Disclosure of information to the Auditor

Having made enquiries each of the Trustees, listed above, in office at the time of approving the Trustees' Report confirm that:

- so far as each Trustee is aware, there is no information relevant to the preparation of its report and the financial statements of which the Foundation's Auditor is unaware; and
- each Trustee has taken all steps a trustee might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Foundation's Auditor is aware of that information.

Independent Auditor

Deloitte LLP has expressed a willingness to continue in office.

Governing document

Lloyd's Register Foundation is a company limited by guarantee registered in England, incorporated in 2012, governed by its Memorandum and Articles of Association.

Financial statements and Trustees' Report

The company and consolidated financial statements have been prepared in accordance with the accounting policies set out on pages 61 to 62 and 79 to 82 respectively and comply with applicable laws and the FRS102 Charity SORP (Statement of Recommended Practice) except for the disclosures relating to employee benefit banding (see page 92).

This Trustees' Report on pages 1 to 48 and 74 to 75 has been prepared in accordance with Part 8 of the Charities Act 2011 and the Companies Act 2006 and incorporates the Strategic Report and has been approved by order of the Board.


Michelle K Davies (Dec 18, 2024 18:02 GMT)

Michelle K. Davies
Company Secretary

18 December 2024

Legal and administrative details

Company number

07905861 (England and Wales)

Charity number

1145988 (England and Wales)

Principal Banker

HSBC UK Bank PLC
1 Centenary Square
Birmingham
United Kingdom
B1 1HQ

Statutory Auditor

Deloitte LLP
London
United Kingdom

Investment managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Partners Group
33 Charterhouse Street
London
EC1M 6HA

Newton Investment Management
160 Queen Victoria Street
London
EC4V 4LA

Investment custodians

Bank of New York Mellon
One Canada Square
Canary Wharf
London
E14 5AL

Solicitors

Geldards LLP
4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Registered and principal office

71 Fenchurch Street
London
EC3M 4BS

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Foundation and Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration Committee Report

This report describes the constitution and activities of the Remuneration Committee during the year ended 30 June 2024.

The Committee

Two separate remuneration committees operate within the Group; one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. A report is provided at each Trustees' Board meeting of the activities of the Foundation Remuneration Committee since the previous Board meeting.

Both Committees comprise members of the Board of Directors of Lloyd's Register Group Limited and Trustees of the Lloyd's Register Foundation. Their current membership is as follows:

- Mr C G Finlayson (Chair until 30 September 2023)
- Mr M Kelsey (Chair from 30 September 2023)
- Mr T T Andersen
- Mrs R Martin (until 30 September 2023)
- Mrs U O'Brien (from 30 September 2023)

The members of the Foundation's Committee are appointed and removed by the Board of Trustees.

It is the role of the Foundation's Remuneration Committee to:

- Aim to ensure that the Foundation reward structure reflects best practice;
- Provide advice to the Board of Trustees on the remuneration policy for the Foundation's Chief Executive Officer and their direct reports;
- Implement the remuneration policy in practice through determination of all aspects of the remuneration of the Foundation Chief Executive;
- Approve the salary and bonus proposals and payments for the Foundation's Chief Executive and review remuneration decisions with reference to the Foundation employee salary budget, including approval of the overall level of any annual pay increase applied in the Foundation;
- Review and approve all changes to terms in pension scheme arrangements for the Foundation Chief Executive;
- Review and advise upon the level of remuneration for senior direct reports to the Foundation Chief Executive;
- Have oversight of the diversity and gender spread across the globe, insofar as it relates to remuneration matters of the Foundation; and
- Oversee any major changes to remuneration strategy for the Foundation.

The Foundation is anchored in the charity sector but is differentiated by greater commercial and technical involvement than would be the norm in many charitable organisations. Therefore, our pay and benefits provide market competitiveness within those other sectors from which we seek to attract and retain senior talent to lead the Foundation and deliver its charitable aims. These include the charity, science and technology sectors.

General Policy

In determining the general policy regarding the total remuneration of the Foundation's Chief Executive and their direct reports, the Board of Trustees has directed the Committee to have regard to the following guidelines:

- Our aim is to pay at the market median, but roles that need specific skills, specialisms or business experience may command a remuneration premium as a result of the value they add.
- Reward and affordability align to efficient and effective delivery of the Foundation's short and long-term strategies and priorities and will include links to the business performance of the Trading Group.

- We recognise high performance by individuals and teams through the use of variable pay.
- We believe in the principles of fairness and equality of opportunity in employment. We are committed to all our colleagues receiving equal pay for the same or broadly similar work, regardless of gender, ethnicity or other non-performance related differences.

The remuneration of the charity's key management personnel is set to:

- provide a base salary designed to attract and retain key management which also reflects their level of responsibility and experience;
- see that they are fairly and responsibly rewarded for their individual contributions; and
- take account of competitive rates of total remuneration, based upon surveys of comparative organisations which are undertaken annually.

Remuneration

The highest paid Foundation employee serving in year received aggregate emoluments, including performance based remuneration, of £296,000 (2023: £219,000) which includes £26,000 of employer defined contribution pension benefits (2023: £25,000).

A summary of employee remuneration is included in note 12 of the consolidated financial statements.

Independent External Advice

The Committee has access to, and takes cognisance of, professional advice both from within the organisation and from independent external consultants. The current external advisor is EY and the Chief People Officer of Lloyd's Register Group Limited acts as Secretary to the Committee.

Audit, Risk and Investment Committee Report

This report describes the constitution and activities of the Audit, Risk and Investment Committee in place during the year ended 30 June 2024.

Summary of the role of the Audit, Risk and Investment Committee

The membership of the Audit, Risk and Investment Committee is:

Mrs M Wyatt (Chair)
Mrs Paula Haynes
Mrs Rani Koya
Dame U O'Brien (resigned 30 June 2024)

The Audit, Risk and Investment Committee is a sub-committee of the Board of Trustees. The Committee reviews the application and effectiveness of the policies and processes of the Lloyd's Register Foundation.

The Committee assists the Board of Trustees in monitoring the integrity of the Foundation's published financial statements and the compliance of the Foundation's Report and Accounts with UK accounting standards, the Companies Act and the Charities SORP. The external auditor attends each meeting of the Committee and reports on the external audit plan, the results of the external audit and on the annual report and accounts.

The Committee also reviews the performance of the Foundation's investment portfolio and its investment managers and makes decisions on behalf of the Board of Trustees as to an appropriate investment strategy for the Foundation. At each meeting, the Committee receives reports from the Group Treasurer and the investment fund managers.

The Group's outsourced Internal Audit and Risk function reports to the Committee on any issues which it considers impact on the adequacy and effectiveness of the Foundation's internal financial controls and risk management systems. The Committee reviews the risk register at each meeting. No material items have been reported to the Committee by Group Audit and Risk during the financial year.

The Committee oversees the relationship with the external auditor including approval of the audit plan and scope of the audit. The assessment of the auditor's independence and review of the level of fees payable for non-audit services did not identify any significant matters.

The financial statements are reviewed by the Committee before recommending their consideration by the Board of Trustees, focusing particularly on any significant adjustments resulting from the audit and major judgmental areas. The Audit, Risk and Investment Committee typically meets three times a year, and at least once a year a meeting is held between the Chair of the Committee, the Head of Internal Audit and Risk and the external auditor, at which no employees are present.

The Committee met three times during the year under review. Matters considered by the Committee during the year and subsequently include:

- The review of the 30 June 2023 and 30 June 2024 Reports and Consolidated Financial Statements and the Auditor's Reports thereon;
- the re-tendering for investment fund managers and review of the Statement of Investment Policy;
- the approval of the schedule of risk deep dives for presentation to the Board of Trustees; and
- the annual review of the risk appetite statement.

Nominations Committee Report

The Nominations Committee is a committee of Lloyd's Register Foundation which addresses the needs of Lloyd's Register Foundation, Lloyd's Register Group Limited and other related senior appointments or succession issues. It comprises one Foundation Trustee, one Lloyd's Register Group Board Director and the Chairman. The current members of the Committee are the following:

Dame Una O'Brien – Committee Chair and a Trustee of Lloyd's Register Foundation (appointed 30 September 2023)

Mrs R Martin – Committee Chair and a Trustee of Lloyd's Register Foundation (resigned 30 September 2023)

Mr T T Andersen

Mr M Lykiardopulo

The Committee meets at least annually to consider the matters noted below in respect of both Lloyd's Register Foundation and Lloyd's Register Group Limited, with additional meetings as required, for example, for the appointment of additional board members and succession planning.

- Board succession planning;
- Reviewing the composition of the Boards of the Group and the Foundation and making recommendations regarding the annual re-election of Board members and changes and new appointments of the Chairman, Trustees and Directors, to ensure an appropriate balance of skills, experience and diversity;
- Reviewing the membership and operation of Board committees and making recommendations where appropriate;
- Reviewing the succession of senior executive positions and making recommendations accordingly;
- Identifying, nominating and recommending for approval of the Boards, candidates to fill Board vacancies; and
- Making recommendations to the Boards regarding changes to the positions of Chief Executive and Chief Financial Officer of Lloyd's Register Group Limited, and to the position of the Chief Executive of Lloyd's Register Foundation.

During the year under review, the Committee recommended and approved the appointment of a new Non-Executive Director of Lloyd's Register Group Limited the appointment of a new Trustee of the Foundation, and made recommendations with regard to the re-election of Board members on the expiry of terms of office which were due to expire in the coming year, the replacement of a Senior Independent Director of Lloyd's Register Group Limited and the appointment of a Senior Independent Trustee for the Foundation, and the review of the Board Committee memberships, including the consideration of the appointment of a replacement Chair for the Foundation Grants and Direct Charitable Activities Committee.

In addition, during the year, the Committee began the search for additional Non-Executive Directors and Trustees for succession planning and made recommendations for the independent board evaluation review for both Lloyd's Register Group Limited and the Foundation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lloyd's Register Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 30 June 2024 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Foundation statement of financial activities (incorporating an income and expenditure account);
- the Foundation balance sheet;
- the Foundation cash flow statement;
- the related notes to the Foundation financial statements 1 to 19;
- the consolidated statement of financial activities, incorporating an income and expenditure account;
- the consolidated balance sheets.
- the consolidated statement of cash flow; and
- the related notes to the consolidated financial statements 1 to 32.

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).

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 financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the board of Trustees, management and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the group and charitable company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, UK Companies Act, Pension and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, and Real Estate specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- manual adjustments are posted to the general ledger to true-up revenue recognised under multi-year marine in-service contracts. We have performed substantive tests of detail on a sample of contracts to assess the accuracy of the adjustments that were made; and
- Grant expenditure and liability - We performed a substantive test of details on a sample of grants, inspecting contracts and agreements, bank statements, and other supporting documentation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Charity Commission.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Black

Jeremy Black (Dec 18, 2024 18:21 GMT)

Jeremy Black, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
18 December 2024

FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 JUNE 2024

	Note	General funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	General funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Income							
Income from investments:							
Gift aid donation from Trading Group		20,000	—	20,000	22,023	—	22,023
From listed investments and other investments		9,590	—	9,590	10,499	—	10,499
Total income	3	<u>29,590</u>	<u>—</u>	<u>29,590</u>	<u>32,522</u>	<u>—</u>	<u>32,522</u>
Expenditure on raising funds							
Investment management costs	4	—	(855)	(855)	—	(863)	(863)
Charitable activities							
Total grant activities	5	(18,138)	—	(18,138)	(20,238)	—	(20,238)
Total direct activities	5	<u>(7,837)</u>	<u>—</u>	<u>(7,837)</u>	<u>(5,969)</u>	<u>—</u>	<u>(5,969)</u>
Total expenditure		<u>(25,975)</u>	<u>(855)</u>	<u>(26,830)</u>	<u>(26,207)</u>	<u>(863)</u>	<u>(27,070)</u>
Net income / (expenditure) before gains on investments		3,615	(855)	2,760	6,315	(863)	5,452
Realised losses on disposal of listed investments		(483)	(7,147)	(7,630)	(304)	(6,667)	(6,971)
Unrealised gains on listed investments		2,205	32,630	34,835	190	4,161	4,351
Net income / (expenditure) and net movement in funds		<u>5,337</u>	<u>24,628</u>	<u>29,965</u>	<u>6,201</u>	<u>(3,369)</u>	<u>2,832</u>
Reconciliation of funds							
Funds brought forward		19,539	289,102	308,641	13,338	292,471	305,809
Funds carried forward	16	<u>24,876</u>	<u>313,730</u>	<u>338,606</u>	<u>19,539</u>	<u>289,102</u>	<u>308,641</u>

All of the Company's income is derived from continuing activities.

There are no recognised gains or losses for the current and preceding year other than those shown above. All funds are unrestricted.

FOUNDATION BALANCE SHEET AT 30 JUNE 2024

	Note	30 June 2024 £000	30 June 2023 £000
Fixed assets			
Investments	10	<u>360,626</u>	<u>332,788</u>
		360,626	332,788
Current assets			
Cash at bank and in hand		9,562	5,976
Debtors	11	<u>682</u>	<u>274</u>
		10,244	6,250
Creditors: amounts falling due within one year	13	<u>(18,184)</u>	<u>(19,911)</u>
Net current liabilities		(7,940)	(13,661)
Total assets less current liabilities		352,686	319,127
Creditors: amounts falling due after one year	14	(14,080)	(10,486)
Net assets		<u>338,606</u>	<u>308,641</u>
The funds of the charity			
Unrestricted – general fund		17,759	14,144
Revaluation reserve	17	<u>7,117</u>	<u>5,395</u>
Total unrestricted funds		24,876	19,539
Endowment funds		222,568	223,423
Revaluation reserve	17	<u>91,162</u>	<u>65,679</u>
Total endowment funds		<u>313,730</u>	<u>289,102</u>
Total charity funds	16	<u>338,606</u>	<u>308,641</u>

The financial statements on pages 58 to 72 were approved by the Trustees on 18 December 2024 and signed on their behalf by:

marina wyatt
marina Wyatt (Dec 18, 2024 15:40 GMT)

Marina Wyatt, Trustee

Lloyd's Register Foundation
Company registration number 07905861

FOUNDATION CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
	Note	£000	£000
Cash flows from operating activities:			
Net cash used in operating activities	A	(25,371)	(32,661)
Cash flows from investing activities:			
Income from investments		29,590	32,522
Purchase of investments		(151,424)	(229,480)
Proceeds from sale of listed investments		150,791	228,455
Net cash provided by investing activities		28,957	31,497
Change in cash and cash equivalents in the year		3,586	(1,164)
Cash and cash equivalents at the beginning of the year	B	5,976	7,140
Cash and cash equivalents at the end of the year	B	9,562	5,976

A. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£000	£000
Net income for the reporting year	29,965	2,832
(as per the statement of financial activities)		
Adjustments for:		
(Gains) / losses on investments	(27,205)	2,620
Income from investments	(29,590)	(32,522)
(Increase) / decrease in debtors	(408)	420
Increase / (decrease) in creditors	1,867	(6,011)
Net cash used in operating activities	(25,371)	(32,661)

B. Analysis of cash and cash equivalents

	30 June 2023 £000	Cash flow £000	30 June 2024 £000
Cash at bank and in hand	5,976	3,586	9,562
Total cash and cash equivalents	5,976	3,586	9,562

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Basis of accounting

Lloyd's Register Foundation ("the Foundation") is a private charitable company limited by guarantee, incorporated in the United Kingdom, registered in England and Wales and a registered charity. It is governed by its memorandum and articles.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments. They have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP") FRS102 "Accounting and Reporting by Charities" ("the Charities SORP"), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Foundation meets the definition of a public benefit entity under FRS102. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed in the Trustees' report on page 32.

The functional currency of the Foundation is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Foundation operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Foundation is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds represents costs associated with generating income from investment management.

Expenditure on charitable activities comprises all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities represents all the expenditure by the Foundation in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Foundation formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Foundation, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

Short-term employee benefits are recognised as an expense in the year in which they relate.

c. Investments

Listed investments are stated at market value. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment in the Trading Group (Lloyd's Register Group Limited), which is a social investment, is valued at cost less any impairment.

d. Cash

Items considered to be cash are those held in hand, in current accounts and on short-term deposit (where the term is less than three months) with recognised financial institutions.

e. Taxation and Value Added Tax

The Foundation is a UK registered charity and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 16.

g. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are recognised at their settlement amount while grant liabilities are discounted to net present value where the impact is material.

h. Significant accounting estimates and assumptions

The Foundation makes estimates and assumptions to produce the Financial Statements. The accounting estimates will, by nature, differ from the actual results. The key estimate that may have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year relates to the discounting of grant liabilities. The rate applied to discount grant liabilities payable after more than twelve months requires an estimate of the appropriate discount rate, as well as an estimate of when the liability will be called down as a claim to be paid. A discount rate of 5.7% (30 June 2023: 4.4%) has been applied based on the opportunity cost of income from investments foregone and considering the investment return objective. A 1.0% increase in the discount rate would reduce grant liabilities by £0.3 million while a 1.0% decrease in the discount rate would increase grant liabilities by £0.3 million. The discounted grant liability as at 30 June 2024 is £29.9m (2023: £27.9m). There are no other significant accounting estimates or judgements for the Foundation.

3. Investment income

	General funds £000	Endowment funds £000	Total 2024 £000	Total 2023 £000
Gift aid from Trading Group	20,000	—	20,000	22,023
Listed and other investments:				
Fixed Interest – UK	1,505	—	1,505	1,215
Fixed Interest – Overseas	—	—	—	20
Equities – UK	502	—	502	1,438
Equities – Overseas	2,999	—	2,999	3,816
Pooled Funds	3,822	—	3,822	3,575
Cash Instruments	247	—	247	164
Bank interest	515	—	515	271
	<u>9,590</u>	<u>—</u>	<u>9,590</u>	<u>10,499</u>
Total	<u>29,590</u>	<u>—</u>	<u>29,590</u>	<u>32,522</u>

4. Expenditure on raising funds

Expenditure on raising funds represents investment management costs, which are charged to the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Analysis of expenditure on charitable activities

	Grants (note 6)	Direct costs	Support costs	2024
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,497	45	253	1,795
Goal 2: Challenge area: Safety at Sea	5,866	183	935	6,984
Goal 2: Challenge area: Safety of Food	(2)	—	—	(2)
Goal 2: Challenge area: Safety for a Sustainable Future	1,430	40	219	1,689
Goal 2: Challenge area: Skills for Safety	3,269	96	488	3,853
Heritage and education centre	1,090	29	163	1,282
Foundational***	1,637	84	427	2,148
	<u>14,787</u>	<u>477</u>	<u>2,485</u>	<u>17,749</u>
Discounting of grant liabilities **	389	—	—	389
Total grant activities	<u>15,176</u>	<u>477</u>	<u>2,485</u>	<u>18,138</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,665	387	3,052
Goal 2: Challenge area: Safety for a Sustainable Future	—	—	—	—
Goal 2: Challenge area: Safety of Food	—	—	—	—
Heritage and education centre	—	2,959	429	3,388
Foundational *	—	1,220	177	1,397
Total direct activities	<u>—</u>	<u>6,844</u>	<u>993</u>	<u>7,837</u>
	<u>15,176</u>	<u>7,321</u>	<u>3,478</u>	<u>25,975</u>

Expenditure associated with Building Coalitions (Goal 3) span all activities and are not separately identified.

* Our charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

**Impact of unwinding the discounting of grants awarded in prior years and the change in discount rate. The impact of unwinding the discount of the grant liabilities is £535,000. The impact of changing the discount rate is a reduction in the expenditure of £146,000.

***The previously reported Safetytech Accelerator expenditure reported in notes 5 and 6 has been restated to combine with Foundational.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £3,478,000 (2023: £4,330,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property, and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £2,023,000 (2023: £1,478,000) and governance costs of £68,000 (2023: £65,000).

Governance costs are the fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £68,000 (2023: £65,000).

Analysis of expenditure by charitable activities in 2023 is shown below.

	Grants	Direct costs	Support costs	2023
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,940	134	407	2,481
Goal 2: Challenge area: Safety at Sea	300	19	58	377
Goal 2: Challenge area: Safety of Food	1,570	98	303	1,971
Goal 2: Challenge area: Safety for a Sustainable Future	3,600	225	695	4,520
Goal 2: Challenge area: Safety of Digital Systems	(112)	—	—	(112)
Goal 2: Challenge area: Skills for Safety	355	24	69	448
Goal 2: Challenge area: Safety of Physical Infrastructure	(340)	—	—	(340)
Goal 2: Challenge area: Public Understanding of Risk	858	57	166	1,081
Heritage and education centre	1,650	110	320	2,080
Foundational***	5,652	483	1,394	7,529
	<u>15,473</u>	<u>1,150</u>	<u>3,412</u>	<u>20,035</u>
Discounting of grant liabilities**	203	—	—	203
Total grant activities	<u>15,676</u>	<u>1,150</u>	<u>3,412</u>	<u>20,238</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,295	417	2,712
Goal 2: Challenge area: Safety of Food	—	127	23	150
Goal 2: Challenge area: Safety for a Sustainable Future	—	136	25	161
Heritage and education centre	—	2,295	417	2,712
Foundational*	—	198	36	234
Total direct activities	<u>—</u>	<u>5,051</u>	<u>918</u>	<u>5,969</u>
	<u>15,676</u>	<u>6,201</u>	<u>4,330</u>	<u>26,207</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Grants awarded

Lloyd's Register Foundation achieves its mission through awarding charitable grants to fund research, intervention programmes and other impact-led initiatives. Grants awarded in the year ended 30 June 2024 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Underst- anding Risk £'000	Founda- tional £'000	2024 £000
Atlantic Pacific International Rescue Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Center of Maritime History Institute for Mediterranean Studies	1	—	—	—	—	—	—	—	—	—	10	10
IMRF	1	—	—	—	—	—	—	—	—	—	10	10
Pembrokeshire Coastal Forum CIC	1	—	—	—	—	—	—	—	—	—	10	10
Travel for research	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	10	10
University of Wolverhampton	1	—	—	—	—	—	—	—	—	—	10	10
Queensland University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
Strathclyde University	1	—	—	—	—	—	—	—	—	—	10	10
HELMEPA	1	—	—	—	—	—	612	—	—	—	—	612
International Maritime Organization	1	399	—	—	—	—	—	—	—	—	—	399
University of California Santa Barbara	1	—	—	—	—	—	—	—	206	—	—	206
Sea Shepherd Global	1	—	—	—	—	—	—	—	—	—	10	10
Nest Funding for Completing professional certificate courses	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	2	2
Climate Adaptation Works Ltd	1	—	—	—	—	—	—	—	—	—	10	10
International Congress of Maritime Museums	1	—	—	—	—	—	—	42	—	—	—	42
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	21	—	—	21
UArctic ry - Arctic Maritime Safety	1	—	—	—	—	—	—	90	—	—	—	90
The Seafarers' Charity	1	450	—	—	—	—	—	—	—	—	—	450
University of York	1	—	—	—	—	—	—	—	—	—	1,196	1,196
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	—	600	600
TWI Ltd - SEASEP	1	—	—	—	—	—	2,000	—	—	—	—	2,000
United Nations Global Compact	1	1,394	—	—	—	—	—	—	—	—	—	1,394
The Sustainable Shipping Initiative Limited	1	65	—	—	—	—	—	—	—	—	—	65
Global Manufacturing Organisation Limited	1	—	—	—	—	—	—	—	200	—	—	200
Delft University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
REV Ocean	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
The University of Queensland	1	—	—	—	—	—	—	—	—	—	10	10
Human Rights at Sea	1	—	—	—	—	—	—	—	—	—	10	10
Western Sydney University	1	—	—	—	—	—	—	—	—	—	10	10
MOI UNIVERSITY	1	—	—	—	—	—	—	—	—	—	10	10
RNLI	1	—	—	—	—	—	—	—	—	—	6	6
World Maritime Museum	1	—	—	—	—	—	—	—	—	—	10	10
National Sea Rescue Institute	1	—	—	—	—	—	—	—	—	—	8	8
Canadian Marine Careers Foundation	1	—	—	—	—	—	—	—	—	—	10	10
UArctic ry	1	—	—	—	—	—	—	410	—	—	—	410
GMG Group	1	—	—	—	—	—	—	—	—	—	10	10
International Maritime Law Institute (IMLI)	1	—	—	—	—	—	1,000	—	—	—	—	1,000
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	698	—	—	698
World Maritime University	1	399	—	—	—	—	—	—	—	—	—	399
University of Portsmouth	1	—	—	—	—	—	—	336	—	—	—	336
The University of Auckland	1	—	—	—	—	—	—	—	38	—	—	38
Travel to International Conference	1	—	—	—	—	—	—	—	—	—	2	2
UN High Level Climate Champions	1	—	—	—	—	—	—	—	—	—	462	462
University of Philippines Visayas Foundation	1	—	—	—	—	—	—	—	—	—	10	10
Practical Action	1	—	—	—	—	—	—	—	—	—	250	250
Interview seaplane pilots and other safety professionals in Canada	1	—	—	—	—	—	—	—	—	—	1	1
Resilience Rising	1	—	—	—	—	—	—	—	—	—	178	178
World Maritime University - Global Maritime University	1	164	—	—	—	—	—	—	—	—	—	164
The Alan Turing Institute	1	—	—	—	—	—	—	—	—	—	47	47
Northumbria University	1	—	—	—	—	—	—	—	247	—	—	247

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Underst- anding Risk £'000	Found- ational £'000	2024 £000
IfM Engage	1	—	—	—	—	—	—	—	246	—	—	246
Maritime Decarbonisation Hub Phase 2	1	—	—	—	1,480	—	—	—	—	—	—	1,480
Catanduanes State University	1	—	—	—	—	—	—	—	47	—	—	47
Seoul National University	1	4,000	—	—	—	—	—	—	—	—	—	4,000
Museum of London Archaeology	1	—	—	—	—	—	—	212	—	—	—	212
Highland Archive Service, High Life Highland - Following the Fish: Stories of the Herring Girls	1	—	—	—	—	—	—	—	—	—	8	8
West Sussex County Council Lancashire Archives & Local History, Lancashire County Council	1	—	—	—	—	—	—	—	—	—	7	7
Swansea University - A voyage of discovery on the Avon Searider	1	—	—	—	—	—	—	—	—	—	10	10
The Common Room of the Great North - Northern Coal Shipments: Navigating Global Impact in a Warming World	1	—	—	—	—	—	—	—	—	—	9	9
Maritime Archaeological Society of Finland - Identifying Potential "Lloyd's" Shipwrecks on the Gulf of Finland	1	—	—	—	—	—	—	—	—	—	10	10
Gloucestershire Archives - Gloucestershire Mariners	1	—	—	—	—	—	—	—	—	—	10	10
National Life Stories - Exploring Innovations in Maritime Safety	1	—	—	—	—	—	—	—	—	—	10	10
SS Great Britain Trust	1	—	—	—	—	—	—	—	—	—	10	10
Maritime Archaeology Sea Trust - Royal Navy Loss List interlinking with NMRN and MoD Salmo	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
Transaid Worldwide Services - Madereva Salama Zaidi	1	—	—	—	—	—	—	—	—	—	10	10
London South Bank University	1	—	—	—	—	—	—	—	—	—	9	9
National Historic Ships UK	1	—	—	—	—	—	—	—	—	—	10	10
EPFL	1	—	—	—	—	—	—	—	—	—	10	10
Grant Adjustments*		(399)	(2)	—	(50)	—	—	—	(206)	—	(1,223)	(1,880)
73		6,472	(2)	—	1,430	—	3,612	1,090	1,497	—	1,885	15,984
Impact of discounting grants awarded in the year		(606)	—	—	—	—	(343)	—	—	—	(248)	(1,197)
		5,866	(2)	—	1,430	—	3,269	1,090	1,497	—	1,637	14,787

*Grant adjustments are commitments which have been written back during the year, for example due to project underspend by a grantee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Grants awarded in the year ended 30 June 2023 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Under- standing Risk £'000	Found- ational £'000	2023 £000
The American College of Greece	1	—	—	—	—	—	—	—	—	—	10	10
The Alan Turing Institute	2	—	—	—	—	—	—	—	—	—	3,021	3,021
Bartlett Judge Associates Ltd	1	—	—	—	—	—	—	—	—	—	10	10
World Maritime University	1	—	—	—	—	—	385	—	—	—	—	385
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Royal National Lifeboat Institution	1	—	—	—	—	—	—	—	—	—	10	10
IMRF - #FutureSAR	1	—	—	—	—	—	—	—	—	—	10	10
Fisheries Innovation Scotland	1	—	—	—	—	—	—	—	—	—	10	10
Flex Marine Power	1	—	—	—	—	—	—	—	—	—	10	10
Sustainable Sailing	1	—	—	—	—	—	—	—	—	—	10	10
Universiti Teknologi MARA - Assessing the Designer's Design for Safety	1	—	—	—	—	—	—	—	—	—	10	10
Ethos Environmental Ltd for AI4RCS	1	—	—	—	—	—	—	—	—	—	10	10
Northumbria University for Building partnerships in coastal Bangladesh	1	—	—	—	—	—	—	—	—	—	10	10
Safe use of sustainable energy sources in Tanzanian School	1	—	—	—	—	—	—	—	—	—	5	5
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	250	—	—	250
HiLo Maritime Risk Management Limited	1	—	—	—	—	—	—	—	—	—	10	10
UN global compact	1	300	—	—	—	—	—	—	—	—	—	300
Educating local community in Busan	1	—	—	—	—	—	—	—	—	—	5	5
Level Water	1	—	—	—	—	—	—	—	—	—	5	5
James Michael Foundation - Revisiting the Ocean: Living the Blue Economy	1	—	—	—	—	—	—	—	—	—	28	28
The Marine Institute - Model Boat Race	1	—	—	—	—	—	—	—	—	—	5	5
ESRA - UK Independent lifeboat Crew and Medical Student training package	1	—	—	—	—	—	—	—	—	—	5	5
Vianair Inc. - Advanced airport operations visualization for increased public understanding of risk	1	—	—	—	—	—	—	—	—	—	10	10
Eyesea.org - Social pollution mapping	1	—	—	—	—	—	—	—	—	—	5	5
Hellenic Marine Environment Protection Association (HELMPEA)	1	—	—	—	—	—	—	—	—	—	5	5
Islington Boat Club	1	—	—	—	—	—	—	—	—	—	5	5
Plastic Waste Cleanup from Waterway	1	—	—	—	—	—	—	—	—	—	5	5
Shoebox Wellness Kits	1	—	—	—	—	—	—	—	—	—	5	5
Winchester Action on Climate Crisis (WinACC)	1	—	—	—	—	—	—	—	—	—	5	5
Hamogelo	1	—	—	—	—	—	—	—	—	—	3	3
Joao Ventura	1	—	—	—	—	—	—	—	—	—	2	2
Adriana Castro Vargas	1	—	—	—	—	—	—	—	—	—	2	2
MoHammed Bojair	1	—	—	—	—	—	—	—	—	—	2	2
Sanley Abila	1	—	—	—	—	—	—	—	—	—	2	2
Augustine Makokha	1	—	—	—	—	—	—	—	—	—	2	2
Historic England	1	—	—	—	—	—	—	50	—	—	—	50
Educational Volunteers Foundation of Turkey (TEGV)	1	—	—	—	—	—	—	—	—	—	200	200
Food and Agriculture Organisation of the United Nations (FAO)	1	—	165	—	—	—	—	—	—	—	—	165
Plymouth Univeristy - Rescued Lives: An Oral History of the Stories of Shipwreck Survivors	1	—	—	—	—	—	—	20	—	—	—	20
Health & Safety Executive	1	—	—	—	—	—	—	—	—	—	250	250
Maritime Decarbonisation Hub Phase 2	1	—	—	—	2,508	—	—	—	—	—	—	2,508
Sense about Science	1	—	—	—	—	—	—	—	—	918	—	918
The Ocean Foundation	1	—	—	—	—	—	—	413	—	—	—	413
United Nations Global Contact	1	—	1,405	—	—	—	—	—	—	—	—	1,405
Lloyds Register Group	1	—	—	—	1,100	—	—	—	—	—	—	1,100
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	—	10	10
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	—	700	700
Cardiff University	1	—	—	—	—	—	—	—	266	—	—	266

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Underst- anding Risk £'000	Found- ational £'000	2023 £000
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	249	—	—	249
University of Exeter Business School	1	—	—	—	—	—	—	—	85	—	—	85
University of Southern California	1	—	—	—	—	—	—	—	258	—	—	258
York Health Economics Consortium	1	—	—	—	—	—	—	—	102	—	—	102
National Marine Museum	1	—	—	—	—	—	—	1,000	—	—	—	1,000
International Congress of Maritime Museums	1	—	—	—	—	—	—	289	—	—	—	289
Resurgence	1	—	—	—	—	—	—	—	247	—	—	247
Resilience First	1	—	—	—	—	—	—	—	250	—	—	250
University of Leeds	1	—	—	—	—	—	—	—	435	—	—	435
The University of Central Lancashire	1	—	—	—	—	—	—	—	—	—	10	10
ISWAN	1	—	—	—	—	—	—	—	—	—	10	10
Raybel Charters	1	—	—	—	—	—	—	—	—	—	9	9
Ocean Generation	1	—	—	—	—	—	—	—	—	—	10	10
University of York	1	—	—	—	—	—	—	—	—	—	2,794	2,794
United Nations Global Compact	1	—	—	—	—	—	—	—	—	—	500	500
Italian Institute of Technology	1	—	—	—	—	—	—	—	—	—	2	2
Grant Adjustments		—	—	(112)	(8)	(340)	—	—	(171)	—	(1,548)	(2,179)
	65	300	1,570	(112)	3,600	(340)	385	1,772	1,971	918	6,194	16,258
Impact of discounting grants awarded in the year		—	—	—	—	—	(30)	(122)	(31)	(60)	(542)	(785)
		300	1,570	(112)	3,600	(340)	355	1,650	1,940	858	5,652	15,473

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Grants awarded but not paid

	2024 £000	2023 £000
At start of year	27,853	32,248
Awarded in the year	16,667	17,652
Unwinding of discounting (note 5)	389	203
Grant adjustments (note 6)	(1,880)	(2,179)
Paid in the year	(13,099)	(20,071)
At end of year	<u>29,930</u>	<u>27,853</u>

The aging of grants payable is shown in note 14.

8. Employees

	General funds £000	Endowment funds £000	2024 £000	2023 £000
Wages and salaries	3,114	—	3,114	2,580
Social security costs	296	—	296	285
Pension costs	397	—	397	331
	<u>3,807</u>	<u>—</u>	<u>3,807</u>	<u>3,196</u>

All employees are engaged in charitable activities. The average number of employees during the year was 45 (2023: 41).

Included within employee costs above is £296,000 (2023: £219,000) remuneration received by key management personnel which includes £26,000 of employer defined contribution pension costs (2023: £25,000). See note 30 of the consolidated financial statements for the key management personnel of the Foundation Group.

The following number of employees earned emoluments within the bands shown below. Emoluments include benefits in kind, but exclude employer defined contribution pension costs.

	2024 Number	2023 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	2	3
£80,001 - £90,000	1	—
£110,001 - £120,000	2	1
£120,001 - £130,000	2	2
£130,001 - £140,000	2	1
£140,001 - £150,000	—	1
£160,001 - £170,000	1	1
£190,001 - £200,000	—	1
£260,001 - £270,000	1	—

The Foundation made no termination payments during the current or prior year.

9. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £3,000 for reimbursement for out of pocket expenses (2023: £14,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

10. Investments

	30 June 2024 £000	30 June 2023 £000
Listed investments at market value comprise:		
Fixed Interest – UK	29,467	34,040
Fixed Interest – Overseas	—	667
Equities – UK	7,419	15,379
Equities – Overseas	189,600	147,029
Pooled Funds	82,618	91,879
Derivatives	(166)	388
Cash instruments	8,071	428
Cash at investment managers and accrued interest	3,567	2,928
	<u>320,576</u>	<u>292,738</u>
Unlisted investments		
Investment in subsidiaries – social investment at cost less impairment	40,050	40,050
	<u>360,626</u>	<u>332,788</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Listed investments and cash held by investment managers	30 June 2024 £000	30 June 2023 £000
At start of year	289,810	291,717
Additions at cost	150,785	229,480
Disposal proceeds	(150,791)	(228,767)
Realised losses on disposals	(7,630)	(6,971)
Unrealised gains	34,835	4,351
At end of year	317,009	289,810
Cash at investment managers and accrued interest	3,567	2,928
	320,576	292,738

Subsidiaries (note 12)

The Foundation has invested £40,050,000 (2023: £40,050,000) in its only immediate subsidiary, Lloyd's Register Group Limited. The subsidiaries and joint ventures of Lloyd's Register Group Limited are shown in note 31 to Lloyd's Register Foundation Group Consolidated Financial Statements.

11. Debtors

	30 June 2024 £000	30 June 2023 £000
Prepayments and accrued income	682	274
	682	274

12. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited, which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the marine industry.

The summarised financial information of the consolidated Trading Group is provided below, as per the Trading Group's consolidated financial statements for the year ended 30 June 2024 (2023: year ended 30 June 2023).

	2024 £000	2023 £000
Turnover	546,617	516,793
Cost of sales	(347,338)	(324,414)
Gross profit	199,279	192,379
Administrative expenses	(214,611)	(200,065)
Administrative expenses before exceptional costs	(194,299)	(191,165)
Operating profit before exceptional costs	4,980	1,214
Exceptional costs	(20,312)	(8,900)
Operating loss	(15,332)	(7,686)
Profit on disposal	—	15,842
Share of net operating loss of joint ventures	(759)	(744)
Net investment income	10,701	(22,992)
Other finance costs	1,874	2,163
Loss before taxation	(3,516)	(13,417)
Taxation on profit	(12,432)	(3,411)
Loss for the financial year	(15,948)	(16,828)
	30 June 2024 £000	30 June 2023 £000
Assets	1,170,462	1,226,434
Liabilities	(404,087)	(405,021)
Net Assets	766,375	821,413
Shareholder's funds	766,375	821,413

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Creditors: amounts falling due within one year

	30 June 2024 £000	30 June 2023 £000
Trade creditors	219	512
Amounts due to related companies	1,123	1,002
Grants payable	15,850	17,367
Accruals and deferred income	992	1,030
	18,184	19,911

14. Creditors: amounts falling due after one year

	30 June 2024 £000	30 June 2023 £000
Grants payable	14,080	10,486
	14,080	10,486

The timing of grants payable is shown in the table below:

	30 June 2024 £000	30 June 2023 £000
Due within one year	15,850	17,367
Due within 1-2 years	8,909	6,270
Due within 2-5 years	6,892	5,175
Due after 5 years	150	104
Impact of discounting	(1,871)	(1,063)
	14,080	10,486
Net grants payable	29,930	27,853

Of the net grants payable creditor of £29,930,000 (2023: £27,853,000), £1,630,000 (2023: £2,558,000) relates to grants payable to the trading group. These are discussed in more detail in note 19.

15. Financial Commitments

The Foundation has a contractual obligation to transfer up to £100m (2023: £100m) of the investment assets received from the Trading Group in September 2012 to the Lloyd's Register Superannuation Fund Association in the event of an insolvency of Lloyd's Register Group Limited. The Trustees consider the risk of insolvency, and therefore the risk of payment of the contingent liability, to be minimal. Additional funding commitments to related parties are detailed in note 19.

16. Funds

	30 June 2023 £000	Income £000	Expenditure £000	Other movements £000	30 June 2024 £000
Total unrestricted funds	19,539	29,590	(25,975)	1,722	24,876
Endowment funds:					
Expendable endowment	289,102	—	(855)	25,483	313,730
	308,641	29,590	(26,830)	27,205	338,606

Other movements relate to realised and unrealised gains and losses on investment assets.

	30 June 2022 £000	Income £000	Expenditure £000	Other movements £000	30 June 2023 £000
Total unrestricted funds	13,338	32,522	(26,207)	(114)	19,539
Endowment funds:					
Expendable endowment	292,471	—	(863)	(2,506)	289,102
	305,809	32,522	(27,070)	(2,620)	308,641

Other movements relate to realised and unrealised gains and losses on investment assets.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were amended in the prior year to adjust the contingent asset to £100m and extend the period at least until the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Revaluation reserve

	30 June 2023 £000	Unrealised gains £000	Realised revaluation reserve £000	30 June 2024 £000
Unrestricted – general funds	5,395	2,205	(483)	7,117
Endowment funds:				
Expendable endowment	65,679	32,630	(7,147)	91,162
	<u>71,074</u>	<u>34,835</u>	<u>(7,630)</u>	<u>98,279</u>

	30 June 2022 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2023 £000
Unrestricted – general funds	5,509	190	(304)	5,395
Endowment funds:				
Expendable endowment	68,185	4,161	(6,667)	65,679
	<u>73,694</u>	<u>4,351</u>	<u>(6,971)</u>	<u>71,074</u>

18. Analysis of net assets between funds

	General funds £000	Endowment funds £000	Total 30 June 2024 £000	Total 30 June 2023 £000
Fixed assets	46,896	313,730	360,626	332,788
Current assets	10,244	—	10,244	6,250
Creditors: amounts falling due within one year	(18,184)	—	(18,184)	(19,911)
Creditors: amounts falling due after one year	(14,080)	—	(14,080)	(10,486)
	<u>24,876</u>	<u>313,730</u>	<u>338,606</u>	<u>308,641</u>

	General funds £000	Endowment funds £000	Total 30 June 2023 £000	Total 30 June 2022 £000
Fixed assets	43,686	289,102	332,788	334,383
Current assets	6,250	—	6,250	7,834
Creditors: amounts falling due within one year	(19,911)	—	(19,911)	(24,461)
Creditors: amounts falling due after one year	(10,486)	—	(10,486)	(11,947)
	<u>19,539</u>	<u>289,102</u>	<u>308,641</u>	<u>305,809</u>

19. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

In accordance with the provisions of Financial Reporting Standard 102 the related party transactions entered into by the charity are detailed below. The transactions that arose were in the normal course of business.

Two grants have been awarded to the Trading Group during the year ended 30 June 2024:

- A £1,480,000 grant to support decarbonisation in the marine sector. £1,480,000 remains outstanding as at 30 June 2024.
- A £600,000 grant to support the SafetyTech Accelerator Programme. £150,000 remains outstanding as at 30 June 2024.

Three grants were awarded to the Trading Group during the year ended 30 June 2023:

- Two grants totalling £3,608,000 to support decarbonisation in the marine sector. £nil remains outstanding as at 30 June 2024 (2023: £2,508,000).
- A £700,000 grant to support the SafetyTech Accelerator Programme. £nil remains outstanding as at 30 June 2024 (2023: £50,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In addition to the grants provided, a further £4,712,000 may become payable to the Trading Group over the following three years, with the majority payable within the following year. The additional payments are dependent upon periodic reviews of the project outcomes. The commitments are planned to be funded from general funds, following receipt of future investment income.

During the year ended 30 June 2024, the Foundation was charged the following amounts from the Trading Group:

- £1,013,000 in respect of the provision of services including accommodation and IT support (2023: £1,013,000); and
- £425,000 in respect of Trading Group employees seconded to the Foundation (2023: £297,000).

The above recharges do not include any amounts in respect of services for key management personnel.

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP

Strategic report of the Foundation

The Foundation has a direct social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies ("the Trading Group"). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the maritime sector. The activities of the Trading Group in furthering the charitable objects of the Foundation are discussed on pages 30 and 31.

The Foundation's consolidated total income for the year ended 30 June 2024 of £572.1 million (2023: £560.4 million) comprises of income recognised by the Trading Group of £562.5 million (2023: £549.9 million) and investment income recognised by the Foundation of £9.6 million (2023: £10.5 million). Income recognised by the Trading Group includes turnover of £546.6 million (2023: £516.8 million), investment income of £13.5 million (2023: £14.8 million), finance income relating to pensions of £2.4 million (2023: £2.5 million) and profit on disposal of discontinued operations of £nil (2023: £15.8 million).

The Foundation's consolidated total expenditure for the year ended 30 June 2024 of £589.6 million (2023: £550.1 million) relates principally to the Trading Group of £564.9 million (2023: £527.3 million) with the remainder relating to the activities of the charitable entity.

Consolidated net assets for the Foundation at 30 June 2024 are £1,069.2 million (2023: £1,093.8 million), a decrease of £24.6 million from the prior year.

Net consolidated funds (cash and short term deposits) for the Foundation at 30 June 2024 are £123.3 million (30 June 2023: £150.8 million), a decrease of £27.5 million from 30 June 2023.

The performance of the Charitable entity is discussed on pages 29 to 34 and the results of the Trading Group below.

Results of the Trading Group

This financial review of the Trading Group forms part of the strategic report.

The summarised financial information of the consolidated Trading Group is provided in note 17 to the consolidated financial statements, as per the Trading Group's consolidated financial statements for the year ended 30 June 2024.

Turnover for the year ended 30 June 2024 was £546.6 million (2023: £516.8 million).

Total Group operating profit before exceptional costs for the year ended 30 June 2024 was £5.0 million, (2023: £1.2 million).

Exceptional costs for the year of £20.3 million (2023: £8.9 million) relate to the restructure of the group's operating processes including the implementation and set-up costs of the Global Delivery Centres, transformation of the Group's Technology and Innovation teams, integration costs related to OneOcean following its acquisition in the prior year and an onerous lease charge related to the expected surrender of an onerous lease.

Statutory operating loss for the year, after exceptional costs, was £15.3 million (2023: £7.7 million).

Financial position of the Trading Group

Net assets for the Trading Group at 30 June 2024 are £766.4 million (2023: £821.4 million), a decrease of £55.0 million.

Branches of the Group

The Lloyd's Register Foundation group (the Group) has branches, as defined in section 1046(3) of the Companies Act 2006, which are outside the UK.

Financial risk management policies and objectives

The Group is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include litigation, foreign exchange risk, credit risk, and interest rate risk.

Litigation

In the normal course of business, the Trading Group receives claims for compensation from clients and other associated parties. The Trading Group has in place appropriate policies and procedures to mitigate litigation risk. Although insurance cover is carried to mitigate this risk, the results of litigation can be uncertain and the Trading Group remains exposed to a potential shortfall in this cover.

Foreign exchange risk (price risk)

Foreign exchange exposure is an expected risk of operating across a number of geographies. The Trading Group monitors the impact of foreign exchange on a regular basis. Where possible, the Trading Group uses natural hedges (offsetting costs incurred in a particular currency against revenues earned in that currency) that arise from its normal operating activities to manage its foreign exchange exposures. Where cash-pooling is not permitted by local regulations, non-GBP entities submit cash to head office companies by paying dividends and management charges. Derivative financial instruments are used by the Trading Group's third-party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Residual foreign exchange exposure is monitored and is considered tolerable.

Liquidity risk and going concern

The Group has net cash of £123.3 million (2023: £150.8 million). In addition, the Group holds listed investments of £585.1 million (2023: £535.0 million) of which £45.9 million (2023: £43.2 million) is held in escrow to make good the deficit on overseas defined benefit pension schemes in future periods.

The Trustees consider that the cash held by the Group, together with its listed investments, are sufficient to address the Group's liquidity requirements, both in the near and longer term.

The Trustees therefore have a reasonable expectation that the Foundation and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Credit risk

It is company policy to perform an assessment of the creditworthiness of new clients and, where appropriate, assign a credit limit to clients' accounts.

Interest rate risk

Derivative financial instruments are used by the Group's third party investment manager to manage the exposure to foreign exchange risk associated with the Foundation's investment portfolio. Aside from this potential risk the Group has only limited exposure to interest rate risk as it has no external borrowings or other interest-bearing financial instruments.

Further details of the Trading Group

Further details of the financial performance of the Trading Group is included within the Lloyd's Register Group Limited's statutory accounts.

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2024

	Note	Trading funds 2024 £000	General funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income						
Income from investments:						
Listed investments	4	7,335	9,075	—	16,410	19,029
Property	4	3,998	—	—	3,998	3,585
Other	4	2,116	515	—	2,631	2,628
Other finance income - pensions	23	2,400	—	—	2,400	2,524
Income from other trading activities	5	546,617	—	—	546,617	516,793
Profit on disposal of discontinued operations	11	—	—	—	—	15,842
Total income		562,466	9,590	—	572,056	560,401
Expenditure on raising funds						
Investment management costs		—	—	(855)	(855)	(863)
Cost of other trading activities		(563,605)	—	—	(563,605)	(525,591)
Unwinding of provision discounting		(526)	—	—	(526)	(361)
Net interest in the results for the year in joint ventures		(759)	—	—	(759)	(744)
Other		—	—	—	—	(649)
Total costs of raising funds		(564,890)	—	(855)	(565,745)	(528,208)
Expenditure on charitable activities						
Total grants activities	7	—	(16,058)	—	(16,058)	(15,930)
Total direct activities	7	—	(7,837)	—	(7,837)	(5,969)
Total expenditure		(564,890)	(23,895)	(855)	(589,640)	(550,107)
Net (expenditure) / income before gains / (losses) on investments	11	(2,424)	(14,305)	(855)	(17,584)	10,294
Unrealised gains / (losses) on investments		10,792	2,205	32,630	45,627	(973)
Realised losses on disposal of investments		(13,496)	(483)	(7,147)	(21,126)	(39,213)
Net (expenditure) / income before taxation		(5,128)	(12,583)	24,628	6,917	(29,892)
Taxation	10	(12,432)	—	—	(12,432)	(3,411)
Net (expenditure) / income		(17,560)	(12,583)	24,628	(5,515)	(33,303)
Transfers between funds		(18,388)	18,388	—	—	—
Acquisition of non-controlling interest		—	—	—	—	(5,354)
Foreign exchange differences on translation of net assets of overseas operations		(3,607)	—	—	(3,607)	(7,020)
Net actuarial movements on defined benefit pension schemes	23	(18,414)	—	—	(18,414)	(36,047)
Tax relating to components of other comprehensive income		2,931	—	—	2,931	11,702
Net movement in funds		(55,038)	5,805	24,628	(24,605)	(70,022)
Funds brought forward		821,413	(16,741)	289,102	1,093,774	1,163,796
Funds carried forward		766,375	(10,936)	313,730	1,069,169	1,093,774

All amounts presented above relate to continuing operations.

There are no recognised gains or losses for the year other than those shown above. An analysis of the prior year funds is shown in note 6. All funds are unrestricted.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2024

	Note	30 June 2024 £000	30 June 2023 £000
Non Current Assets			
Goodwill	14	300,009	318,515
Intangible fixed assets	14	23,790	26,566
Tangible assets	15	116,973	132,150
Investments	16	587,455	536,903
Pension surplus	23	123,527	137,807
Deferred tax assets	10	12,688	11,170
Interests in joint ventures: share of net assets	16	115	115
		1,164,557	1,163,226
Current assets			
Debtors	18	212,305	210,372
Cash at bank and in hand		123,297	150,822
		335,602	361,194
Creditors: amounts falling due within one year	19	(249,734)	(236,546)
Net current assets		85,868	124,648
Total assets less current liabilities		1,250,425	1,287,874
Creditors: amounts falling due after one year	20	(14,080)	(10,486)
Provisions for liabilities	21	(39,886)	(49,418)
Pension liability	23	(127,290)	(134,196)
Net assets		1,069,169	1,093,774
The funds of the group	26,27		
Non charitable trading funds		735,847	801,682
Non charitable trading funds revaluation reserve	27	30,528	19,731
General fund		(18,053)	(22,136)
General fund revaluation reserve	27	7,117	5,395
Total unrestricted funds	26	755,439	804,672
Endowment funds		222,568	223,423
Endowment fund revaluation reserve	27	91,162	65,679
Total endowment funds	26	313,730	289,102
Total group funds		1,069,169	1,093,774

The financial statements on pages 76 to 108 were approved by the Trustees on 18 December 2024 and signed on their behalf by:

marina wyatt
marina Wyatt (Dec 18, 2024 15:40 GMT)
Marina Wyatt, Trustee

Lloyd's Register Foundation
Company registration number 07905861

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £000	2023 £000
Net cash outflow from operating activities	29	(24,979)	(1,911)
Cash flows used in investing activities			
Decrease in loans		19	68
Proceeds from sale of investments		241,671	414,515
Proceeds from sale of tangible fixed assets		535	201
Purchase of investments		(244,825)	(384,071)
Purchase of intangible fixed assets		(5,019)	(6,750)
Purchase of tangible fixed assets		(16,328)	(16,046)
Interest paid		(44)	(169)
Investment income		23,083	25,217
Additional investment in existing joint ventures		(672)	(547)
Acquisition of non-controlling interest		—	(5,354)
Acquisition of subsidiaries including debt settled on acquisition		—	(300,082)
Disposal of subsidiaries		2,838	18,852
Cash acquired		—	9,251
Cash disposed		—	(5,581)
Net cash inflows / (outflows) generated by investing activities		1,258	(250,496)
Net decrease in cash and cash equivalents		(23,721)	(252,407)
Cash and cash equivalents at beginning of year		150,822	409,779
Net decrease in cash and cash equivalents		(23,721)	(252,407)
Effect of foreign exchange rate changes		(3,804)	(6,550)
Cash and cash equivalents at end of year		123,297	150,822

Analysis of cash and cash equivalents

	At 30 June 2023 £000	Cash flow £000	Effect of foreign exchange rate changes £000	At 30 June 2024 £000
Group				
Cash and cash equivalents	150,822	(23,721)	(3,804)	123,297
	150,822	(23,721)	(3,804)	123,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Basis of accounting and consolidation

The Group financial statements consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and derivative financial instruments. They have been prepared in accordance with the Statement of Recommended Practice FRS 102 "Accounting and Reporting by Charities" ("the Charities SORP"), with the exception of banding disclosures of employee benefits (excluding pension costs) in £10,000 bandings from £60,000 for employees of the Foundation's trading subsidiaries (see note 12), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed further in the Trustees' report on page 32.

The functional currency of the Group is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Group is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Turnover from surveys and inspections, which are the main activities of the Trading Group is recognised by reference to the stage of completion of the contract activity as at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs once the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Where revenue is recognised in advance of invoicing, the amounts are recorded as accrued income and included as part of debtors within prepayments and accrued income.

Where the commercial effect of a transaction cannot be understood without reference to a series of transactions as a whole, revenue recognition is based on the group of transactions.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds includes costs associated with trading activities and investment management.

Expenditure on charitable activities comprise all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities are all the expenditure by the Foundation in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Group formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Group, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

c. **Tangible fixed assets**

Tangible fixed assets (other than investment properties) are stated at cost, net of depreciation and impairment.

Depreciation of tangible fixed assets is provided using the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives as follows:

Motor vehicles	5 years
Office fittings and equipment	8 years
Computer equipment	5 years
Plant and machinery	5 to 20 years
Freehold buildings	5 to 40 years
Leasehold improvements	Length of the lease

Depreciation is not provided in respect of freehold land as it is deemed to have an infinite useful life.

Investment properties relates to one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the profit and loss account. A valuation of the building is pro-rated according to the value of floor space occupied by third party tenants. The valuation is carried out by a surveyor holding a relevant qualification (via an independent property company).

d. **Intangible fixed assets: goodwill**

Goodwill arises on the acquisition of subsidiary undertakings and businesses and represents the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired.

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

e. **Intangible fixed assets**

Intangible assets relating to purchased software are recognised at cost including any directly attributable costs of preparing the software for its intended use and amortised using the straight line method over their useful economic lives which are estimated to be from 3 to 11 years. Provision is made for any impairment.

f. **Investments**

Listed investments are stated at market value. Unlisted investments are stated at cost less provision for impairment. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment properties includes one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the consolidated statement of financial activities. The valuation of the building is pro-rated according to the value of floor space occupied by third party tenants. The valuation is carried out by a surveyor holding a relevant qualification (via an independent property company).

g. **Cash**

Items considered to be cash are those held in hand, in current accounts and on term deposit (where the term is less than three months) with recognised financial institutions.

h. **Taxation and Value Added Tax**

The Foundation is a UK registered charity, and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

The Trading Group includes companies and branches that operate overseas and that are subject to foreign tax. Direct tax relating to those entities is included within the consolidated financial statements as a trading cost, and analysed in note 10 to the financial statements. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

i. **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less or to receive more tax in the future.

Deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

j. **Fund accounting**

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Non-charitable trading funds represent the accumulated surpluses and deficits retained within the Trading Group.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 26.

k. **Financial assets and liabilities:**

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments and derivative financial instruments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Income from quoted securities, which is recorded on an accruals basis, is recognised in investment income as are changes in the fair value of the listed investment portfolio. The Group does not apply hedge accounting for any of its financial instruments.

l. **Foreign currencies:**

i. Foreign currency denominated assets and liabilities of the Group and its overseas operations are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities and accumulated in net funds.

ii. Income and expenditure for the year are translated at the appropriate rates prevailing during the year, updated on a monthly basis.

iii. Other exchange differences are shown in net income within the statement of financial activities except for exchange differences on monetary items receivable or payable from / to a foreign operation for which settlement is neither planned nor likely to occur (forming part of the net investment in the foreign operations) which are accumulated in net funds.

m. **Leases**

The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. **Rental income**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

o. **Research expenditure**

Research expenditure is written off as incurred.

p. **Interest receivable**

Interest receivable from bank and short term deposits includes interest accrued. Income from listed investments is recorded on an accruals basis when the income becomes payable to the Group.

q. **Short-term employee benefits**

Short-term employee benefits are recognised as an expense in the period in which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

r. Pensions

For defined benefit schemes the amounts charged to costs of activities for generating funds are the costs arising from employee services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest income on the net defined benefit liability is charged to the statement of financial activities and included within other finance income - pensions. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

For defined contribution schemes the amount charged to the statement of financial activities account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

s. Investment in joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

t. Heritage assets

The Group's collection of pictures, furniture and fittings, ship models, books and archive material are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation charged on the grounds that for many of the assets, reliable historical cost information is not available and that the depreciated historical cost of these assets is now immaterial.

u. Provisions

Provision is made on a case-by-case basis in respect of defending claims received and where appropriate, the estimated cost of settling claims. Provisions for employee benefits arising on termination of employment, are recognised when a company is demonstrably committed to a formal plan for termination and is without realistic possibility of withdrawal from the plan.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Group's accounting policies

The Trustees do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Group has long-term customer contracts under which service delivery can extend over a number of years. In accounting for such long-term contracts, an estimate is required of the costs to complete the contract to determine the percentage of completion, which is used to determine the amount of revenue to be recognised. These estimates are used to forecast the ultimate profitability of each contract. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the contract is recognised immediately. If the estimates change, the measurement of the percentage of completion will change, with a consequential remeasurement of cumulative revenue recognised to date on the contract. Consequently the determination of cost estimates on long-term customer contracts that span more than one accounting period are considered a critical judgement. However, there are no such long-term projects that are individually material to the Group's reported result. At 30 June 2024, the Group has recognised £47.3m of net deferred income in respect of long term contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Pension plans

The Group operates pension schemes worldwide, including defined benefit pension schemes, the most significant of which is in the United Kingdom. For a description of the related accounting policies, refer to Note 2 above. Changes in significant assumptions could materially affect the amounts, particularly the rate used to discount the projected benefit obligation. Note 23 to the financial statements describes the principal discount rate, salary increase, inflation, mortality and pension payment increase assumptions that have been used to determine the pension and post-retirement charges. The calculation of any charge relating to pensions is dependent on the assumptions used, which reflects the exercise of judgement. The assumptions adopted are based on advice of the Group's actuaries, on prior experience and market conditions.

Goodwill impairment

The Group assesses at each reporting date whether there is any indication that the goodwill recognised in respect of acquisitions is impaired. Where an indicator is identified an impairment review is performed which requires the estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £300.0m.

Goodwill useful economic life

The Group assesses the useful economic life of goodwill for all acquisitions. The OneOcean acquisition in the prior year is significant for the group providing a stable customer base with recurring revenue streams, and significant long term synergies. Synergies are expected both from cross selling and cost efficiencies. The useful economic life of the OneOcean acquisition has been estimated at 20 years and resulted in a current year amortisation charge of £15.4m.

Investment property

The group owns an investment property recorded at market valuation of £68.3m. Significant assumptions included in the valuation of the investment property include current investment yields for commercial offices in London and estimated future rental values, having regard to the age and general condition of the property.

4. Investment income

	Trading funds £000	General funds £000	Endowment funds £000	Total funds 2024 £000	Total funds 2023 £000
Fixed Interest – UK	3,386	1,505	—	4,891	5,125
Fixed Interest – Overseas	—	—	—	—	20
Equities – UK	341	502	—	843	2,487
Equities – Overseas	2,211	2,999	—	5,210	6,583
Pooled Funds	696	3,822	—	4,518	4,357
Cash Instruments	701	247	—	948	457
	<u>7,335</u>	<u>9,075</u>	<u>—</u>	<u>16,410</u>	19,029
Bank interest	2,116	515	—	2,631	2,628
Income from UK investment property	<u>3,998</u>	<u>—</u>	<u>—</u>	<u>3,998</u>	3,585
	<u>13,449</u>	<u>9,590</u>	<u>—</u>	<u>23,039</u>	25,242

5. Income from other trading activities

	2024 £000	2023 £000
Turnover by class of business of the Trading Group:		
Maritime*	459,686	443,494
LR OneOcean**	86,931	73,299
	<u>546,617</u>	<u>516,793</u>

*The previously reported Marine and Offshore has been combined with Professional Services and restated into a single Maritime business line.

** The previously reported Digital Solutions business line has been renamed LR OneOcean.

Expenditure on raising funds

Costs of raising funds include investment management costs and all expenses of the Trading Group including those attributable to public benefit activities but excluding any charitable donations made directly by the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Breakdown of total funds for 2023

	Trading funds 2023	General funds 2023	Endowment funds 2023	Total funds 2023	Total funds 2022
	£000	£000	£000	£000	£000
Income					
Income from investments:					
Listed investments	8,801	10,228	—	19,029	12,188
Property	3,585	—	—	3,585	5,034
Other	2,357	271	—	2,628	935
Other finance income - pensions	2,524	—	—	2,524	—
Income from other trading activities	516,793	—	—	516,793	569,096
Profit on disposal of discontinued operations	15,842	—	—	15,842	409,261
Total income	549,902	10,499	—	560,401	996,514
Expenditure on raising funds					
Investment management costs	—	—	(863)	(863)	(865)
Cost of other trading activities	(525,591)	—	—	(525,591)	(579,970)
Unwinding of provision discounting	(361)	—	—	(361)	—
Net interest in the results for the year in joint ventures	(744)	—	—	(744)	(480)
Other	(649)	—	—	(649)	(8)
Total costs of raising funds	(527,345)	—	(863)	(528,208)	(581,323)
Expenditure on charitable activities					
Total grants activities	—	(15,930)	—	(15,930)	(12,732)
Total direct activities	—	(5,969)	—	(5,969)	(5,809)
Total expenditure	(527,345)	(21,899)	(863)	(550,107)	(599,864)
Net income / (expenditure) before (losses) / gains on investments	22,557	(11,400)	(863)	10,294	396,650
Unrealised (losses) / gains on investments	(5,324)	190	4,161	(973)	(64,324)
Realised losses on disposal of investments	(32,242)	(304)	(6,667)	(39,213)	(9,938)
Net (expenditure) / income before taxation	(15,009)	(11,514)	(3,369)	(29,892)	322,388
Taxation	(3,411)	—	—	(3,411)	(3,067)
Net (expenditure) / income	(18,420)	(11,514)	(3,369)	(33,303)	319,321
Transfers between funds	(20,431)	20,431	—	—	—
Acquisition of non-controlling interest	(5,354)	—	—	(5,354)	—
Foreign exchange differences on translation of net assets of overseas operations	(7,020)	—	—	(7,020)	15,881
Net actuarial movements on defined benefit pension schemes	(36,047)	—	—	(36,047)	53,935
Tax relating to components of other comprehensive income	11,702	—	—	11,702	(9,760)
Net movement in funds	(75,570)	8,917	(3,369)	(70,022)	379,377
Funds brought forward	896,983	(25,658)	292,471	1,163,796	784,419
Funds carried forward	821,413	(16,741)	289,102	1,093,774	1,163,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Analysis of expenditure on charitable activities

	Grants (note 8)	Direct costs	Support costs	2024
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,497	45	253	1,795
Goal 2: Challenge area: Safety at Sea	5,866	183	935	6,984
Goal 2: Challenge area: Safety of Food	(2)	—	—	(2)
Goal 2: Challenge area: Safety for a Sustainable Future	(50)	40	219	209
Goal 2: Challenge area: Skills for Safety	3,269	96	488	3,853
Heritage and education centre	1,090	29	163	1,282
Foundational ***	1,037	84	427	1,548
	<u>12,707</u>	<u>477</u>	<u>2,485</u>	<u>15,669</u>
Discounting of grant liabilities **	389	—	—	389
Total grant activities	<u>13,096</u>	<u>477</u>	<u>2,485</u>	<u>16,058</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,665	387	3,052
Heritage and education centre	—	2,959	429	3,388
Foundational *	—	1,220	177	1,397
Total direct activities	<u>—</u>	<u>6,844</u>	<u>993</u>	<u>7,837</u>
	<u>13,096</u>	<u>7,321</u>	<u>3,478</u>	<u>23,895</u>

Expenditure associated with Building Coalitions (Goal 3) span all activities and are not separately identified.

* Our charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

**Impact of unwinding the discounting of grants awarded in prior years and change in the discount rate. The impact of unwinding the discount of the grant liabilities is £535,000. The impact of changing the discount rate is a reduction in the expenditure of £146,000.

***The previously reported Safetytech Accelerator expenditure reported in notes 7 and 8 has been restated to combine with Foundational.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £3,478,000 (2023: £4,330,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property, and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £2,023,000 (2023: £1,478,000) and governance costs of £68,000 (2023: £65,000).

Governance costs are the fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £68,000 (2023: £65,000).

Analysis of expenditure by charitable activities in 2023 is shown below.

	Grants (note 8)	Direct costs	Support costs	2023
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,940	134	407	2,481
Goal 2: Challenge area: Safety at Sea	300	19	58	377
Goal 2: Challenge area: Safety of Food	1,570	98	303	1,971
Goal 2: Challenge area: Safety for a Sustainable Future	(8)	225	695	912
Goal 2: Challenge area: Safety of Digital Systems	(112)	—	—	(112)
Goal 2: Challenge area: Skills for Safety	355	24	69	448
Goal 2: Challenge area: Safety of Physical Infrastructure	(340)	—	—	(340)
Goal 2: Challenge area: Public Understanding of Risk	858	57	166	1,081
Heritage and education centre	1,650	110	320	2,080
Foundational ***	4,952	483	1,394	6,829
	<u>11,165</u>	<u>1,150</u>	<u>3,412</u>	<u>15,727</u>
Discounting of grant liabilities **	203	—	—	203
Total grant activities	<u>11,368</u>	<u>1,150</u>	<u>3,412</u>	<u>15,930</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,295	417	2,712
Goal 2: Challenge area: Safety for a Sustainable Future	—	136	25	161
Goal 2: Challenge area: Safety of Food	—	127	23	150
Heritage and education centre	—	2,295	417	2,712
Foundational *	—	198	36	234
Total direct activities	<u>—</u>	<u>5,051</u>	<u>918</u>	<u>5,969</u>
	<u>11,368</u>	<u>6,201</u>	<u>4,330</u>	<u>21,899</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Grants awarded

Lloyd's Register Foundation achieves its mission through awarding charitable grants to fund research, intervention programmes and other impact-led initiatives. Grants awarded in the year ended 30 June 2024 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Understanding Risk £000	Foundational £'000	2024 £000
Atlantic Pacific International Rescue Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Center of Maritime History	1	—	—	—	—	—	—	—	—	—	10	10
Institute for Mediterranean Studies	1	—	—	—	—	—	—	—	—	—	10	10
IMRF	1	—	—	—	—	—	—	—	—	—	10	10
Pembrokeshire Coastal Forum	1	—	—	—	—	—	—	—	—	—	10	10
CiC	1	—	—	—	—	—	—	—	—	—	10	10
Travel for research	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	10	10
University of Wolverhampton	1	—	—	—	—	—	—	—	—	—	10	10
Queensland University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
Strathclyde University	1	—	—	—	—	—	—	—	—	—	10	10
HELMEPA	1	—	—	—	—	—	612	—	—	—	—	612
International Maritime Organization	1	399	—	—	—	—	—	—	—	—	—	399
University of California Santa Barbara	1	—	—	—	—	—	—	—	206	—	—	206
Sea Shepherd Global	1	—	—	—	—	—	—	—	—	—	10	10
Nest Funding for Completing professional certificate courses	1	—	—	—	—	—	—	—	—	—	2	2
University College London	1	—	—	—	—	—	—	—	—	—	2	2
Climate Adaptation Works Ltd	1	—	—	—	—	—	—	—	—	—	10	10
International Congress of Maritime Museums	1	—	—	—	—	—	—	42	—	—	—	42
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	21	—	—	21
UArctic ry - Arctic Maritime Safety	1	—	—	—	—	—	—	90	—	—	—	90
The Seafarers' Charity	1	450	—	—	—	—	—	—	—	—	—	450
University of York	1	—	—	—	—	—	—	—	—	—	1,196	1,196
TWI Ltd - SEASEP	1	—	—	—	—	—	2,000	—	—	—	—	2,000
United Nations Global Compact	1	1,394	—	—	—	—	—	—	—	—	—	1,394
The Sustainable Shipping Initiative Limited	1	65	—	—	—	—	—	—	—	—	—	65
Global Manufacturing Organisation Limited	1	—	—	—	—	—	—	—	200	—	—	200
Delft University of Technology	1	—	—	—	—	—	—	—	—	—	10	10
REV Ocean	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
The University of Queensland	1	—	—	—	—	—	—	—	—	—	10	10
Human Rights at Sea	1	—	—	—	—	—	—	—	—	—	10	10
Western Sydney University	1	—	—	—	—	—	—	—	—	—	10	10
MOI UNIVERSITY	1	—	—	—	—	—	—	—	—	—	10	10
RNLI	1	—	—	—	—	—	—	—	—	—	6	6
World Maritime Museum	1	—	—	—	—	—	—	—	—	—	10	10
National Sea Rescue Institute	1	—	—	—	—	—	—	—	—	—	8	8
Canadian Marine Careers Foundation	1	—	—	—	—	—	—	—	—	—	10	10
UArctic ry	1	—	—	—	—	—	—	410	—	—	—	410
GMG Group	1	—	—	—	—	—	—	—	—	—	10	10
International Maritime Law Institute (IMLI)	1	—	—	—	—	—	1,000	—	—	—	—	1,000
World Maritime University	1	399	—	—	—	—	—	—	—	—	—	399
University of Portsmouth	1	—	—	—	—	—	—	336	—	—	—	336
The University of Auckland	1	—	—	—	—	—	—	—	38	—	—	38
UN High Level Climate Champions	1	—	—	—	—	—	—	—	—	—	462	462
Practical Action	1	—	—	—	—	—	—	—	—	—	250	250
Interview seaplane pilots and other safety professionals in Canada	1	—	—	—	—	—	—	—	—	—	1	1
Resilience Rising	1	—	—	—	—	—	—	—	—	—	178	178
World Maritime University - Global Maritime University	1	164	—	—	—	—	—	—	—	—	—	164
The Alan Turing Institute	1	—	—	—	—	—	—	—	—	—	47	47
Northumbria University	1	—	—	—	—	—	—	—	247	—	—	247
IfM Engage	1	—	—	—	—	—	—	—	246	—	—	246
Catanduanes State University	1	—	—	—	—	—	—	—	47	—	—	47
Seoul National University	1	4,000	—	—	—	—	—	—	—	—	—	4,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infra- structure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Under- standing Risk£'000	Found- ational £'000	2024 £000
Museum of London Archaeology	1	—	—	—	—	—	—	212	—	—	—	212
Highland Archive Service, High Life Highland - Following the Fish: Stories of the Herring Girls	1	—	—	—	—	—	—	—	—	—	8	8
Lancashire Archives & Local History, Lancashire County Council	1	—	—	—	—	—	—	—	—	—	9	9
Swansea University - A voyage of discovery on the Avon Searider	1	—	—	—	—	—	—	—	—	—	10	10
The Common Room of the Great North - Northern Coal Shipments: Navigating Global Impact in a Warming World	1	—	—	—	—	—	—	—	—	—	9	9
Maritime Archaeological Society of Finland - Identifying Potential "Lloyd's" Shipwrecks on the Gulf of Finland	1	—	—	—	—	—	—	—	—	—	10	10
Gloucestershire Archives - Gloucestershire Mariners	1	—	—	—	—	—	—	—	—	—	10	10
National Life Stories - Exploring Innovations in Maritime Safety	1	—	—	—	—	—	—	—	—	—	10	10
SS Great Britain Trust	1	—	—	—	—	—	—	—	—	—	10	10
Maritime Archaeology Sea Trust - Royal Navy Loss List interlinking with NMRN and MoD Salmo	1	—	—	—	—	—	—	—	—	—	10	10
Aston University	1	—	—	—	—	—	—	—	—	—	10	10
Transaid Worldwide Services - Madereva Salama Zaidi	1	—	—	—	—	—	—	—	—	—	10	10
London South Bank University	1	—	—	—	—	—	—	—	—	—	9	9
National Historic Ships UK	1	—	—	—	—	—	—	—	—	—	10	10
EPFL	1	—	—	—	—	—	—	—	—	—	10	10
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	698	—	—	698
Travel to International Conference	1	—	—	—	—	—	—	—	—	—	2	2
University of Philippines Visayas Foundation	1	—	—	—	—	—	—	—	—	—	10	10
West Sussex County Council	1	—	—	—	—	—	—	—	—	—	7	7
Grant Adjustments		(399)	(2)	—	(50)	—	—	—	(206)	—	(1,223)	(1,880)
71 Impact of discounting grants awarded in the year		6,472	(2)	—	(50)	—	3,612	1,090	1,497	—	1,285	13,904
		(606)	—	—	—	—	(343)	—	—	—	(248)	(1,197)
		5,866	(2)	—	(50)	—	3,269	1,090	1,497	—	1,037	12,707

*Grant adjustments are commitments which have been written back during the year, for example due to project underspend by a grantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Grants awarded in the year to 30 June 2023 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Understanding Risk £'000	Foundational £'000	2023 £000
The American College of Greece	1	—	—	—	—	—	—	—	—	—	10	10
The Alan Turing Institute	2	—	—	—	—	—	—	—	—	—	3,021	3,021
Bartlett Judge Associates Ltd	1	—	—	—	—	—	—	—	—	—	10	10
World Maritime University	1	—	—	—	—	—	385	—	—	—	—	385
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Royal National Lifeboat Institution	1	—	—	—	—	—	—	—	—	—	10	10
IMRF - #FutureSAR	1	—	—	—	—	—	—	—	—	—	10	10
Fisheries Innovation Scotland	1	—	—	—	—	—	—	—	—	—	10	10
Flex Marine Power	1	—	—	—	—	—	—	—	—	—	10	10
Sustainable Sailing	1	—	—	—	—	—	—	—	—	—	10	10
Universiti Teknologi MARA - Assessing the Designer's Design for Safety	1	—	—	—	—	—	—	—	—	—	10	10
Ethos Environmental Ltd for A4RCS	1	—	—	—	—	—	—	—	—	—	10	10
Northumbria University for Building partnerships in coastal Bangladesh	1	—	—	—	—	—	—	—	—	—	10	10
Safe use of sustainable energy sources in Tanzanian School	1	—	—	—	—	—	—	—	—	—	5	5
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	250	—	—	250
HiLo Maritime Risk Management Limited	1	—	—	—	—	—	—	—	—	—	10	10
UN global compact	1	300	—	—	—	—	—	—	—	—	—	300
Educating local community in Busan	1	—	—	—	—	—	—	—	—	—	5	5
Level Water	1	—	—	—	—	—	—	—	—	—	5	5
James Michael Foundation - Revisiting the Ocean: Living the Blue Economy	1	—	—	—	—	—	—	—	—	—	28	28
The Marine Institute - Model Boat Race	1	—	—	—	—	—	—	—	—	—	5	5
ESRA - UK Independent lifeboat Crew and Medical Student training package	1	—	—	—	—	—	—	—	—	—	5	5
Vianair Inc. - Advanced airport operations visualization for increased public understanding of risk	1	—	—	—	—	—	—	—	—	—	10	10
Eyesea.org - Social pollution mapping	1	—	—	—	—	—	—	—	—	—	5	5
Hellenic Marine Environment Protection Association (HELMPEA)	1	—	—	—	—	—	—	—	—	—	5	5
Islington Boat Club	1	—	—	—	—	—	—	—	—	—	5	5
Plastic Waste Cleanup from Waterway	1	—	—	—	—	—	—	—	—	—	5	5
Shoebox Wellness Kits	1	—	—	—	—	—	—	—	—	—	5	5
Winchester Action on Climate Crisis (WinACC)	1	—	—	—	—	—	—	—	—	—	5	5
Hamogelo	1	—	—	—	—	—	—	—	—	—	3	3
Joao Ventura	1	—	—	—	—	—	—	—	—	—	2	2
Adriana Castro Vargas	1	—	—	—	—	—	—	—	—	—	2	2
MoHammed Bojair	1	—	—	—	—	—	—	—	—	—	2	2
Sanley Abila	1	—	—	—	—	—	—	—	—	—	2	2
Augustine Makokha	1	—	—	—	—	—	—	—	—	—	2	2
Historic England	1	—	—	—	—	—	—	50	—	—	—	50
Educational Volunteers Foundation of Turkey (TEGV)	1	—	—	—	—	—	—	—	—	—	200	200
Food and Agriculture Organisation of the United Nations (FAO)	1	—	165	—	—	—	—	—	—	—	—	165
Plymouth Univeristy - Rescued Lives: An Oral History of the Stories of Shipwreck Survivors	1	—	—	—	—	—	—	20	—	—	—	20
Health & Safety Executive	1	—	—	—	—	—	—	—	—	—	250	250
Sense about Science	1	—	—	—	—	—	—	—	—	918	—	918
The Ocean Foundation	1	—	—	—	—	—	—	413	—	—	—	413
United Nations Global Contact	1	—	1,405	—	—	—	—	—	—	—	—	1,405
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	—	10	10
Cardiff University	1	—	—	—	—	—	—	—	266	—	—	266
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	249	—	—	249
University of Exeter Business School	1	—	—	—	—	—	—	—	85	—	—	85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Understanding Risk £'000	Foundational £'000	2023 £000
University of Southern California	1	—	—	—	—	—	—	—	258	—	—	258
York Health Economics Consortium	1	—	—	—	—	—	—	—	102	—	—	102
National Marine Museum	1	—	—	—	—	—	—	1,000	—	—	—	1,000
International Congress of Maritime Museums	1	—	—	—	—	—	—	289	—	—	—	289
Resurgence	1	—	—	—	—	—	—	—	247	—	—	247
Resilience First	1	—	—	—	—	—	—	—	250	—	—	250
University of Leeds	1	—	—	—	—	—	—	—	435	—	—	435
The University of Central Lancashire	1	—	—	—	—	—	—	—	—	—	10	10
ISWAN	1	—	—	—	—	—	—	—	—	—	10	10
Raybel Charters	1	—	—	—	—	—	—	—	—	—	9	9
Ocean Generation	1	—	—	—	—	—	—	—	—	—	10	10
University of York	1	—	—	—	—	—	—	—	—	—	2,794	2,794
United Nations Global Compact	1	—	—	—	—	—	—	—	—	—	500	500
Italian Institute of Technology	1	—	—	—	—	—	—	—	—	—	2	2
Grant Adjustments		—	—	(112)	(8)	(340)	—	—	(171)	—	(1,548)	(2,179)
62		300	1,570	(112)	(8)	(340)	385	1,772	1,971	918	5,494	11,950
Impact of discounting grants awarded in the year		—	—	—	—	—	(30)	(122)	(31)	(60)	(542)	(785)
		300	1,570	(112)	(8)	(340)	355	1,650	1,940	858	4,952	11,165

9. Grants awarded but not paid

	2024 £000	2023 £000
As at 1 July	25,295	32,248
Awarded in the year	14,587	13,344
Unwinding of discounting (note 7)	389	203
Grant adjustments (note 8)	(1,880)	(2,179)
Paid in the year	(10,091)	(18,321)
As at 30 June	28,300	25,295

The aging of grants payable is shown in note 20.

10. Taxation

The Foundation is a UK registered charity and is not subject to UK corporation tax on its charitable activities.

Many companies and branches within the Trading Group are in jurisdictions where there is no such exemption, and so the overall Group is subject to tax.

	2024 £000	2023 £000
Current tax on net income / (expenditure)		
UK corporation tax	29	—
Double tax relief	—	—
	29	—
Foreign tax	17,098	15,531
	17,127	15,531
Adjustment in respect of prior periods		
• UK corporation tax	(152)	2
• Foreign tax	(530)	(2,096)
Total current tax	16,445	13,437
Deferred tax		
Origination and reversal of timing differences	(1,885)	(12,341)
Adjustments in respect of previous periods	(2,128)	2,315
Total deferred tax	(4,013)	(10,026)
Total tax on net income / (expenditure)	12,432	3,411

The standard rate of tax applied to the reported loss is 25% (2023: 20.5%).

On 10 June 2021, new measures to increase the main corporation tax rates to 25% from 1 April 2023 were enacted. Deferred tax assets and liabilities were remeasured for the increased tax rate at 30 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group continues to monitor the impact of this legislation as well as other income tax developments in the territories in which it operates to understand their potential future impacts.

During the year beginning 1 July 2024, the net reversal of deferred tax assets and liabilities is expected to decrease the corporate tax charge for the year by £1.2 million (2023: £2.1 million increase). This is due to the reversal of timing differences expected within the next 12 months.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the net income before tax are as follows:

	2024	2023
	£000	£000
Net income / (expenditure) before taxation	6,917	(29,892)
Net income / (expenditure) multiplied by the average standard rate of United Kingdom corporation tax of: 25% (2023: 20.5%)	1,729	(6,127)
Effects of:		
• Tax exempt losses	(5,524)	552
• Overseas rate differences	(1,199)	(1,354)
• Goodwill amortisation not deductible for tax purposes	4,462	3,219
• Expenses not deductible for tax purposes	732	670
• Brought forward unprovided timing differences now recognised in year	(298)	(472)
• Impact of UK qualifying corporate donations	(5,000)	(4,187)
• Current year unprovided timing differences	6,583	4,951
• Fair value loss on investment property not subject to tax	5,720	5,553
• Other taxes	3,665	4,030
• Adjustments in respect of prior periods	(2,810)	221
• Lease surrender	4,372	—
• Disposal of subsidiary undertakings including tax cost	—	(3,645)
Group tax charge for year	12,432	3,411

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Deferred tax liabilities / (assets)

	2024 £000	2023 £000
(Asset) / liabilities at 1 July	(1,788)	20,334
Arising in the year	(7,887)	(23,261)
Disposal of business	—	495
Foreign exchange differences	(155)	644
Assets at 30 June	(9,830)	(1,788)
Deferred tax asset	(12,688)	(11,170)
Deferred tax liability (note 21)	2,858	9,382
	(9,830)	(1,788)
Deferred tax is recognised as follows:		
Accelerated capital allowances	3,773	4,044
Deferred tax arising in relation to retirement benefit obligations	23,249	25,036
Tax losses	(35,851)	(29,855)
Tax on disposal of business	—	1,064
Other timing differences	(1,001)	(2,077)
	(9,830)	(1,788)

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of the financial statements. Deferred tax assets on short-term timing differences and any overseas losses have not been recognised unless the asset is expected to be recovered in the foreseeable future. Deferred tax assets not recognised amount to £24.3 million (2023: £26.1 million). Unrecognised assets will potentially become recoverable against future profits generated in the relevant overseas operations.

11. Net (expenditure) / income before gains / (losses) on investments

This is stated after charging / (crediting):

	2024 £000	2023 £000
Staff costs (note 12)	318,367	305,713
Charge / (credit) for bad and doubtful debts	1,914	(1,545)
Research and development costs	8,459	7,168
Loss on disposal of fixed assets	70	2,906
Amortisation of intangible fixed assets (note 14)*	7,795	6,327
Depreciation and impairment of tangible fixed assets (note 15)	8,466	5,547
Amortisation of goodwill (note 14)*	18,563	15,818
Rentals payable under operating leases	19,507	19,418
Exceptional costs (note 17)	(20,312)	(8,900)
Auditor's remuneration:		
Audit of parent	68	65
Audit of subsidiaries	1,750	1,829
Other services	18	18
Tax compliance services	—	311
Foreign exchange loss / (gain)	1,044	(954)

*Amortisation and impairment of intangible assets and impairment losses on trade debtors are included in cost of other trading activities.

Profit on disposal

In the prior year, the Industrial Digital Products line was disposed of for proceeds of £24.0m with net assets of £5.8m and disposal costs of £2.4m, resulting in a profit on disposal of £15.8m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Employees

	Trading funds £000	General funds £000	Total funds 2024 £000	Total funds 2023 £000
Wages and salaries	257,300	3,114	260,414	254,132
Social security costs	29,579	296	29,875	26,802
Pension costs (note 23)	27,681	397	28,078	24,779
	<u>314,560</u>	<u>3,807</u>	<u>318,367</u>	<u>305,713</u>

In addition, £4.0 million (2023: £7.4 million) of redundancy costs have been incurred.

The average number of employees, analysed by function was:

	2024	2023
	Number	Number
Charitable activities	45	41
Trading activities	3,719	3,669
	<u>3,764</u>	<u>3,710</u>

The Charities SORP, which is applicable to the Foundation, recommends that charities disclose the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards.

Employee benefit banding disclosures for the Foundation only employees are provided on page 68 in compliance with the requirements of the Charities SORP.

In addition, the Trustees are providing summary information on employee benefits in the Foundation's trading subsidiaries (the 'Trading Group'). The emoluments received by employees of the Trading Group in the year to 30 June 2024 were as follows: 2 employees received over £1,000,000; 8 employees received between £500,001 and £1,000,000; 3 employees received between £400,001 and £500,000; 5 employees received between £300,001 and £400,000; 37 employees received between £200,001 and £300,000; 489 employees received between £100,001 and £200,000; and 1,185 employees received between £60,001 and £100,000.

The Trustees have chosen, however, not to provide this disclosure on a consolidated basis in £10,000 bandings for the employees of the Foundation's trading subsidiaries (the 'Trading Group') as they believe that these disclosures will not be material to users of the Foundation's financial statements for the following reasons:

- In 2012, Lloyd's Register converted its status from an industrial and provident society to a company limited by shares, with the Foundation created as a new parent to hold the shares in Lloyd's Register Group Limited. One of the principal reasons for this action was to facilitate the furtherance of the charitable goals of Lloyd's Register. It is the view of the Trustees, that the employment of individuals within the Trading Group has not arisen from the deployment of the resources of the Foundation, but rather it is the endeavours of past and present employees of the Trading Group that have given rise to the ability to create a charity that is financially strong and that is capable of furthering its charitable objectives. The work of the Trading Group contributes to the achievement of the charitable objectives of the Foundation however to do so it is necessary to recruit employees with the necessary skills by offering employee benefits which are competitive within their respective markets. Accordingly, this disclosure is not necessary to enable potential stakeholders to assess whether the balance between expenditure on employment of individuals to generate trading profits (which benefit the charity) and expenditure on charitable purposes is appropriate.
- The Trading Group had an average of 3,719 employees for the year ended 30 June 2024 (2023: 3,669). These employees are located throughout the world and their salaries reflect local market conditions. Provision of the disclosure required by the Charities SORP for the consolidated group would not aid comparability with other companies in the Charities sector because of the vast geographical diversity of the Trading Group's employee base and the employee benefits received by Trading Group employees can only be understood in the context of the market trends in the many countries in which the Trading Group operates. The vast majority of the Trading Group's employees are not in roles which exist in other charitable groups, and therefore any benchmarking against similarly sized charitable groups would not be meaningful for stakeholders.

This disclosure addresses the requirement of Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100), which requires that when an entity does not provide a disclosure required by a Statement of Recommended Practice, the financial statements explain which recommended disclosures have not been provided and the reasons why.

13. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £3,000 for reimbursement for out of pocket expenses (2023: £14,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible fixed assets

	Goodwill £000	Software £000
Cost:		
At 1 July 2023	363,507	58,716
Additions	—	5,019
Exchange adjustment	67	—
At 30 June 2024	<u>363,574</u>	<u>63,735</u>
Amortisation:		
At 1 July 2023	44,992	32,150
Charged during the year	18,563	7,795
Exchange adjustment	10	—
At 30 June 2024	<u>63,565</u>	<u>39,945</u>
Net book value:		
At 30 June 2024	<u>300,009</u>	<u>23,790</u>
At 30 June 2023	<u>318,515</u>	<u>26,566</u>

The Group has developed a group-wide enterprise resource planning and financial reporting solution. The net book value as at 30 June 2024 was £9,443,000 (2023: £11,803,000). The intangible asset is being amortised over its estimated useful life of 11 years.

The net book value of an operational system specific to our Marine business at 30 June 2024 was £3,325,000 (2023: £6,651,000). The intangible asset is being amortised over its estimated useful life of seven years.

15. Tangible fixed assets

	Investment property* £000	Land and buildings £000	Leasehold improvements £000	Office fittings and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation:								
At 1 July 2023	91,181	39,001	17,934	34,611	3,000	13,784	1,048	200,559
Additions	—	10,922	375	876	285	4,382	86	16,926
Revaluations	(22,880)	—	—	—	—	—	—	(22,880)
Disposals	—	—	(1)	(273)	—	(8,978)	(128)	(9,380)
Exchange differences	—	—	(139)	(268)	(3)	(345)	(101)	(856)
At 30 June 2024	<u>68,301</u>	<u>49,923</u>	<u>18,169</u>	<u>34,946</u>	<u>3,282</u>	<u>8,843</u>	<u>905</u>	<u>184,369</u>
Depreciation:								
At 1 July 2023	—	15,824	9,700	30,052	1,737	10,392	704	68,409
Charged in year	—	699	1,114	1,777	166	1,861	116	5,733
Impairment	—	—	2,733	—	—	—	—	2,733
Disposals	—	—	—	(129)	—	(8,560)	(86)	(8,775)
Exchange differences	—	—	(112)	(244)	(2)	(274)	(72)	(704)
At 30 June 2024	<u>—</u>	<u>16,523</u>	<u>13,435</u>	<u>31,456</u>	<u>1,901</u>	<u>3,419</u>	<u>662</u>	<u>67,396</u>
Net book value:								
At 30 June 2024	<u>68,301</u>	<u>33,400</u>	<u>4,734</u>	<u>3,490</u>	<u>1,381</u>	<u>5,424</u>	<u>243</u>	<u>116,973</u>
At 30 June 2023	<u>91,181</u>	<u>23,177</u>	<u>8,234</u>	<u>4,559</u>	<u>1,263</u>	<u>3,392</u>	<u>344</u>	<u>132,150</u>

*77% (2023: 77%) of the mixed used property is classified as an investment property. Land and buildings includes freehold property in the United Kingdom with a net book value of £32,737,000 (2023: £22,360,000) and estimated market value of £20,025,000 (2023: £23,074,000).

Heritage Assets

The Group has accumulated a collection of heritage assets as described in the accounting policies. As a result of their age and, in many cases, unique nature reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. The latest insurance valuation of these assets was £7.0 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Investment property

Investment property includes one freehold property that is in mixed functional and investment use. Areas of the building occupied by or marketed to third party tenants are deemed to be in investment property use and are held at market value. A proportion of 77% (2023: 77%) is deemed an investment property, based on the value of space let or marketed to third party tenants. The property valuation, with an effective date of 30 June 2024, was carried out on a market value basis by a surveyor holding a qualification from the Royal Institution of Chartered Surveyors who has recent experience in the location and class of investment property valued. If the investment property had not been revalued it would have been included at £18,266,000 (2023: £19,996,000).

Significant assumptions included in the valuation of the investment property include current investment yields and estimated future rental values, having regard to the age and general condition of the property.

As set out in note 4, rental income from investment properties for the year ended 30 June 2024 was £3,998,000 (2023: £3,585,000).

The Group leases the investment property to a portfolio of tenants. Lease agreements are up to 11 years and typically include rent review clauses. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2024 £000	2023 £000
Within one year	4,025	4,786
In the second to fifth years inclusive	11,924	13,491
After five years	8,138	10,867
	24,087	29,144

16. Investments

	2024 £000	2023 £000
Listed investments at market value comprise:		
Fixed Interest – UK	128,437	130,855
Fixed Interest – Overseas	—	667
Equities – UK	12,448	25,763
Equities – Overseas	318,546	247,148
Pooled Funds	105,287	121,786
Derivatives	(166)	388
Cash Instruments	8,071	428
	572,623	527,035
Cash at investment managers and accrued interest	12,486	7,945
	585,109	534,980
Long-term loans	61	34
Unlisted investments	2,285	1,889
	587,455	536,903
Investments in joint ventures: share of net assets	115	115
	587,570	537,018

Investments with market value of £45.9m (2023: £43.2m) were held in a ring-fenced portfolio relating to the funding of pension liabilities outside the UK.

Listed investments and cash held by investment managers

	2024 £000	2023 £000
At start of year	527,035	549,655
Additions at cost	239,878	382,182
Disposals proceeds	(241,671)	(391,702)
Realised loss on disposals	(21,126)	(39,213)
Unrealised gains	68,507	26,113
At end of year	572,623	527,035
Cash held by investment managers and accrued interest	12,486	7,945
	585,109	534,980

Subsidiaries

A complete list of the subsidiaries and joint ventures is included in note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Joint ventures

The following entities are treated as joint ventures of the Group:

Company	Share of company owned	Country of incorporation and registration	Principal activity
Lloyd's Maritime Information Services Ltd	50%	United Kingdom	Dormant
Common Structural Rules Software LLC	50%	United States of America	Software development

The shareholders' agreements in place for the above entities means that the Group does not have overall control of the Company despite the nominal level of ownership.

The following shows the share of net assets recognised by the Group for these entities:

	2024 £000	2023 £000
Lloyd's Maritime Information Services Limited	115	115
Common Structural Rules Software LLC	<u>—</u>	<u>—</u>
	<u>115</u>	<u>115</u>

At 30 June 2024 Common Structural Rules Software LLC joint venture had net liabilities. The Group's share of the net liabilities amounted to £73,000 (2023: £28,000) and was recognised within other provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the marine industry.

The summarised financial information of the consolidated Trading Group position is provided below, as per the Trading Group consolidated accounts for the year ended 30 June 2024.

	2024 £000	2023 £000
Turnover	546,617	516,793
Cost of sales	(347,338)	(324,414)
Gross profit	199,279	192,379
Administrative expenses	(214,611)	(200,065)
Administrative expenses before exceptional costs	(194,299)	(191,165)
Operating profit before exceptional costs	4,980	1,214
Exceptional costs	(20,312)	(8,900)
Operating loss	(15,332)	(7,686)
Profit on disposal of discontinued operations	—	15,842
Share of net operating loss of joint ventures	(759)	(744)
Net investment income	10,701	(22,992)
Other finance income	1,874	2,163
Loss before taxation	(3,516)	(13,417)
Taxation on loss	(12,432)	(3,411)
Loss for the financial year	(15,948)	(16,828)

	2024 £000	2023 £000
Assets	1,170,462	1,226,434
Liabilities	(404,087)	(405,021)
Net Assets	766,375	821,413
Shareholder's funds	766,375	821,413

Exceptional costs within administrative expenses

The Group has continued to incur material administrative expenses associated with its restructuring and development programmes. The (income) / costs related to:

Current year:

- £5.7m of restructuring costs relating to globalisation of the Group's processes including the implementation and set-up costs of the Global Delivery Centres which includes £1.3m of redundancy costs.
- £5.2m of costs relating to the transformation of the Group's Technology and Innovation teams. This includes streamlining and consolidating the Group's IT partners and associated dual running costs and £2.7m of redundancy costs.
- An update of the assumptions in respect of an onerous lease resulted in a charge of £7.0m and is considered exceptional. The charge represents the expected costs to settle the lease obligations and impairment of capitalised leasehold improvements.
- £2.4m of LR OneOcean integration costs.

Prior year:

- The recovery of a (£4.0m) loan made to a third party which was previously impaired; and
- Redundancy and restructuring costs incurred of £7.4m and other costs of £5.5m relating to the restructure of the Group's operating model. This includes the global outsourcing of payroll and statutory and compliance functions, the globalisation of the operational structure and the investment in the research of enhanced digital service delivery.

18. Debtors

	2024 £000	2023 £000
Trade debtors	110,607	124,290
Other debtors	10,041	6,673
Prepayments and accrued income	80,016	70,274
Taxation recoverable	11,641	9,135
	212,305	210,372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	39,657	37,319
Grants payable	14,220	14,809
Other creditors	4,968	4,560
Other taxation and social security	7,885	7,518
Taxation	13,779	15,204
Accruals and deferred income	169,225	157,136
	249,734	236,546

20. Creditors: amounts falling due after one year

	2024 £000	2023 £000
Grants payable	14,080	10,486
	14,080	10,486

The timing of grants payable is shown in the table below:

	2024 £000	2023 £000
Due within one year	14,220	14,809
Due within 1-2 years	8,909	6,270
Due within 2-5 years	6,892	5,175
Due after 5 years	150	104
Impact of discounting	(1,871)	(1,063)
	14,080	10,486
Net grants payable	28,300	25,295

21. Provisions for liabilities

	Legal claims £000	Employee related £000	Onerous lease £000	Deferred tax £000	Other £000	Total £000
At 1 July 2023	877	12,264	15,360	9,382	11,535	49,418
Exchange revaluation	(2)	(36)	—	313	(25)	250
Charged / (credited) to profit and loss account	—	7,188	4,697	(3,347)	419	8,957
Credited to statement of financial activities	—	—	—	(3,490)	—	(3,490)
Utilisation of provision	(235)	(9,350)	(2,520)	—	(3,670)	(15,775)
Unwinding of discount	—	—	526	—	—	526
At 30 June 2024	640	10,066	18,063	2,858	8,259	39,886

Legal claims: In the normal course of business, the Trading Group may receive claims for compensation from clients. Substantial insurance cover is carried for this purpose. Where appropriate, provision is made for the uninsured costs arising from such claims. Adequate provision has been made for the claims notified. The timing on these liabilities is dependent upon the conclusion of the continuing legal proceedings which typically span several years.

Employee related: Provision is made for redundancy and relocation costs with respect to the restructuring programmes in addition to certain employee benefits, including £nil (2023: £0.5m) relating to the settlement of Netherlands pension obligations, and repatriation of expatriate workers and other employment related costs. Settlement of these provisions is expected within two years.

Deferred tax: Liabilities are recognised in relation to deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Onerous lease: Provision is made for the anticipated settlement of leasehold rental obligations where the space is vacant or currently not planned to be used for ongoing operations. Settlement of these provisions is expected within one year.

Other: Included in this category are provisions maintained to meet contractual obligations to perform restoration on leasehold properties on exit. In addition, provision is made for losses on long-term contracts, expected liabilities on self-insurance programmes, a share of net liabilities of joint ventures and other project related costs. With the exception of a small number of leasehold properties, settlement of these provisions is expected within 8 years.

22. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit and loss are summarised by category below.

Financial assets	2024 £000	2023 £000
Investments in listed investments (note 16)	572,623	527,035

The Group's gains and losses in respect of financial instruments are summarised in note 16. The fair value of investments in listed investments is measured using quoted market prices in an active market.

23. Retirement benefits

Defined benefit pension schemes

Worldwide

The Group operates pension schemes in many of the countries in which the Group operates including defined benefit final salary schemes. Assets of certain schemes are held separately from those of the Group ('funded' schemes) whilst others are unfunded.

UK

The main funded scheme, the Lloyd's Register Superannuation Fund Association was closed to future accrual from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The most recent completed valuation was carried out as at 31 March 2022. This showed that the funding position of the scheme had improved from the previous valuation, a funding surplus of £23m on a technical provisions basis (31 March 2019: a shortfall of £17m). As a result of the surplus, no recovery contributions are required from the Company (2023: no recovery contributions). Contributions of £1.3m (2023: £1.3m) were made to fund administration expenses of the scheme.

Other long-term employee benefits

The Group also contributes to other long-term schemes which provide other benefits. Significant employee benefits are as follows:

- USA: provision of medical insurance for retired employees subject to age qualification restrictions. This benefit is unfunded with an obligation at 30 June 2024 of £0.9m (2023: £1.0m).
- Korea: provision of a statutory lump sum payable to qualifying employees on leaving service. This is a funded benefit with an obligation at 30 June 2024 of £9.6m (2023: £9.3m), assets of £3.5m (2023: £3.7m) a net obligation of £6.1m (2023: £5.6m).
- UK: the UK has other benefits schemes. These benefits are unfunded with an obligation at 30 June 2024 of £5.9m (2023: £6.1m).

Long-term unfunded employee benefits are:

- UK: £7.7m (2023: £7.9m) in respect of the Executive Directors and Executive Leadership team participation in a Long Term Incentive Plan described in more detail in the Remuneration Committee report on page 51.
- Australia: £1.2m (2023: £1.5m) provision for paid sabbatical leave.

Assumptions

The disclosures have been calculated by qualified independent actuaries, based on the assumptions of the Directors and the most recent full actuarial valuations for funded schemes (completed at various dates) and updated to 30 June 2024.

The value of the defined benefit liabilities has been measured using the projected unit method.

The financial assumptions used at 30 June 2024 and 30 June 2023 for the different areas are summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	UK ⁽¹⁾		Japan ⁽²⁾		Eurozone ⁽³⁾		Rest of the World ⁽⁴⁾	
	2024	2023	2024	2023	2024	2023	2024 ⁽⁵⁾	2023 ⁽⁵⁾
Liabilities:	%	%	%	%	%	%	%	%
Rate of price inflation	3.2	3.2	1.0	1.0	2.3	2.5	2.0	2.0
Rate of increase in salaries	n/a	n/a	1.8	1.8	2.3	2.5	3.0 to 5.5	3.0 to 5.5
Rate of increase in pensions	Various	Various	0.8	0.8	Nil to 2.3	Nil to 2.5	5.0	5.0
Discount rate	5.2	5.3	1.8	1.2	3.6 to 3.8	3.7 to 3.9	4.3 to 7.2	5.0 to 7.4

(1) Main United Kingdom funded scheme.

(2) Japanese unfunded liability.

(3) The Eurozone rates have been used to assess the overall deficit within the separate funded schemes in Europe.

(4) This represents a grouped disclosure for the remaining liabilities.

(5) Represents the range of assumptions used for the countries covered in the region.

For mortality tables, the Group has used various different tables appropriate to the territory under review.

The most significant contribution to the Group pension liability is from the United Kingdom. The base mortality table for the UK and the weightings applied to it are unchanged from the last financial reporting period and in line with the best estimate assumption derived as part of the assumption setting process for the latest completed statutory funding valuation. The future mortality improvement model has been updated since the last financial reporting period to reflect the latest analysis from the Continuous Mortality Investigation (CMI). The UK mortality assumption adopted for the 30 June 2024 accounts is the self-administered pension schemes (SAPS) "S3NA" tables with a 100% (102%) weighting for males (females) and future long term improvements based on the CMI 2023 model with a long-term improvement rate of 1.25% p.a., a smoothing parameter of 7, an initial addition parameter of nil with no weighting placed on mortality experience data in 2020 and 2021 and a 15% weighting for 2022 and 2023.

The assumptions shown above are arrived at following discussion with, and in accordance with advice received from the scheme actuaries.

Amounts recognised in the consolidated balance sheet:

	United Kingdom		Japan		Eurozone		Rest of the World		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	52.4	35.5	—	—	0.1	—	12.6	1.2	65.1	36.7
Equity instruments	—	—	—	—	2.4	2.4	5.7	18.5	8.1	20.9
Debt instruments	669.6	699.8	—	—	2.6	2.8	36.5	36.2	708.7	738.8
Other	—	—	—	—	10.0	10.7	6.9	7.0	16.9	17.7
Market value of assets	722.0	735.3	—	—	15.1	15.9	61.7	62.9	798.8	814.1
Present value of scheme liabilities	(613.4)	(611.9)	—	—	(16.4)	(16.7)	(55.6)	(55.8)	(685.4)	(684.4)
	108.6	123.4	—	—	(1.3)	(0.8)	6.1	7.1	113.4	129.7
Present value of unfunded liabilities	(5.9)	(6.1)	(22.5)	(28.3)	(35.3)	(35.5)	(53.5)	(56.2)	(117.2)	(126.1)
Net pension asset / (liability)	102.7	117.3	(22.5)	(28.3)	(36.6)	(36.3)	(47.4)	(49.1)	(3.8)	3.6

The net pension asset is reported on the balance sheet as:

	30 June 2024	30 June 2023
	£m	£m
Pension surplus	123.5	137.8
Pension liability	(127.3)	(134.2)
Net pension asset	(3.8)	3.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts recognised within income and expenditure (statement of financial activities):

	2024 £m	2023 £m
Current service cost	1.9	2.4
Curtailment losses / (gains)	0.3	(0.7)
Administrative expenses	3.0	1.7
	<u>5.2</u>	<u>3.4</u>
Interest cost on schemes' liabilities	39.3	35.5
Interest income on schemes' assets	(41.7)	(38.0)
Total amount included under Other finance income	<u>(2.4)</u>	<u>(2.5)</u>

In addition, there is a charge in respect of contributions to defined contribution plans for the year of £22.5m (2023: £21.0m).

The actual return on scheme assets for the year to 30 June 2024 was a gain of £28.8m (2023: loss of £134.3m).

Amounts recognised in the Consolidated Statement of Comprehensive Income (statement of financial activities):

	2024 £m	2023 £m
Loss on pension scheme assets	(12.9)	(172.2)
Experience losses	(4.0)	(12.2)
Change in assumptions	(1.5)	148.4
Actuarial loss	<u>(18.4)</u>	<u>(36.0)</u>

Changes in the present value of the defined benefit obligations are as follows:

	2024 £m	2023 £m
Opening defined benefit obligation	(810.5)	(974.2)
Current service cost	(1.9)	(2.4)
Curtailments	(0.3)	0.7
Interest cost	(39.3)	(35.5)
Actuarial (loss) / gain	(5.5)	136.2
Exchange gain	4.6	9.6
Benefits paid	50.3	55.1
Closing defined benefit obligation	<u>(802.6)</u>	<u>(810.5)</u>

Changes in the market value of plan assets are as follows:

	2024 £m	2023 £m
Opening market value of plan assets	814.1	996.8
Expected return on plan assets	41.7	38.0
Benefits and expenses paid	(53.3)	(56.8)
Employer contributions	10.6	11.9
Actuarial loss on assets	(12.9)	(172.2)
Exchange loss	(1.4)	(3.6)
Closing market value of plan assets	<u>798.8</u>	<u>814.1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Financial commitments

	2024 £000	2023 £000
In respect of bank guarantees	4,423	4,570
Escrow account for pension schemes	45,929	43,229
	50,352	47,799

The Group has issued guarantees to its customers and other stakeholders in relation to its contractual operations in compliance with local legislation and industry practice. The Directors do not assess the likelihood of transferring economic benefits in respect of these guarantees to be probable. No associated liability has been recognised on the Group's Consolidated Balance Sheet.

Listed investments and cash held at investment managers includes £45.9 million (2023: £43.2 million) which is held in a ring-fenced portfolio relating to the funding of pension liabilities outside of the UK.

In November 2022, the Group committed SGD 5m for shares in Rainmaking Ventures (S) VCC attributable to Motion Ventures Fund 1. As at 30 June 2024, the Group has paid SGD 4m (30 June 2023: SGD 3m) of the total commitment.

At 30 June 2024 the Group had capital commitments of £3.4m (30 June 2023: £12.1m).

In February 2024, the Group entered into an agreement with five external stakeholders to create the Maritime Emissions Reduction Centre, a not-for-profit company established in Greece. The objective of the company is to address the barriers towards the adoption of energy-saving technologies and practices in the maritime industry. As part of this agreement, the Group has committed to funding €340,000 per annum for five years. At 30 June 2024, a commitment of €1,700,000 remains unpaid.

25. Operating lease commitments

At 30 June, the Group had total future lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	9,041	10,123	3,998	3,681
Between two to five years	24,358	22,501	5,451	4,696
After five years	13,697	16,012	—	—
	47,096	48,636	9,449	8,377

26. Funds

Trading funds are the retained reserves of the Trading Group, and include the Trading Group's pension deficit.

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2024					
Trading funds	821,413	562,466	(564,890)	(52,614)	766,375
Unrestricted funds - general funds	(16,741)	9,590	(23,895)	20,110	(10,936)
Endowment funds:					
Expendable endowment	289,102	—	(855)	25,483	313,730
	1,093,774	572,056	(589,640)	(7,021)	1,069,169
30 June 2023					
Trading funds	896,983	549,902	(527,345)	(98,127)	821,413
Unrestricted funds - general funds	(25,658)	10,499	(21,899)	20,317	(16,741)
Endowment funds:					
Expendable endowment	292,471	—	(863)	(2,506)	289,102
	1,163,796	560,401	(550,107)	(80,316)	1,093,774

Other movements include realised and unrealised gains and losses on investment assets, taxation charge and also include transfers between funds, foreign exchange differences on the translation of net assets in overseas operations, acquisition of non-controlling interest and actuarial movements relating to defined benefit pension schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Transfers between funds relates to a gift from the Trading Group to the Foundation and grants from the Foundation to the Trading Group.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were amended in the prior year to adjust the contingent asset to £100m and extend the period at least until the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

27. Revaluation reserve

	Brought forward £000	Unrealised gains arising in year £000	Released from revaluation reserve in year and other movements £000	Total £000
30 June 2024				
Trading funds – listed investments	(10,300)	33,672	5	23,377
Trading funds – investment property	30,031	(22,880)	—	7,151
Unrestricted – general funds	5,395	2,205	(483)	7,117
Endowment funds:				
Expendable endowment	65,679	32,630	(7,147)	91,162
	<u>90,805</u>	<u>45,627</u>	<u>(7,625)</u>	<u>128,807</u>
30 June 2023				
Trading funds – listed investments	(32,067)	21,762	5	(10,300)
Trading funds – investment property	57,117	(27,086)	—	30,031
Unrestricted – general funds	5,509	190	(304)	5,395
Endowment funds:				
Expendable endowment	68,185	4,161	(6,667)	65,679
	<u>98,744</u>	<u>(973)</u>	<u>(6,966)</u>	<u>90,805</u>

28. Fund distribution

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2024 £000
Non-current assets	843,981	6,846	313,730	1,164,557
Current assets	324,856	10,244	—	335,100
Creditors: amounts falling due within one year	(236,409)	(12,823)	—	(249,232)
Creditors: amounts falling due after one year	—	(14,080)	—	(14,080)
Provisions	(39,886)	—	—	(39,886)
Pension deficit	(127,290)	—	—	(127,290)
Inter-fund balance	1,123	(1,123)	—	—
	<u>766,375</u>	<u>(10,936)</u>	<u>313,730</u>	<u>1,069,169</u>
	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2023 £000
Non-current assets	870,488	3,636	289,102	1,163,226
Current assets	354,944	6,250	—	361,194
Creditors: amounts falling due within one year	(221,407)	(15,139)	—	(236,546)
Creditors: amounts falling due after one year	—	(10,486)	—	(10,486)
Provisions	(49,418)	—	—	(49,418)
Pension deficit	(134,196)	—	—	(134,196)
Inter-fund balance	1,002	(1,002)	—	—
	<u>821,413</u>	<u>(16,741)</u>	<u>289,102</u>	<u>1,093,774</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Reconciliation of operating (deficit) / surplus to net cash outflow from operating activities

	2024 £000	2023 £000
Net (expenditure) / income before taxation and other recognised gains and losses	(17,584)	10,294
Profit on disposal of discontinued operations	—	(15,842)
Net interest in the results for the year in joint ventures	759	744
Pension interest cost	(2,400)	(2,524)
Loss on disposal of fixed assets	70	2,906
Exchange adjustment	(2,600)	(6,910)
Depreciation and impairment charges relating to fixed assets	8,466	5,547
Amortisation and impairment charges relating to intangibles	26,358	22,145
(Increase) / decrease in debtors	(2,265)	53,235
Increase / (decrease) in creditors	17,609	(12,141)
Decrease in provisions	(3,426)	(11,719)
Foreign tax paid	(22,913)	(15,412)
Foreign tax received	900	872
Defined benefit contributions in excess of funds charges	(5,715)	(7,742)
Curtailment loss / (gain)	275	(677)
Net investment income	(22,513)	(24,687)
Cash used in operations	(24,979)	(1,911)

Cash at bank and in hand includes cash held in local bank accounts in countries where exchange controls or other legal restrictions mean the balances are not available for general use by the Company or other Group subsidiaries. In total, £18.6m (2023: £15.7m) of cash was held by overseas entities which cannot be remitted to other Group entities. In addition to these balances, the immediate movement of cash assets held by other Group entities is subject to compliance with local regulation and legal restrictions; however the Group does not consider this cash unavailable for use by the Group. Countries where such restrictions exist and significant cash balances are held are China £23.1m (2023: £7.0m) due to exchange controls and Korea £14.7m (2023: £19.6m) where remittance is permitted following external audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

The Foundation defines its key management personnel as the Board of Directors and the Executive Leadership Team. The total remuneration for key management personnel for the year ended 30 June 2024 totalled £11,302,000 (2023: £9,544,000).

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100%:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2024 £000
Subsidiaries			
Lloyd's Register Middle East LLC	1,100	(489)	(1,521)
Lloyd's Register Oman LLC	45	(355)	2,526
Lloyd's Register Qatar LLC	333	(91)	1,334
Lloyd's Register Services (Malaysia) Sdn. Bhd	226	(8)	(176)
Lloyd's Register Algeria SARL	52	—	(64)

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the year ended 30 June 2023:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2023 £000
Subsidiaries			
Lloyd's Register Middle East LLC	1,461	(681)	(3,195)
Lloyd's Register Oman LLC	267	(366)	1,119
Lloyd's Register Qatar LLC	412	(165)	1,383
Lloyd's Register Services (Malaysia) Sdn. Bhd	146	(49)	(185)
Lloyd's Register Algeria SARL	2	(3)	(2)

During the year the Group has increased its investments in Common Structural Rules Software LLC from \$22,875,000 to \$23,775,000.

The Company provides administrative services to the Group's pension schemes. The following transactions took place between Lloyd's Register Group Limited and Lloyd's Register Superannuation Fund Association:

	2024 £000	2023 £000
Administrative services provided	240	240
Administrative services payable	240	240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Group companies

The following are the subsidiaries and joint ventures of the Group at 30 June 2024. All subsidiaries are consolidated. Details are given of the principal country of operation. The equity share capital of these entities is wholly owned by the Group except where its percentage interest is shown otherwise. All companies are incorporated in their principal country of operation except where stated.

There are five entities included in the below list where the Group owns less than 50% of the subsidiary. All of these entities are incorporated in countries where local legislation requires local nationals to hold at least 50% of the issued share capital of each company. For each of these entities, arrangements exist which afford the Group control of the company's financial and operating policies so as to obtain benefit from its activities.

Company	Country of Origin	Registered Address	% of Ownership
Classification and Quality Services Ltd	UK	71 Fenchurch Street, London, England, EC3M 4BS	100
Classification Holdings Ltd	UK		100
Lloyd's Maritime Information Services Ltd	UK		50
Lloyd's Register Asia ¹	UK		100
Lloyd's Register Asia Trustees Limited ¹	UK		100
Lloyd's Register Central and South America Ltd ¹	UK		100
Lloyd's Register EMEA ¹	UK		100
Lloyd's Register EMEA Trustees Ltd ¹	UK		100
Lloyd's Register GMT Ltd	UK		100
Lloyd's Register Group Services Limited ¹	UK		100
Lloyd's Register Group Limited	UK		100
Lloyd's Register International ¹	UK		100
Lloyd's Register Limited	UK		100
Lloyd's Register Nominee 1 Ltd	UK		100
Lloyd's Register Nominee 2 Ltd	UK		100
Lloyd's Register of Shipping Trust Corporation Limited	UK		100
Lloyd's Register Trust Corporation Limited	UK		100
Lloyd's Register Superannuation Trustees Ltd	UK		100
Seasafe Marine Software & Computation (UK) Ltd	UK		100
Lloyd's Register Marine Limited ¹	UK		100
Safetytech Accelerator Limited ¹	UK		100
Lloyd's Register Maritime Decarbonisation Hub Limited ¹	UK		100
IT Energy Systems and Consulting Limited	UK		100
Ensign Holdco 1 Limited	UK		100
Ensign Holdco 2 Limited	UK		100
Ensign Holdco 3 Limited	UK		100
Ensign Holdco 4 Limited	UK		100
OneOcean Group Limited	UK		100
Regs4Ships Limited	UK		100
Regs4Yachts Limited	UK		100
ChartCo Limited	UK		100
Shipping Guides Limited	UK		100
Lloyd's Register Finance Limited	UK	Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU	100
LR 1760 (1) Limited ¹	UK		100
Interactive Petrophysics Limited	UK		100
LR 1760 (2) Limited	UK		100
Lloyd's Register Aligned Services Limited	UK	Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100
71FS Insurance Company Limited ¹	GUERNSEY		100
Lloyd's Register Algeria SARL	ALGERIA	Business Center Tower - Algeria Business Center – 11e Etage, Pins maritimes, Mohammadia, Algiers, Algeria	49
Lloyd's Register Bangladesh Pvt Ltd	BANGLADESH	11 th Floor, 9 Mohakhali C/A, Dkaka – 1212, Dhaka, Bangladesh	100
Lloyd's Register Drilling Integrity Services Australia Pty Ltd	AUSTRALIA	Level 1, 503 Murray Street, Perth WA 6000, Australia	100
Lloyd's Register Belgie vzw ¹	BELGIUM	Rijnkaai 37, 20000 Antwerp, Belgium	100
Lloyd's Register Maritiem België BV	BELGIUM	Jan van Gentstraat 7 bus 202, 2000 Antwerpen, Belgium	100
Lloyd's Register Do Brasil Ltda	BRAZIL	Rua da Gloria, 311-11, Andar, Rio de Janeiro, RJ, 20.241.180, Brazil	100
Lloyd's Register Canada Limited	CANADA	1741 Lower Water Street, Suite 600, Halifax, NS B3J 0J2, Canada	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
MARTEC Limited	CANADA	237 Brownlow Avenue, Suite 200, Dartmouth, B3B 2C7, NS, Canada	100
OneOcean (Canada) Inc	CANADA	1600-555 boul, René-Lévesque oust, Montréal Québec H2Z1B1, Canada	100
11146726 Canada Inc	CANADA	1600-555 boul, René-Lévesque oust, Montréal Québec H2Z1B1, Canada	100
Lloyd's Register Classification Society (China) Co Ltd	CHINA	Room 1215, 12th Floor, No. 288, Nanjing West Road, Shanghai 200003, China	100
Lloyd's Register Advisory Services China (Shanghai) Co Ltd	CHINA	Room 1215, 12th Floor, No. 288, Nanjing West Road, Shanghai 200003, China	100
Lloyd's Register Central and South America (Curaçao) NV	CURAÇAO	Alablancaweg No. 30 Wilhelminalaan 13, Curaçao	100
Green Steam Vessel Optimisation Denmark ApS	DENMARK	c/o Lloyds Register, Strandvejen 104, 1 Hellerup, 2900, Denmark	100
LR (1760) Danmark ApS	DENMARK	C/O Harbour House, 2 Sundkrogsgade 19, 2100 Copenhagen, Denmark	100
Lloyd's Register Egypt LLC	EGYPT	Apartment no 303-3 rd Floor, 13 Ramo Gardens Street – EL Nasr Road, Nasr City, Cairo, Egypt	100
Hanseaticsoft GmbH	GERMANY	Frankenstraße 29, 20097 Hamburg, Germany	100
Lloyd's Register Marine Deutschland GmbH	GERMANY	Willy-Brandt-Straße 59-65, 20457 Hamburg, Germany	100
Hellenic Lloyd's SA	GREECE	348 Syggrou Avenue, Kallithea, Athens, 17674, Greece	100
Lloyd's Register Guyana Inc	GUYANA	Unit 1, Upper Level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana	100
Lloyd's Register Advisory (Hong Kong) Co., Ltd	HONG KONG	Unit 2505-2506, 25F, One ChinaChem Central, 22 Des Voeux Road Central, Central, Hong Kong	100
Lloyd's Register Italia S.R.L. ¹	ITALY	Via Sottoripa 1A/112, 16124 Genova GE, Italy	100
Lloyd's Register Industrial Services (India) Pvt Ltd ¹	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai, 400 059, India	51
Lloyd's Register Marine and Offshore India LLP	INDIA	Unit no's 1702 – 1704, Building Q2, Aurum Q Parc, Gen 4/1 TTC, Thane Belapur Road, Ghansoli Navi Mumbai, Maharashtra, 400710, India	100
Lloyd's Register Kazakhstan LLP	KAZAKHSTAN	29/6 Satpayev Street, Floor, Rakhat Palace Hotel, Almaty, Kazakhstan	100
Lloyd's Register Advisory Services Asia Ltd	KOREA	CJ Logistics Bldg., Joongang-dong 6-ga) 10F, 119, Daegyo-ro, Jung-gu, Busan	100
Lloyd's Register of Shipping (Malaysia) Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	100
Lloyd's Register Services (Malaysia) Sdn. Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	49
OneOcean (Malaysia) Sdn Bhd	MALAYSIA	Damansara Intan, Unit 736, 7 th Floor, Block A, No. 1, Jalan SS20/27. 47400 Petaling Jaya Selangor, Malaysia	100
Lloyd's Register Mozambique Lda	MOZAMBIQUE	1 Bairro da Polana, Av. Marginal Tenente Ovaldo Tazama Torres	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Advisory Services BV	NETHERLANDS	Rani Torre 1, 2 Piso, Fraccao 5, Mozambique, Maputo	100
Lloyd's Register Maritiem Nederland BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
OneOcean (Nederland) BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Lloyd's Register EMEA (Nigeria) Ltd Gte	NIGERIA	Parmentierplein 20, 3088 GN Rotterdam, The Netherlands	100
Lloyd's Register West Africa Ltd	NIGERIA	6th Floor, B Wing, Shippers Plaza, 4 Park Lane, Apapa, Lagos, Nigeria	100
Lloyd's Register Voyage AS	NORWAY	The Pro Space Centre, 18 Olu Holloway Road, Ikoyi, Lagos, Nigeria	100
OneOcean (Norway) AS	NORWAY	Elganeveien 1, 4370 Egersund, Norway	100
Lloyd's Register Oman LLC	OMAN	Tullins Gate 2, 0177, Oslo, Norway	70
Lloyd's Register Pakistan (Private) Limited	PAKISTAN	Bait Al Bahja, Building No 603, Room 21, Way No 2710, Ruwi CBD, Muscat, Sultanate of Oman	100
Lloyd's Register Marine Polska Sp Zoo	POLAND	BRR Towers, 14th and 15th Floor, 11 Chundrigar Road, Karachi, Sindh, 74400, Pakistan	100
Vesopt Poland Sp Zoo	POLAND	Al. Zwyciestwa 13a, 80-219, Gdansk, Poland	100
Lloyd's Register Qatar LLC	QATAR	Rondo Organizacji Narodow Zjednoczonych, 1, Xxv P., Warszawa, 00-124, Warszawa, Polska	49
Lloyd's Register (Romania) SRL	ROMANIA	Al Rayyan Complex, Excellence Tower, 22nd Floor, Office No. 2204, Al Shatt Street 850, Onaiza Zone 63, Bdg No. 10, PO Box No. 10285, Westbay, Doha, Qatar	100
Lloyd's Register Saudi Arabia Ltd	SAUDI ARABIA	Sos. Iancului 31, Etaj 3, 021716 Bucuresti, Romania	100
Lloyd's Register D.O.O. (Beograd)	SERBIA	Novotel Business Park, King Fahd Bin Abdulaziz Road 4292, Northern Khalidiya District 6140, Dammam, 32232, Saudi Arabia	100
Lloyd's Register Singapore Pte Limited	SINGAPORE	Vojvode Stepe 78, Beograd, Serbia	100
Lloyd's Register Pte. Ltd	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588 Singapore	100
Marine Press Asia Pacific Pte Ltd	SINGAPORE		100
OneOcean Maritime Solutions Pte Limited	SINGAPORE		100
OneOcean AB	SWEDEN		100
Lloyd's Register Marine Taiwan Ltd	TAIWAN	Vallenvägen 9, 444 60 Stora Höga, Sweden	100
Lloyd's Register Marine Consulting Taiwan Co., Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Gozetim Ltd Sti	TURKEY	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register (Ukraine)	UKRAINE	19 Mayis Mah. Ataturk Caddesi, Sitkibey Plaza, No 82 Kat 3 No. 12, Kadiköy, Istanbul, Turkey	100
Lloyd's Register Middle East LLC	UAE	63 Bolshaya Morskaya Street, Office 203, Mykolaiv, 54001, Ukraine	49
Lloyd's Register Middle East & Africa Advisory Services LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Americas, Inc. ¹	USA	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	100
		820 Gessner Road, Suite 300, Houston, Texas 77024, USA	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company	Country of Origin	Registered Address	% of Ownership
Common Structural Rules Software LLC	USA	16855 Northchase Drive, Houston, TX 77060, USA	50
Lloyd's Register North America, Inc.	USA	820 Gessner Road, Suite 300, Houston, Texas 77024, USA	100
Lloyd's Register Americas Advisory Services, Inc.	USA		100
Lloyd's Register Technical Services, Inc.	USA		100
i4Insight, Inc	USA	300 Creek View Road, Suite 209, Newark, DE 19711, USA	100
Lloyd's Register Asia (Vietnam) Company	VIETNAM	Suite 450 PetroVietnam Tower, 8 Hoang Dieu Street, Ward 1, Vung Tau City, Ba Ria, Vung-Tau Province, Vietnam	100

¹ Wholly owned directly by Lloyd's Register Group Limited

The following subsidiaries have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Company	Place of registration	Registered number
Classification and Quality Services Limited	England and Wales	03973758
Classification Holdings Limited	England and Wales	03704447
Lloyd's Register Finance Limited	Scotland	SC320138
Lloyd's Register GMT Limited	England and Wales	06428883
Lloyd's Register Group Services Limited	England and Wales	06193893
Senergy Aligned Services Limited	Scotland	SC318186
LR 1760 (2) Limited	Scotland	SC346964
LR 1760 (1) Limited	Scotland	SC252441
Safetytech Accelerator Limited	England and Wales	13099135
Lloyd's Register Marine Limited	England and Wales	13281335
Ensign Holdco 1 Limited	England and Wales	10172727
Ensign Holdco 2 Limited	England and Wales	10172773
Ensign Holdco 3 Limited	England and Wales	10172900
Ensign Holdco 4 Limited	England and Wales	10173156
Regs4Ships Limited	England and Wales	04430411
Regs4Yachts Limited	England and Wales	04485715
ChartCo Limited	England and Wales	12289430
Shipping Guides Limited	England and Wales	00907386
Lloyd's Register Maritime Decarbonisation Hub Limited	England and Wales	14704215
Seasafe Marine Software & Computation (UK) Ltd	England and Wales	03791480
OneOcean Group Limited	England and Wales	03652059
IT Energy Systems and Consulting Limited	England and Wales	03101263

32. Post balance sheet events

In July 2024 the ring-fenced investment portfolio was closed (notes 16 and 24). Funds received were reinvested into a separate investment portfolio and are available for general use.

On 30 August 2024, the Group agreed to acquire Ocean Technologies Group from Oakley Capital, subject to regulatory clearances in Cyprus and Türkiye. The acquisition completed in November 2024.

In October 2024, The Lloyd's Register Superannuation Fund Association reduced its pension scheme volatility risks through the disposal of the majority of its debt instruments and the acquisition of an insurance asset. The value of debt instruments held at 30 June 2024 amounted to £669.6m. The financial effect is expected be a reduction in the pension scheme surplus and will be reflected in the June 2025 accounts following the finalisation of investment transfer values, insurance policy purchase and review of actuarial movements.

Accounts

Lloyd's Register Foundation

Report and financial statements

30 June 2023

Company number: 07905861 (England and Wales)
Charity registration number: 1145988 (England and Wales)

Contents

TRUSTEES' REPORT

Chairman's statement	1
Foundation Chief Executive's Review	2

THE STRATEGIC REPORT

Mission, vision, strategy	3
Establish the best evidence and insight	4
Focus on the most pressing challenges	7
Build global coalitions for change	19
Heritage and Education Centre (HEC)	24
Accountability and Stakeholder Engagement	30
Foundation Financial Review and Policies	34
Governance and management	40
Climate-related financial disclosure	47

LEGAL AND ADMINISTRATIVE DETAILS	55

STATEMENT OF TRUSTEES' RESPONSIBILITIES	56

REMUNERATION COMMITTEE REPORT	57

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT	59

NOMINATIONS COMMITTEE REPORT	60

INDEPENDENT AUDITOR'S REPORT	61

THE FINANCIAL STATEMENTS	64

GROUP FINANCIAL REVIEW	78

THE CONSOLIDATED FINANCIAL STATEMENTS	80

Connecting science, safety and society

Trustees' Report incorporating the Strategic Report

Chairman's Statement

While the world around us continues to change, Lloyd's Register Foundation (The Foundation) remains a force for good, with an important mission to tackle global safety challenges.

Conflict, climate impact, natural disasters and global supply chain instability have all hit the headlines during the last 12 months. All of these can, sadly, put human lives at risk and threaten the infrastructure on which our society is built.

As an independent, financially and politically neutral charity, the Foundation exists to tackle global safety challenges that affect people and property. Through evidence and insight, funding intervention programmes and technology acceleration, its core focus is to enhance the safety of life and property around the world.

The work of the Foundation has never been more important. In an uncertain world, we must focus on delivering measurable impact to ensure we are effective in our efforts. With a commitment to convening UN agencies, leading academic institutions, commercial businesses, research organisations and innovators, the Foundation continues to ensure that funding is leveraged – and impact is maximised. As we move to open safety hubs in other parts of the world, with a particular focus on the global south, we will be able to identify through local experts where the most pressing safety risks are occurring on the ground and invest in programmes to help solve them.

Joint initiatives between the Foundation and Lloyd's Register (LR) emphasise the strength of our unique relationship. During the last year, our combined presence at COP27 in Egypt and the World Ocean Summit in Lisbon provided high profile opportunities to raise awareness of the need for a safer and more sustainable maritime system and demonstrate support for the industry's drive to net zero through our Maritime Decarbonisation Hub. These platforms also enabled us to emphasise the role we play in the wider ocean economy, such as keeping fishers safe in low to middle income countries, the standards required as the demand for blue food such as seaweed increases and the ever-pressing need for nature-positive engineering solutions.

In addition, our joint Maritime Trends 2050 report published subsequent to year end, in September 2023, highlights the foresight, insight and expertise we are together able to offer the maritime industry to enable it to see what may lie ahead and show what's needed to prepare for a safe, just and equitable energy transition.

We continue to invest in the conservation of LR's heritage assets, with the Foundation an increasingly active participant in the heritage sector globally, and this year completed the digitisation, cataloguing and re-presentation of the Ship Plan and Survey Report Archive.

All of this has been achieved during the first 12 months of Ruth Boumphrey's leadership as Chief Executive. With a strategic focus on delivering impact in areas where it is most needed, Ruth continues to build a team which is passionate about delivering the charity's mission – and an organisation trusted around the world for its commitment to reducing risk and keeping people safe from harm.

Over the next 12 months, Foundation colleagues led by Ruth will continue their drive to convene stakeholders and influential partners to deliver impact. I would like to offer my sincere thanks to everyone who works at, and with, the Foundation to make a genuine difference in this world.

Thomas Thune Andersen

Chairman, Lloyd's Register Foundation

Foundation Chief Executive's Review

The Foundation was in great shape when I took on the mantle of Chief Executive last July, thanks to Richard Clegg's vision and leadership in our first ten years. Since then, I've been fortunate to be surrounded by great colleagues, a Chairman and Board of Trustees who are all aligned to our mission and who have been incredibly supportive from day one.

When I stepped into the role, I introduced two new goals. One, for the Foundation to be more locally led to ensure we can deliver significant impact in those countries where it is most needed. While we've always been a global charity, investing in programmes around the world, this next phase of our international strategy means we can establish Foundation representation on the ground, in partnership with the United Nations Global Compact's (UNGC's) existing network of offices. This aims to build effective area networks, empower local decision-making, identify safety risks and create interventions that reduce risk for people in those countries.

Second, to build on our heritage and relationship with LR, we will facilitate greater collaboration across the maritime system with a new initiative, Maritime Connected. Stakeholder conversations at the UN Ocean Summit, COP27 and the World Ocean Summit as well as feedback from the High-Level Climate Champions team and our wider maritime connections has shown us there is a real appetite for this initiative, which will create and convene a global community, facilitate the sharing of knowledge and insights and drive impact towards a united vision dedicated to building a safe and sustainable ocean economy.

This last year has also seen the launch of the World Risk Poll 2021 – the second iteration of this ground-breaking Poll. We have launched a series of thematic reports looking at how the world perceives and experiences risk, resilience, AI and data, and violence and harassment in the workplace. The Poll continues to give a voice to those often unheard, with findings shared with audiences around the world through a comprehensive media relations programme, an International Labor Organization press conference, and through Reuters webinars, resulting in 860 articles globally during the last year. Key findings from the poll, including The Resilience Index, were presented at New York Climate Week, COP27 and the UN Data Forum in China. Presentations have also been delivered to the World Bank, several UN agencies and the OECD. We received 54 grant applications from around the world for funding to tackle the issues raised in the Poll with eight projects at a value of £2m now selected for progression.

With the news full of stories questioning the future of AI, and in particular, whether it can be trusted, the World Risk Poll provides evidence on whether and where these technological developments are welcomed or feared.

It's been a busy year for our Heritage and Education Centre (HEC), which has completed its five-year digitisation project with one million maritime archival records, documenting nearly 100,000 ships, now available online. The launch of 'Rewriting women back in maritime history' has gained much interest from across the heritage and maritime community with 25 organisations including Lloyd's List, Nautilus International, National Maritime Museum, Seafarers Hospital, WISTA UK and the World Maritime University on board. This group is gathering stories, both recent and historical, on the valuable role women have played in maritime throughout the ages. A milestone for this initiative was the launch of an exhibition at the International Maritime Organization (IMO) in September 2023 during London International Shipping Week. HEC continues to build networks around the world, including with the International Maritime Museums Network to raise awareness of the importance of learning from the past.

Of course, we must not forget the incredible work being delivered by our long-standing partners. The Alan Turing Institute continues to break new ground in data science while The Assuring Autonomy International Programme, Resilience Rising and Engineering X go from strength to strength.

I'm incredibly excited to see what the next 12 months bring. While the world around us continues to face some very difficult challenges, I have the utmost faith that the Foundation, our colleagues in LR, grant holders, secondees, partners and network members in the communities in which we operate are dedicated to our mission. Together, we can help make the world a safer place.

Ruth Bounphrey

Chief Executive, Lloyd's Register Foundation

Our Strategy

Our strategy starts with evidence – we strive to understand the complex factors that most affect safety and we openly share safety evidence and insight for others to use. During the year we continued to focus on a number of significant safety challenges including making the sea safer, making infrastructure safer and improving society’s understanding of risk. To deliver most impact, we have built new coalitions, tirelessly raising awareness of these challenges and identifying like-minded collaborators and partners who share our values and strong social purpose. We remain committed to capacity building especially in those geographies where the next generation of skilled scientists and engineers will be needed. Our extensive heritage collection helps people understand the relevance of our maritime technological and engineering past, and how it can help inform the future. By bringing together our unique strengths – our global reach, the trust in our brand, the technical expertise in our grants community, and the extraordinary breadth and depth of the Lloyd’s Register Group – we can truly engineer a safer world.

Our Vision: Engineering a safer world

Our charitable purpose is to secure high standards of design, manufacture, construction, maintenance, operation and performance, enhancing the safety of life and property at sea, on land and in the air. We also advance public education and safety skills for engineering.

Goal 1: Establish the best evidence and insight

We use the best data, evidence, and insight available to understand better the complex factors that affect safety to identify areas of greatest need and areas where we can make a real difference with an aim to build the world’s best source of safety evidence, making it open to all.

Goal 2: Focus on the most pressing challenges

We focus on the biggest safety challenges, where there’s clear evidence and a compelling need for change to make a real difference. We work in areas where we can harness our unique strengths and assets. We have identified seven challenges to focus on:

1. Safety at sea
2. Safety of digital systems
3. Safety for a sustainable future
4. Safety of food
5. Skills for safety
6. Safety of physical infrastructure
7. Public understanding of risk

Goal 3: Build global coalitions for change

Global challenges cannot be tackled effectively by working alone. Therefore, we will be at the forefront of building new coalitions, tirelessly promoting safety issues through our strategic communications activity and building partnerships with willing and likeminded collaborators worldwide to generate the most impact.

GOAL 1: Establish the best evidence and insight

Impact highlight

The World Risk Poll into Action funding call attracted 54 proposals from around the world, amounting to a value exceeding £20 million against an available budget of just over £2 million. After a rigorous decision-making process, eight organisations have been selected to receive funding to tackle some of the significant safety challenges highlighted by the Poll data.

Evidence and Insight

Activities

In autumn 2022 LR Foundation commissioned RAND Europe to undertake a feasibility study considering the potential impact of a future evidence centre for safety for the safety of life and property. The work has now completed and concluded that achieving impact from evidence centres is feasible, and active engagement with stakeholders throughout the process is central to their success.

The team identified six strategic dimensions that characterise the composition of evidence centres, namely: area of focus; geography; target of change; function; stakeholder engagement, and funding. Existing evidence centres adopt diverse approaches to these dimensions, indicating multiple ways in which a new centre for safety could achieve its objectives.

Following internal discussions and review by external experts RAND have now been asked to prepare a proposal for a grant that if approved, during the first two years, will:

- 1) Explore the possible focus areas for the centre, build relationships and networks, understand user needs, and assess gaps and potential impact of work in these areas.
- 2) Build capacity by establishing methods, tools and standards that can be widely used to support the use of evidence in decision making in safety and establish a network of global leaders in safety evidence. The Trustees and the Board will be asked to consider the proposal in the autumn of 2023.

Impact programme

Through LR Foundation's partnership with Technopolis, a systematic programme has been established to show 'evaluations to evidence' impact, supporting continuous improvements and learning by focusing on major flagship programmes and other key strategic investments.

In late April 2023 Technopolis finalised their independent evaluation of the Resilience Shift programme and concluded that the programme has delivered against its stated objectives, achieving impact and producing results across a range of areas and sectors. These include approach to and awareness of resilience, international outreach and visibility, maritime ports, urban systems and others. Building on key insights and findings, LR Foundation is working with stakeholders to share learnings and increase the impact of the Resilience Shift further.

There are two other ongoing projects with Technopolis:

- 1) Evaluation of the Discovering Safety programme to identify lessons and good practices to maximise the impact in the final stages of the programme
- 2) A thematic evaluation to understand the extent to which the activities funded by the Foundation have contributed to the development and adoption of high technical standards. The main purpose of this study is to provide the Foundation with evidence on the specific areas where its work has been most impactful.

Work to identify key building blocks for meaningful impact monitoring and evaluation is now complete. No one-size-fits-all approach has been identified through sector wide analysis. Charitable foundations and organisations run into difficulties when trying to keep track, record, monitor and store impact-related data across the whole portfolio, in a systematic and consistent way. The Foundation will therefore need to invest further time, effort and resources to create a bespoke impact management and measurement framework that is tailored to its characteristics and circumstances, whilst remaining agile, iterative and proportionate.

Evidence and Insight Grants

Branagh PR are supporting the Foundation's Evidence & Insight team to disseminate the findings from the Foundation's grants and to further establish our reputation in evidence and insight for safety. They have already secured a feature in the British Safety Council's magazine, Safety Management, and have a range of other activities in development.

One grant on the evidence base for leading indicators in safety was formally terminated by mutual consent in April 2023. Lessons learned have been shared with the board and the work has been recommissioned.

World Risk Poll

The Foundation has continued its momentum around the dissemination of the 2021 World Risk Poll data and findings with the launch of three reports in the 'focus-on' series.

These reports delve into the data in a particular area to generate impactful findings and create conversation.

The first report, which covered descriptive statistics split by the gender of the respondent was launched on International Women's Day. The second focused on the high risk of violence and harassment in the workplace to those who are struggling financially and are not working in their country of birth. The report identified actionable findings encouraging businesses to know their community and ensure reporting procedures are clear. This was launched alongside a webinar with Skillsoft who provide training on addressing violence and harassment at work.

The third report in the series launched at the Society for Risk Analysis conference in Sweden at the end of June 2023.

The 'Turning the World Risk Poll into Action 2021' funding call aimed to provide financial support and assistance to projects that transform the findings of the World Risk Poll into actionable solutions. The call sought proposals that leveraged the knowledge and data from the World Risk Poll to develop and implement analytical or practical interventions.

The response to the funding call was overwhelming, with a total of 54 proposals submitted, amounting to a value exceeding £20 million against an available budget of just over £2 million. After a rigorous decision-making process, eight organisations were selected to receive funding.

The grant holders involved in these projects come from diverse backgrounds and work in various fields associated with risk and resilience. They include academic institutions, non-governmental organisations (NGOs), and other non-profit organisations who are either conducting additional research, building interventions or a combination of both to improve global risk reduction efforts related to resilience, climate change, and disasters preparedness.

The World Risk Poll grant-holders play a vital role in advancing the understanding of risk perception and shaping policies and interventions aimed at mitigating the impacts of climate related hazards on vulnerable communities. Their work contributes to building more resilient societies and promoting sustainable development in the face of global safety challenges. At the time of writing this the Foundation is in the process of recruiting a Strategic Learning and Collaboration Partner who will add capacity to this cohort, foster a community of practice to accelerate impact, and assist in extracting valuable lessons from this funding call.

Future plans for the next 12 months to June 2024

- Evidence Centre for safety: as above, the Evidence & Insight team will continue to work with RAND Europe to support the application through the internal governance process with the hope of commencing work on the centre in the new calendar year. The establishment phase will build on the feasibility study to focus and define activities further and engage with stakeholders.
- In the Autumn two Evidence & Insight commissions will be published. The National Safety Council (NSC) will publish their report on how organisations should value safety in a changing world, within existing frameworks, ESG as an example. They will also complete their work examining the links between safety and diversity, equality and inclusion, which will inform the development of a Foundation insight report with recommendations for next steps. This is likely to be the first in-depth investigation of this topic and we hope will generate interest across sectors. The Evidence & Insight team will explore how best to magnify these reports and work with stakeholders to disseminate the findings from these commissions. The recommissioned work on the evidence base for leading indicators has recently restarted and will report in early Spring 2024.
- Plans have been approved by the Foundation Leadership Team for a framework of meaningful and pragmatic impact monitoring and evaluation. The impact manager will work across the Foundation and support colleagues to strengthen and improve the Foundation's capacity to measure and evaluate impact across the whole portfolio. Focus will be on the following:
 - o Articulating the Foundation-level Theory of Change.
 - o Identifying key impact goals and indicators for success for each signature area.
 - o Strengthening the ways progress and impact are monitored and reported.
 - o Building a more detailed picture of the total footprint of the Foundation's impact through thematic evaluations and targeted impact reviews.
- Dissemination of the 2021 World Risk Poll (WRP) reports and data will continue, including via:
 - o Two further Focus On reports, with one on resilience timed to coincide with the United Nations Office for Disaster Risk Reduction's (UNDRR's) International Day for Disaster Risk Reduction in October.
 - o A series of partnership events with Climate Group, including at COP and Climate Week NYC, to disseminate the resilience data to the Under2 Coalition of sub-national governments.
 - o Commissioning of a number of creatives (photographers/videographers) to bring safety issues identified by the 2021 data to life by telling the human stories of those affected.
 - o At least seven further external speaking engagements, primarily related to the resilience and AI reports.
- The ongoing WRP into Action funding call will remain open in this period, with the intention to solicit more applications using the AI, violence and harassment, and/or core risk and safety data.
- The 2023 World Risk Poll is now in the field, with emerging data starting to be delivered by Gallup from September onwards. Planning will start shortly for the launch of the four 2023 reports, with the first one likely to take place in June 2024.
- Conversation with stakeholders to develop modules and questions for the 2025 Poll have already begun and will continue in the latter half of 2023. It is likely that the core risk perception and resilience modules will be repeated, with other possibilities including a module on human security and agency in collaboration with the United Nations Development Programme (UNDP), and a transport safety module or revamped AI module.

GOAL 2: Focus on the most pressing challenges

Plan

We continue to progress in addressing the challenges identified in our Strategy, which launched in July 2019. These are:

- Safety at sea
- Safety of digital systems
- Safety for a sustainable future
- Safety of food
- Skills for safety
- Safety of physical infrastructure
- Public understanding of risk

Activities and impact

During the last year, we have continued to deliver a mix of activities from ongoing programmes and new initiatives. All are focused on impact and delivering benefits to society in different ways.

Our mission explicitly directs us to enhance safety and advance public education. In many cases, as seen from the following sections, our activities deliver impact in both safety and education.

Challenge: Safety at sea

Impact highlight

Phase One of the Maritime Just Transition Task Force £250,000 grant attracted £610,000 cash and £48,000 in-kind leverage. It's 10 point action plan to achieve a just transition for seafarers, is now a key reference document and has been an important contribution to defining how a just transition is referred to in the revised IMO GHG strategy.

UNGC Just Transition Taskforce

The task force for a Just Transition for Seafarers, an IMO-ICS-ITF partnership run by UNGC, published its report at COP 27 following financial and expert support from LR Foundation.

The findings of the research have been condensed into a 10-point action plan for marine industry to action. The Foundation is working with UNGC to take these actions forwards to industry. As an early example, in February 2023 the task force ran an interactive session on green jobs and skill needs for African seafarers with an audience that included the then IMO Secretary General, Kitack Lim, 17 Director Generals and Ministers from across the African region, the African Development Bank, World Bank, and stakeholders from industry and academia. Among topics discussed were a potential centre of excellence for the region, which could be spearheaded by the African Union; ongoing tripartite efforts towards a national skills council in Cameroon; and some early work in Namibia to map skills for green hydrogen production.

Container Fire and Loss (CF&L) initiative at scale

Fires when transporting containers are regularly risking the safety of life and property at sea. Safetytech Accelerator is conducting an innovation challenge to reduce the risks of container fires. The partners of the Container Fire and Loss initiative carry 53% (equivalent to 12.11 million twenty-foot-long containers) of global container volume that is transported by sea annually.

This reinforces Safetytech Accelerator's position as the go-to strategic partner to deliver open innovation in safety and risk.

Maritime Trends 2050

The future of the global blue economy is uncertain yet policymakers, industry and beyond need to prepare for what is coming. As part of LR Foundation's ambition to provide thought-leadership, The Economist Impact Unit were commissioned to identify the key global trends that will influence the blue economy of the future, forecasting how these futures may come about, and some what-if scenarios to bring this to life.

The trends derive from geopolitical and macroeconomic, environmental, natural resources, technological and social drivers for change and, from these, four paths have been defined as to how the future may unfold: a gradual just transition; a rapid technology-driven transition; a delayed transition, and a regionalised and fragmented transition. As described later, this report will be built on in the coming years to bring more clarity to this evolving picture.

Challenge: Safety of digital systems

Impact highlight

The work of the Discovering Safety grant is directly influencing how UK Health & Safety Executive operates, influencing its digital strategy and uptake of digital technologies in support of the organisation's regulatory activities. With the grant, tools and methodologies have been created that are driving change in industry.

From capability building to scaling societal impact

Over the last six years LR Foundation's grant funding has established two world leading capabilities: the Alan Turing Institute and its Data -Centric Engineering Programme, and the University of York's Assuring Autonomy International Programme. During the last year the Foundation has awarded follow-on funding to both programmes with a focus on accelerating application of programme knowledge, tools and methodologies into industry, skills development and international capability building.

Safetytech Accelerator's scale of potential impact

Safetytech Accelerator is a not-for-profit company that was established jointly by Lloyd's Register Group and Lloyd's Register Foundation three years ago to initially demonstrate the potential of digital technologies in the service of risk reduction resulting in enhanced safety (Safetytech). Safetytech Accelerator has now become the go-to accelerator for organisations seeking solutions to manage their safety risks. Clients and participants in current projects, which the accelerator hopes to influence through engagement, have a combined 3.3 million employees and \$1.8 trillion dollars of revenue globally.

Assuring Autonomy International Programme Review of Emerging Impact

LR Foundation's grant holder at the University of York commissioned and published a review of the emerging impact of the Assuring Autonomy International Programme. In its first six years the centre has spent £41.6m on creating the Institute for Safe Autonomy. Its world leading guidance has been downloaded more than 1,200 times, contributions to BS 30440 and other standards are in development, and engagements with industry, academia, and regulators are shaping how autonomy is assured in practice. The institute has also increased upskilling and education, bringing latest thinking and research to those that require it most.

Discovering Safety Impact on the Health and Safety Executive (HSE)

Discovering Safety is a programme within the HSE that has resulted from a grant from Lloyd's Register Foundation. The programme was initially intended to unlock insight from HSE's own archive of data but has now evolved to create tools and methodologies that are driving change in industry. The programme has also had a significant impact on the HSE, influencing its digital strategy and uptake of digital technologies in support of the organisation's regulatory activities.

Challenge: Safety for a sustainable future

Impact highlight

Engineering X programme Safe End of Engineered Life wins £1.3m from United Nations Environment Programme (UNEP) towards eliminating open burning of waste initiative through regional roadmaps and city pilots.

Global Progress of Open Burning of Waste

With funding and support from the Foundation, The Royal Academy of Engineering established a platform called Engineering X with one of its programmes being the 'Safe End of Engineered Life'. As part of this programme, an open waste burning initiative, which started in September 2021, developed to deliver a significant level of awareness on the challenges and opportunities associated with open waste burning, as well as securing an African ministerial resolution on eliminating open waste burning. It has also launched a strategic partnership that could help deliver the resolution.

This programme has also been successful in its proposal for a £1.3m project submitted to UNEP's Climate and Clean Air Coalition. 'Creating the enabling conditions for eliminating open burning of waste through regional roadmaps and city pilots' will be led by Engineering X in partnership with ISWA (International Solid Waste Association), UN Habitat, Practical Action, and IGES (Institute for Global Environmental Strategies). This innovative programme will help the work's sustainability, expand its partnerships, and further progress tackling the problem of open burning of waste to reduce risks to human health and safety.

Maritime Decarbonisation Hub

With 90% of global trade transported by sea, the safe and accelerated decarbonisation of shipping is a global priority and the reason for LR Foundation establishing the Maritime Decarbonisation Hub in collaboration with Lloyd's Register Group. The Hub is one of three global centres which are increasingly cooperating to provide maritime supply chains with de-risked pathways to meet the Paris agreement targets. Other highlights from the hubs in the last year have included:

- The 'Ammonia environmental impact assessment' report released in partnership with the Environmental Defense Fund and Riccardo is the first in the industry highlighting the adverse effects of ammonia spills. The result has been to open dialogue with ports regarding safeguards that may be required.
- The 'UK domestic shipping - mobilising investment in net zero' report was released in partnership with Marine Capital and UMAS. The report is driving acknowledgement for the need for public-private partnerships to kick-start the transition to net zero for domestic shipping across the UK.
- The 'Tracing the carbon intensity of sustainable marine fuels' report released in December 2022 was followed up with a webinar on 31 January 2023 with over 950 attendees. This informed key decision-makers that technology is available today that should influence policy to adopt a lifecycle approach on fuels, thereby ensuring no unintended consequences of adopting zero carbon fuels from a Greenhouse Gas (GHG) emissions perspective.
- Collaboration with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping on quantitative risk assessments for ammonia on ships was launched in July 2023. This milestone study will provide the first methodology for assessing the risk associated with using ammonia as a fuel on ships and will inform how ships are designed and assessed.

Silk Alliance Green Corridor

In response to the Clydebanks initiative to create green corridors to demonstrate and accelerate the uptake of zero-carbon fuels in shipping, the Maritime Decarbonisation Hub previously established a green corridor focused on trade between Hong Kong and Singapore named the Silk Alliance. This was initially done in collaboration with key stakeholders including ship owners, finance, and shipyards.

In the last year the work of the Silk Alliance has been recognised by the Global Maritime Forum as one of the most progressive green corridors and has recently been awarded the NextGEN award during Singapore Maritime Week.

The award is significant as it draws attention to the Silk Alliance (Green Corridor Cluster) and the progress made. More importantly it aligns the Silk Alliance's work with the public sector through the IMO, utilising connections through the Singapore Maritime & Port Authority to work across the region. The NextGen award is also focused on safety, enabling the safety work done to date on ammonia use through its quantitative risk assessment project to influence IMO through this program. This has already led to a workshop with the public sectors of France, Norway, Singapore, and the EU on 27 May 2023.

The Silk Alliance is also seeking to influence more organisations to get involved. In the last year fuel producers have joined the Silk Alliance and its finance representatives, Asia Development bank and ING, have met with the finance sector to drive greater clarity amongst industry stakeholders about the financial mechanisms available, and how they can be accessed to allow the transition to take place.

Challenge: Safety of food

Impact highlight

Start-up to Scale-up; the successful transition of the Safe Seaweed Coalition to the UNGC improving the coalition's access to industry, finance and governments.

Our work on 'Safety of Food' has achieved considerable success and we are now in a position where other organisations are better placed for taking forward this challenge area. Examples of this success are:

Leading the Global Seaweed Revolution

The Foundation transferred the leadership of the Safe Seaweed Coalition from the Centre national de la recherche scientifique (CNRS) to the UN Global Compact (UNGC). As a convenor of industry, finance and expertise in human rights, labour rights, anti-corruption and more, the UNGC is ideally placed to both understand local needs and context of the increasingly global seaweed industry, and to attract mainstream funding and capital. To mark this shift from "start-up" to "scale-up" the Safe Seaweed Coalition has become the Global Seaweed Coalition (GSC). The GSC will be reflective of an upscaled, responsible, and restorative seaweed sector, with global safety standards that are grounded in science that improve the safety of workers, consumers, and the environment. This will be achieved by increasing engagement with governments, local producers, the private sector and other UN entities and processes. New alliances in the last twelve months include a collaboration with the Aquatic Blue Food Coalition, a follow-up to the UN Food Systems Summit.

A Leadership Committee composed of representatives of the founding organizations (UNGC, the Foundation, and CNRS) oversees the coalition, advised by a Scientific Council and a Strategic Advisory Council and supported by a strengthened Secretariat.

Since its launch, the Coalition has invested in 24 projects advancing safety in the seaweed sector across five continents, attracting approximately 2:1 leveraged funding. As an example of the GSC's transformative power and reach a recent grant has enabled the Zanzibar Seaweed Cluster Initiative to join forces with SeaPoWer to build capacity of women seaweed farmers to work in deep waters. In addition, GSC members have led or been involved in several large projects and initiatives around the world, totalling €25million of public investment in the global seaweed sector for the next three to four years. This bodes extremely well for the continued success and influence of the GSC.

The GSC also continues to influence policy and gain high-level influencers. Following Lloyd's Register's Vice President for Food, Beverage and Sustainability, Vincent Doumeizel, meeting with President Macron of France earlier this year, the President commissioned a report in which the Foundation's work on aquaculture and seaweed is noted. The report aims to provide a basis for establishing a roadmap for the development of seaweed farming within France's future aquaculture plans. Similarly, Peter Thomson, the UN Secretary-General's Special Envoy for the Ocean, agreed to be a GSC ambassador. In this capacity he attended the International Seaweed Symposium in Hobart and open the Seaweed Innovation for Impact session on 21st February 2023

Curriculum for Food Safety

LR Foundation's work with the UN's Food and Agriculture Organization (FAO) is supporting the development of a food safety curriculum specific to the needs of East Africa and the Caribbean, and has developed a set of benchmarks for an undergraduate degree in food safety. This piece of work was led by the Inter-University Council for East Africa (IUCEA), a strategic institution of the East African Community (EAC) responsible for the development and coordination of higher education and research in the region. The benchmarks have been reviewed and the work on this grant completed with a final report received in May 2023.

Global Food Platform

At the UN General Assembly (September 2022), the UNGC launched the work the Foundation has funded to scope the action platform for safe and sustainable food systems. The platform aims to become the international, neutral vehicle for change across the food system, and is supported by the UN's Food and Agriculture Organization (FAO), World Food Programme (WFP) and UN Environment Programme (UNEP).

Challenge: Skills for safety

Impact highlight

Strengthening the Skills for Safety Community through additional support for our Safety Champions in Engineering Education in Kenya, Nigeria, Uganda, Malaysia and the Philippines.

Gathering data

The Engineering X Skills programme collated guidance and advice from its community during the year and issued a call for interested organisations to lead an updated version of the Global Engineering Capability Review (GECR). A grant contract was awarded by Engineering X to S&P Global Market Intelligence, with access to 13 million data points in more than 200 countries and more than 800 sources. The GECR will be an important piece of evidence and insight that will help establish where the skills for safety are most needed in the world. Concurrently, the Royal Society of Arts (RSA) and the University of York are helping LR Foundation to identify the skills that are needed for the safe adoption of new technologies. The result of this work is due to be published in 2023/24.

Strengthening community

The Engineering X Skills programme concluded the first Safety Champions in Engineering Education (SCEE) scheme during the last 12 months, which aims to create an international community that drives safety culture as a primary component of engineering education and skills development.

The programme has also launched a series of webinars, led by LR Foundation's grants community, including one on the advancement of occupational safety, health and environment (OSHE) knowledge and skills in Uganda's Higher Educational Institutions and Industrial Sectors, and one on strengthening safety skills capacity in the Kenyan engineering construction sector for sustainability in socio-economic development.

The programme has also started a new quarterly 'Engineering Skills for Safety' webinar series which aims to inform and engage its global audience about the importance of engineering skills for safety, as well as promoting safer and innovative engineering, and forming the nucleus of a new safety skills community of practice. The first of these seminars was facilitated by Tim Slingsby, Director of Skills and Education at Lloyd's Register Foundation, and led by Zsuzsanna Gyenes, a senior process safety expert with extensive experience in training CEOs of high hazard industrial sites on process safety leadership and culture.

Promoting Safety Knowledge and Application

The Engineering X Skills programme received 72 applications following its most recent call for proposals, resulting in £1.27m of funding to 19 new grant projects in 10 countries (including Jordan, Mexico, India, Tanzania and Zimbabwe, the latter for the first time). The Foundation is continuing its commitment to safety skills through these new grants which include four separate awards to SCEE partners:

- In Kenya, the Foundation's SCEE partners will be strengthening Safety Skills Capacity in the Kenyan Engineering Construction Sector.
- SCEE partners in Malaysia and the Philippines are using VR learning platforms to enhance learning in process safety (PS) among chemical engineering students.
- In Nigeria the project will deliver a new Engineering Program for Safety and Industry (EPSI), which intends to design and integrate safety topics in the Nigerian engineering undergraduate curriculum.
- In Uganda the Foundation's SCEE partners will facilitate the knowledge and skills transfer process through Occupational Safety, Health and Environment (OSHE) centres of excellence to be established within the project.

Other, recent international successes of the Engineering X Skills programme include:

- A project in Jordan that aims to enhance engineering safety practices has extended its partnership with local community influencers and youth including women-led Community Based Organisations (CBOs).
- Insights from 220 engineering professionals resulted in a white paper that provides clear guidance on how to bridge the engineering skills gap in Nigeria.
- In Malaysia and Indonesia, the programme has helped with the development of lecturers in delivering quality engineering education leading to five engineering programs (mechanical, chemical, civil, industrial and electrical) receiving full accreditation from the Indonesian Accreditation Board for Engineering Education (IABEE), which is now a signatory of the Washington Accord.

Working Safely

TWI, the grant-holder for the Foundation's South-East Asia Skills Enhancement Programme (SEASEP), has created an Institute of Occupational Safety & Health (IOSH) Working Safely course to sit alongside its existing IOSH Managing Safely course. This course will be a baseline for health and safety in the workplace. It will underpin and provide a foundation for other courses delivered under the SEASEP portfolio.

Early evaluations from SEASEP phase 2, which extends the project from India and Indonesia to additionally include Thailand, and the Philippines, have revealed worrying safety trends that SEASEP can help to address, for example, 40% of workers are being asked to perform tasks they are not familiar with. There are also positive indicators of progress as new scholars have been recruited in all five countries in which the programme is active, and new strategic relationships are being forged e.g. with the Philippines Welding Institute.

Challenge: Safety of physical infrastructure

Impact highlight

Collaboration between Discovering Safety and Safetytech Accelerator establishes World's first Regulatory Sandbox.

Industrial Regulatory Sandbox

In December 2022, a collaboration between LR Foundation's grant holder, the UK Health and Safety Executive (Discovering Safety Programme) and the company LRF established (Safetytech Accelerator) won funding from the UK Regulator's Pioneer Fund to establish the world's first Regulatory Sandbox. This has attracted attention across the globe (including over 1.6m views in across media and websites) as a route to bringing industry, technology start-ups and

regulators together to explore the creation of clear new pathways towards regulatory acceptance. Requests for more information are being received from UK regulators and international governments and industry.

Energy Institute Toolbox

An important route to prevention of accidents is to learn from past experiences. LRF's former grant to Energy Institute supported the creation of a free-to-access website, the 'Energy Institute Toolbox', providing simple examples of previous accidents and triggers to help thinking about work to be done.

LRF's funding helped establish the Energy Institute Toolbox in 12 languages and create new content with industry and associations continuing to add to it to date. Toolbox, as it is known, is now accessed by over 7,000 users per month from across the globe. A snapshot for the month of April shows the top five languages accessed being English, Chinese, Spanish, French and Japanese.

Inaugural Lecture of Professor Arnab Majumdar from Lloyd's Register Foundation Transport Risk Management Centre (LRFTRMC) at Imperial College

Much of the Foundation's work is built on long term relationships that have shaped careers. Lloyd's Register Foundation (and its predecessor LRET) have been supporting the LRFTRMC for almost 20 years which has continuously been led by Professor Arnab Majumdar. Arnab's elevation to Professor was celebrated with his Inaugural Professorship lecture titled Engineering a Safer World. The lecture brought together much of Arnab's work which has been strongly influenced by his relationship with the Foundation. He focused on the socio-technical aspects of his work (and that of his students) and how such perspectives have resulted in real world impact. Separately it should also be noted that the PhD students that Arnab has supervised have all had careers that have advanced safety across multiple sectors and are increasingly in positions of authority that impact the safety of critical infrastructures.

Challenge: Public understanding of risk

Impact highlight

Risk Know How is improving risk literacy and is now being incorporated into international best practice for risk communication.

Understanding Risk in Asia

Following Richard Clegg's retirement, Tim Slingsby is the new Foundation representative on the Lloyd's Register Foundation Institute for Public Understanding of Risk (IPUR) governance board.

Risk partnerships

IPUR partnered with the National University of Singapore (NUS) Office of Risk Management and Compliance (ORMC) to understand how students perceive risks in Singapore, Malaysia, Thailand, Vietnam and Indonesia. This has led to an update of the NUS Risk Register to align its key risks with the top five risks in the published report.

IPUR was awarded a research grant, funded by UNESCAP and Google, to conduct a landscape review for Bangladesh on the potential use of AI for maternal healthcare. Both KAIST (Korea) and the Bangladesh government's innovation arm is directly involved in the project. This ongoing work is already providing strong indications that AI would be trusted in this context, and has suggested policy recommendations for standards, training and funding towards just and equitable use of the technology.

IPUR and WRP

Lloyd's Register Foundation Institute for Public Understanding of Risk (IPUR) is an important contributor to further develop the World Risk Poll (WRP). This year, IPUR used the WRP resilience data to publish two new research briefs. The briefs analyse and discuss different facets of natural hazards that affect different populations in Asia and call for greater investment in climate change adaptation and resilience.

Based on the LRF World Risk Poll, Mongolia was identified as a country which faced the biggest gap between experienced and perceived risks. After the successful implementation of the Data Innovation Lab with the Mongolian National Academy of Governance, IPUR has signed a second Memorandum of Understanding with the Mongolian Ministry of Justice and Home Affairs to facilitate public service transformation using data, evidence and innovation.

Work funded by IPUR overlaid WRP data with flood risk information. It showed that the biggest polluters in the world, such as the US, had high climate change concerns, which contradicted the higher-level and more general findings from the 2019 WRP.

Following the analysis of the 2021 World Risk Poll, IPUR published a report on the experience of disasters from the perspective of the public. A key finding reported was the large variance across Asia on the percentage of the population that received natural hazard warnings. The report was presented to ASEAN Disaster Risk Management agencies who expressed surprise that segments of the population did not receive their hazard warnings despite their communication efforts. This is a useful point of reference for the 'Risk Know How' framework that the Foundation, Sense About Science and IPUR are pursuing (see below). Separately, this is also recognised as an opportunity to integrate the World Risk Poll data into the World Meteorological Organisation's reporting standards.

Risk Know How

Last year, the Foundation funded 'Sense about Science' to develop the 'Risk Know How' (RKH) framework – the world's first, practical, user-tested and experience-derived set of concepts and pathways to understanding risk. It has been adopted by a growing community of over 100 practitioners making use of the framework as they help others navigate risk and live safer lives. RKH has gained buy-in, support and engagement from noted risk communication experts, renowned statisticians and major risk information providers. The Foundation has renewed funding in this area, which will build on success to date and ensure that this important work is sustained in the long-term, incorporating RKH into international best practice. This includes the development of an associated ISO with the American Statistical Association, embedding knowledge of RKH into relevant networks, attending major conferences such as the UNESCO World Higher Education conference, and transitioning RKH to the Lloyd's Register Institute for the Public Understanding of Risk (IPUR), where it is already part of the education and research offer.

Skills and education

LR Foundation's strategy states that, in addition to its three goals, the charity will continue to invest in longer-term capability and activities in support of its mission of safety and education.

Impact highlight

Making Spaces directly engaged over 400 young people with STEM. Training provided by project partners to other organisations reached an estimated further 1,500 young people.

Support for the next generation of Greek Mariners

The Foundation's grant to SYN-ENOSIS, supporting their work with Greek Merchant Marine Academies concluded in July 2022. The latest report notes that students of all Marine Academies must complete two six-month sea-going voyages and the feedback received is very positive. Undergraduates are trained to the highest level and have up to date knowledge in both their field of expertise as well as all health and safety matters concerning the ships that they are assigned to. Their exceptional communication skills and eagerness to expand their knowledge once onboard are also noted.

STEM and space

National Space Academy (NSA) programmes increase engagement and contribute to increased STEM attainment and uptakes. The Foundation's current grant aims to build delivery of National Space Academy programmes and to foster international collaboration between the UK, Brazil, South Africa and China. Good progress in South Africa is being made through a strategic partnership with the South Africa National Space Agency (SANSa). The NSA team also won first prize in the 'best workshop' category at SciFest Africa - South Africa's national science festival.

Making Success of Making Spaces

The Making Spaces project, which is the Foundation's work with the UCL Institute of Education to increase the diversity of those using makerspaces (collaborative working spaces) and move into engineering related pathways, moved into Phase 2 in September. It will build on notable success to date, captured in a new report 'Developing equitable practice with youth in makerspaces.' Encouraging young people to get into engineering and safety-based careers, this report focuses on helping practitioners support the engagement of STEM-based subjects while ensuring that everyone has an opportunity to become future safety experts. In addition:

1. Practitioners from the partner makerspaces significantly increased their understanding of how to support inclusive STEM participation among young people from unsupported communities
2. Over 400 young people were directly engaged with STEM through the project. Training provided by project partners to other organisations reached an estimated further 1,500 young people.
3. There were ten main areas of benefit to young people as a result of participation, including: 88% of young people said they gained new STEM skills and knowledge as a result of taking part; 94% of young people felt the programmes supported capacity to exercise choice, voice, ownership, and direction over their learning, making and lives; 62% of young people said they benefitted (and felt more included) by being immersed in programmes that valued diverse STEM identities.
4. In total, across phase 1 and phase 2 of the project, project partners have leveraged additional funding of over £1m (so far).

The report has already been translated into Arabic, Slovenian and Nepali for new international partners, with a view to develop more makerspaces networks in the US, Middle East, Asia and Europe.

Making Spaces in Turkey

Prior to the Turkey/Syria earthquake and its tragic aftermath, LR Foundation's "Steaming ahead with makerspaces" grant to The Educational Volunteers Foundation of Turkey (TEGV) had driven change in some of Turkey's most disadvantaged regions. LRF's funding supported the development of three maker spaces plus training and teaching of volunteers, teachers, and students, with the aim of kickstarting national change that would address Turkey's STEM education challenges. The number of maker spaces that are part of this programme has now reached 28.

LR Foundation's response to the Turkey/Syria earthquake

LR Foundation has increased current funding to TEGV by £200,000. This money will be used to support their delivery of continued quality education and psychological support to children in the earthquake disaster zone. Specifically, the Foundation is supporting a new learning unit in the city of Gaziantep, one of the 11 cities hit by the earthquake where approximately 400,000 people have migrated from other regions of the disaster zone. The new learning unit will reach 2,000 children each year. LR Foundation's funding has leveraged an additional US\$170k from Turkish Philanthropy Funds.

Small grants; a little goes a long way

An internal review of the small grants programme led to some changes in the application and reporting forms. These changes have led to an increase in the number and proportion of high-quality applications that are aligned with the Foundation's mission and have a plausible pathway to impact.

Examples of success in the last year include:

A small grant to the Worldwide Ferry Safety Association (WFSA) for research improving the detection and communication of sudden hazardous maritime weather concluded that connecting Automated Weather Systems (AWS) to Automated Identification Systems (AIS) on ships was an affordable, effective and feasible way of saving lives. WFSA activism has now secured the IMO's director of the maritime safety division, Heike Deggim's, informal support in principle. An official proposal to the IMO is also being developed by Indonesia, as is one from the Philippines, Bangladesh, Thailand, and Pakistan.

The Royal National Lifeboat Institution (RNLI) received some small grant funding that enabled them to hold the first Tanzanian Drowning Prevention Symposium, with 60 participants from Kenya, Uganda, and Tanzania plus representatives from the World Health Organization (WHO) and RNLI. Key outcomes included:

1. Recognised need for a coordinated national response to drowning. Discussions have started with the World Health Organization (WHO) on a possible role for them in convening national policy makers and stakeholders to support a coordinated response to drowning prevention.
2. The National Drowning Prevention Network (NDPN) was welcomed and several attendees at the Symposium expressed an interest in joining the NDPN. It was agreed that the aims and activity of the Network will be reviewed and revised in 2023, with the expected outcome of a Network roadmap for 2023-2024.
3. RNLI will convene researchers from East Africa and beyond during 2023, to share methodologies and consider next steps on designing sustainable drowning surveillance in a low-resource environment, with a focus on fishing safety.

A small grant to the University of Southampton to conduct a review of structural standards for small fishing vessels examined international standards (ISO, DNV, LR) alongside the current UK standard (MGN 628), which is maintained by the UK Maritime & Coastguard Agency (MCA). The MCA has shown considerable interest in the findings and have now agreed to match fund. This will allow the test fleet to be expanded and should present more robust evidence that may result in policy changes.

An education-focused small grant is supporting the creation of the first maritime academy for elementary students in Greece, at the American College of Greece. The aim is to inspire the next generation of maritime professionals from an early age through experiential learning.

Fisheries Innovation & Sustainability were awarded funding to identify training needs for Net Zero fishing vessels. The funding convened Clyde fishers and their families, boat builders, ports and harbour staff, and safety training providers with academics and regulators in the field of alternative fuels. This was the first opportunity for members of the Clyde fishing community to present their concerns regarding a safety transition to net zero in terms of operating, maintaining and refuelling fishing vessels. There is now a list of agreed 'needs' to support fishers in participating in the future safely.

More Pathways to Impact

The first full round of 'Pathways to Impact' small grants, which is an opportunity for LR colleagues to apply for up to £5,000 in support of an organisation that can further the Foundation's mission, received 30 applications from around the world. Feedback from LR colleagues has been very positive:

"It has been great to participate in the Eyesea initiative, and to put my professional knowledge into a project that not only aims to solve some of the ocean's problem but also help to empower communities in need around the world. Working together, the maritime industry can achieve incredible things."

“This project reminds me that everything we do serves a noble cause which is, in essence, the grand product of a simple thought: making the world a better and safer place for everyone. Thanks to the Foundation I feel great joy to have had the opportunity to collaborate with such a great charity organization as “The Smile of the Child” and actively support young people on their journey to knowledge.”

The very first Pathways to Impact grant was awarded via a colleague in China. Their work with the SINO-OCEAN FOUNDATION - a “Zero Carbon, Green Future” young citizen project aimed to embed a deeper understanding of carbon neutrality and sustainability. Since its launch in June 2022, the event has received an overwhelming response, with nearly 600 entries received, covering 19 cities and 102 primary and secondary schools across China.

NEST

Through the ‘Network to Engineer a Safer Tomorrow’ (NEST), which the Foundation established to extend its influence and values and support the career pathways of those funded by the Foundation, there is now a bespoke package of online training courses, in partnership with EdX.

While the Foundation will continue providing small amounts of funding to members of its Network to Engineer a Safer Tomorrow (NEST), most other activities are on hold while the most effective way of building the programme via the Foundation’s Digital Transformation Project is identified.

Future grant/programme plans for the next 12 months to June 2024

Maritime Trends Deep dives

As described earlier in this report, the work conducted by The Economist provided an insight into the global trends that will influence the future evolution of the blue economy. Over the next 12 months, the Foundation will start commissioning and publishing deep dives that explore the impact of these trends. What will these trends mean for global trade, and how will this impact safety and skills development needs?

Maritime Connected

We believe that only through hearing diverse voices from across the maritime system can it make meaningful progress in creating a safe maritime future. The Foundation will establish Maritime Connected, a platform that will uncover parts of the maritime system that are hidden and bring together global voices to understand the maritime system and its future in ways that has not happened before. With these diverse voices the work will expose ways to unblock collective challenges and take steps to achieve them.

Ocean Stewardship Centres

The Foundation is a global charity and our funding already reaches 96 countries. Much of this funding is directed via UK-based grant-holders with excellent international networks. The Foundation recognizes that it can have more impact internationally if our international funding is driven by understanding of local, in-country needs and networks. In this space, the Foundation has been developing a partnership with the UN Global Compact. The early focus of this partnership is to enable communities in a small number of countries to develop relevant capacity, capability and infrastructures for a safe and sustainable ocean industry.

During the next 12 months, the Foundation will begin implementation of ‘Ocean Stewardship Centres’, based on the work of local consultants in Bangladesh, India, Indonesia, the Philippines, Brazil, Ghana and Kenya to map key stakeholders, build a network overview, analyse political and industry ambitions, and identify gaps in local solutions. Potential focus areas for the implementation phase will obviously build on this work and can access LR knowledge, resources and understanding – from maritime decarbonisation to small grants mechanisms.

Developing skilled people/capacity in safety

By learning lessons from our SEASEP and EngineeringX programmes, and our focus on internationalisation, we will build a new Skills for Safety intervention targeting the safe building, operation and maintenance of critical infrastructure in a region of Africa.

GOAL 3 – BUILDING COALITIONS

Impact highlight

The launch of the World Risk Poll 2021 dataset resulted in 819 pieces of media coverage in 46 countries with estimated views of 12.08 million. There are now seven strategic partners with formal agreements/MOUs to help develop/disseminate the Poll, and 73 impact partners (either utilising the Poll data or engaged in its promotion).

Activities and impact

The Foundation's communications strategy continued to focus on raising awareness of the global safety challenges and increasing the Foundation's influence, building strategic partnerships, and enhancing the impact of the work the Foundation funds.

Flagship campaigns: A safer ocean

Embedding safety into the maritime and wider ocean economy has been an important focus for the strategic communications team over the last year.

To highlight these challenges in a creative and engaging way, the Foundation commissioned and launched three ocean safety films 'Two Kinds of Water', 'Searchlight', and 'Salt Lines' which continued to be widely disseminated during the last 12 months. Collectively, the three films and the accompanying trailers have been entered into 136 international film festivals, winning 41 laurels to date and have been viewed over 300,000 times on the Foundation's social media platforms.

Additionally:

- Searchlight, which was produced with the Royal National Lifeboats Institution (RNLI) to highlight safety challenges during search and rescue missions is now being used as part of the RNLI's campaign to encourage new volunteers into the organisation and will be part of the organisation's bi-centenary celebrations later in 2023.
- Salt Lines, which highlights gender-related challenges in lobster fishing in Canada, won best documentary category at the Toronto Film Festival 2022 and was showcased at the US Women in Shipping and Trade Maritime (WISTA) recent annual meeting with Lloyd's Register in the Americas. It also featured at the 2023 Intrafish Future of Seafood Forum in New York – an event attended by 70 senior leaders in the seafood industry from across the world.
- Two Kinds of Water, which exposes the extreme challenges faced by fishermen in Senegal, Africa as they fight to bring food to peoples' plates in a time of climate change, over-fishing and contested waters, won best social impact film at the 2022 Discover Film awards in London. It was featured on the social purpose film platform, Waterbear as well as at the United Nations Ocean Conference in summer 2022 followed by a panel conversation with Friends of Ocean Action, the Environmental Defence Fund, WorldFish and the FAO over what is needed to keep fishers safer.

Filming for the final film in the series, 'I love you, over' which will focus on seafarer mental health and wellbeing continues and will launch in the next quarter.

COP27

COP27 took place in Sharm el Sheikh, Egypt from 6-18 November 2022 and was attended by over 45,000 people from around the world. Deemed an 'implementation' COP, the focus was on actions and initiatives being progressed since COP26. In marked contrast to previous COPs, several African countries were represented, with youth voices from around the world being heard. Official COP27 themes/topics of interest to LR and the Foundation included decarbonisation, transport (green shipping), blue finance, oceans, resilience, and capacity building for a just transition.

Our activities at COP27 ensured we had a significant presence at the event. These included our own hosted events on strategic areas of importance for the Foundation:

- *Blue & green skills needed for safe and sustainable ocean economy* delivered with WorldFish, the Just Transition Maritime Task Force and the Sustainable Ocean Alliance.
- *Building a consolidated safer maritime system centre*, hosted in partnership with the Marrakesh Partnership and the High-Level Climate Champions team as a 'Futures Lab' brainstorm.
- *Open-source data tools to build a safer ocean economy* delivered with Accenture and Hub Ocean to showcase the safer ocean prototype developed by LRF and drive private sector engagement.
- *Nature-positive engineering* with speakers from Orsted, Arup, NOC and RSBP to discuss the importance of nature-positive engineering and the need for an evidence base for future programmes.

Additionally, the World Risk Poll's Resilience Index also featured in the Resilience Hub's Interactive Zone across three days, inviting visitors to find out more about the Poll's resilience findings and explore the data.

Ten additional speaking opportunities, including panels, moderation activity and hosting events also enabled the Foundation to disseminate key messages, and more than 15 bilateral meetings were secured during COP across the LR team.

World Ocean Summit 2023

As a strategic partner as the 2023 Economist World Ocean Summit in Lisbon which took place 27 February – 1 March 2023, the Foundation and our oceans priorities were prominent across the entire event. The conference was attended by 1,362 attendees from 87 countries, with a focus on the ocean economy, maritime and shipping.

Four panel speaking slots for the Foundation's experts were delivered on '*how business is being done in the ocean*', '*engineering for a safe and sustainable ocean economy*', '*blue finance*' and '*seaweed applications*'. We also hosted an Economist-moderated private round table for ocean stakeholders on the need for a systems approach to the maritime economy as a precursor to the launch of our maritime systems initiative which will launch later in 2023 and ran a youth focused session with the Sustainable Ocean Alliance - a 6,000-strong global network – during which attendees were invited to share their thoughts on what is needed for a safer future ocean.

A dedicated Foundation stand ensured a central and visible meeting space for more than 20 bilateral meetings with other high profile ocean stakeholders to raise awareness of ocean related safety issues and discuss potential opportunities for collaboration.

Flagship campaign: World Risk Poll

Based on the 2021 World Risk Poll data, the Foundation has released four key reports over the course of the year:

- 'A Changed World? Perceptions and experiences of risk in a COVID age'
- 'A Resilient World? Understanding vulnerability in a changing climate'
- 'A Digital World? Perceptions of risk from AI and misuse of personal data'
- 'Safe at Work? Global experiences of violence and harassment'.

The changed world report was launched with a Reuters panel debate with speakers from the World Health Organisation and the University of Southern California joining Sarah Cumbers. The debate was attended by more than 100 people from around the world including policy makers, businesses and academics.

The resilience report launched at the 2022 Climate Week in New York with Sarah Cumbers presenting to a large audience of climate science and risk professionals, an in-person event at Gallup's headquarters in Washington DC and accompanying thought leadership piece and video interviews with Sarah on Climate Week's website and social channels. The article gained almost 16,000 impressions, while the videos have been viewed over 27,000 times in total.

The data and AI report was launched in partnership with the World Bank's Understanding Risk 2022 conference, for which the Foundation hosted a London Satellite Hub. The Hub consisted of a one-day conference attended by over 100 risk professionals, with a plenary session livestreamed into the Understanding Risk conference in Florianopolis in Brazil.

The safety at work report was launched with a webinar with approximately 100 attendees and the recording sent to more than 400 registrants. Strong engagement was seen during the event itself, including questions from major global corporates such as Samsung and Swiss Re, as well as from the Chair of the ISO Technical Committee on Occupational Health.

Media relations activity for the four reports has resulted in 819 pieces of media coverage in 46 countries with estimated views of 12.08 million. This compares to the WRP 2019 launch media activity which resulted in 320 articles.

With its own dedicated website, the World Risk Poll has received 77,865 website page views (209% increase over previous 12 months) from 188 countries (a 17% increase over previous 12 months), 8,800 file downloads (128% increase over previous 12 months) and 828 external references to the Poll in articles from other sources (compared with only 33 in previous 12 months). Furthermore, the World Risk Poll mailing list grew by 1,462 (to February 2023).

Between July 2022 and July 2023, speaking engagements highlighting the Poll have been delivered at the UN World Data Forum 2023 in China, the IMF Annual Meeting 2023 in New York, the Society for Risk Analysis conference in Sweden, the European Climate Change Adaptation Conference in Ireland, the Hay Literary Festival in the UK and an internal presentation has been delivered to World Bank staff.

In addition, the Foundation has delivered a webinar on violence and harassment at work to Skillsoft; has led to USAID embedding resilience data in an internal survey repository and the violence and harassment report being referenced in an EU Parliament resolution.

Communications activities has helped secure 54 applications solicited to the World Risk Poll into Action funding call.

There are now seven strategic partners with formal agreements/MOUs to help develop/disseminate the Poll, and 73 impact partners (either utilising the Poll data or engaged in its promotion)

The team has also launched two follow-up 'Focus On' reports, on migrant experiences of violence and harassment at work, and the relationship between perceptions of climate change threat and national fossil fuel dependency.

Communications and Content Campaigns

Foundation Newsletter

Engagement with the Foundation's monthly direct mail communications remains impressive with the newsletter highlighting our key stories, milestones and achievements being read by 34,893 people and achieving a higher than industry HTML open rate average of 30.66%. The Foundation now has a subscriber list of 6,022 people which represents a 19.7% increase year on year.

Website and social media

There has been continued increased engagement with the Foundation's website and social media channels through high quality, engaging content. In the last year, the website received 200,323 total views across 184 countries. Over a third of these views (39%) were a result of our press office activity and news articles published.

We have increased our Twitter and LinkedIn following to 13,838 which represents a 23% uplift on the previous year, with 790,297 total impressions secured between July 2022 and July 2023 – a significant 32.9% increase on the year before.

Our Vimeo account on which we showcase our video content has also increased engagement rates compared between July 2022 and July 2023 with 237,698 total views - a 28.6% increase and 525,459 total impressions which is a 30% increase from July 2021 and July 2022.

Media Relations

Between July 2022 and July 2023 more than 3,000 media articles have mentioned the Foundation and our work across our challenge areas. The most covered Foundation programmes and projects in the press are the World Risk Poll at 53%, followed by our funding of the Just Transition Maritime Task Force, Tim Slingsby's appointment as the Maritime Charities Group Chair and our 'Rewriting women back into maritime history' project.

Strategic events and publications

United Nations General Assembly: Ruth Boumphrey attended a CEO roundtable in September 2022 led by the Secretary General of the UN to discuss the opportunities for business leadership to rescue the Sustainable Development Goals. Foundation key messages included our strategy to raise awareness of safety issues around the world, building collaborations for action in alignment with the SDGs as well as the need to build, at pace, safe and sustainable infrastructure that supports a growing ocean economy, in a nature positive way, as part of a just transition which doesn't leave anyone behind.

'SAFE: A Collection of Works Exploring a Safer World' was open to the public in Somerset House. It was a state-of-the-art audio-visual experience produced in collaboration with award winning design and art practice Superflux. The collection imagined how shared futures will look as a result of Lloyd's Register Foundation's charitable activities. More than 1,000 members of the public attended the exhibition and gave overwhelmingly positive feedback. The exhibition has been transformed into a virtual gallery that is now being hosted on the Foundation website and through LR's internal channels. Digital content from the exhibition has been shown to LR colleagues in Singapore as part of a workshop.

Hinton Lecture - Thomas Thune Anderson delivered the annual Hinton lecture at the Royal Academy of Engineering, attended by 230 people in the room and online. With the topic 'The winds of change: engineering a greener future', the lecture focused on how engineering plays a critical role in tackling society's global challenges, including the urgent drive to net zero.

Impact Review 2022

'Together', the Foundation's Impact Review 2022, launched in early June 2023 - profiling the inspiring teams and communities who advance LRF's charitable mission of engineering a safer world and featuring ten initiatives across the organisation's global grants portfolio. Supported by the Digital Transformation Project, it is anticipated that a significantly larger audience will be reached than previous editions.

Internal Engagement

The last quarter has focused on F.I.T. to Grow, a programme integrating LR Foundation and the shared social purpose of LR. Activity has included a Leadership Summit, where CEO Ruth Boumphrey spoke directly to 100 LR colleagues and gathered feedback via polls live in the session, and a virtual conference featuring a video from Ruth that was viewed by 2,210 people across the events. The Foundation's breakout session had the highest rating of all sessions (4.1/5) with 227 attendees. The F.I.T. to Grow programme has also been supported with bespoke information packs that outline the Foundation's work and LR's social purpose, and how it is relevant to roles across LR.

Internal communication channels

- **Yammer:** Foundation posts relating to Connect articles increased in views by 77%. Significant work is going into creating dashboards for Yammer after it transitions to Viva Engage on 1 June, as this will allow us to accurately track and tag all Foundation Yammer posts, and engagement, from all colleagues, much better.
- **Connect:** We increased engagement with Connect articles by 14% between July 2022 and July 2023.
- **Communication packs:** 'Lloyd's Register Foundation and you' documents have been prepared and delivered to help colleagues understand more about the Foundation, LR's social purpose and how it is relevant to them in their role, with 100 views to date.

- ***Presentations to LR Group colleagues:*** There have now been 17 formal presentations given to LR colleagues over the last year in multiple locations around the world, including China, Copenhagen and South Korea, that either focused on, or heavily included Foundation content.

Future plans for the next 12 months to June 2024

- Identification and progression of profile raising and partnership opportunities for London International Shipping Week and COP28.
- The launch of the latest ocean safety documentary, 'I love you, over', which tells the powerful and moving story of a seafarer at sea and his family on land.
- The continuation and build of 'Maritime Connected', a maritime systems initiative exploring how to both identify and bring together the maritime industry in its broadest sense to drive forward discussion and agreement on decarbonisation.
- A refreshed brand narrative and Foundation 'story' is being prepared following internal and external stakeholder interviews and research into other charitable foundations and similar organisations. This will launch by the end of October 2023.
- A new media relations and event strategy will ensure thought leaders from the Foundation and its network will maximise opportunities to highlight and discuss safety challenges.
- Two major communications partnerships, with Visual Capitalist to create and disseminate data visualisations (the first of four on the topic of AI is already published), and with Climate Group to run resilience roundtables with their Under 2 Coalition of sub-national governments later in the year (at COP and Climate Week NYC).

HERITAGE AND EDUCATION CENTRE (HEC)

Impact highlight:

The Rewriting Women into Maritime History project launched during the last 12 months and has now attracted more than 30 partners. Its inaugural exhibition showcasing current and historical stories featured as part of the London International Shipping Week at the IMO in September 2023.

HEC's activities are designed to promote its vision: *Maritime Safety: increasing the understanding of its importance to the past, present and future ocean economy* and progress its mission:

Mission

Maritime safety has always been critical to the ocean economy. Today, as industry navigates the challenges of climate change, sustainable global supply chains and net zero targets, what lessons can we learn from the past that will help us shape a safer ocean economy for tomorrow?

Our mission is to inform, educate, influence and inspire policy makers, researchers and business leaders as they meet these challenges. Leveraging our connections, cashflow, heritage assets and creativity we will increase understanding across the world of the importance of maritime safety to a sustainable and efficient ocean economy.

We will innovate, pioneer and promote best practice within the maritime heritage sector to create the archive of the future, open and accessible to all.

Activities and impact

Rewriting Women into Maritime

A fantastic first year of our flagship diversity & inclusion project, 'Rewriting women into maritime history' attracted widespread interest with over 30 partners working to collate stories from their archives across the UK & Ireland. Organisations like Nautilus UK, Lloyd's List and eminent historians shared forgotten accounts of women in the maritime industry, placing them in the public domain for the first time.

The joint International Women in Maritime Day's press release and subsequent article in *TradeWinds* reached an estimated 168,000 online views and a combined total of 712,000 online readership in the first week. The team also spoke at events and webinars including with The Commonwealth Blue Charter to mark World Oceans Day.

She Sees, an exhibition by portrait photographer Emilie Sandy, showcasing women in maritime, past, present and future, was hosted at the IMO during London International Shipping Week to launch the international phase.

Opening of the Archive & Visitor Centre in Fenchurch Street

Detailed planning for the reopening of the visitor centre in late 2024 continues. This includes visitor experience and user needs mapping as well as operational, space planning and inventory work to ensure the collections are accessible and welcoming to all. Workflows for the reoccupation programme include the following five projects; the archive move, the library move, the move and storage of the heritage assets, the office refit, and the wider interpretation of the building and office spaces. The historic Collcutt building has now been refurbished for the 21st century and is in the process of being separated from the Richard Roger's building to allow them to operate independently.

Digitisation

Our historic rules and regulations from 1849-1976 are now freely and fully available through the HEC website, archive.org, and google books. Rules from 1834 to 1849 were originally bound within the *Register of Ships* and can be found there within the digitised online versions. This now fully complements the *Register of Ships* digitisation, as well as the Ship Plan and Survey Report Collection itself, representing a pivotal resource on the history of technical standards of safe maritime construction and maintenance.

Equally, the HEC site also houses the digitised *Missing Vessel Books* collection. As an external resource of missing ships reported to Lloyd's of London from 1874 to 1954, it constitutes a unique accompaniment to our own holdings. Our latest milestone in the digitisation work is exceeding 2 million page views on Google Books by June 2023.

Website and social media

From 1 July 2022 to 30 June 2023, the HEC website received 634,364 page views from 79,748 users across 207 countries - a 29% increase in page views and a 16% increase in users from last year. Of these, 88% of all page views for the website were for archive resources. Externally, 613 different websites referenced content listed on the HEC website.

More than 3,000 organisations across 52 countries visited the HEC website, collectively spending 386 hours on it.

- 255 Higher Education institutions visited the HEC website 3,266 times and viewed 7,862 pages. *Top five visitors include the Azusa Pacific University, University of Houston, University of Southampton, University of Reading and Newcastle University.*
- 39 Maritime organisations visited the website a total of 505 times and viewed 2,892 pages. *Top five visitors included the Maritime Archaeology Trust, Kongsberg Maritime, Northern Lighthouse Board and some of the world's largest container lines including CMA CGM and Orient Overseas Container Line Ltd (OOCL).*
- 32 Museums and Institutions visited the website 1,010 times and viewed 2,369 pages. *Top five visitors included Royal Museums Greenwich, Museums at FIT, The British Museum, Swedish National Maritime and Transport Museums, and National Maritime Museum Cornwall.*
- 15 Libraries visited the website 141 times and viewed 322 pages. *Top five visitors include the National Library of Scotland, National Library of Australia, Vancouver Public Library, State Library of Queensland and Massachusetts Historical Society.*

HEC's digital and social media efforts have shown remarkable success in reaching and engaging with new audiences. HEC's social media content received 799,729 views, an increase of more than 225,000 compared to last year. The social media platforms now have a community of over 4,500 people - an increase of 2,000 people compared to the previous year.

HEC's YouTube content accumulated a total watch time of 2,800 hours, received over 65,000 views, showing a 1,500% increase compared to the previous year's figures. This included Maritime In Miniature videos by Dr Sam Willis, a new series of interpretations opening access to ship collections around the world.

The launch of HEC's TikTok platform in March 2023 has been a viral success. The 30 videos featuring behind-the-scenes views, history of collection items, and maritime history collectively achieved 366,000 views in less than three months and the platform has attracted 1,400 users, making it HEC's second most followed social media platform.

Three HEC campaigns on Google Ads acquired 90,000 views in this period. The Mariner's Mirror Podcast run in partnership with the Society for Nautical Research generated over 350,000 downloads and was nominated for the prestigious Babcock International First Sea Lord's Award for Best Use of Digital Media.

Research & Grants

Threats to Our Ocean Heritage

A £413,000 grant has been made to The Ocean Foundation (TOF), a US not-for-profit 501(c)(3) community foundation for the ocean and one of the few ocean NGOs which focuses on both ocean stewardship and maritime cultural heritage together. The grant will support TOF in convening an expert community to bring together and publish three volumes that synthesise evidence of the threats to underwater cultural heritage from: trawl fishing; potentially polluting historic wrecks; and deep-sea mining. The aim is to engage international stakeholders that can affect urgent change to safeguard underwater tangible and intangible heritage. TOF will also convene a series of four expert workshops to address the issue of management of potentially polluting legacy wrecks – an increasingly urgent issue in terms of ocean safety and sustainability. Key partners will include International Committee on Monuments and Sites and The International Committee on the Underwater Cultural Heritage (ICOMOS-ICUCH), the UN Ocean Decade Heritage Network and the Waves Group.

Global Maritime Histories: Case Studies for Change for a Safe Sustainable Ocean Economy

A grant of £289,000 to the International Congress of Maritime Museums (ICMM) will see them begin a six-year research and public engagement project with member and non-member partners in its global network. This project will deliver new, authoritative perspectives into the urgent debate about how to address global safety challenges facing the maritime economy. The outputs will be accessible through the combined outreach programmes of over 120 member museums. The research will support three public engagement strands: to develop the global maritime museum network so that the local voice can be heard in a global context; to encourage ocean literacy in maritime museum visitors worldwide so that they are equipped to understand “our individual and collective impact on the Ocean and its impact on our lives and wellbeing; and to equip policy stakeholders with new insights and case studies of past successes and lessons learned.

Imperial War Museum (IWM) Curator of Safety Innovation

This five-year £500,000 grant, awarded in the prior year, to appoint the IWM Curator of Safety Innovation will enable them to extract insight from IWM's vast, global collections into the process of knowledge exchange and technology transfer between military and civilian uses, with specific reference to safety innovation. The ambition is to then engage the public and stakeholders in learnings, with a view to improving safety today and in the future. The new Curator, Rob Rumble was formerly Curator of the HMS *Belfast* and he brings a great range of experience to the new position.

Curator of Contemporary Maritime Impacts and Creating Ocean Citizens for a safer world

A new five-year grant of £1m has been awarded to continue support of the role of Curator of Contemporary Maritime Impacts at the National Maritime Museum (NMM). Senior Curator, Laura Boon, along with her Assistant Curator Aimee Mook, have been working to enhance public awareness and understanding of the connections between maritime history and contemporary maritime issues. Progress has been made through speaking engagements, the collection and digitisation of oral histories, and leading events such as the Ice Worlds Festival. The curator's work aims to engage diverse audiences, challenge perceptions of maritime heritage, and promote a greater understanding of the interconnectivity of contemporary maritime issues. Through this renewed grant activity, they will create active ocean citizens; using collections to learn from the past, understand the present and inspire the future.

Lloyd's Register surveyors in China, 1869-1918

A grant of £90,000 which was awarded in April 2021 to Corey Watson for a doctoral-level research project at the University of Portsmouth, focuses on Lloyd's Register's (LR) operations in China between 1869 and 1918. The project aims to assess the influence of LR and its surveyors on international perceptions of health, safety, and risk management, as well as their impact on local infrastructures and cultural knowledge. Visiting scholarships for Cory will be hosted by Hong Kong Baptist University (HKBU) and Dalian Maritime University (DMU). The research progress so far has uncovered insights into survey offices, surveyors' roles, cultural exchange, and the impact of family life on British migrants in China. Additionally, the project has organized a postgraduate workshop, a conference in Hong Kong and won awards for related research on maritime history and heritage.

UN Ocean Decade Cultural Heritage Framework Programme

The Cultural Heritage Framework Programme (CHFP), led by the Ocean Decade Heritage Network (ODHN), has previously been awarded a grant of £374,000 for the period of 2022 to 2026. The CHFP is a global platform that brings together maritime heritage, ocean science, and policy stakeholders. CHFP's focus on maritime heritage aligns with our vision to support a safe and sustainable ocean economy. By fostering communication between heritage stakeholders and marine science professionals, policymakers, and traditional communities, the CHFP contributes to the overall coherence of cultural heritage-related actions throughout the UN Decade of Ocean Science for Sustainable Development. Progress includes the recruitment of a Secretariat, development of digital platforms, provision of technical advice, organization of webinars and workshops, and addressing imbalances in gender, generational, and geographic diversity. The CHFP's efforts are expected to contribute to a significant improvement in ocean safety and sustainability by 2030.

Rescued Lives PhD

In March 2023, Lloyd's Register Foundation approved a £20,000 grant to the University of Plymouth. The funding provided support for a three-year PhD project to understand the use of creative writing and theatre dramatics to interpret the oral testimonies of shipwreck survivors. The student, Dan Jamieson, began the PhD at the beginning of April and met with the HEC team in May 2023.

Women in Shipbuilding

In March 2023, we awarded £50,000 to Historic England (HE) as part of the Rewriting Women into Maritime History initiative. By November 2023, HE will bring together IWM collection photographs from the First World War of women in shipbuilding and marine engineering in northeast England to create a public exhibition on Tyneside, supported by a media release, social media and online content. The exhibition will be accompanied by request for people to get in touch with family/community photographs, documents, memorabilia, and stories of women in shipbuilding; this material will be recorded and curated. The project aims to boost awareness of the role that women played in shipbuilding and marine engineering in Northeast England during the First World War, which will encourage women's careers in marine engineering in future.

CITiZAN: Widening Access to HEC resources through citizen science and Coasts in Mind

In the second half of 2022, efforts were focused on wrapping up the project, including organizing the archive and finalizing commitments with partners. A proposal for a Coasts in Mind project was developed to address the legacy of CITiZAN, drawing inspiration from the work conducted over the past four years. The CITiZAN data from July 2015 to July 2022, including 3,878 features and 5,761 images, was deposited with the Archaeological Data Service (ADS) at the University of York.

Data collection is ongoing with future plans to submit new data to the ADS for archiving and distribution to Historic Environment Records (HERs) in 2023. The Museum of London Archaeology proposed to commit the underspend of £15,485 to the CITiZAN Coasts in Mind project (development phase) as match funding, used to directly support the 16–25-year-old Community Citizen Scientists to engage with LRF HEC archive to find images and documentation which demonstrate changes in and around their community coastline.

Thomas Chapman Scholarships

Our grant of £166,000 awarded in 2018 to the Lloyd's Register Foundation Thomas Chapman Scholarship, includes two PhD projects. The first focuses on LR's 19th Century management of quality and risk, considering the broader theme of improvements in international merchant shipping safety. The other covers Lloyd's Register's character at the port of Hull over a century, filling in gaps in literature on the Society's presence at provincial ports, its involvement in the trawling industry, and the surveyor's role in ensuring seagoing quality and providing a framework for the construction of safer vessels. The projects, managed by the University of Hull in collaboration with LRF HEC, aim to enhance public understanding of risks at sea and explore how those risks can be managed through behavioural and policy changes. The findings of both projects have shed light on LR's historical role in maritime safety and provide valuable insights for improving safety in fishing globally. The scholars have engaged with the public through outreach events, presentations at conferences, and collaborations with the local community in Hull.

Hindsight Perspectives for a Safer World

In June 2023, History & Policy's grant (awarded in 2021, £122,000) was completed. This project delivered three hindsight reports authored by academic historians, with two promoted through webinars and social media. The reports looked at reducing the dangers of dock work in the UK, a history of Lloyd's Register surveyors and an examination of the development of maritime governance across centuries, exploring how this has shaped the approach of the international community to the management of modern risks and the global commons in the maritime sector today.

Future plans for the next 12 months to 30 June 2024

The main objectives are:

Partnership activities:

- As an official partner, LRF HEC is supporting Unpath'd Waters with its digitised resources, with the aim to develop shared metadata standards between organisations in the UK and beyond. Unpath'd is working to make maritime collections of different organisations findable, accessible, interoperable and reusable. The project is also developing cross-institutional data standards and cataloguing practices to achieve interoperability and mapping the metadata from different institutions to allow for different research approaches. Archival data obtained from LRF HEC's collections, including the newly digitised Missing Vessels Books, will support underwater archaeology research and improve on current knowledge of shipwrecks, their identification, long-term integrity and potential risks of pollution.

Collections

- **Catalogue and Digitisation Microform Project:** HEC has accepted a proposal for a long-term cataloguing and digitisation project of LR marine technical surveying records held in microform to develop and future-proof the Lloyd's Register Foundation's archive. These materials will follow on from the completion of Project Undaunted last year, providing us with data from the 1960s/70s onwards. It is believed to comprise an estimated upper limit total of 52,500,000 images, equating to approximately 26,274,517 individual archive items. Housed within HEC's new Archive Management System, Digital Asset Management System and Digital Preservation System, secure public access is provided to unrestricted items in line with LR's Public Access Policy. This project is not only a commitment to the preservation and celebration of LR's history and heritage but will open access to an unprecedented dataset on safety, incident and risk at sea.

- **Inventory and Archive Site mapping:** The archive team have now completed a project to list and describe the contents of LR boxes stored at the Stockroom London, Woolwich Arsenal. Over 3,500 boxes have been listed on the inventory, including library material comprising over 60,000 volumes. This work represents a key milestone in the establishment of full intellectual control over archive, library and heritage material. It lays the essential foundation for a process of appraisal, prioritised conservation, cataloguing, targeted archive acquisition and wider resource planning for the future. Already, this inventory progress has actively informed efforts at creating a holistic hierarchically arranged archive sitemap structure for the Lloyd's Register archive as a whole. This organises all holdings into core series, sub-series, files and items, offering the maximum control for their continual management. Furthermore, this unique structure enables direct access to archive holdings for users, in line with leading industry standards. This process future proofs the archival collection for ingestion into the Archive Management System currently being procured.

- **Procurement of Archive, Library and Collection Management System:** As a part of the wider Digital Transformation Project aimed at improving and modernising the Foundation's digital estate, HEC is in the processing of procuring an integrated Archive, Library, and Collection Management System. This procurement, along with digital asset management and a digital preservation system will ensure that the Foundation's collections are supported by workflow driven procedures and activities and to the highest industry standards. Not only will this enable greater structured management of archive, library and heritage assets, it will provide the platform for structured internal and external access, as well as a permanent deposit for ongoing accruals. With a budget of £150,000, excluding ongoing maintenance and storage costs, the timeline for development and implementation is currently estimated at September/October 2024.

- **Future digitisation of collections:** Our first digitisation priority will be the scanning, image enhancement and Optical Character Recognition (OCR) processing of the Lloyd's Register Staff Association and Technical Association papers. These items began in 1920 and have continued until the present day. They consist of valuable articles discussing key maritime and engineering developments within the industry. Subsequently, we will digitise the Lloyd's Register of Yachts series spanning the years 1878 to 1980. These books will complement our already digitised Register of Shipping books, thus enriching our resources for researching our maritime heritage.

- **Digital Transformation:** The Digital Transformation Discovery Phase, supported by our agency partner Numiko, was completed to time and budget in April 2023. The seven-month Discovery project saw a new digital vision outlined for the Foundation as well as extensive research into our current and future audiences, digital Key Performance Indicators (KPIs), technology and integration, and the digital maturity of the organisation. During Discovery, the Foundation's digital team also optimised the existing estate using minimal budget or support. This included:

- Full search engine optimisation (SEO) audits of all current Foundation websites to improve accessibility and search engine rankings of these sites. In total, over 930,000 SEO tweaks have been made which has seen domain authority scores (the quality ranking Google and other search engines provide) improve across all existing microsites. Regular SEO audits of the estate are now in place to ensure we are compliant with basic SEO principles. We have also adopted an SEO readability assessment for all external communications.
- Successful migration of all sites to GA4, the new suite for Google Analytics. This allows us to place better customised events and website traffic metrics on our websites; whilst also retaining historic website data of all sites from Universal Analytics
- Full migration of all Foundation publications from gated Pardot areas to Episerver, resulting in better accessibility and searchability through search engines
- Audited the existing estate for its digital carbon footprint, revealing various poor content management practices adopted by the existing estate
- Organised training for Foundation colleagues on subjects including SEO principles, GA4, Episerver, Pardot, Copywriting for SEO, SEMRush and Google Ads
- Developed and improved the Board of Trustees dashboard, utilising Looker Studio to produce more automated, interactive and interrogative data visualisations

A multi-year roadmap for an Implementation Phase received Board approval in June 2023 and began in July 2023. It is anticipated that this will deliver 20 times the current number of people visiting the Foundation website, a potential digital audience of approximately 9.3m people and a doubling of the engagement metrics of our digital estate within the first six months of implementation.

LONGER-TERM PLANS BEYOND JUNE 2024

The Foundation's current five-year strategy ends in June 2024. Led by Chief Executive Ruth Boumphrey, an evolved strategy for the next five years from July 2024 to June 2029 will be devised and shaped to build on the successes achieved to date and to ensure we are in a prime position to further our impact in the coming half decade in an ever-changing world.

During this time, the Foundation will continue to manage its existing grant portfolio and make additional interventions through direct activities or grants based on evidence of the most pressing challenges and where the Foundation is able to achieve the most positive impact in the areas where it is most needed.

Population growth, climate change, the energy transition, and technological innovation continue to bring us new challenges and opportunities as we continue to drive forward our mission to engineer a safer world for the benefit of society.

Accountability and Stakeholder Engagement

The following section describes how the Trustees have had regard to applying section 172 of the Companies Act to promote the success of Lloyd's Register Foundation and its subsidiaries. The Trustees confirm that they have acted in good faith to promote the long-term sustainable success of the charity to achieve its charitable purpose of working together for a safer world.

Oversight, Strategy and the Longer-term

The Trustee Board has a formal set of processes to enable it to discharge its duties in overseeing the management of the Foundation. The Board meets quarterly. The Audit, Risk and Investment Committee meets three times a year and the Grants and Direct Charitable Activities Committee meets quarterly. The Nominations Committee meets once a year, with additional meetings as required, to oversee succession planning and the Board composition. The Remuneration Committee meets four times a year. The Board also has a less formal, off-site meeting once a year where broader strategic issues are considered and the Board has the opportunity to meet with the Foundation's executive team. In addition, the Board meets twice a year with the Board of its operating subsidiary, Lloyd's Register Group Limited, for an update on its trading activities, with presentations by executive management, and there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees, customers and, where possible, Foundation beneficiaries.

The Board reviews all aspects of the Foundation's operations, risk management and objectives on a regular basis and those of its trading subsidiary, Lloyd's Register Group Limited. This is achieved by means of an annual rolling agenda of items to be considered at its meetings, split into standing agenda items, such as reports from the Foundation Chief Executive, the Foundation Chief Operating Officer and the Chief Executive of Lloyd's Register Group Limited, and annual items, such as the Board evaluation review, review of the budget and risk management updates. In conjunction with the Audit, Risk and Investment Committee, the Board has agreed a schedule of risk deep dives for presentation at each Board meeting.

The Board has oversight of planning for the longer-term through its review processes, the approval of the five-year strategy, the work of the Audit, Risk and Investment Committee, which meets with the investment fund managers at each meeting, and the annual Board update from each fund manager. This longer-term approach is reflected in the composition of grants awarded by the Foundation, which is agreed by the Grants and Direct Charitable Activities Committee and reported to the Board at its meetings as a standing item. The Board has also established delegated levels of authority for the Grants and Direct Charitable Activities Committee, above which the Board determines the award of grants. Further details on the charitable activities can be found on pages 4 to 29.

The following section describes the Board's engagement with the various stakeholder groups and the impact on its key decisions taken during the year. It includes the disclosures required in respect of Section 172 of the Companies Act 2006.

Charity Stakeholder engagement

Society in general	
As the Foundation is a company limited by guarantee and a registered charity, the beneficiary is society in general through the Foundation's charitable purpose	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation's mission and objectives are of a public benefit nature as noted on page 55.	At each Board meeting, the Foundation Chief Executive provides an update on the activities of the Foundation and the Chief Operating Officer reports on the financial and operating performance. There is also a report on the activities of the Grants and Direct Charitable Activities Committee and a presentation by the beneficiaries of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee.	

During the year under review, there were presentations in respect of the Maritime Decarbonisation Hub, a project in conjunction with Lloyd's Register Group Limited and updates by Lloyd's Register secondees to the UN and other partners. This enabled Trustees to have direct access to the beneficiaries of one of the Foundation's large grants, to hear about their work, to assess their impact and how they are working in practice. During the year under review, the Trustees joined the board of Lloyd's Register Group Limited on a joint board visit to the Lloyd's Register offices and clients in Korea. During the visit, Trustees met with Professor Yong-Hwan Kim from Seoul National University and Professor Jeom-Kee Park from Pusan National University and attended presentations regarding their projects with Lloyd's Register funding. The Foundation Chief Executive's report presented at each Board meeting lists upcoming Foundation events, which Trustees are invited to attend. During the period under review, notable presentations were (i) the opening of a showcase celebrating the Foundation's ten-years of working to make the world a safer place, where the Foundation had commissioned, in collaboration with Superflux, an audio-visual experience called SAFE, which comprised a collection of works imagining how the future will look as a result of the Foundation's work. The ten projects featured in SAFE were supported by Foundation funding, and harnessed science and engineering to provide innovative solutions to the world's greatest safety challenges - from food scarcity and water infrastructure, to big data and the future of automation; and (ii) the official UK book launch of 'The Seaweed Revolution', written by the Foundation's Vincent Doumeizel, which provides a vision for a safe, sustainable and scaled-up seaweed industry, to help provide answers to the world's agricultural crisis, address climate change, tackle poverty and contribute to a growing ocean economy. The Foundation is a founding partner of the Safe Seaweed Coalition. This enabled the Trustees to see the funding in action and to understand the benefits and challenges of projects more fully.	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and Communicates
The workforce is vital to the success of the Foundation. By demonstrating the values shared with Lloyds Register Group Limited of "We care, We share, We do the right thing" we build and maintain the relationships with our beneficiaries. Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.	The Foundation has a relatively small number of employees (41) when compared to Lloyd's Register Group Limited (circa 3,700 employees). As a result, the Foundation receives support from Lloyd's Register Group Limited in respect of employee and workforce engagement, and details can be found in the Strategic Report of the Lloyd's Register Group Limited financial report and accounts. The Board continue to promote diversity and inclusion, and the Foundation has developed an action plan that embeds equity, diversity, and inclusion in everything that it does to create a sense of belonging for staff and also the global community of grant holders and partners. At each Board Meeting the Foundation's Chief Executive provides an update in their report on matters specifically relating to the Foundation's workforce. The Foundation Board is able to engage with senior members of the Foundation's workforce when they give Board presentations on the Foundation's activity. The Lloyd's Register Remuneration Committee comprises two separate committees, one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. The Chair and membership of both committees are the same. A report is provided at each Trustees' Board meeting of the activities of the committees since the previous Board meeting. In respect of the Foundation, the committee deals with the remuneration of the Foundation Chief Executive and the remuneration policy for their direct reports.
How the Board has taken account of these interests / Outcome The Foundation Chief Executive's report to the Board provides updates on staffing matters specific to the Foundation, including succession planning, changes in key posts and initiatives such as diversity and inclusion and flexible working and actions from Employee Opinion Surveys. A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings. In July 2022, the Chairman joined an all staff meeting to meet staff and to provide insights on his career, the creation of the Foundation and the journey it had been on over the past ten years.	
Customers The Foundation does not have customers, as such, but for this purpose regards the beneficiaries of its grants as customers	
Why we focus on this stakeholder	How the Board engages and Communicates
The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.	Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.
How the Board has taken account of these interests / Outcome The Trustees are mindful of the impact of the Foundation's activities on its beneficiaries. To ensure that there is security of funding for the grants to be maintained for beneficiaries, the Foundation's investment fund managers provide updates at each meeting of the Audit, Risk and Investment Committee and provide annual updates to the Foundation Board. In addition, the Foundation Board receives updates on the income from its trading subsidiary, Lloyd's Register Group Limited. This enables the Trustee Board to oversee the security of funding over the longer-term. Further details on grant holder matters can be found in the section below. Details of Lloyd's Register Group Limited's oversight of customer matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.	
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	How the Board engages and Communicates

Reliable suppliers are vital to the success of the Lloyd's Register Foundation. They include the provision of critical infrastructure such as IT systems and office accommodation. The Foundation relies upon a management services agreement with the Lloyd's Register Group Limited to provide key services.	The selection of suppliers and services are typically monitored by the Lloyd's Register Group's operational functions, and policies and procedures are set out in the Business Management System which is available on the Group's intranet. However, the selection of key suppliers of, for example, banking arrangements, IT systems and major property leases are reviewed by the LRG Board. Lloyd's Register Group Limited's Chief Executive Officer provides a business update on Lloyd's Register Group Limited to the Foundation Board at each meeting and details of Lloyd's Register's oversight can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.
How the Board has taken account of these interests / Outcome	
Details of Lloyd's Register's oversight of suppliers can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts. The Foundation engages regularly with the investment fund managers to ensure that all parties are engaged to provide a high level of service delivery.	
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	How the Board engages and Communicates
The key regulator for Lloyd's Register Foundation is the Charity Commission.	The Trustees receive annual training on Charity Commission guidance and updates from an external provider at its annual off-site meeting. In addition, the Company Secretary and the Foundation's executive leadership, including the Foundation Chief Executive and the Foundation Chief Operating Officer, report to the Board on engagement with the Charity Commission and on matters relating to Charity Commission regulation and guidance, either as specific items or as risk deep dives. There is a standing item at Board meetings for serious incident reporting.
How the Board has taken account of these interests / Outcome	
The Board applies the guidance received from the Charity Commission in its review of the grants process and in its oversight of its social investment, Lloyd's Register Group Limited and engages with the Charity Commission on matters of Charity law as necessary.	
Grant Holders Grant holders are those stakeholders who receive funding awards from the Foundation.	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation furthers its objectives by way of grants to universities, individuals and other institutions.	At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee. At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. The Board provides oversight over the grants approval process and the decisions made based on applications from different beneficiaries. Details of presentations from the beneficiaries of the Foundation's large grants, of annual Board site visits and of events connected with activities of the Foundation can be found in the section of this report on Society in General on pages 30 to 31.	
Society and the Environment. Community and the environment - the impact on social and natural communities where LR deliver our services	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation has strong links to safety in the community. To further the Foundation's aim of 'working together for a safer world', the Foundation and Lloyd's Register Group Limited have a responsibility to use their position of influence to be a thought-leader on sustainability. What society expects of us: - Corporate responsibility - Trusted advisor to our industries promoting safety and efficiency.	The Board receives updates on the Foundation's activities at each Board meeting in the Foundation Chief Executive's report and presentations from large grant holders. They also receive regular communications on the Foundation's activities.
How the Board has taken account of these interests / Outcome	
The Board has underlined the Foundation's commitment to carbon neutrality by actively supporting decisions to work closely with the High Level Climate Change Champions and supporting the Race to Zero and Race to Resilience campaigns. The Board has supported the work being done jointly by the Foundation and Lloyd's Register Group Limited, working with the Carbon Trust to measure our carbon and emission footprint in order to inform and achieve the Science Based Targets submission (more details can be found at pages 47 to 54). During 2021 Lloyd's Register signed up to the UN's Business Ambition for 1.5C and joined the Race to Zero in the lead up to COP26.	

The Board receives regular updates on progress made by the Lloyd's Register Maritime Decarbonisation Hub. This project aims to accelerate the sustainable decarbonisation of the maritime industry by enabling the delivery and operation of safe, technically feasible, and commercially viable zero-emission vessels by 2030. This is an important part of the Foundation's mission to enable safer and more sustainable oceans.

As noted above, the Trustees are updated on the activities of the Foundation against its Strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose.

The actions taken by the Lloyd's Register Group on ESG factors are reported in a separate publication on www.unglobalcompact.org.

Trading Group Stakeholders

Additional stakeholders specific to the Trading Group are summarised below:

Workforce The Trading Group defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	The workforce is vital to the success of the Trading Group. By demonstrating the values of "We care, We share, We do the right thing" they build and maintain the relationships with customers and continue to support the Group's reputation for technical excellence and client service.
Customers The Trading Group is an operating company. Its customers are those stakeholders to whom it provides services.	
Why we focus on this stakeholder	Customers are at the heart of everything that the Trading Group does. Its customers expect LRG to not only deliver world-class testing, inspection and certification services but increasingly also become a trusted advisor, helping them to maximise their operating efficiency, profitability and sustainability. Customers care about: - Safety - Sustainability - Trusted long-term partnerships - Technical expertise
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	Reliable suppliers are vital to the success of the Trading Group as they include not only the provision of critical infrastructure such as IT systems but also contractors who provide services alongside our workforce to complement services provided to clients by the Trading Group.
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	Many of the services provided by the Trading Group, are subject to compliance with regulation and accreditation.

How the Foundation Board engages and Communicates and how the Foundation Board has taken account of these interests / Outcome

The Foundation Board has delegated day to day responsibility for the management of the stakeholders referred to above to the Lloyd's Register Group board. It exercises oversight through reporting received from the updates provided by the Lloyd's Register Group Limited Chief Executive at each Trustee Board meeting where there are matters to report, as well as receiving a trading update on the activities of the Lloyd's Register Group.

Additionally, the Foundation Board meets twice a year with the Board of the Trading Group for an update on its activities, with presentations by executive management. Each year, there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees and customers, and grant holders where possible.

Further details of Lloyd's Register Group Limited's oversight of the above matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.

Foundation Financial Review and Policies

Lloyd's Register Foundation ("the Foundation") generates its income from the investments that it holds.

These fall into two categories:

- Financial investments: a portfolio of listed investments; and
- A Social Investment: 100% ownership of the unlisted shares in the immediate subsidiary company Lloyd's Register Group Limited ("LRG" or "the Trading Group").

The Trustees consider that the policies outlined in this section constitute the framework for their key financial risk management policies.

Results for the period

The Foundation had total income for the year ended 30 June 2023 of £32.5m (2022: £15.3m) consisting of income from its listed investments and gift aid donations from LRG.

Income of £32.5m (2022: £15.3m) comprised £22.0m (2022: £7.0m) of donations from the Trading Group and £10.5m (2022: £8.3m) of income from the return on the investment portfolio.

The Foundation had total expenditure of £27.1m during the year to 30 June 2023 (2022: £21.3m). The increase in expenditure reflects increased grant awards.

Lloyd's Register Foundation

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Gift aid donations from Trading Group	22.0	7.0
Income from listed investments and other resources	10.5	8.3
Total income	32.5	15.3
Investment management costs	(0.9)	(0.8)
Charitable activity costs	(26.2)	(20.5)
Total expenditure	(27.1)	(21.3)
Net losses on listed investments	(2.6)	(26.5)
Net income / (loss) and net movement in funds	2.8	(32.5)

Charitable expenditure of £26.2m for the year (2022: £20.5m) includes grants of £20.2m (2022: £14.7m) which are discussed further in this Trustees' Report.

The Group Financial Review can be found on pages 79 to 80 and forms part of this Strategic Report.

Subsidiaries: Social Investment

The Foundation has one direct, wholly-owned subsidiary company: Lloyd's Register Group Limited (LR). Together LR and the Foundation share the same mission to make the world a safer place and work closely to maximise our global impact.

LR is the head of a global trading group of companies with over 260 years of history, focused on adding value to society through independent assurance and expert advice for clients in the maritime industry. The profits generated by the Trading Group help fund the public benefit activities of the Foundation. The Trading Group carries out a mix of charity-related and non-charitable activities globally. The Charities (Protection and Social Investment) Act 2016 ("the Act") sets out a general power for Trustees to make social investments (pursuing both a financial and social return). This effectively enshrines in legislation the basis for mixed-motive investment. The extent to which public benefit is delivered by the work of the Trading Group forms part of the Trustees' assessment of the return on their investment.

The Trading Group's trading operations include many activities which are of a public benefit nature, aligned to the Foundation's mission of securing high technical standards of design, manufacture, construction, maintenance, operation, and performance, and to advance engineering-related public education.

The Trading Group's Marine & Offshore business includes the safety inspection of over 6,000 ships each year and the ongoing development of rules for their safe construction, maintenance and disposal. For example, the Group's Marine business has helped the International Maritime Organization (IMO) to devise international safety standards such as the Ballast Water Management Convention and helped the International Labour Organization (ILO) devise the Maritime Labor Convention. Following its input into the creation of these internationally recognised safety standards, the Trading Group then performs design approvals, surveys, and audits to verify that its customers' assets comply with these requirements.

Overall, the Trading Group's activities include considerable investment in furthering the understanding of technology through research conducted by the Marine & Offshore business stream and through a focus on 'data and digital innovation' as one of its core areas of business development. Typical areas of research include: advance materials; propulsion and powering; energy production and storage; robotics; marine biotechnology; and autonomous systems. The Trading Group has established key strategic relationships based around important digital capabilities and areas of focus for growth through investment or collaboration. This emphasis on research and data and digital innovation directly benefits public understanding of technology and means that when technology is deployed it is safe, suitable and dependable.

The Foundation's investment in the Trading Group is a social investment. The extent to which the Trading Group's activities further the Foundation's charitable objectives is assessed as well as its financial return. While acknowledging the social benefits of the Trading group, they are also expected to provide a financial return to help fund the additional public benefit activities of the Foundation.

The Trustees base their expectations of future financial return from the Foundation's investment in the Trading Group on quarterly reports to their Board meetings and an annual five-year plan review from the executive leadership of the Trading Group. The performance of this unlisted investment is considered in the 'Investment performance: Social Investment' section. We monitor the social return on our investment in 4 key areas:

LR commercial products and services – they demonstrably contribute to making the world a safer place through the clients and sectors they serve.

LR leading by example – acting as a beacon, driving positive change in the world, being a good global citizen in core areas linked to charitable objects. Key priorities include: maritime decarbonisation, sustainability, ocean stewardship, occupational health and safety, diversity and inclusion, ethics, delivering the UN Sustainable Development Goals and participation in the COP conferences.

LR as a trusted advisor and impact partner to the Foundation – providing a real-world, industrial, end-user perspective that helps inform the Foundation's strategy and deliver key programmes. Examples of LRG as an impact partner include projects such as: the Safetytech Accelerator, the Maritime Industry Decarbonisation Hub, and HILO Maritime Risk Management Limited.

LR employees supporting the organisation's charitable ethos in their local communities – the key initiative in this area is the LR Pathways to Impact project. Other examples include Mercy Ships (Rotterdam) and Hellenic Marine Environment Protection Association (Greece).

During the year the Trustees commissioned an independent organisation to strengthen and support this ongoing process. In July 2022, a Technopolis report, 'Evaluating and Measuring Lloyd's Register Group's contribution to the charitable purpose of the Lloyd's Register Foundation' was shared with our stakeholders. This looked at Lloyd's Register Group Limited and Lloyd's Register Foundation's joint work through the lens of 'profit with purpose', and proposed six pathways for social impact, covering 72 indicators of success. A 'social value sheet' has now been created to measure and articulate the social value of Lloyd Register's commercial work through 1) products and services, 2) advisors or observers, 3) leading by example and 4) pathways to impact. We are now working to prepare a more detailed way forward with stories identified which showcase our social value and the pride colleagues feel in the difference their work makes.

Funds

In September 2012, the Trading Group transferred £206.4m of assets to the Foundation as an expendable endowment. The Trustees have the power to convert the capital within the fund to income and expend such amounts converted on the Foundation's objectives as they see fit. £100.0m of the endowment can only be converted to income from late 2025 at the earliest as discussed below in the reserves policy section.

Income generated from the assets held within the expendable endowment is shown in the Foundation's general fund, as it may be used in furtherance of the Foundation's charitable objectives.

Capital returns on the assets held within the expendable endowment are retained within the endowment and form part of the endowment into the future, subject to the same rules as the existing endowment funds.

Reserves policy

The Trustees review the Foundation's reserves policy on an ongoing basis and at least each financial year.

The Foundation's reserves underpin its long-term financial viability. The Foundation (charity only) has total reserves of £308.6m of which £289.1m is held in an expendable endowment as at 30 June 2023.

The level of general funds is maintained to facilitate meeting the medium-term overhead costs, forecast grant awards and direct charitable activities. The general reserves include the Foundation's £40.1m investment in LRG held at cost. This Social Investment is integral to the Foundation's ability to generate future income and to delivering its public benefit, as noted elsewhere in this Strategic Report. Grant commitments approved and communicated to grantees to be claimed in future periods are also included in the general reserves fund. The Trustees have considered the Foundation's level of general reserves. The Foundation does not currently have large overheads and, in general, is able to rely on recurring income from its endowment and from the Trading Group. Excess funds are placed on investment and may be drawn down upon if required. For that reason, the Trustees do not currently consider that the charity has a need to hold other funds as general reserves.

The target for the expendable endowment is to maintain the real value of the initial £206m donation received from the Trading Group following the establishment of the Foundation in 2012.

However, should the Trustees consider there to be a shortfall in the general funds, part of the expendable endowment could be used to continue to meet the Foundation's short-term plans while the long-term reserve policy is reviewed. The original terms of the expendable endowment contained a condition that the Foundation must retain £100.0m of that sum until 1 July 2017 which was subsequently adjusted until at least the full actuarial valuation as at 31 March 2025 has been approved, with possible further extensions to 2034. During that period, there is a contractual obligation to transfer an amount not exceeding £100.0m to the Trading Group's UK defined benefit pension scheme should the Trading Group become insolvent.

Having reviewed the policy and the current reserves position, the Trustees consider the levels of reserves to be satisfactory.

Financial position

At 30 June 2023, the Foundation had unrestricted funds of £19.5m (2022: £13.3m). Of the £308.6m total funds (2022: £305.8m), £40.1m is invested in the Trading Group (2022: £40.1m).

Going concern

A review of financial performance and the Foundation's reserves position is set out above. In the opinion of the Trustees, the Foundation has adequate financial resources and is able to manage its business risks. The Foundation's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Foundation's ability to continue in operation. Accordingly, the Foundation's financial statements have been prepared on the basis that the charity is a going concern.

Grant-making policy

The Foundation has a formal governance structure for grant decision making. The Foundation can receive grant proposals and applications at any time. All proposals and applications are reviewed initially at its monthly grant applications meetings.

All grants are approved by the Chief Executive Officer with guidance from the members of the Grants Application Meeting Committee (GAM). Further approval is needed from the Grants and Direct Charitable Activities Committee (GDCA) for grants above £1m and from the Board of Trustees for grants above £2m.

Details of available funding and the application process are published on the Foundation's website and notified on social media. Grant holders are required to submit staged reports as part of the process to track delivery against the agreed grant objectives, as well as to monitor the impact and public benefit being generated.

Investment policy

The Trustees have delegated decision making on investment matters relating to all assets except the investment in the Trading Group (reviewed directly by the Board of Trustees) to an Audit, Risk and Investment Committee, which is governed by agreed Terms of Reference. In order to provide appropriate focus on the investment arrangements, day-to-day investment choice is delegated to investment managers, who have been given targets against which they are measured. With the guidance and oversight of the investment managers, Trustees take account of the following classes of risk: capital; liquidity; market; valuation; counterparty; tax; and Environmental, Social and Governance issues.

The Foundation's financial objective is to at least maintain the real value of the 2012 initial donation from the Trading Group of £206m, whilst generating a stable and sustainable return to meet the Foundation's objectives as laid down under its governing document.

The investment portfolios are a mix of unrestricted funds and an expendable endowment, the income from which serves to provide funds for the ongoing charitable work of the Foundation. In this context, a number of portfolios exist, each of which has specific objectives.

The Foundation seeks to produce an optimum level of return within an acceptable level of risk. The current investment objective for the majority of the investment portfolio is to generate a return of inflation as defined by the Consumer Price Index ("CPI") which the government has set at a target rate of 2% per annum plus 4% per annum over the long term. These returns, when combined with the anticipated future gift aid donations from the Trading Group, should enable the present and future financial requirements of the Foundation to be met whilst maintaining the real value of the initial donation. Where there is a shortfall part of the investment portfolio may be realised. The Trustees review the performance of the Trading Group on a regular basis.

A set of measurable performance objectives has been developed for the investment managers and pooled funds. Performance in each asset category is compared quarterly with a suitable performance benchmark. The managers are expected to demonstrate skill in the management of their portfolios consistent with the performance objectives, given the level of risks adopted. Investment performance is considered three times a year by the Audit, Risk and Investment Committee.

Cash-based investments support the Foundation's working capital, overhead expenses and anticipated near term grant awards and as such are invested in a prudent manner with a secondary objective of achieving reasonable rates of return relative to the deposit market.

The Trustees are fully supportive of responsible investment as it aligns with the Foundation's aims to provide a benefit to society and is also central to long-term value creation. The Foundation's investment managers are required to adopt the same philosophy and whilst day-to-day investment decisions are delegated to them, the Trustees regularly receive investment reports enabling them to monitor the investments and the managers' performance. The Trustees expect them to take an active interest in the management of the investee companies, engaging with management on issues of corporate governance and with regard to social, environmental or ethical considerations all of which impact shareholder value.

Investment performance: listed investments

During the year, the investments delivered a total return of 2.7% (2022: (5.7%)). This comprised an income yield of 3.6% (2022: 2.6%) and a capital yield of (0.9%) (2022: (8.3%)). The return on the endowment is lower than the long-term objective stated within the investment policy above due to the current market conditions.

Investment performance: Social Investment

The Trading Group continues to execute its strategy, evaluating areas for collaboration as well as relevant acquisitions, recognising the importance of working with others as the industry addresses issues such as the maritime energy transition.

Digital transformation runs through the Trading Group's operations, delivering a better service for clients by providing better tools for existing services, creating new opportunities, and allowing greater visibility and insights for The Trading Group and its clients to optimise operations. Tools such as these facilitate deeper engagement with clients and allow a greater understanding of their opportunities and challenges, and how the Trading Group can work with them to address these.

The accelerated investments in people, process and technology to optimise the client experience and ensure global consistency in service delivery which has enabled the Trading Group to support more clients via its new digital tools such as Digital Workbench, a platform providing greater visibility and connectivity to its services. The Trading Group is also working with partners to develop the frameworks needed to leverage data on ships to enhance survey work.

The Trading Group's Marine & Offshore business delivered a positive performance during the year, increasing its fleet size and global position in new construction thanks to its expertise across vessel types as well as investments in capabilities in new fuels, and leading position in the LNG tanker segment.

The Trading Group's Professional Services practice has also grown to meet demand for business and technical advisory as clients seek actionable energy transition strategies for their fleets.

The Trading Group's Digital Solutions business has been transformed with the acquisition of OneOcean, marking a significant step in the Trading Group's ambition to be the maritime industry's trusted adviser of choice for compliance, safety and sustainability solutions.

Financial results

Summarised consolidated financial information as disclosed in the Trading Group's consolidated financial statements for the year ended 30 June 2023 is provided in note 12 to the Foundation's financial statements. Further details of the financial performance of the Trading Group is included within LRG's financial statements.

The Trustees are satisfied with the Trading Group's performance, and will continue to maintain and develop the effective working relationship with it. They will allow the Trading Group to retain funds for investment in operating improvements and potential acquisitions, but continue to expect cash distributions.

Governance and management

The Foundation is governed by a Board of Trustees, which is responsible for setting the Foundation's strategy, operating with good governance and monitoring the fulfilment of the Foundation's objective – delivering public benefit.

The Board is currently made up of seven Trustees who are also the Members and Directors of the Foundation for Companies Act 2006 purposes. The Board considers Foundation policies, receives committee reports and recommendations, approves annual budgets, reviews the performance of the Trading Group, and guides the Foundation Chief Executive.

Thomas Thune Andersen, Chairman (appointed 22 June 2012)

Thomas is the Chairman of the Lloyd's Register Foundation and Chairman of Lloyd's Register Group Limited. He is a member of the Foundation's Nominations Committee and the Lloyd's Register Group Limited and Lloyd's Register Foundation Remuneration Committees. Thomas, a former member of the executive Board of the A.P. Moller-Maersk Group with more than 30 years tenure in its maritime and energy sectors, was appointed to the Board in June 2012. Thomas is Chairman of Ørsted A/S and of VKR Holding A/S, the Senior Independent Director of IMI plc and a Non-Executive Director of BW Group Limited. He is a member of the World Economic Forum Chairmen's Council, Friends of Ocean Action and the Danish Committee on Corporate Governance.

Lambros Varnavides (appointed 24 July 2012)

Lambros is the former Managing Director and Global Head of Shipping at The Royal Bank of Scotland. Lambros was Chairman of the Baltic Exchange during 2017 and is Vice President of The Baltic Exchange Charitable Foundation, as well as a member of its Finance Committee. He is a court assistant to the Worshipful Company of Shipwrights and was Chair of its Finance Committee until May 2021. He is also a Younger Brother of Trinity House Corporation, a liveryman of the Honourable Company of Master Mariners (including its Finance Committee), a Freeman and Member of the Almshouse and Charities Committee of the Company of Watermen and Lightermen of the River Thames, and an Honorary Visiting Professor at the Bayes Business School, City University. Lambros was appointed Senior Independent Trustee of Lloyd's Register Foundation in September 2015 and was Chair of the Grants and Direct Charitable Activities Committee until 22 June 2023.

Andreas Sohmen-Pao (appointed 26 June 2018)

Andreas Sohmen-Pao is Chairman of BW Group and its listed affiliates, BW Offshore, BW Energy, BW LPG, Hafnia, BW Epic Kosan, BW Energy and Cadeler. He is also Chairman of the Global Centre for Maritime Decarbonisation in Singapore. Andreas was previously Chairman of the Singapore Maritime Foundation and has served as a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited, Navigator Holdings, the London P&I Club, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore, amongst others.

Dame Una O'Brien (appointed 1 January 2021)

Dame Una O'Brien was the Permanent Secretary at the Department of Health and Social Care between 2010 and 2016. She has extensive UK and international experience of healthcare policy and government, having held a wide variety of senior policy roles in Whitehall departments and the NHS over a 30-year career in public service. Whilst working primarily in and for the Department of Health, she was also seconded to be Principal Private Secretary to the Secretary of State for Transport and worked in the Prime Minister's Efficiency Unit under both Conservative and Labour governments. Since leaving the Civil Service, Una has served as a trustee on charitable and higher education boards; she recently completed a term of office as a trustee of Macmillan Cancer and as a Council member of the London School of Hygiene and Tropical Medicine. Currently Una is a member of the Board of Visitors at the Ashmolean Museum, University of Oxford. . Una was appointed as a member of the Audit, Risk and Investment Committee on 29 September 2022. On 30 September 2023, Una was appointed Chair of the Nominations Committee and a member of the Lloyd's Register Group Limited and Lloyd's Register Foundation Remuneration Committees.

Sir Peter Gregson FREng (appointed 1 June 2021)

A materials' scientist by background, Peter is Chair of the Henry Royce Institute and a Trustee of the Royal Anniversary Trust. He has previously been Chief Executive and Vice-Chancellor of Cranfield University, President of Queen's University Belfast, Non-Executive Director of Rolls-Royce Group and served on the councils of the Royal Academy of Engineering and the Central Laboratory of the Research Councils. Peter has been elected to Fellowship of the Royal Academy of Engineering and the Royal Irish Academy and was knighted for services to higher education in 2013. Peter was appointed Chair of the Lloyd's Register Foundation Grants and Direct Charitable Activities Committee on 22 June 2023.

Marina Wyatt (appointed 1 January 2023)

Marina was appointed as a Non-Executive Director of Lloyd's Register Group Limited and a Trustee of Lloyd's Register Foundation on 1 January 2023, and Chair of each of the Lloyd's Register Group Audit and Risk Committee and the Lloyd's Register Foundation Audit, Risk and Investment Committee from that date.

Marina has more than 25 years of experience in senior finance leadership roles as Chief Financial Officer of UBM Plc, TomTom NV, Colt Telecom Plc and Psion Plc. Marina is currently the Chief Financial Officer and an Executive Director of the Board of Associated British Ports. Marina is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a geography degree from Cambridge University.

Rani Koya (appointed 1 April 2023)

Rani was appointed as a Trustee of Lloyd's Register Foundation and a member of its Audit, Risk and Investment Committee with effect from 1 April 2023. Rani has more than 25 years' experience internationally in a variety of technical, project management and executive management roles for companies including Shell International, Hess and Tullow. She has led multi-billion dollar projects across the globe from unconventional shales in the US to oil developments in East Africa. Between 2017 and 2020 Rani was Chief Petroleum Engineer at Tullow.

Rani is currently the Chief Executive Officer of OGL Geothermal Limited, a Non-Executive Director of EnQuest plc, Chair of its Safety, Sustainability and Risk Committee and a member of its Technical and Reserves Committee. She is a Fellow of the Institution of Mechanical Engineers and a Fellow of the Energy Institute. She has a degree in Engineering Science from Durham University and an MSc in Public Policy and Management from the University of London School of Oriental and African Studies.

Governance structure

The Board is supported by four committees, which have been delegated authority on certain matters (Audit, Risk and Investment; Grants and Direct Charitable Activities; Nominations; and the Remuneration Committee). Details of which Trustees, executives and independent members sit on these committees are provided in the 'membership of committees' section below.

Trustee recruitment and training

The Board and the Nominations Committee invest considerable time in identifying Trustees with appropriate skills which will benefit the Foundation. They are equally keen that any new Trustee is properly inducted into the Board. All new Board members go through a structured period of training.

Thomas Thune Andersen and Lambros Varnavides have been in office for more than 9 years. Given their critical roles, their appointments have been extended for the purposes of succession planning, which has enabled them to oversee recent changes in the composition of the Board of Trustees and its Committees and to provide continuity and support following the recent change in Foundation Chief Executive.

During the period under review, the Nominations Committee carried out its annual review of the composition of the Trustee Board, its skills and experience. Recommendations were made to, and approved by, the Board on Trustee re-elections and succession planning.

During the training for new Trustees, the Chairman talks to them about the history of the Foundation, its role in Society and the way the Board operates. The Company Secretary provides a fuller briefing on the operations of the Foundation, its structure, its risks, its key documentation and will provide a general overview of Trustees' duties and responsibilities and charity law. The new Board members meet with the Foundation Chief Executive and are also encouraged to meet with the senior staff in both the Foundation and in the Trading Group, to assist them in their understanding of the Group, and can therefore apply appropriate oversight.

Each year the full Trustee Board receives refresher training on the roles and responsibilities of charity trustees delivered by an external provider. This training was carried out during the period under review and included updates on the Foundation's legal structure, trustee duties and social investment issues.

Board Evaluation Review

The Trustee Board undertakes annual evaluations of its performance and effectiveness. In line with the UK Corporate Governance Code, evaluations are externally facilitated every third year. The last external Board evaluation was carried out in 2021 and was carried out by Leadership Advisor Group.

During the year under review, the Board evaluation was carried out internally by way of a questionnaire and individual confidential conversations with the Chairman. The questionnaire covered key governance matters, including the effectiveness of the Board and Committee meetings, oversight of risks, the execution of strategy, working with executive management, working with the Board of Lloyd's Register Group Limited, the effectiveness of the Chairman, and the Board composition and skills. The meetings with the Chairman discussed Board effectiveness and the future development of the Board and its operations.

The final report detailed key strengths, areas for development and made recommendations. Following board discussion, a number of actions were agreed, including the continuation of regular discussions between the board of the Foundation and the board of Lloyd's Register Group Limited in respect of strategic developments and to consider ways in which opportunities can be created within the existing schedule of meeting commitments for the Trustees to engage in more strategic discussions.

Remuneration of Trustees

The Trustees are the Directors of the Foundation. Trustees are not remunerated for their services as Trustees of the Foundation. The Foundation pays for Trustees' travel expenses to Board meetings.

Membership of committees:

	Status	Foundation Board	Grants and Direct Charitable ¹²	Audit, Risk and Investment	Nominations	Remuneration ¹
Thomas Thune Andersen ⁶	Trustee	Chair	—	—	Member	Member
Rosemary Martin ²	Trustee	Member	Member	—	Chair	Member
Carol Sergeant ³	Trustee	Member	Member	Member	—	—
Lambros Varnavides ⁶	Trustee	Member	Member	—	—	—
Andreas Sohmen-Pao	Trustee	Member	—	—	—	—
Una O'Brien ⁷	Trustee	Member	—	Member	Chair	Member
Peter Gregson ¹³	Trustee	Member	Chair	—	—	—
Marina Wyatt ⁸	Trustee	Member	—	Chair	—	—
Rani Koya ⁹	Trustee	Member	—	Member	—	—
Paula Haynes ¹⁰	Independent	—	—	Member	—	—
Allan Whalley ¹¹	Independent	—	—	Member	—	—
Michelle Davies	Company Secretary	—	—	—	—	—
Ruth Boumphrey ⁴	Foundation Chief Executive	—	Member	—	—	—
Michael F. Lykiardopulos	Independent	—	—	—	Member	—
Ron Henderson ⁵	Independent	—	—	Chair	—	—

Notes:

¹ The Remuneration Committee has the same membership composition as the Remuneration Committee of Lloyd's Register Group Limited and is chaired by Mark Kelsey, a Non-Executive Director of Lloyd's Register Group Limited with effect from 30 September 2023 as successor to Chris Finlayson, who resigned on 30 September 2023.

² Resigned 30 September 2023.

³ Resigned 31 December 2022.

⁴ Appointed 1 July 2022 as Foundation Chief Executive.

⁵ Resigned 1 January 2023 as Chair of the Audit, Risk and Investment Committee.

⁶ Appointed in 2021 for a fourth term of up to three years, subject to annual re-election, for the purposes of succession planning.

⁷ Appointed as a member of the Audit, Risk and Investment Committee on 29 September 2022; appointed as Chair of the Nominations Committee and a member of the Remuneration Committees on 30 September 2023 as successor to Rosemary Martin who resigned on 30 September 2023.

⁸ Appointed 1 January 2023 as a Trustee and as Chair of the Audit, Risk and Investment Committee.

⁹ Appointed 1 April 2023 as a Trustee and as a member of the Audit, Risk and Investment Committee.

¹⁰ Appointed 1 April 2023 as a member of the Audit, Risk and Investment Committee.

¹¹ Resigned 1 April 2023 as a member of the Audit, Risk and Investment Committee.

¹² The Committee Chair invites two additional Trustees to be members of the Committee. One is invited to sit on the Committee for a three-year term of office (renewable); the other for 6 months. During the year, Sir Peter Gregson held the three-year appointment and Carol Sergeant (one meeting) Rosemary Martin (3 meetings) held the 6-month appointment.

¹³ Appointed 22 June 2023 as Chair of the Grants and Direct Charitable Activities Committee as successor to Lambros Varnavides, who remains a member of the Committee.

Executive

The Foundation Chief Executive is responsible to the Board for the operation of the Foundation. On 30 June 2022, after 10 years as Chief Executive of the Foundation since it was established, Richard Clegg retired as the Foundation Chief Executive. Following a formal search process for his successor, Ruth Boumphrey was appointed as the new Foundation Chief Executive with effect from 1 July 2022.

The Advisory Council

The Advisory Council continues to assist the Foundation on delivering its charitable aims by providing independent expert advice, support and constructive challenge in areas including developing general strategy and plans, identifying new funding opportunities and emerging priorities, maximising impact plus suggesting other bodies with which to work. The Advisory Council meets twice a year.

360Giving

Lloyd's Register Foundation is committed to being as transparent as possible so the Foundation is pleased to be one of the growing number of significant UK grant-givers to share grants data through the 360Giving standard. 360Giving supports organisations to publish their grants data in an open, standardised way and helps people to understand and use the data to support decision-making and learning across the charitable giving sector.

Employees

The Foundation and its Trading Group are equal opportunities employers.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Foundation's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Foundation and its Trading Group aim to provide employees with information on matters of concern to them as employees and to enable them to engage with the operations and objectives of the organisation.

Management of risk

The Board is responsible for establishing, monitoring and maintaining an effective risk management and internal control framework. LR Foundation's (LRF) risk management framework enables the leadership teams and those charged with governance to identify, evaluate, prioritise, and respond to the risk landscape in a consistent and managed way.

Risk management is overseen by the Board and its Audit, Risk and Investment Committee (ARIC), to whom the monitoring of the identification, review and assessment of key risks to the Foundation has been delegated. These risks are described in a Risk Register which is reviewed at each meeting of the Committee. The updated Risk Register is also tabled at meetings of the Board, where the Chair of the ARIC provides a report following each meeting of the Committee. The Risk Register describes the current mitigating controls and plans for future development, and risks are evaluated according to their impact and likelihood.

The key elements of LRF's risk management framework for evaluating, categorising and presenting risks are as follows:

- risks are evaluated using a combination of impact and likelihood;
- each risk is evaluated at three points: the unmitigated (gross) risk score; the current (net) risk score considering all current controls; and the target risk score considering the impact of future mitigating actions;
- each risk is categorised according to whether it is a strategic, operational or legal and compliance risk;
- each risk has a risk sponsor and owner;
- each risk is flagged as to whether it is being monitored or managed;
- each risk has its own velocity score to assess the speed at which the exposure can impact LRF; and
- a risk evaluation scale is used to ensure a common approach and consistency when assessing the impact and likelihood.

A timetable is in place to manage the various elements of risk management across the Foundation, including:

- Board risk deep dives at every meeting;
- Inclusion of the LRF Risk Register in Board papers for every meeting; and
- LRF's Risk Register undergoes regular updates, which are presented in a Risk Update paper at each ARIC meeting.

Key Risks

As of 30 June 2023, the Risk Register contains a total of 15 risks categorised into four strategic, seven operational, and four compliance risks. Eight key risks are identified below, each accompanied by a description of the current mitigating controls. These controls effectively reduce the gross risk score to the net risk score. A continuous focus is maintained on enhancing the control environment, which serves to align the net risk score with the target scores.

Risk	Mitigation
Investment performance Investment income can be impacted (positively and negatively) by external events, stock market performance, the global economy, the operational performance of the Lloyd's Register Group (LRG), and	• Review by Audit, Risk and Investment Committee with active management and frequent reporting by third party investment managers.

the ability of the respective management teams to respond to and manage through a downturn. This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately. The investment in LRG is mixed-motive as the Group's goals are aligned with those of the Foundation.	• Portfolio split between two competing managers to enable a champion/challenger approach. • Regular reporting of LRG strategy and financial performance to the Trustees. • Cash flow and reserves projected in the 5 Year Plan and performance against the plan is monitored by the Board. • Monthly cash and treasury management by a dedicated Financial Controller. • Management of short and medium-term funds in conjunction with the longer-term endowment funds, including medium-term lower risk fund to cover cash requirements for the period 12-24 months in the event of a sustained major market downturn. • Benchmarking of fund managers assessed by ARIC. • Oversight of fund manager service level agreements in place.
Grant giving and direct charitable activities (DCA) Grants awarded and / or direct charitable activities (DCA) do not achieve stated objectives. This impacts the Foundation's achievement of its charitable purpose. This could arise from mismanagement of the project, misappropriation of funds or other unforeseen circumstances and might result in reputational damage and regulatory impact.	• Detailed and thorough evaluation and approval of grant/DCA applications, including applicant due diligence where there is uncertainty or risk. Pre-grant application process implemented to streamline / standardise processes. • Regular monitoring of grant progress and impact by Chief Executive and the Grants and Direct Charitable Activities Committee (GDCA) with focus on the need for strong evidence of impacts. Grant impact deep dives also undertaken at the GDCA and Board. • Controls over grant/DCA applications, including due diligence and 'red flag' reviews, guidance documents with strong screening processes in place. • Clear guidelines in place directing monitoring and recording of impact for grants, the Heritage and Education Centre (HEC) and internal charitable activity, including reporting against agreed progress and escalation policy for overdue progress reports. • Metrics library created to use for pathways to impact for grants, DCA, HEC and internal charitable activity (such as the foresight reviews). • Whistleblowing, anti-bribery and corruption, modern slavery and serious incident requirement clauses have been added to grant agreements and progress monitoring reports. • Social impact of LRG monitored through shared value sheet.
Negative reporting of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of: • an issue or incident relating to a Foundation grant recipient or investee; • negative press relating to current or historic activities of LRG; • controversial conclusions in published output of Foundation funded research or by the Evidence and Insight Centre; • a misunderstanding of the social investment relationship between LRG and LRF; and • reputational damage amongst LRF stakeholder and supplier network due to delays in operational processes.	• Crisis planning and media training in place to ensure Trustees and staff are prepared to respond appropriately to media coverage that concerns the Foundation. • Detailed technical and peer reviews of published material/reports. • Discussion and early warnings between LRF and LRG on any reports that could be sensitive. • Public statements controlled by the LRF Communications Manager and external advice taken where appropriate. • Horizon scanning/social media review for issues/trends that could impact LRF's reputation. • All grants to LRG approved by LRF Board. • LRG Corporate narrative agreed and in place, which incorporates narrative specifically focused on LRF.
Safety and Security Incidents (including safeguarding) Grantee/DCA related staff or recipients of grantee services operate in environments that are not under the direct control of the Foundation. There may be	• Consideration of grantee health, safety and security risk, where relevant, is incorporated into the grantee application and due diligence process. Safeguarding policy addressing vulnerable individuals implemented, with grantees required to confirm compliance.

incidents or issues that arise in a grantee organisation that impact individuals' safety and/or wellbeing, including vulnerable individuals. Safety and security incidents directly affecting LRF employees	• Safeguarding policy in place covering for LRF staff interactions with potentially vulnerable people. • Whistleblowing, anti-bribery and corruption, modern slavery and safeguarding clauses have been added to grant agreements and progress monitoring reports. • LRF applies LRG policies and procedures, with the office HSE risk being managed by LRG.
HEC Archive Transition - damage and loss Events including disaster and theft resulting in the destruction/loss of irreplaceable historical records and artefacts. This risk is heightened during the transition of the archive to the Collcutt building. Once the transition is complete, this risk will be addressed by the "Business resilience event/crisis" risk.	• Digital copies of historic archive documents retained, providing a preserved copy, including back ups. • Safe transition of the archive to a modern, purpose-built archive at 71 Fenchurch Street is underway and is being actively managed. During works, records and artefacts are being stored in a secure offsite location. • Insurance is in place for LRF collection. • LRF offices at 71 Fenchurch Street, London, have appropriate fire suppression systems and incident response plans, which are tested regularly, including testing of fire equipment.
Cyber attack or information security breach An advanced targeted cyber attack could result in the loss of sensitive information.	• Sensitive information is identified and is subject to appropriate security measures, which are tested regularly. • Technology based security provided by LRG, with all Foundation staff required to undertake annual information security awareness training • Multifactor authentication has been implemented to protect administrative, privileged and standard users. • Migration of data from physical servers to the cloud is now complete, resulting in reduced physical infrastructure footprint across the Foundation.
People and talent Loss of key staff potentially due to a decrease in employee morale, lack of development opportunities or misallocation of workloads. Furthermore, the inability to recruit new specialised roles and skill-sets within the Foundation or replace lost talent.	• Succession planning and active talent management implemented. • Annual Employee Opinion Survey undertaken, with plans implemented to address identified development issues. Increase attention and active management of current trends identified. • Annual appraisal process in place to ensure all staff are properly equipped to deliver their role. • Consultants used to address necessary skills gaps. • New HR and People Development Manager provides senior-level support for HR, learning, and people development initiatives.
Legal and regulatory compliance Failure to comply with UK or international law, regulatory requirements or sanctions. Key areas of compliance are charity law, anti-bribery and corruption, sanctions and conflicts of interest.	• LRF Chief Executive and LRG's General Counsel and Company Secretary keep compliance under close review. • Advice and support sought from external advisers where appropriate.

Lloyd's Register Group has in place Internal Audit and Risk, and Quality functions which provide independent and objective opinions and assurance on the adequacy of the Foundation and Trading Group's risk processes, internal controls and governance frameworks. The resources of the Internal Audit and Risk, and Group Legal functions are available to the Foundation's Audit, Risk and Investment Committee.

Overview of climate-related financial disclosure

The principle climate change related risks and opportunities arise in the operations of the Trading Group. The below summarises the disclosures applicable to the Trading Group and the Foundation.

We are mindful that our planet provides precious resources for us to operate our business, and we are committed to reducing our impact on the environment.

During the year, LR has appointed a new Head of Sustainability as a critical driver of climate risk analysis. Their appointment has facilitated a comprehensive review of the Group's operation and processes relating to climate risks and opportunities. This prudent approach aimed to enable accurate and insightful climate risk assessments that align with our commitment to thoroughness and quality. New climate standards require documented approval by the board of their consideration. These will be documented in the following financial year.

We are aware of substantial risks and significant opportunities posed by climate change for the sector and LR, and we are continuing the journey to assess and analyse LR's climate-related governance; existing strategy; risks, opportunities; and metrics and targets to address climate change. This reporting year (FY22/23), we have developed our first climate-related financial disclosure to document our understanding of the impact of climate change on our operations. This will help to identify any gaps in our resilience to climate change impacts, enhance our climate-related governance and, where necessary, will be formally incorporated within our business strategy.

We have an ambition to deepen and expand our approach and reporting in the following financial years to include a detailed climate scenario analysis to assess the risks and opportunities to our business.

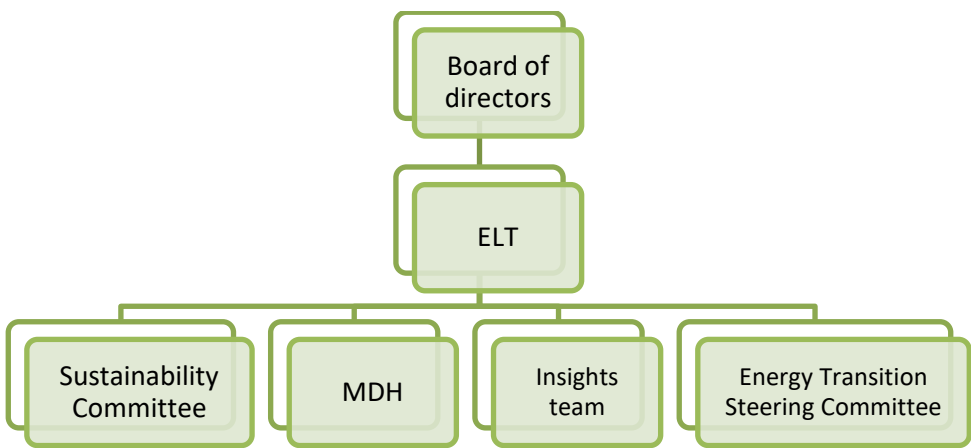
1. Governance

Details of the Board of Trustees can be found on pages 40 to 41. The Chairman and one of the non-executive directors of the Trading Group were members of the Board of Trustees during the year. At each Foundation Board meeting these Trustees update the Board of Trustees on the climate related risks and opportunities facing the trading group and the discussions held by the directors of the Trading Group on climate related issues. The Board of Trustees sit above the Board of directors illustrated in Figure 1 below.

LR has considered climate-related risks and opportunities at length in relation to the industry, clients and services. We are aiming to expand our assessment of climate-related risks and opportunities by conducting a climate scenario analysis of our operations. To do so, LR will formally embed climate-related governance into the existing governance processes in FY23/24.

The Group and the Foundation are contributing to the shipping industry's energy transition including through the Maritime Decarbonisation Hub (MDH), which enables a safe and sustainable roadmap to a net-zero maritime sector.

Outlined below is our climate-related governance structure.



1.1. Board-Level Oversight

The LRG Board of Directors and the ELT work collectively, to govern and guide the actions of LR. The Chairman and one of the non-executive directors who were also Trustees during the year would update the other Trustees on climate-related discussions held by the Board of Directors of the Trading Group at the Foundation Board meetings.

Board members receive updates on the work of the MDH, which has regular discussions about climate-related matters. The board's oversight of the activities of the MDH has increased their understanding and knowledge of climate-change issues posed to the industry.

The LR Board of Directors receives regular updates from ELT members on key operational matters and key risks, and Quality, Health, Safety and Environment is a standing agenda item for each Board meeting. During the year under review, the Board received an update from the Chief Marketing Officer on the LR Group's Sustainability Programme, which has climate-related topics incorporated within.

1.2. Executive Leadership Team

The Executive Leadership Team considers climate-related issues in relation to our business, more specifically in the relevance to the impacts of climate change on the shipping industry overall and consequential risks and opportunities for LR. Information for thorough and informed climate-related decision-making is provided by the Sustainability Committee, the Energy Transition Steering Committee, the Insights Team and the activities of the Energy Transition Program, the MDH, The Silk Alliance and the Zero carbon fuel monitor.

Next reporting year we aim to further incorporate, where possible, climate-related issues when reviewing our business strategy, targets and major plans of actions.

1.3. Sustainability Committee

We ensure compliance with internal governance of sustainability and climate-related matters through our Sustainability Committee, in collaboration with third-party ESG specialists.

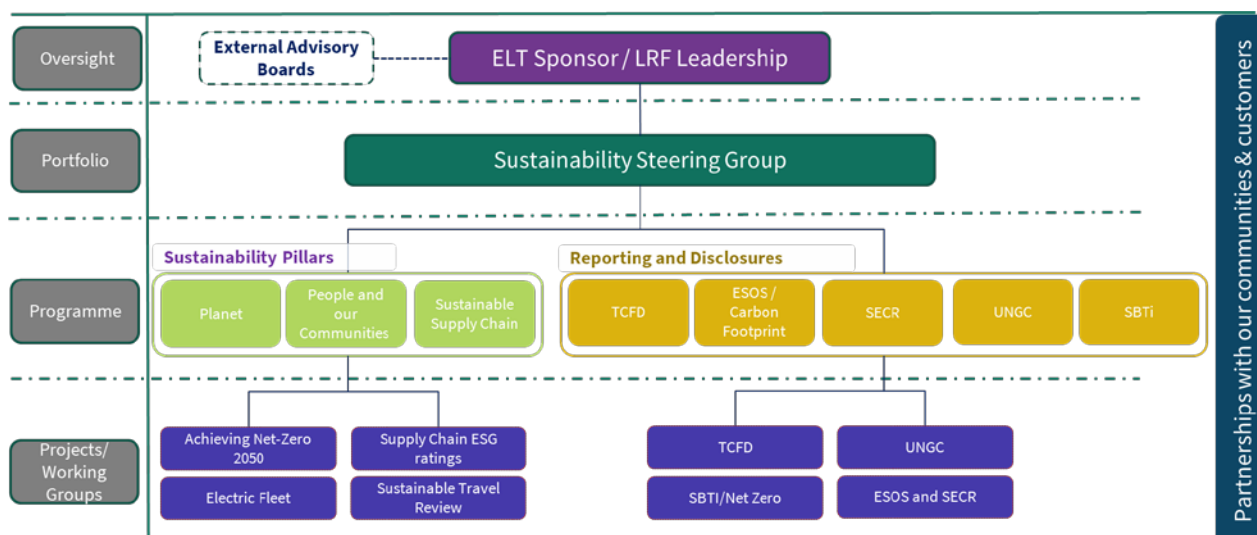
The Chief Marketing Officer is the Chair of the Sustainability Committee which meets quarterly, identifies and oversees all sustainability-related matters, including climate change and is actively involved with MDH.

The Sustainability Committee guides LR's sustainability program, including climate change issues. The committee promotes transformational change throughout the company and its partnerships (see section 3.2).

- The committee assesses its KPIs against five indicators:
- Sharing net-zero priority areas.
- Travel data.
- Understand the UN Sustainable Development Goals (SDGs) that are material to business and the associated KPIs.
- Alignment to climate-related financial disclosures.
- Updates around Electric Vehicle transition plans.

We communicate our progress internally and externally on a quarterly basis in the form of Sustainability Committee meetings. In the next financial year, the climate-related disclosure will be developed in collaboration with the Sustainability Committee, and external consultants, to conduct a formally documented climate scenario analysis and climate risk assessment of LR's operations across multiple timelines. These timeframes are based on their potential impacts on our business, strategy and financial planning; short-term (2023-2027), medium-term (2027-2037), and long-term (2037-2052).

Figure 2: Governance of the Sustainability committee



Key: TCFD - The Taskforce on Climate- Related Financial Disclosures / CF - Climate- Related Financial Disclosures
 ESOS – Energy Savings and Opportunities Scheme
 SECR - Streamlined Energy and Carbon Reporting
 UNGC – United Nations Global Compact
 SBTi – Science Based Target Initiative

2. Risk Management

We ensure the resilience of LR by operating an effective Governance framework. Potential climate-related risks are considered at a group level and have been incorporated into our operations and contextually included in the LR's Risk register. LR considers both internal and external risks, evaluating each risk in accordance with a defined scale, to assure consistency in the evaluation methodology followed across the entity.

The main elements of LR's risk management framework for evaluating, categorising and presenting risks are described in the Risk Management section of the strategic report (see page 44).

Climate change is not currently considered as a principal risk. Scenario analysis will be used as part of the risk assessment for FY23/24 and will be reviewed following this assessment.

2.1. Identifying and assessing climate-related risks

The Board is responsible for the oversight of the risk management framework for the identification and assessment of risks. New risks are identified and feedback passed to the ELT through the matrix system of internal discussions with essential personnel in the different business areas, key account manager's network, segment directors and other stakeholders. These are then incorporated into the risk register, as appropriate.

For climate-related risks, we have procured an external consultant, to help us formally document our understanding of the risks and opportunities this financial year. During the next financial year, they will continue to assist with detailed climate scenario analysis, which will document a comprehensive, long-term picture of the potential impacts. The findings will be discussed during the next financial year at the ELT-level workshop and integrated into the general risk management process.

The completed climate risk register will be presented to the Board in 2024 for approval.

2.2. Taking action to mitigate our climate-related risks

We are aware of potential climate-related risks and have incorporated these into our operations and contextually included in the Risk register. During the next financial year, we will develop a standalone climate-related financial disclosure, which will document a structured and comprehensive approach to understanding, assessing, formalising and planning mitigation actions for the risks identified from the proposed climate scenario analysis.

The range of our initiatives outlined in section 3.1, outlines the various approaches that we have adopted, to ensure business resilience towards potential impacts of climate change.

3. Strategy

3.1. Our Approach

Climate change is a strategic issue that drives the transition to a low-carbon economy and provides a variety of opportunities for LR to strengthen and expand its business operations. It is the core of our business and presents risks and opportunities for our operations. The maritime sector's goal is to align with a 1.5°C path in accordance with the Paris Agreement. Achieving this objective will depend on rapid technology development, available financing, proactive policy and legislation, overall industry demand for scalable zero-emission fuels and an equitable attitude that guarantees a genuinely global and just transition.

The climate-related disclosure requirements offer LR a comprehensive tool to evaluate climate-related risks and opportunities in relation to our operations.

In June 2023 we commenced the development of a new sustainability roadmap, at its heart is our ambition to be net-zero by 2050 at the latest. We are planning our strategy and targets for reaching net-zero by 2050 and have officially submitted our commitments to the Science-based Targets Initiative (SBTi).

During FY22/23, we expanded our knowledge and understanding of our carbon footprint, by improving the scope and quality of data for the calculation of our emissions. As a part of our developing net-zero strategy, we will continue to assess our carbon emissions, conduct energy audits, and obtain feedback from our customers. Company emissions will be reduced year on year until they are as close to zero as possible.

3.2. Types of Climate-related Risks

The TCFD-aligned framework describes two main types of climate-related risks: physical (changing climate impacts) and transitional (responding to the challenges posed by climate change and the need to transition to the low carbon economy).

Physical risks are categorised into acute (for example, single flood events) and chronic (rising mean temperatures). Next financial year, LR will conduct detailed climate risk modelling of the potential impacts of climate change, for example, flooding, precipitation, mean temperatures and sea level rise. This will help to document our understanding of the risks and mitigation strategy which safeguards the future of our business.

Transition risks are assembled into the sub-categories of market, reputation, technology, policy and legal risks. Market risks cover changing customer behaviour, ambiguity of market changes and growing costs of raw materials. Reputational risks will occur as customer preferences change and stakeholder concerns about climate-related issues are associated with a potential stigmatisation of a business's sector. Technology risks cover the move to low-carbon technology and include the risks associated with the replacement of existing products and services, the potential of failed investment in new technologies and the overall costs of adjusting to low-carbon operations. Policy and legal risks develop from regulations to mitigate climate change and facilitate the transition to net-zero. For example, regulations associated with a carbon tax for greenhouse gas (GHG) emissions, growing reporting requirements (CFD reporting) and mandates on current products and services, to align them with a low carbon economy.

3.3. Climate Scenario Analysis

In the next reporting year, LR plans to utilise climate scenario analysis to formally facilitate climate-related decision-making in an organised, systematic, and analytical manner. Next year's climate scenario analysis will use three climate scenario warming pathways, to assess the effects of each identified risk on the Company's operations and value chain.

- Below 2°C that aligns with the Paris Agreement, where the world is working collaboratively towards achieving net-zero emissions and limiting global warming to below 2°C by 2100.
- 2-3°C that reflects the current pace of global policies and accords with the projected impacts.
- Above 3°C, a business-as-usual approach continues in the coming decades with inadequate actions to address climate change.

Climate change uncertainty has many possible impacts on businesses, strategies, and financial performance. Therefore, LR needs a tool to assess the risk of business continuity and resilience under various assumptions, as to how the climate will evolve, and to obtain insights as to how governments and stakeholders will counter the climate change challenges.

3.4. Our Climate-related Risks and Opportunities

Based on the findings of climate-scenario analysis, we will produce a deeper and more detailed risks and opportunities assessment. Provided below is the high-level overview of climate-related risks and opportunities we consider relevant to our business with control measures in place or planned.

3.4.1. Climate-Related Transition Risks

Transition risks are associated with the indirect impacts of climate change. For example, changes in governmental policies, technological progress, and fluctuations in market conditions. Climate-related transition risks specifically indicate the risks linked to the transition to a low-carbon economy. These risks can have a sizeable influence on businesses and stakeholders, with the severity of transition risks estimated to expand in the future.

Area	Climate-related Risk	Impact Description	Control Measures
Policy & Legal	Failure to comply with increasing regulations	Increasing costs to guarantee compliance with new reporting requirements.	Dedicated team in place to ensure compliance with all legal and regulatory requirements.
	Rising spend for carbon pricing	Expected impact is minimal, however a carbon tax on any of our suppliers may increase supply chain costs.	We expect our total CO2 emissions to reduce over time, as we work towards our Net Zero ambitions, we will be undertaking financial modelling of this risk within the next two years.
Market	Rising cost of raw materials	As our business model has no manufacturing operations, the risks of the costs of raw materials are considered negligible. However, most of our customers and suppliers are at high risk of being significantly affected by both energy costs and increase in raw material prices.	We will conduct a scenario analysis of this risk in the next reporting period. Since the beginning of the pandemic, we have been meticulously moving towards flexible hybrid working for our employees, where possible, to decrease energy consumption and the costs of operating offices.
	Changing consumer preferences	With the increasing importance of ESG, stakeholder concern for the environment is likely to increase. Failing to transparently communicate our efforts to minimise our environmental impact could result in customers using a different provider and could impact our position in the market.	We have a Head of Environmental Sustainability that facilitates our carbon reduction strategy and other sustainability projects to ensure all our targets, actions and initiatives are communicated internally and externally to our customers and stakeholders. We believe that our engagement in MDH and other decarbonisation activities combined with open communication on our sustainability agenda, can minimise these posed risks. As enablers of industry decarbonisation, we are on a journey to reduce our carbon footprint and are maximising our efforts to match the sustainability expectations of our clients and stakeholders.
Reputation	Increased stakeholder concern for ESG	As the significance of sustainability grows, the attention of stakeholders towards LR's environmental sustainability effects is poised to escalate. Neglecting to effectively convey LR's strategies for minimising its environmental footprint might jeopardise our strong market standing. With increased transparency comes increased scrutiny. Therefore, there is a reputational and credibility risk of not meeting the targets we have publicly and officially committed to.	By communicating our progress against the climate-related financial disclosure through our Annual Report this financial year and producing a standalone climate disclosure report in the next financial year, we believe we can minimise the impact of this risk. To provide significant value to the shipping industry and secure our sustainability credibility we facilitate and support decarbonisation within the maritime sector. Our MDH research and publications are free to access. Our Energy Transition

			Programme and The Silk Alliance aim to aid the maritime industry transformation.
Technology Risks		Advancements in technology are expected to increase costs to ensure that as leaders of the maritime decarbonisation sector, we are in a position to maintain the pace and keep providing the best-in-class services to our clients.	Our business operations require continuous enhancements in IT tools, which are crucial to the services we offer. Keeping pace necessitates vigilant attention to technological advancements and financial commitments to ensure our digital tools remain up-to-date and cyber-secure. AI and automation are constantly changing our work environment and they are a part of our LRDS Platform, allowing us a more resilient outlook.

3.4.2. Climate-Related Physical Risks

We operate over 80 sites across the globe. However, most are leased properties, with a small percentage owned by LR. In the next reporting year, we will conduct climate scenario analysis, to understand our short-, medium- and long-term physical risks. We will engage with key personnel responsible for our facilities and other business areas to select key sites and identify potential physical risks.

3.4.3. Climate-Related opportunities

LR's nature of business makes the scale of climate-related risks/opportunities close to 50/50. We are enablers of maritime sector decarbonisation services, we provide modern digital solutions, we have highly professional engineering capabilities and are deeply involved in regulatory services to provide guidance and advice to our customers. We expect the spectrum of opportunities posed by climate change to continuously grow and expand, and if we as a business can keep up the pace, we will be able to profit and expand our operations.

LR has a significant role and influence on the changing maritime regulatory landscape. Our involvement in Environmental Research and Regulation spans the full spectrum of the maritime value chain, to enable the safe and sustainable decarbonisation of shipping. Moreover, LR takes a lead role in technical assurance and digital innovation.

The possible impacts of climate change have been considered contextually as part of the group's risk management process and having considered the resilience of the group's business model and strategy the Trustees are satisfied there are no impacts on the group's Going concern assessment.

4. Metrics and Targets

LR has validated Science-based near-term targets of reducing absolute Scope 1 and 2 GHG emissions by 63% by FY35, compared to an FY20 base year. This is a 15-year GHG mitigation target in line with the 1.5°C pathway, to galvanise the action required to make significant emissions reductions. Also, it commits to reducing absolute Scope 3 GHG emissions from purchased goods and services and business travel by 37.5% within the same timeframe. This scope 3 target is compliant with the SBTi methodology since these categories comprise more than 67% of our scope 3 emissions.

4.1. Our sustainability performance

Our credibility is highlighted by taking climate action on our Greenhouse Gas footprint. We are committed to an ambitious science-based target that ensures our own decarbonisation journey is aligned to a 1.5°C future. We will be net-zero by no later than 2050 and if possible will aim to bring this forward to 2040.

4.2. Energy and Carbon Reporting

The table below shows the sources of Greenhouse Gas (GHG) emissions and energy usage in the Group's operations.

The emissions have been prepared in accordance with ISO14064.

Year on year emissions provided above are not directly comparable due to multiple factors including:

- Change of company boundary (disposals of BAIS and Industrial Digital Products businesses, acquisition of OneOcean and substantial property portfolio changes).
- Increased accuracy of leased vehicle fuel type included within scope 1 emissions.
- Increase in level of travel following Covid-19 restrictions.

Streamlined Energy and Carbon Reporting (SECR), covering scope 1, 2 and 3 (grey fleet).

GHG scope	Category	Global	
		Total Emissions (tCO ₂ e)	
		Year to 30th June 2023	Year to 30th June 2022
Scope 1	Scope 1- Gas, lease car miles	1,081	2,413
Scope 2	Scope 2 - location based electricity consumption	689	3,836
Scope 3	Scope 3 (grey fleet)	1,168	n/a ¹
Total scope 1 and 2		1,770	6,249
Total scope 1 and 2 tCO₂e / £m turnover		3.4	11.0

Quantity of Energy consumed for which the company is responsible	Global	
	Kilowatt Hours kWh	
	Year to 30th June 2023	Year to 30th June 2022
Gas	4,735,069	4,463,341
Purchased electricity	8,271,973	13,596,901

Notes:

¹ Due to material acquisitions and divestments it was not possible to identify those emissions solely related to grey fleet for the Year to 30 June 2022.

Year on year emissions provided above are not directly comparable due to multiple factors including:

- Change of company boundary (disposals of BAIS and Industrial Digital Products businesses, acquisition of OneOcean and substantial property portfolio changes).
- Increased accuracy of leased vehicle fuel type included within scope 1 emissions.
- Increase in level of travel following Covid-19 restrictions.

Over the last years LR has undergone significant material organisational changes since establishing the FY20 base-year data. These transformations have prompted us to undertake a comprehensive re-baseline activity using FY23 data, a crucial step before progressing with LR's Net Zero roadmap. This re-baselining initiative represents a substantial advancement in the quality and collection of future data, ensuring a more accurate representation of our sustainability efforts.

Public benefit

As described throughout this Trustees' Report, the Trustees place specific focus on the public benefits arising from the output and activities of the Foundation having regard to the Charity Commission guidance on public benefit.

Research and development

The Trading Group carries out research and development activities. The amount of £7.2m (2022: £12.5m) has been charged to the consolidated statement of financial activities.

Organisational structure

The Foundation has a total of 41 members of staff supported by secondees from the Trading Group. A service level agreement exists between the Foundation and the Trading Group for the provision of specialist business support in areas including finance, HR, communications, legal and IT. The Foundation pays for these services at an agreed market rate.

Disclosure of information to the Auditor

Having made enquiries each of the Trustees, listed above, in office at the time of approving the Trustees' Report confirm that:

- so far as each Trustee is aware, there is no information relevant to the preparation of its report and the financial statements of which the Foundation's Auditor is unaware; and
- each Trustee has taken all steps a trustee might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Foundation's Auditor is aware of that information.

Independent Auditor

Deloitte LLP has expressed a willingness to continue in office.

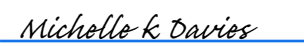
Governing document

Lloyd's Register Foundation is a company limited by guarantee registered in England, incorporated in 2012, governed by its Memorandum and Articles of Association.

Financial statements and Trustees' Report

The company and consolidated financial statements have been prepared in accordance with the accounting policies set out on pages 68 to 69 and 85 to 88 respectively and comply with applicable laws and the FRS102 Charity SORP (Statement of Recommended Practice) except for the disclosures relating to employee benefit banding (see page 84).

This Trustees' Report on pages 1 to 55 and 79 to 80 has been prepared in accordance with Part 8 of the Charities Act 2011 and the Companies Act 2006 and incorporates the Strategic Report and has been approved by order of the Board.


Michelle k Davies (Dec 1, 2023 10:36 GMT)

Michelle Davies
Company Secretary

1 December 2023

Legal and administrative details

Company number

07905861 (England and Wales)

Charity number

1145988 (England and Wales)

Principal Banker

HSBC UK Bank PLC
1 Centenary Square
Birmingham
United Kingdom
B1 1HQ

Statutory Auditor

Deloitte LLP
London
United Kingdom

Investment managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Fidelity International
25 Cannon Street
London
EC4M 5TA

Investment custodians

Bank of New York Mellon
One Canada Square
Canary Wharf
London
E14 5AL

Solicitors

4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Registered and principal office

71 Fenchurch Street
London
EC3M 4BS

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Foundation and Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration Committee Report

This report describes the constitution and activities of the Remuneration Committee during the 12 month period ended 30 June 2023.

The Committee

Two separate remuneration committees operate within the Group; one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. A report is provided at each Trustees' Board meeting of the activities of the Foundation Remuneration Committee since the previous Board meeting.

Both Committees comprise members of the Board of Directors of Lloyd's Register Group Limited and Trustees of the Lloyd's Register Foundation. Their current membership is as follows:

Mr C G Finlayson (Chair until 30 September 2023)
Mr M Kelsey (Chair from 30 September 2023)
Mr T T Andersen
Mrs R Martin (until 30 September 2023)
Mrs U O'Brien (from 30 September 2023)

The members of the Foundation's Committee are appointed and removed by the Board of Trustees.

It is the role of the Foundation's Remuneration Committee to:

- Aim to ensure that the Foundation reward structure reflects best practice;
- Provide advice to the Board of Trustees on the remuneration policy for the Foundation's Chief Executive Officer and their direct reports;
- Implement the remuneration policy in practice through determination of all aspects of the remuneration of the Foundation Chief Executive;
- Approve the salary and bonus proposals and payments for the Foundation's Chief Executive and review remuneration decisions with reference to the Foundation employee salary budget, including approval of the overall level of any annual pay increase applied in the Foundation;
- Review and approve all changes to terms in pension scheme arrangements for the Foundation Chief Executive;
- Review and advise upon the level of remuneration for senior direct reports to the Foundation Chief Executive;
- Have oversight of the diversity and gender spread across the globe, insofar as it relates to remuneration matters of the Foundation; and
- Oversee any major changes to remuneration strategy for the Foundation.

The Foundation is anchored in the charity sector but is differentiated by greater commercial and technical involvement than would be the norm in many charitable organisations. Therefore, our pay and benefits provide market competitiveness within those other sectors from which we seek to attract and retain senior talent to lead the Foundation and deliver its charitable aims. These include the charity, science and technology sectors.

General Policy

In determining the general policy regarding the total remuneration of the Foundation's Chief Executive and their direct reports, the Board of Trustees has directed the Committee to have regard to the following guidelines:

- Our aim is to pay at the market median, but roles that need specific skills, specialisms or business experience may command a remuneration premium as a result of the value they add.
- Reward and affordability align to efficient and effective delivery of the Foundation's short and long-term strategies and priorities and will include links to the business performance of the Trading Group.

- We recognise high performance by individuals and teams through the use of variable pay.
- We believe in the principles of fairness and equality of opportunity in employment. We are committed to all our colleagues receiving equal pay for the same or broadly similar work, regardless of gender, ethnicity or other non-performance related differences.

The remuneration of the charity's key management personnel is set to:

- provide a base salary designed to attract and retain key management which also reflects their level of responsibility and experience;
- see that they are fairly and responsibly rewarded for their individual contributions; and
- take account of competitive rates of total remuneration, based upon surveys of comparative organisations which are undertaken annually.

Remuneration

The highest paid Foundation employee serving in year received aggregate emoluments, including performance based remuneration, of £219,000 (2022: £353,000) which includes £25,000 of employer defined contribution pension costs (2022: £nil).

A summary of employee remuneration is included in note 12 of the consolidated financial statements.

Independent External Advice

The Committee has access to, and takes cognisance of, professional advice both from within the organisation and from independent external consultants. The current external advisor is EY and the Chief People Officer of Lloyd's Register Group Limited acts as Secretary to the Committee.

Audit, Risk and Investment Committee Report

This report describes the constitution and activities of the Audit, Risk and Investment Committee in place during the year ended 30 June 2023.

Summary of the role of the Audit, Risk and Investment Committee

The membership of the Audit, Risk and Investment Committee is:

Mrs M Wyatt (Chair) (appointed 1 January 2023)
Mrs Paula Haynes (appointed 1 April 2023)
Mrs Rani Koya (appointed 1 April 2023)
Dame U O'Brien (appointed 29 September 2022)
Mrs C F Sergeant (resigned 31 December 2022)
Mr A Whalley (resigned 1 April 2023)

The Audit, Risk and Investment Committee is a sub-committee of the Board of Trustees. The Committee reviews the application and effectiveness of the policies and processes of the Lloyd's Register Foundation.

The Committee assists the Board of Trustees in monitoring the integrity of the Foundation's published financial statements and the compliance of the Foundation's Report and Accounts with UK accounting standards, the Companies Act and the Charities SORP. The external auditor attends each meeting of the Committee and reports on the external audit plan, the results of the external audit and on the annual report and accounts.

The Committee also reviews the performance of the Foundation's investment portfolio and its investment managers and makes decisions on behalf of the Board of Trustees as to an appropriate investment strategy for the Foundation. At each meeting, the Committee receives reports from the Group Treasurer and the investment fund managers.

The Group's outsourced Internal Audit and Risk function reports to the Committee on any issues which it considers impact on the adequacy and effectiveness of the Foundation's internal financial controls and risk management systems. The Committee reviews the risk register at each meeting. No material items have been reported to the Committee by Group Audit and Risk during the financial year.

The Committee oversees the relationship with the external auditor including approval of the audit plan and scope of the audit. The assessment of the auditor's independence and review of the level of fees payable for non-audit services did not identify any significant matters.

The financial statements are reviewed by the Committee before recommending their consideration by the Board of Trustees, focusing particularly on any significant adjustments resulting from the audit and major judgmental areas. The Audit, Risk and Investment Committee typically meets three times a year, and at least once a year a meeting is held between the Chair of the Committee, the Head of Internal Audit and Risk and the external auditor, at which no employees are present.

The Committee met three times during the year under review. Matters considered by the Committee during the year and subsequently include the review of:

- the 30 June 2022 and 30 June 2023 Reports and Consolidated Financial Statements and the Auditor's Reports thereon;
- the process for the re-tendering for investment fund managers;
- the approval of the schedule of risk deep dives for presentation to the Board of Trustees; and
- the annual review of the risk appetite statement.

Nominations Committee Report

The Nominations Committee is a committee of Lloyd's Register Foundation which addresses the needs of Lloyd's Register Foundation, Lloyd's Register Group Limited and other related senior appointments or succession issues. It comprises one Foundation Trustee, one Lloyd's Register Group Board Director and the Chairman. The current members of the Committee are the following:

Dame Una O'Brien – Committee Chair and a Trustee of Lloyd's Register Foundation (appointed 30 September 2023)

Mrs R Martin – Committee Chair and a Trustee of Lloyd's Register Foundation (resigned 30 September 2023)

Mr T T Andersen

Mr M Lykiardopulo

The Committee meets at least annually to consider the matters noted below in respect of both Lloyd's Register Foundation and Lloyd's Register Group Limited, with additional meetings as required, for example, for the appointment of additional board members and succession planning.

- Board succession planning;
- Reviewing the composition of the Boards of the Group and the Foundation and making recommendations regarding the annual re-election of Board members and changes and new appointments of the Chairman, Trustees and Directors, to ensure an appropriate balance of skills, experience and diversity;
- Reviewing the membership and operation of Board committees and making recommendations where appropriate;
- Reviewing the succession of senior executive positions and making recommendations accordingly;
- Identifying, nominating and recommending for approval of the Boards, candidates to fill Board vacancies; and
- Making recommendations to the Boards regarding changes to the positions of Chief Executive and Chief Financial Officer of Lloyd's Register Group Limited, and to the position of the Chief Executive of Lloyd's Register Foundation.

During the year under review, the Committee recommended and approved the appointment of a new Non-Executive Director and Trustee who was also appointed as Chair of the Foundation Audit, Risk and Investment Committee and the Lloyd's Register Group Limited Audit and Risk Committee, the appointment of a new Trustee of the Foundation, the appointment of a new member of the Foundation Audit, Risk and Investment Committee and made recommendations with regard to the re-election of Board members on the expiry of terms of office which were due to expire in the coming year, and the review of the Board Committee memberships, including the consideration of the appointment of a replacement Chair for each of the Remuneration Committee, the Nominations Committee and the Foundation Grants and Direct Charitable Activities Committee, and the appointment of an additional member of each of the Remuneration Committees.

In addition, during the year, the Committee recommended the appointment of a new Non-Executive Director of Lloyd's Register Group Limited.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lloyd's Register Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the groups and the parent charitable company's affairs as of 30 June 2023 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Foundation statement of financial activities (incorporating an income and expenditure account).
- the Foundation balance sheet.
- the Foundation cash flow statement.
- the related notes to the Foundation financial statements 1 to 19.
- the consolidated statement of financial activities.
- the consolidated balance sheets.
- the consolidated statement of cash flow; and
- the related notes to the consolidated financial statements 1 to 32.

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).

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 financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 groups and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, and Real Estate specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- manual adjustments are posted to the general ledger to true-up revenue recognised under multi-year marine in-service contracts. We have performed substantive tests of detail on a sample of contracts to assess the accuracy of the adjustments that were made; and
- cut-off of digital subscription revenue. We have performed test of details inspecting source documentation in order to independently recalculate the portion of the revenue recognised during the year and the portion to be deferred in future years.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Charity Commission.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Black

Jeremy Black (Dec 1, 2023 11:00 GMT)

Jeremy Black, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 December 2023

FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 JUNE 2023

	Note	General funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	General funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Income							
Income from investments:							
Gift aid donation from Trading Group		22,023	—	22,023	7,000	—	7,000
From listed investments and other investments		10,499	—	10,499	8,297	—	8,297
Total income	3	<u>32,522</u>	<u>—</u>	<u>32,522</u>	<u>15,297</u>	<u>—</u>	<u>15,297</u>
Expenditure on raising funds							
Investment management costs	4	—	(863)	(863)	—	(865)	(865)
Charitable activities							
Total grant activities	5	(20,238)	—	(20,238)	(14,652)	—	(14,652)
Total direct activities	5	(5,969)	—	(5,969)	(5,809)	—	(5,809)
Total expenditure		<u>(26,207)</u>	<u>(863)</u>	<u>(27,070)</u>	<u>(20,461)</u>	<u>(865)</u>	<u>(21,326)</u>
Net income / (expenditure) before gains on investments		6,315	(863)	5,452	(5,164)	(865)	(6,029)
Realised losses on disposal of listed investments		(304)	(6,667)	(6,971)	(434)	(6,878)	(7,312)
Unrealised gains / (losses) on listed investments		190	4,161	4,351	(1,135)	(17,991)	(19,126)
Net income / (expenditure) and net movement in funds		<u>6,201</u>	<u>(3,369)</u>	<u>2,832</u>	<u>(6,733)</u>	<u>(25,734)</u>	<u>(32,467)</u>
Reconciliation of funds							
Funds brought forward		<u>13,338</u>	<u>292,471</u>	<u>305,809</u>	<u>20,071</u>	<u>318,205</u>	<u>338,276</u>
Funds carried forward		<u>19,539</u>	<u>289,102</u>	<u>308,641</u>	<u>13,338</u>	<u>292,471</u>	<u>305,809</u>

All of the Company's income is derived from continuing activities.

There are no recognised gains or losses for the current and preceding year other than those shown above. All funds are unrestricted.

FOUNDATION BALANCE SHEET AT 30 JUNE 2023

	Note	30 June 2023 £000	30 June 2022 £000
Fixed assets			
Investments	10	<u>332,788</u>	334,383
		332,788	334,383
Current assets			
Cash at bank and in hand		5,976	7,140
Debtors	11	<u>274</u>	694
		6,250	7,834
Creditors: amounts falling due within one year	13	<u>(19,911)</u>	(24,461)
Net current liabilities		(13,661)	(16,627)
Total assets less current liabilities		319,127	317,756
Creditors: amounts falling due after one year	14	(10,486)	(11,947)
Net assets		<u>308,641</u>	<u>305,809</u>
The funds of the charity			
Unrestricted – general fund		14,144	7,829
Revaluation reserve	17	<u>5,395</u>	5,509
Total unrestricted funds		19,539	13,338
Endowment funds		223,423	224,286
Revaluation reserve	17	<u>65,679</u>	68,185
Total endowment funds		<u>289,102</u>	292,471
Total charity funds	16	<u>308,641</u>	<u>305,809</u>

The financial statements on pages 65 to 78 were approved by the Trustees on 1 December 2023 and signed on their behalf by:

marina wyatt
marina wyatt (Dec 1, 2023 10:13 GMT)

Marina Wyatt, Trustee

Lloyd's Register Foundation
Company registration number 07905861

FOUNDATION CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Note	£000	£000
Cash flows from operating activities:			
Net cash used in operating activities	A	(32,661)	(25,381)
Cash flows from investing activities:			
Dividends and income from investments		32,522	26,438
Purchase of investments		(229,480)	(158,006)
Proceeds from sale of listed investments		228,455	157,467
Net cash provided by investing activities		31,497	14,758
Change in cash and cash equivalents in the year		(1,164)	(10,623)
Cash and cash equivalents at the beginning of the year	B	7,140	17,763
Cash and cash equivalents at the end of the year	B	5,976	7,140

A. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£000	£000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	2,832	(32,467)
Adjustments for:		
Losses on investments	2,620	26,438
Dividends and income from investments	(32,522)	(15,297)
Decrease / (increase) in debtors	420	(449)
Decrease in creditors	(6,011)	(3,606)
Net cash used in operating activities	(32,661)	(25,381)

B. Analysis of cash and cash equivalents

	30 June 2022 £000	Cash flow £000	30 June 2023 £000
Cash at bank and in hand	7,140	(1,164)	5,976
Total cash and cash equivalents	<u>7,140</u>	<u>(1,164)</u>	<u>5,976</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Basis of accounting

Lloyd's Register Foundation is a private charitable company limited by guarantee, incorporated in the United Kingdom, registered in England and Wales and a registered charity. It is governed by its memorandum and articles.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments. They have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP") FRS102 "Accounting and Reporting by Charities" ("the Charities SORP"), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Foundation meets the definition of a public benefit entity under FRS102. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed in the Trustees' report on page 37.

The functional currency of the Company is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Company is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds represents costs associated with generating income from investment management.

Expenditure on charitable activities comprises all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities represents all the expenditure by the Charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Charity formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Foundation, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

Short-term employee benefits are recognised as an expense in the period in which they relate.

c. Investments

Listed investments are stated at market value. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment in the Trading Group (Lloyd's Register Group Limited), which is a social investment, is valued at cost less any impairment.

d. Cash

Items considered to be cash are those held in hand, in current accounts and on short-term deposit (where the term is less than three months) with recognised financial institutions.

e. Taxation and Value Added Tax

The Foundation is a UK registered charity and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

f. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 16.

g. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are recognised at their settlement amount while grant liabilities are discounted to net present value where the impact is material.

h. Significant accounting estimates and assumptions

The Foundation makes estimates and assumptions to produce the Financial Statements. The accounting estimates will, by nature, differ from the actual results. The key estimate that may have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year relates to the discounting of grant liabilities. The rate applied to discount grant liabilities payable after more than twelve months requires an estimate of the appropriate discount rate, as well as an estimate of when the liability will be called down as a claim to be paid. A discount rate of 4.4% (30 June 2022: 2.1%) has been applied based on the opportunity cost of income from investments foregone and considering the investment return objective. A 1.5% increase in the discount rate would reduce grant liabilities by £0.3 million while a 0.5% decrease in the discount rate would increase grant liabilities by £0.1 million. There are no other significant accounting estimates or judgements for the Foundation.

3. Investment income

	General funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Gift aid from Trading Group	22,023	—	22,023	7,000
Listed and other investments:				
Fixed Interest – UK	1,215	—	1,215	652
Fixed Interest – Overseas	20	—	20	56
Equities – UK	1,438	—	1,438	1,824
Equities – Overseas	3,816	—	3,816	2,223
Pooled Funds	3,575	—	3,575	3,478
Cash Instruments	164	—	164	38
Bank interest	271	—	271	26
	<u>10,499</u>	<u>—</u>	<u>10,499</u>	<u>8,297</u>
Total	<u>32,522</u>	<u>—</u>	<u>32,522</u>	<u>15,297</u>

4. Expenditure on raising funds

Expenditure on raising funds represents investment management costs, which are charged to the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Analysis of expenditure on charitable activities

	Grants (note 6)	Direct costs	Support costs	2023
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,940	134	407	2,481
Goal 2: Challenge area: Safety at Sea	300	19	58	377
Goal 2: Challenge area: Safety of Food	1,570	98	303	1,971
Goal 2: Challenge area: Safety for a Sustainable Future	3,600	225	695	4,520
Goal 2: Challenge area: Safety of Digital Systems	(112)	—	—	(112)
Goal 2: Challenge area: Skills for Safety	355	24	69	448
Goal 2: Challenge area: Safety of Physical Infrastructure	(340)	—	—	(340)
Goal 2: Challenge area: Public Understanding of Risk	858	57	166	1,081
Heritage and education centre	1,650	110	320	2,080
Safetytech Accelerator	700	44	135	879
Foundational *	4,952	439	1,259	6,650
	<u>15,473</u>	<u>1,150</u>	<u>3,412</u>	<u>20,035</u>
Discounting of grant liabilities**	203	—	—	203
Total grant activities	<u>15,676</u>	<u>1,150</u>	<u>3,412</u>	<u>20,238</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,295	417	2,712
Goal 2: Challenge area: Safety for a Sustainable Future	—	136	25	161
Goal 2: Challenge area: Safety of Food	—	127	23	150
Heritage and education centre	—	2,295	417	2,712
Foundational *	—	198	36	234
Total direct activities	<u>—</u>	<u>5,051</u>	<u>918</u>	<u>5,969</u>
	<u>15,676</u>	<u>6,201</u>	<u>4,330</u>	<u>26,207</u>

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

**Impact of unwinding of discount of grant liabilities and change in discount rate. The impact of unwinding the discount of the grant liabilities is £343,000. The impact of changing the discount rate is a reduction in the expenditure of £140,000.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £4,330,000 (2022: £4,674,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £1,478,000 (2022: £1,795,000) and governance costs of £65,000 (2022: £62,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £65,000 (2022: £62,000).

Analysis of expenditure by charitable activities in 2022 is shown below.

	Grants	Direct costs	Support costs	2022
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	410	40	136	586
Goal 2: Challenge area: Safety at Sea	477	47	158	682
Goal 2: Challenge area: Safety of Food	1,107	108	367	1,582
Goal 2: Challenge area: Safety for a Sustainable Future	4,037	407	1,343	5,787
Goal 2: Challenge area: Skills for Safety	1,010	98	335	1,443
Goal 2: Challenge area: Safety of Physical Infrastructure	134	13	44	191
Heritage and education centre	874	85	290	1,249
Foundational	1,965	191	652	2,808
	<u>10,014</u>	<u>989</u>	<u>3,325</u>	<u>14,328</u>
Unwinding of discounting of grant liabilities	324	—	—	324
Total grant activities	<u>10,338</u>	<u>989</u>	<u>3,325</u>	<u>14,652</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,205	667	2,872
Goal 2: Challenge area: Safety of Food	—	158	48	206
Goal 2: Challenge area: Safety for a Sustainable Future	—	139	42	181
Goal 2: Challenge area: Safety of Physical Infrastructure	—	36	11	47
Heritage and education centre	—	1,688	510	2,198
Foundational	—	234	71	305
Total direct activities	<u>—</u>	<u>4,460</u>	<u>1,349</u>	<u>5,809</u>
	<u>10,338</u>	<u>5,449</u>	<u>4,674</u>	<u>20,461</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded in the year ended 30 June 2023 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Safety Tech including Accelerator £000	Heritage And Education Centre £000	Evidence and Insight £000	Understanding Risk £'000	Foundational £'000	2023 £000
The American College of Greece	1	—	—	—	—	—	—	—	—	—	—	10	10
The Alan Turing Institute	2	—	—	—	—	—	—	—	—	—	—	3,021	3,021
Bartlett Judge Associates Ltd	1	—	—	—	—	—	—	—	—	—	—	10	10
World Maritime University	1	—	—	—	—	—	385	—	—	—	—	—	385
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	—	—	10	10
Royal National Lifeboat Institution	1	—	—	—	—	—	—	—	—	—	—	10	10
IMRF - #FutureSAR	1	—	—	—	—	—	—	—	—	—	—	10	10
Fisheries Innovation Scotland	1	—	—	—	—	—	—	—	—	—	—	10	10
Flex Marine Power	1	—	—	—	—	—	—	—	—	—	—	10	10
Sustainable Sailing	1	—	—	—	—	—	—	—	—	—	—	10	10
Universiti Teknologi MARA - Assessing the Designer's Design for Safety	1	—	—	—	—	—	—	—	—	—	—	10	10
Ethos Environmental Ltd for AI4RCS	1	—	—	—	—	—	—	—	—	—	—	10	10
Northumbria University for Building partnerships in coastal Bangladesh	1	—	—	—	—	—	—	—	—	—	—	10	10
Safe use of sustainable energy sources in Tanzanian School	1	—	—	—	—	—	—	—	—	—	—	5	5
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	—	250	—	—	250
HiLo Maritime Risk Management Limited	1	—	—	—	—	—	—	—	—	—	—	10	10
UN global compact	1	300	—	—	—	—	—	—	—	—	—	—	300
Educating local community in Busan	1	—	—	—	—	—	—	—	—	—	—	5	5
Level Water	1	—	—	—	—	—	—	—	—	—	—	5	5
James Michael Foundation - Revisiting the Ocean: Living the Blue Economy	1	—	—	—	—	—	—	—	—	—	—	28	28
The Marine Institute - Model Boat Race	1	—	—	—	—	—	—	—	—	—	—	5	5
ESRA - UK Independent lifeboat Crew and Medical Student training package	1	—	—	—	—	—	—	—	—	—	—	5	5
Vianair Inc. - Advanced airport operations visualization for increased public understanding of risk	1	—	—	—	—	—	—	—	—	—	—	10	10
Eyesea.org - Social pollution mapping	1	—	—	—	—	—	—	—	—	—	—	5	5
Hellenic Marine Environment Protection Association (HELMPEPA)	1	—	—	—	—	—	—	—	—	—	—	5	5
Islington Boat Club	1	—	—	—	—	—	—	—	—	—	—	5	5
Plastic Waste Cleanup from Waterway	1	—	—	—	—	—	—	—	—	—	—	5	5
Shoebox Wellness Kits	1	—	—	—	—	—	—	—	—	—	—	5	5
Winchester Action on Climate Crisis (WinACC)	1	—	—	—	—	—	—	—	—	—	—	5	5
Hamogelo	1	—	—	—	—	—	—	—	—	—	—	3	3
Joao Ventura	1	—	—	—	—	—	—	—	—	—	—	2	2
Adriana Castro Vargas	1	—	—	—	—	—	—	—	—	—	—	2	2
MoHammed Bojair	1	—	—	—	—	—	—	—	—	—	—	2	2
Sanley Abila	1	—	—	—	—	—	—	—	—	—	—	2	2
Augustine Makokha	1	—	—	—	—	—	—	—	—	—	—	2	2
Historic England	1	—	—	—	—	—	—	—	50	—	—	—	50
Educational Volunteers Foundation of Turkey (TEGV)	1	—	—	—	—	—	—	—	—	—	—	200	200
Food and Agriculture Organisation of the United Nations (FAO)	1	—	165	—	—	—	—	—	—	—	—	—	165
Plymouth Univeristy - Rescued Lives: An Oral History of the Stories of Shipwreck Survivors	1	—	—	—	—	—	—	—	20	—	—	—	20
Health & Safety Executive	1	—	—	—	—	—	—	—	—	—	—	250	250
Maritime Decarbonisation Hub Phase 2	1	—	—	—	2,508	—	—	—	—	—	—	—	2,508
Sense about Science	1	—	—	—	—	—	—	—	—	—	918	—	918
The Ocean Foundation	1	—	—	—	—	—	—	—	413	—	—	—	413

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

United Nations Global Contact	1	—	1,405	—	—	—	—	—	—	—	—	—	1,405
Lloyds Register group	1	—	—	—	1,100	—	—	—	—	—	—	—	1,100
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	—	—	10	10
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	700	—	—	—	—	700
Cardiff University	1	—	—	—	—	—	—	—	—	266	—	—	266
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	—	249	—	—	249
University of Exeter Business School	1	—	—	—	—	—	—	—	—	85	—	—	85
University of Southern California	1	—	—	—	—	—	—	—	—	258	—	—	258
York Health Economics Consortium	1	—	—	—	—	—	—	—	—	102	—	—	102
National Marine Museum	1	—	—	—	—	—	—	—	1,000	—	—	—	1,000
International Congress of Maritime Museums	1	—	—	—	—	—	—	—	289	—	—	—	289
Resurgence	1	—	—	—	—	—	—	—	—	247	—	—	247
Resilience First	1	—	—	—	—	—	—	—	—	250	—	—	250
University of Leeds	1	—	—	—	—	—	—	—	—	435	—	—	435
The University of Central Lancashire	1	—	—	—	—	—	—	—	—	—	—	10	10
ISWAN	1	—	—	—	—	—	—	—	—	—	—	10	10
Raybel Charters	1	—	—	—	—	—	—	—	—	—	—	9	9
Ocean Generation	1	—	—	—	—	—	—	—	—	—	—	10	10
University of York	1	—	—	—	—	—	—	—	—	—	—	2,794	2,794
United Nations Global Compact	1	—	—	—	—	—	—	—	—	—	—	500	500
Italian Institute of Technology	1	—	—	—	—	—	—	—	—	—	—	2	2
Grant Adjustments		—	—	(112)	(8)	(340)	—	—	—	(171)	—	(1,548)	(2,179)
	65	300	1,570	(112)	3,600	(340)	385	700	1,772	1,971	918	5,494	16,258
Impact of discounting grants awarded		—	—	—	—	—	(30)	—	(122)	(31)	(60)	(542)	(785)
		300	1,570	(112)	3,600	(340)	355	700	1,650	1,940	858	4,952	15,473

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Grants awarded in the year ended 30 June 2022 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Foundational £000	2022 £000
Foundation for the Global Compact	1	—	—	—	—	—	—	—	—	250	250
Interferry	1	50	—	—	—	—	—	—	—	—	50
Imperial War Museum	1	—	—	—	—	—	—	500	—	—	500
The University of Manchester	1	—	—	—	—	—	—	—	104	—	104
Accenture	1	119	—	—	—	—	—	—	—	—	119
Detection of hydrogen embrittlement	1	—	—	—	—	—	—	—	—	2	2
FISH Safety Foundation	1	98	—	—	—	—	—	—	—	—	98
Kindling Safety Organisation	1	—	—	—	—	10	—	—	—	—	10
National Safety Council	1	—	—	—	—	200	—	—	—	—	200
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	95	—	95
Research presentations at Transport Research Board Annual Meeting	1	—	—	—	—	—	—	—	—	2	2
Royal Academy of Engineering Fellowship scheme	1	—	—	—	11	—	—	—	—	—	11
Royal National Lifeboat Institution	1	—	—	—	—	—	10	—	—	—	10
Safe adoption of emerging technologies	1	—	—	—	—	—	—	—	—	87	87
Techshore Inspection Services for International Certifications	1	—	—	—	—	—	—	—	—	2	2
The Resilience Shift for The Resilience Shift	1	—	—	—	3,750	—	—	—	—	—	3,750
TUV SUD Ltd	1	—	—	—	—	100	—	—	—	—	100
UCL	1	—	—	—	—	—	—	—	—	2	2
UN Global Compact Network Norway	1	—	150	—	—	—	—	—	—	—	150
Undertaking a series of development courses	1	—	—	—	—	—	—	—	—	2	2
University of Hull	1	—	—	—	—	—	—	—	—	16	16
University of Southampton	1	—	—	—	—	—	—	—	10	—	10
University of Surrey	1	—	—	—	—	—	—	—	—	10	10
University of Strathclyde	1	—	—	—	—	—	—	—	10	—	10
Lloyds Register Group	1	—	—	—	1,120	—	—	—	—	—	1,120
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	800	800
CNRS Station Biologique de Roscoff	2	—	957	—	—	—	—	—	—	—	957
Nottingham Trent University	1	—	—	—	—	—	—	—	45	—	45
Zero Carbon Green Future	1	—	—	—	—	—	—	—	9	—	8
University College London	1	—	—	—	—	—	—	—	—	657	657
Unicef	1	—	—	—	—	—	—	—	—	100	100
Ocean Decade Heritage Network	1	—	—	—	—	—	—	374	—	—	374
National Safety Council	1	—	—	—	—	—	—	—	148	—	148
The CHIRP Charitable Trust	1	260	—	—	—	—	—	—	—	—	260
Haumaru HS - Micro Credential	1	—	—	—	—	—	—	—	—	8	8
Sustainable Shipping Initiative	1	—	—	—	—	—	—	—	—	10	10
Children's Radio UK	1	—	—	—	—	—	—	—	—	10	10
University of Southampton	1	—	—	—	—	—	—	—	—	10	10
National Safety Council	1	—	—	—	—	—	—	—	—	10	10
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
TWI Ltd - SEASEP	1	—	—	—	—	—	1,000	—	—	—	1,000
Kids Invent Stuff	1	—	—	—	—	—	—	—	—	10	10
Grant adjustments		(50)	—		(713)	(176)	—	—	(10)	(33)	(982)
	43	477	1,107	—	4,168	134	1,010	874	410	1,965	10,145
Impact of discounting grants awarded		—	—	—	(131)	—	—	—	—	—	(131)
		477	1,107	—	4,037	134	1,010	874	410	1,965	10,014

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. Grants awarded but not paid

	2023 £000	2022 £000
At start of period	32,248	37,710
Awarded in the period	17,652	10,996
Unwinding of discounting (note 5)	203	324
Grant adjustments (note 6)	(2,179)	(982)
Paid in the period	(20,071)	(15,800)
At end of period	<u>27,853</u>	<u>32,248</u>

The aging of grants payable is shown in note 14.

8. Employees

	General funds £000	Endowment funds £000	2023 £000	2022 £000
Wages and salaries	2,580	—	2,580	2,440
Social security costs	285	—	285	239
Pension costs	331	—	331	301
	<u>3,196</u>	<u>—</u>	<u>3,196</u>	<u>2,980</u>

All employees are engaged in charitable activities. The average number of employees during the year was 41 (2022: 34).

Included within employee costs above is £219,000 (2022: £353,000) remuneration received by key management personnel which includes £25,000 of employer defined contribution pension costs (2022: £nil). See note 31 of the consolidated financial statements for the key management personnel of the Foundation Group.

The following number of employees earned emoluments within the bands shown below. Emoluments include benefits in kind, but exclude employer defined contribution pension costs.

	2023 Number	2022 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	3	2
£90,001 - £100,000	—	1
£100,001 - £110,000	—	2
£110,001 - £120,000	1	—
£120,001 - £130,000	2	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	—
£150,001 - £160,000	—	2
£160,001 - £170,000	1	—
£190,001 - £200,000	1	—
£350,001 - £360,000	—	1

The Foundation made no termination payments during the current or prior period.

9. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £14,000 for reimbursement for out of pocket expenses (2022: £4,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

10. Investments

	30 June 2023 £000	30 June 2022 £000
Listed investments at market value comprise:		
Fixed Interest – UK	34,040	17,404
Fixed Interest – Overseas	667	268
Equities – UK	15,379	44,472
Equities – Overseas	147,029	101,745
Pooled Funds	91,879	109,983
Derivatives	388	105
Cash instruments	428	17,740
Cash at investment managers and accrued interest	2,928	2,616
	<u>292,738</u>	<u>294,333</u>
Unlisted investments		
Investment in subsidiaries – social investment at cost less impairment	40,050	40,050
	<u>332,788</u>	<u>334,383</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Listed investments and cash held by investment managers	30 June 2023 £000	30 June 2022 £000
At start of period	291,717	317,911
Additions at cost	229,480	158,006
Disposal proceeds	(228,767)	(157,762)
Realised losses on disposals	(6,971)	(7,312)
Unrealised gains / (losses)	4,351	(19,126)
At end of period	289,810	291,717
Cash at investment managers and accrued interest	2,928	2,616
	292,738	294,333

Subsidiaries (note 12)

The Foundation has invested £40,050,000 (2022: £40,050,000) in its only immediate subsidiary, Lloyd's Register Group Limited. The subsidiaries and joint ventures of Lloyd's Register Group Limited are shown in note 32 to Lloyd's Register Foundation Group Consolidated Financial Statements.

11. Debtors

	30 June 2023 £000	30 June 2022 £000
Prepayments and accrued income	274	694
	274	694

12. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the marine industry.

The summarised financial information of the consolidated Trading Group is provided below, as per the Trading Group's consolidated financial statements for the year ended 30 June 2023 (2022: year ended 30 June 2022).

	2023 £000	2022 £000
Turnover	516,793	569,096
Cost of sales	(324,414)	(362,211)
Gross profit	192,379	206,885
Administrative expenses	(200,065)	(215,881)
Administrative expenses before exceptional costs	(191,165)	(189,619)
Operating profit before exceptional costs	1,214	17,266
Exceptional costs	(8,900)	(26,262)
Operating loss	(7,686)	(8,996)
Profit on disposal	15,842	409,261
Share of net operating loss of joint ventures	(744)	(480)
Net investment income	(22,992)	(38,158)
Other finance costs	2,163	—
(Loss) / profit before taxation	(13,417)	361,627
Taxation on profit	(3,411)	(3,067)
(Loss) / profit for the financial period	(16,828)	358,560
	30 June 2023 £000	30 June 2022 £000
Assets	1,226,434	1,351,943
Liabilities	(405,021)	(454,960)
Net Assets	821,413	896,983
Shareholder's funds	821,413	896,983

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Creditors: amounts falling due within one year

	30 June 2023 £000	30 June 2022 £000
Trade creditors	512	458
Amounts due to related companies	1,002	2,587
Grants payable	17,367	20,301
Accruals and deferred income	1,030	1,115
	19,911	24,461

14. Creditors: amounts falling due after one year

	30 June 2023 £000	30 June 2022 £000
Grants payable	10,486	11,947
	10,486	11,947

The timing of grants payable is shown in the table below:

	30 June 2023 £000	30 June 2022 £000
Due within one year	17,367	20,301
Due within 1-2 years	6,270	7,095
Due within 2-5 years	5,175	5,333
Due after 5 years	104	—
Impact of discounting	(1,063)	(481)
	10,486	11,947
Net grants payable	27,853	32,248

15. Contingent liabilities

The Foundation has a contractual obligation to transfer up to £100m (2022: £125m) of the investment assets received from the Trading Group in September 2012 to the Lloyd's Register Superannuation Fund Association in the event of an insolvency of Lloyd's Register Group Limited. The Trustees consider the risk of insolvency, and therefore the risk of payment of the contingent liability, to be minimal. Additional funding commitments to related parties are detailed in note 19.

16. Funds

	30 June 2022 £000	Income £000	Expenditure £000	Other movements £000	30 June 2023 £000
Total unrestricted funds	13,338	32,522	(26,207)	(114)	19,539
Endowment funds:					
Expendable endowment	292,471	—	(863)	(2,506)	289,102
	305,809	32,522	(27,070)	(2,620)	308,641

Other movements relate to realised and unrealised gains and losses on investment assets.

	30 June 2021 £000	Income £000	Expenditure £000	Other movements £000	30 June 2022 £000
Total unrestricted funds	20,071	15,297	(20,461)	(1,569)	13,338
Endowment funds:					
Expendable endowment	318,205	—	(865)	(24,869)	292,471
	338,276	15,297	(21,326)	(26,438)	305,809

Other movements relate to realised and unrealised gains and losses on investment assets.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift have been amended in the year to adjust the contingent asset to £100m (2022: £125m) and extend the period at least until the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. Revaluation reserve

	30 June 2022 £000	Unrealised gains £000	Realised revaluation reserve £000	30 June 2023 £000
Unrestricted – general funds	5,509	190	(304)	5,395
Endowment funds:				
Expendable endowment	68,185	4,161	(6,667)	65,679
	<u>73,694</u>	<u>4,351</u>	<u>(6,971)</u>	<u>71,074</u>

	30 June 2021 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2022 £000
Unrestricted – general funds	7,078	(1,135)	(434)	5,509
Endowment funds:				
Expendable endowment	93,054	(17,991)	(6,878)	68,185
	<u>100,132</u>	<u>(19,126)</u>	<u>(7,312)</u>	<u>73,694</u>

18. Analysis of net assets between funds

	General funds £000	Endowment funds £000	Total 30 June 2023 £000	Total 30 June 2022 £000
Fixed assets	43,686	289,102	332,788	334,383
Current assets	6,250	—	6,250	7,834
Creditors: amounts falling due within one year	(19,911)	—	(19,911)	(24,461)
Creditors: amounts falling due after one year	(10,486)	—	(10,486)	(11,947)
	<u>19,539</u>	<u>289,102</u>	<u>308,641</u>	<u>305,809</u>

	General funds £000	Endowment funds £000	Total 30 June 2022 £000	Total 30 June 2021 £000
Fixed assets	41,912	292,471	334,383	360,282
Current assets	7,834	—	7,834	18,008
Creditors: amounts falling due within one year	(24,461)	—	(24,461)	(23,243)
Creditors: amounts falling due after one year	(11,947)	—	(11,947)	(16,771)
	<u>13,338</u>	<u>292,471</u>	<u>305,809</u>	<u>338,276</u>

19. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

In accordance with the provisions of Financial Reporting Standard 102 the related party transactions entered into by the charity are detailed below. The transactions that arose were in the normal course of business.

Two grants have been awarded to the Trading Group during the year ended 30 June 2023:

- Two grants totalling £3,608,000 to support decarbonisation in the marine sector. £2,508,000 remains outstanding as at 30 June 2023.
- A £700,000 grant to support the SafetyTech Accelerator Programme. £50,000 remains outstanding as at 30 June 2023.

Two grants were awarded to the Trading Group during the year ended 30 June 2022:

- A £1,120,000 grant to support decarbonisation in the marine sector. £nil remains outstanding as at 30 June 2023 (2022: £nil).
- A £800,000 grant to support the SafetyTech Accelerator Programme. £nil remains outstanding as at 30 June 2023 (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

In addition to the grants provided, a further £850,000 may become payable to the Trading Group over the following eight years, with the majority payable within the following year. The additional payments are dependent upon periodic reviews of the project outcomes. The commitments are planned to be funded from general funds, following receipt of future investment income.

During the year ended 30 June 2023, the Foundation was charged the following amounts from the Trading Group:

- £1,013,000 in respect of the provision of services including accommodation and IT support (2022: £1,013,000); and
- £297,000 in respect of Trading Group employees seconded to the Foundation (2022: £450,000).

The above recharges do not include any amounts in respect of services for key management personnel.

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP

Strategic report of the Foundation

The Foundation has a direct social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies ("the Trading Group"). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the maritime sector. The activities of the Trading Group in furthering the charitable objects of the Foundation are discussed on pages 35 and 38.

The Foundation's consolidated total income for the year ended 30 June 2023 of £560.4 million (2022: £996.5 million) comprises of income recognised by the Trading Group of £549.9 million (2022: £988.2 million) and investment income recognised by the Foundation of £10.5 million (2022: £8.3 million). Income recognised by the Trading Group includes turnover of £516.8 million (2022: £569.1 million), investment income of £14.8 million (2022: £9.8 million), finance income relating to pensions of £2.5m (2022: £nil) and profit on disposal of discontinued operations of £15.8 million (2022: £409.3 million).

The Foundation's consolidated total expenditure for the year ended 30 June 2023 of £550.1 million (2022: £599.9 million) relates principally to the Trading Group of £527.3 million (2022: £580.5 million) with the remainder relating to the activities of the charitable entity.

Consolidated net assets for the Foundation at 30 June 2023 are £1,093.8 million (2022: £1,163.8 million), a decrease of £70.0 million from the prior year.

Net consolidated funds (cash and short term deposits) for the Foundation at 30 June 2023 are £150.8 million (30 June 2022: £409.8 million), a decrease of £259.0 million from 30 June 2022.

The performance of the Charitable entity is discussed on pages 34 to 39, and the results of the Trading Group below.

Results of the Trading Group

This financial review of the Trading Group forms part of the strategic report.

The summarised financial information of the consolidated Trading Group is provided in note 18 to the consolidated financial statements, as per the Trading Group's consolidated financial statements for the year ended 30 June 2023.

Turnover for the year ended 30 June 2023 was £516.8 million (2022: £569.1 million).

Total Group operating profit before exceptional costs for the year ended 30 June 2023 was £1.2 million, (2022: £17.3 million). Group operating profit from continuing operations before exceptional costs for the year ended 30 June 2023 was £1.2 million, (2022: £17.5m). Discontinued operations comprise the BAIS business line which was disposed of on 2 December 2021.

Exceptional costs for the year of £8.9 million (2022: £26.3 million) relate the recovery of a loan made to a third party which was previously impaired as well as redundancy and restructuring costs relating to the restructure of the Group's operating model. This includes the global outsourcing of payroll and statutory and compliance functions, the globalisation of the operational structure and the investment in the research of enhanced digital service delivery.

Statutory operating loss for the 12 month period, after exceptional costs, was £7.7 million (2022: £9.0 million).

Financial position of the Trading Group

Net assets for the Trading Group at 30 June 2023 are £821.4 million (2022: £897.0 million), a decrease of £75.6 million.

Branches of the Group

The Lloyd's Register Foundation group (the Group) has branches, as defined in section 1046(3) of the Companies Act 2006, which are outside the UK.

Financial risk management policies and objectives

The Group is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include litigation, foreign exchange risk, credit risk, and interest rate risk.

Litigation

In the normal course of business, the Trading Group receives claims for compensation from clients and other associated parties. The Trading Group has in place appropriate policies and procedures to mitigate litigation risk. Although insurance cover is carried to mitigate this risk, the results of litigation can be uncertain and the Trading Group remains exposed to a potential shortfall in this cover.

Foreign exchange risk (price risk)

Foreign exchange exposure is an expected risk of operating across a number of geographies. The Trading Group monitors the impact of foreign exchange on a regular basis. Where possible, the Trading Group uses natural hedges (offsetting costs incurred in a particular currency against revenues earned in that currency) that arise from its normal operating activities to manage its foreign exchange exposures. Where cash-pooling is not permitted by local regulations, non-GBP entities submit cash to head office companies by paying dividends and management charges. Derivative financial

instruments are used by the Trading Group's third-party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Residual foreign exchange exposure is monitored and is considered tolerable.

Liquidity risk and going concern

The Group has net cash of £150.8 million (2022: £409.8 million). In addition, the Group holds listed investments of £535.0 million (2022: £580.4 million) of which £43.2 million (2022: £51.8 million) is held in escrow to make good the deficit on overseas defined benefit pension schemes in future periods.

The Trustees consider that the cash held by the Group, together with its listed investments, are sufficient to address the Group's liquidity requirements, both in the near and longer term.

The Trustees therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Credit risk

It is company policy to perform an assessment of the creditworthiness of new clients and, where appropriate, assign a credit limit to clients' accounts.

Interest rate risk

Derivative financial instruments are used by the Group's third party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Aside from this potential risk the Group has only limited exposure to interest rate risk as it has no external borrowings or other interest-bearing financial instruments.

Further details of the Trading Group

Further details of the financial performance of the Trading Group is included within the Lloyd's Register Group Limited's statutory accounts.

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023

	Note	Trading funds 2023 £000	General funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income						
Income from investments:						
Listed investments	4	8,801	10,228	—	19,029	12,188
Property	4	3,585	—	—	3,585	5,034
Other	4	2,357	271	—	2,628	935
Other finance income - pensions		2,524	—	—	2,524	—
Income from other trading activities	5	516,793	—	—	516,793	569,096
Profit on disposal of discontinued operations	17	15,842	—	—	15,842	409,261
Total income		549,902	10,499	—	560,401	996,514
Expenditure on raising funds						
Investment management costs		—	—	(863)	(863)	(865)
Cost of other trading activities		(525,591)	—	—	(525,591)	(579,970)
Unwinding of provision discounting		(361)	—	—	(361)	—
Net interest in the results for the period in joint ventures		(744)	—	—	(744)	(480)
Other		(649)	—	—	(649)	(8)
Total costs of raising funds		(527,345)	—	(863)	(528,208)	(581,323)
Expenditure on charitable activities						
Total grants activities	7	—	(15,930)	—	(15,930)	(12,732)
Total direct activities	7	—	(5,969)	—	(5,969)	(5,809)
Total expenditure		(527,345)	(21,899)	(863)	(550,107)	(599,864)
Net income / (expenditure) before (losses) / gains on investments	11	22,557	(11,400)	(863)	10,294	396,650
Unrealised (losses) / gains on investments		(5,324)	190	4,161	(973)	(64,324)
Realised losses on disposal of investments		(32,242)	(304)	(6,667)	(39,213)	(9,938)
Net (expenditure) / income before taxation		(15,009)	(11,514)	(3,369)	(29,892)	322,388
Taxation	10	(3,411)	—	—	(3,411)	(3,067)
Net (expenditure) / income		(18,420)	(11,514)	(3,369)	(33,303)	319,321
Transfers between funds		(20,431)	20,431	—	—	—
Acquisition of non-controlling interest		(5,354)	—	—	(5,354)	—
Foreign exchange differences on translation of net assets of overseas operations		(7,020)	—	—	(7,020)	15,881
Net actuarial movements on defined benefit pension schemes	24	(36,047)	—	—	(36,047)	53,935
Tax relating to components of other comprehensive income		11,702	—	—	11,702	(9,760)
Net movement in funds		(75,570)	8,917	(3,369)	(70,022)	379,377
Funds brought forward		896,983	(25,658)	292,471	1,163,796	784,419
Funds carried forward		821,413	(16,741)	289,102	1,093,774	1,163,796

There are no recognised gains or losses for the year other than those shown above. An analysis of the prior year funds is shown in note 6. All funds are unrestricted.

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2023

	Note	30 June 2023 £000	30 June 2022 £000
Non Current Assets			
Goodwill	14	318,515	24,548
Intangible fixed assets	14	26,566	29,847
Tangible assets	15	132,150	149,563
Investments	16	536,903	580,515
Pension surplus	24	137,807	186,971
Deferred tax assets	10	11,170	14,756
Interests in joint ventures: share of net assets	16	115	116
		1,163,226	986,316
Current assets			
Debtors	19	210,372	255,428
Cash at bank and in hand		150,822	409,779
		361,194	665,207
Creditors: amounts falling due within one year	20	(236,546)	(224,689)
Net current assets		124,648	440,518
Total assets less current liabilities		1,287,874	1,426,834
Creditors: amounts falling due after one year	21	(10,486)	(11,947)
Provisions for liabilities	22	(49,418)	(86,735)
Net assets excluding pension liability		1,227,970	1,328,152
Pension liability	24	(134,196)	(164,356)
Net assets including pension liability		1,093,774	1,163,796
The funds of the group	27,28		
Non charitable trading funds		930,483	1,030,780
Revaluation reserve		25,126	30,559
General fund	29	(16,741)	(25,658)
Unrestricted funds excluding pension liability		938,868	1,035,681
Pension reserve		(134,196)	(164,356)
Total unrestricted funds		804,672	871,325
Endowment funds		223,423	224,286
Revaluation reserve	28	65,679	68,185
Total endowment funds	27	289,102	292,471
Total group funds		1,093,774	1,163,796

The financial statements on pages 83 to 114 were approved by the Trustees on 1 December 2023 and signed on their behalf by:

marina wyatt
marina wyatt (Dec 1, 2023 10:13 GMT)

Marina Wyatt, Trustee

Lloyd's Register Foundation
Company registration number 07905861

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
Net cash (outflow) / inflow from operating activities	30	(1,911)	(110,496)
Cash flows used in investing activities			
Decrease / (increase) in loans		68	26
Proceeds from sale of investments		414,515	174,912
Proceeds from sale of tangible fixed assets		201	966
Purchase of investments		(384,071)	(421,603)
Purchase of intangible fixed assets		(6,750)	(2,435)
Purchase of tangible fixed assets		(16,046)	(8,527)
Interest paid		(169)	(194)
Investment income		25,217	18,157
Additional investment in existing joint ventures		(547)	(686)
Acquisition of non-controlling interest		(5,354)	—
Acquisition of subsidiaries including debt settled on acquisition (note 14)		(300,082)	—
Acquisition of trade and assets		—	(4,671)
Disposal of subsidiaries		18,852	480,704
Cash acquired		9,251	67
Cash disposed		(5,581)	(24,457)
Net cash (outflows) / inflows generated by investing activities		(250,496)	212,259
Net increase in cash and cash equivalents		(252,407)	101,763
Cash and cash equivalents at beginning of period		409,779	314,556
Net increase in cash and cash equivalents		(252,407)	101,763
Effect of foreign exchange rate changes		(6,550)	(6,540)
Cash and cash equivalents at end of period		150,822	409,779

Analysis of cash and cash equivalents

Group	At 30 June 2022 £000	Cash flow £000	Effect of foreign exchange rate changes £000	At 30 June 2023 £000
Cash and cash equivalents	409,779	(252,407)	(6,550)	150,822
	409,779	(252,407)	(6,550)	150,822

Reconciliation of net cash flow to movements in net funds

	Cash and cash equivalents £000	2023 Net funds £000	Cash and cash equivalents £000	2022 Net funds £000
At start of period	409,779	409,779	314,556	314,556
Foreign exchange	(6,550)	(6,550)	(6,540)	(6,540)
Cash flow	(252,407)	(252,407)	101,763	101,763
At end of period	150,822	150,822	409,779	409,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Basis of accounting and consolidation

The Group financial statements consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and derivative financial instruments. They have been prepared in accordance with the Statement of Recommended Practice FRS 102 "Accounting and Reporting by Charities" ("the Charities SORP"), with the exception of banding disclosures of employee benefits (excluding pension costs) in £10,000 bandings from £60,000 for employees of the Foundation's trading subsidiaries (see note 12), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed further in the Trustees' report on page 37.

The functional currency of the Group is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Group is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Turnover from surveys and inspections, which are the main activities of the Trading Group is recognised by reference to the stage of completion of the contract activity as at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs once the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds includes costs associated with trading activities and investment management.

Expenditure on charitable activities comprise all the costs incurred applied by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities are all the expenditure by the charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Group formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Group, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

c. Tangible fixed assets

Tangible fixed assets (other than investment properties) are stated at cost, net of depreciation and impairment.

Depreciation of tangible fixed assets is provided using the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives as follows:

Motor vehicles	5 years
Office fittings and equipment	8 years
Computer equipment	5 years
Plant and machinery	5 to 20 years
Freehold buildings	5 to 40 years
Leasehold improvements	Length of the lease

Depreciation is not provided in respect of freehold land as it is deemed to have an infinite useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

d. Intangible fixed assets: goodwill

Goodwill arises on the acquisition of subsidiary undertakings and businesses and represents the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired.

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

e. Intangible fixed assets

Intangible assets relating to intellectual property rights acquired from third party developers are recognised at cost and amortised on a straight line basis over their estimated useful economics lives, which is estimated to be up to 10 years. Provision is made for any impairment.

Intangible assets relating to purchased software are recognised at cost including any directly attributable costs of preparing the software for its intended use and amortised using the straight line method over their useful economic lives which are estimated to be from 3 to 11 years. Provision is made for any impairment.

f. Investments

Listed investments are stated at market value. Unlisted investments are stated at cost less provision for impairment. The statement of financial activities includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investment properties includes one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the consolidated statement of financial activities. A valuation of the building is pro-rated according to the value of floor space occupied by third party tenants. The valuation is carried out by a surveyor holding a relevant qualification (via an independent property company).

g. Cash

Items considered to be cash are those held in hand, in current accounts and on term deposit (where the term is less than three months) with recognised financial institutions.

h. Taxation and Value Added Tax

The Foundation is a UK registered charity, and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

The Trading Group includes companies and branches that operate overseas and that are subject to foreign tax. Direct tax relating to those entities is included within the consolidated financial statements as a trading cost, and analysed in note 10 to the financial statements. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

i. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less or to receive more tax in the future.

Deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

j. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Non-charitable trading funds represent the accumulated surpluses and deficits retained within the Trading Group.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

k. Financial assets and liabilities:

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments and derivative financial instruments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Income from quoted securities, which is recorded on an accruals basis, is recognised in investment income as are changes in the fair value of the listed investment portfolio. The Group does not apply hedge accounting for any of its financial instruments.

l. Foreign currencies:

i. Foreign currency denominated assets and liabilities of the Group and its overseas operations are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities and accumulated in net funds.

ii. Income and expenditure for the year are translated at the appropriate rates prevailing during the year, updated on a monthly basis.

iii. Other exchange differences are shown in net income within the statement of financial activities except for exchange differences on monetary items receivable or payable from / to a foreign operation for which settlement is neither planned nor likely to occur (forming part of the net investment in the foreign operations) which are accumulated in net funds.

m. Leases

The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

o. Research and development expenditure

Research expenditure is written off as incurred. Development expenditure, including all costs of developing internally generated intangible assets, is also written off, except for costs of bringing purchased software into use, where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as part of the cost of the purchased software as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between 1 and 10 years. Provision is made for any impairment.

p. Interest receivable

Interest receivable from bank and short term deposits includes interest accrued. Income from listed investments is recorded on an accruals basis when the income becomes payable to the Group.

q. Short-term employee benefits

Short-term employee benefits are recognised as an expense in the period in which they relate.

r. Pensions

For defined benefit schemes the amounts charged to costs of activities for generating funds are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest income on the net defined benefit liability is charged to the statement of financial activities and included within other finance income - pensions. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

For defined contribution schemes the amount charged to the statement of financial activities account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

s. Investment in joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

t. Heritage assets

The Group's collection of pictures, furniture and fittings, ship models, books and archive material are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation charged on the grounds that for many of the assets, reliable historical cost information is not available and that the depreciated historical cost of these assets is now immaterial.

u. Provisions

Provision is made on a case-by-case basis in respect of defending claims received and where appropriate, the estimated cost of settling claims. Provisions for employee benefits arising on termination of employment, are recognised when a company is demonstrably committed to a formal plan for termination and is without realistic possibility of withdrawal from the plan.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The Trustees do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Group has long-term customer contracts under which service delivery can extend over a number of years. In accounting for such long-term contracts, an estimate is required of the costs to complete the contract to determine the percentage of completion, which is used to determine the amount of revenue to be recognised. These estimates are used to forecast the ultimate profitability of each contract. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the contract is recognised immediately. If the estimates change, the measurement of the percentage of completion will change, with a consequential remeasurement of cumulative revenue recognised to date on the contract. Consequently the determination of cost estimates on long-term customer contracts that span more than one accounting period are considered a critical judgement. However, there are no such long-term projects that are individually material to the Group's reported result. At 30 June 2023, the Group has recognised £53,206,000 of net deferred income in respect of long term contracts.

Pension plans

The Group operates pension schemes worldwide, including defined benefit pension schemes, the most significant of which is in the United Kingdom. For a description of the related accounting policies, refer to Note 2 above. Changes in significant assumptions could materially affect the amounts, particularly the rate used to discount the projected benefit obligation. Note 24 to the financial statements describes the principal discount rate, salary increase, inflation, mortality and pension payment increase assumptions that have been used to determine the pension and post-retirement charges. The calculation of any charge relating to pensions is dependent on the assumptions used, which reflects the exercise of judgement. The assumptions adopted are based on advice of the Group's actuaries, on prior experience and market conditions.

Goodwill impairment

The Group assesses at each reporting date whether there is any indication that the goodwill recognised in respect of acquisitions is impaired. Where an indicator is identified an impairment review is performed which requires the estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £318,515,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Goodwill useful economic life

The Group assesses the useful economic life of goodwill for all acquisitions. The OneOcean acquisition is significant for the group providing a stable customer base with recurring revenue streams, and significant long term synergies. Synergies are expected both from cross selling and cost efficiencies. The useful economic life of the OneOcean acquisition has been estimated at 20 years and resulted in a current year amortisation charge of £12.8m.

4. Investment income

	Trading funds £000	General funds £000	Endowment funds £000	Total funds 2023 £000	Total funds 2022 £000
Fixed Interest – UK	3,910	1,215	—	5,125	3,336
Fixed Interest – Overseas	—	20	—	20	56
Equities – UK	1,049	1,438	—	2,487	2,345
Equities – Overseas	2,767	3,816	—	6,583	2,764
Pooled Funds	782	3,575	—	4,357	3,643
Cash Instruments	293	164	—	457	44
	<u>8,801</u>	<u>10,228</u>	<u>—</u>	<u>19,029</u>	12,188
Bank interest	2,357	271	—	2,628	935
Income from UK investment property	<u>3,585</u>	<u>—</u>	<u>—</u>	<u>3,585</u>	5,034
	<u>14,743</u>	<u>10,499</u>	<u>—</u>	<u>25,242</u>	18,157

5. Income from other trading activities

	2023 £000	2022 £000
Turnover by class of business of the Trading Group:		
Marine and Offshore**	396,278	364,297
Digital Solutions**	73,299	18,140
Industrial Digital Products ***	—	17,154
Business Assurance and Inspection Services *	—	127,725
Professional Services**	47,216	41,780
	<u>516,793</u>	<u>569,096</u>

* Business Assurance and Inspection Services operations were discontinued following the disposal of the business to Goldman Sachs Management on 2 December 2021.

** During the year the Group acquired One Ocean and established a new business line, Digital Solutions. The Maritime Performance Services business line previously reported has been restated to either Digital Solutions or the separately managed Professional Services business line.

*** Disposed of during the year as described in note 17.

Expenditure on raising funds

Costs of raising funds include investment management costs and all expenses of the Trading Group including those attributable to public benefit activities but excluding any charitable donations made directly by the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. Breakdown of total funds for 2022

	Trading funds £000 Continuing	Trading funds £000 Discontinued	Trading funds £000 Total	General funds £000	Endowment funds £000	Total funds 2022 £000
Income						
Income from investments:						
Listed investments	3,917	—	3,917	8,271	—	12,188
Property	5,034	—	5,034	—	—	5,034
Other	909	—	909	26	—	935
Income from other trading activities	441,371	127,725	569,096	—	—	569,096
Profit on disposal of discontinued operations	—	409,261	409,261	—	—	409,261
Total income	451,231	536,986	988,217	8,297	—	996,514
Expenditure on raising funds						
Investment management costs	—	—	—	—	(865)	(865)
Cost of other trading activities	(450,792)	(129,178)	(579,970)	—	—	(579,970)
Other finance costs – pensions	—	—	—	—	—	—
Net interest in the results for the period in joint ventures	(480)	—	(480)	—	—	(480)
Other	(8)	—	(8)	—	—	(8)
Total costs of raising funds	(451,280)	(129,178)	(580,458)	—	(865)	(581,323)
Expenditure on charitable activities						
Total grant activities	—	—	—	(12,732)	—	(12,732)
Total direct activities	—	—	—	(5,809)	—	(5,809)
Total expenditure	(451,280)	(129,178)	(580,458)	(18,541)	(865)	(599,864)
Net income / (expenditure) before (losses) / gains on investments	(49)	407,808	407,759	(10,244)	(865)	396,650
Unrealised (losses) / gains on investments	(45,198)	—	(45,198)	(1,135)	(17,991)	(64,324)
Realised losses on disposal of investments	(2,626)	—	(2,626)	(434)	(6,878)	(9,938)
Net income / (expenditure) before taxation	(47,873)	407,808	359,935	(11,813)	(25,734)	322,388
Taxation	(2,471)	(596)	(3,067)	—	—	(3,067)
Net income / (expenditure)	(50,344)	407,212	356,868	(11,813)	(25,734)	319,321
Transfers between funds			(5,308)	5,308	—	—
Foreign exchange differences on translation of net assets of overseas operations			15,881	—	—	15,881
Net actuarial movements on defined benefit pension schemes			53,935	—	—	53,935
Tax relating to components of other comprehensive income			(9,760)	—	—	(9,760)
Net movement in funds			411,616	(6,505)	(25,734)	379,377
Funds brought forward			485,367	(19,153)	318,205	784,419
Funds carried forward			896,983	(25,658)	292,471	1,163,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

7. Analysis of expenditure on charitable activities

	Grants (note 8)	Direct costs	Support costs	2023
	£000	£000	£000	£000
Grant making activities:				
Goal 1: Evidence and Insight	1,940	134	407	2,481
Goal 2: Challenge area: Safety at Sea	300	19	58	377
Goal 2: Challenge area: Safety of Food	1,570	98	303	1,971
Goal 2: Challenge area: Safety for a Sustainable Future	(8)	225	695	912
Goal 2: Challenge area: Safety of Digital Systems	(112)	—	—	(112)
Goal 2: Challenge area: Skills for Safety	355	24	69	448
Goal 2: Challenge area: Safety of Physical Infrastructure	(340)	—	—	(340)
Goal 2: Challenge area: Public Understanding of Risk	858	57	166	1,081
Heritage and education centre	1,650	110	320	2,080
Safetytech Accelerator	—	44	135	179
Foundational *	4,952	439	1,259	6,650
	<u>11,165</u>	<u>1,150</u>	<u>3,412</u>	<u>15,727</u>
Discounting of grant liabilities**	203	—	—	203
Total grant activities	<u>11,368</u>	<u>1,150</u>	<u>3,412</u>	<u>15,930</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,295	417	2,712
Goal 2: Challenge area: Safety for a Sustainable Future	—	136	25	161
Goal 2: Challenge area: Safety of Food	—	127	23	150
Heritage and education centre	—	2,295	417	2,712
Foundational *	—	198	36	234
Total direct activities	<u>—</u>	<u>5,051</u>	<u>918</u>	<u>5,969</u>
	<u>11,368</u>	<u>6,201</u>	<u>4,330</u>	<u>21,899</u>

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

**Impact of unwinding of discount of grant liabilities and change in discount rate. The impact of unwinding the discount of the grant liabilities is £343,000. The impact of changing the discount rate is a reduction in the expenditure of £140,000.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £4,330,000 (2022: £4,674,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £1,478,000 (2022: £1,795,000) and governance costs of £65,000 (2022: £62,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £65,000 (2022: £62,000).

Analysis of expenditure by charitable activities in 2022 is shown below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Grant making activities:	Grants (note 8) £000	Direct costs £000	Support costs £000	2022 £000
Goal 1: Evidence and Insight	410	40	136	586
Goal 2: Challenge area: Safety at Sea	477	47	158	682
Goal 2: Challenge area: Safety of Food	1,107	108	367	1,582
Goal 2: Challenge area: Safety for a Sustainable Future	2,917	407	1,343	4,667
Goal 2: Challenge area: Skills for Safety	1,010	98	335	1,443
Goal 2: Challenge area: Safety of Physical Infrastructure	134	13	44	191
Heritage and education centre	874	85	290	1,249
Foundational *	1,165	191	652	2,008
	<u>8,094</u>	<u>989</u>	<u>3,325</u>	<u>12,408</u>
Unwinding of discounting of grant liabilities	324	—	—	324
Total grant activities	<u>8,418</u>	<u>989</u>	<u>3,325</u>	<u>12,732</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,205	667	2,872
Goal 2: Challenge area: Safety of Food	—	158	48	206
Goal 2: Challenge area: Safety for a Sustainable Future	—	139	42	181
Goal 2: Challenge area: Safety of Physical Infrastructure	—	36	11	47
Heritage and education centre	—	1,688	510	2,198
Foundational *	—	234	71	305
Total direct activities	<u>—</u>	<u>4,460</u>	<u>1,349</u>	<u>5,809</u>
	<u>8,418</u>	<u>5,449</u>	<u>4,674</u>	<u>18,541</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

8. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded for the year ended 30 June 2023 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Understanding Risk £'000	Foundational £'000	2023 £000
The American College of Greece	1	—	—	—	—	—	—	—	—	—	10	10
The Alan Turing Institute	2	—	—	—	—	—	—	—	—	—	3,021	3,021
Bartlett Judge Associates Ltd	1	—	—	—	—	—	—	—	—	—	10	10
World Maritime University	1	—	—	—	—	—	385	—	—	—	—	385
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	—	10	10
Royal National Lifeboat Institution	1	—	—	—	—	—	—	—	—	—	10	10
IMRF - #FutureSAR	1	—	—	—	—	—	—	—	—	—	10	10
Fisheries Innovation Scotland	1	—	—	—	—	—	—	—	—	—	10	10
Flex Marine Power	1	—	—	—	—	—	—	—	—	—	10	10
Sustainable Sailing	1	—	—	—	—	—	—	—	—	—	10	10
Universiti Teknologi MARA - Assessing the Designer's Design for Safety	1	—	—	—	—	—	—	—	—	—	10	10
Ethos Environmental Ltd for AI4RCS	1	—	—	—	—	—	—	—	—	—	10	10
Northumbria University for Building partnerships in coastal Bangladesh	1	—	—	—	—	—	—	—	—	—	10	10
Safe use of sustainable energy sources in Tanzanian School	1	—	—	—	—	—	—	—	—	—	5	5
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	250	—	—	250
HiLo Maritime Risk Management Limited	1	—	—	—	—	—	—	—	—	—	10	10
UN global compact	1	300	—	—	—	—	—	—	—	—	—	300
Educating local community in Busan	1	—	—	—	—	—	—	—	—	—	5	5
Level Water	1	—	—	—	—	—	—	—	—	—	5	5
James Michael Foundation - Revisiting the Ocean: Living the Blue Economy	1	—	—	—	—	—	—	—	—	—	28	28
The Marine Institute - Model Boat Race	1	—	—	—	—	—	—	—	—	—	5	5
ESRA - UK Independent lifeboat Crew and Medical Student training package	1	—	—	—	—	—	—	—	—	—	5	5
Vianair Inc. - Advanced airport operations visualization for increased public understanding of risk	1	—	—	—	—	—	—	—	—	—	10	10
Eyesea.org - Social pollution mapping	1	—	—	—	—	—	—	—	—	—	5	5
Hellenic Marine Environment Protection Association (HELMEPA)	1	—	—	—	—	—	—	—	—	—	5	5
Islington Boat Club	1	—	—	—	—	—	—	—	—	—	5	5
Plastic Waste Cleanup from Waterway	1	—	—	—	—	—	—	—	—	—	5	5
Shoebox Wellness Kits	1	—	—	—	—	—	—	—	—	—	5	5
Winchester Action on Climate Crisis (WinACC)	1	—	—	—	—	—	—	—	—	—	5	5
Hamogelo	1	—	—	—	—	—	—	—	—	—	3	3
Joao Ventura	1	—	—	—	—	—	—	—	—	—	2	2
Adriana Castro Vargas	1	—	—	—	—	—	—	—	—	—	2	2
MoHammed Bojair	1	—	—	—	—	—	—	—	—	—	2	2
Sanley Abila	1	—	—	—	—	—	—	—	—	—	2	2
Augustine Makokha	1	—	—	—	—	—	—	—	—	—	2	2
Historic England	1	—	—	—	—	—	—	50	—	—	—	50
Educational Volunteers Foundation of Turkey (TEGV)	1	—	—	—	—	—	—	—	—	—	200	200
Food and Agriculture Organisation of the United Nations (FAO)	1	—	165	—	—	—	—	—	—	—	—	165
Plymouth University - Rescued Lives: An Oral History of the Stories of Shipwreck Survivors	1	—	—	—	—	—	—	20	—	—	—	20
Health & Safety Executive	1	—	—	—	—	—	—	—	—	—	250	250
Sense about Science	1	—	—	—	—	—	—	—	—	918	—	918
The Ocean Foundation	1	—	—	—	—	—	—	413	—	—	—	413
United Nations Global Contact	1	—	1,405	—	—	—	—	—	—	—	—	1,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	—	10	10
Cardiff University	1	—	—	—	—	—	—	—	266	—	—	266
ICLEI Africa Secretariat	1	—	—	—	—	—	—	—	249	—	—	249
University of Exeter Business School	1	—	—	—	—	—	—	—	85	—	—	85
University of Southern California	1	—	—	—	—	—	—	—	258	—	—	258
York Health Economics Consortium	1	—	—	—	—	—	—	—	102	—	—	102
National Marine Museum	1	—	—	—	—	—	—	1,000	—	—	—	1,000
International Congress of Maritime Museums	1	—	—	—	—	—	—	289	—	—	—	289
Resurgence	1	—	—	—	—	—	—	—	247	—	—	247
Resilience First	1	—	—	—	—	—	—	—	250	—	—	250
University of Leeds	1	—	—	—	—	—	—	—	435	—	—	435
The University of Central Lancashire	1	—	—	—	—	—	—	—	—	—	10	10
ISWAN	1	—	—	—	—	—	—	—	—	—	10	10
Raybel Charters	1	—	—	—	—	—	—	—	—	—	9	9
Ocean Generation	1	—	—	—	—	—	—	—	—	—	10	10
University of York	1	—	—	—	—	—	—	—	—	—	2,794	2,794
United Nations Global Compact	1	—	—	—	—	—	—	—	—	—	500	500
Italian Institute of Technology	1	—	—	—	—	—	—	—	—	—	2	2
Grant Adjustments		—	—	(112)	(8)	(340)	—	—	(171)	—	(1,548)	(2,179)
62		300	1,570	(112)	(8)	(340)	385	1,772	1,971	918	5,494	11,950
Impact of discounting grants awarded		—	—	—	—	—	(30)	(122)	(31)	(60)	(542)	(785)
		300	1,570	(112)	(8)	(340)	355	1,650	1,940	858	4,952	11,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Grants awarded in the year to 30 June 2022 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Foundational £000	2022 £000
Foundation for the Global Compact	1	—	—	—	—	—	—	—	—	250	250
Interferry	1	50	—	—	—	—	—	—	—	—	50
Imperial War Museum	1	—	—	—	—	—	—	500	—	—	500
The University of Manchester	1	—	—	—	—	—	—	—	104	—	104
Accenture	1	119	—	—	—	—	—	—	—	—	119
Detection of hydrogen embrittlement	1	—	—	—	—	—	—	—	—	2	2
FISH Safety Foundation	1	98	—	—	—	—	—	—	—	—	98
Kindling Safety Organisation	1	—	—	—	—	10	—	—	—	—	10
National Safety Council	1	—	—	—	—	200	—	—	—	—	200
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	95	—	95
Research presentations at Transport Research Board Annual Meeting	1	—	—	—	—	—	—	—	—	2	2
Royal Academy of Engineering Fellowship scheme	1	—	—	—	11	—	—	—	—	—	11
Royal National Lifeboat Institution	1	—	—	—	—	—	10	—	—	—	10
Safe adoption of emerging technologies	1	—	—	—	—	—	—	—	—	87	87
Techshore Inspection Services for International Certifications	1	—	—	—	—	—	—	—	—	2	2
The Resilience Shift for The Resilience Shift	1	—	—	—	3,750	—	—	—	—	—	3,750
TUV SUD Ltd	1	—	—	—	—	100	—	—	—	—	100
UCL	1	—	—	—	—	—	—	—	—	2	2
UN Global Compact Network Norway	1	—	150	—	—	—	—	—	—	—	150
Undertaking a series of development courses	1	—	—	—	—	—	—	—	—	2	2
University of Hull	1	—	—	—	—	—	—	—	—	16	16
University of Southampton	1	—	—	—	—	—	—	—	10	—	10
University of Surrey	1	—	—	—	—	—	—	—	—	10	10
University of Strathclyde	1	—	—	—	—	—	—	—	10	—	10
CNRS Station Biologique de Roscoff	2	—	957	—	—	—	—	—	—	—	957
Nottingham Trent University	1	—	—	—	—	—	—	—	45	—	45
Zero Carbon Green Future	1	—	—	—	—	—	—	—	9	—	8
University College London	1	—	—	—	—	—	—	—	—	657	657
Unicef	1	—	—	—	—	—	—	—	—	100	100
Ocean Decade Heritage Network	1	—	—	—	—	—	—	374	—	—	374
National Safety Council	1	—	—	—	—	—	—	—	148	—	148
The CHIRP Charitable Trust	1	260	—	—	—	—	—	—	—	—	260
Haumaru HS – Micro Credential	1	—	—	—	—	—	—	—	—	8	8
Sustainable Shipping Initiative	1	—	—	—	—	—	—	—	—	10	10
Children's Radio UK	1	—	—	—	—	—	—	—	—	10	10
University of Southampton	1	—	—	—	—	—	—	—	—	10	10
National Safety Council	1	—	—	—	—	—	—	—	—	10	10
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
TWI Ltd – SEASEP	1	—	—	—	—	—	1,000	—	—	—	1,000
Kids Invent Stuff	1	—	—	—	—	—	—	—	—	10	10
Grant adjustments		(50)	—	—	(713)	(176)	—	—	(10)	(33)	(982)
	41	477	1,107	—	3,048	134	1,010	874	410	1,165	8,225
Impact of discounting grants awarded		—	—	—	(131)	—	—	—	—	—	(131)
		477	1,107	—	2,917	134	1,010	874	410	1,165	8,094

9. Grants awarded but not paid

	2023 £000	2022 £000
At start of year	32,248	37,659
Awarded in the year	13,344	9,076
Unwinding of discounting (note 7)	203	324
Grant adjustments (note 8)	(2,179)	(982)
Paid in the year	(18,321)	(13,829)
At end of year	25,295	32,248

The aging of grants payable is shown in note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

10. Taxation

The Foundation is a UK registered charity and is not subject to UK corporation tax on its charitable activities.

Many companies and branches within the Trading Group are in jurisdictions where there is no such exemption, and so the overall Group is subject to tax.

	2023 £000	2022 £000
Current tax on net (expenditure) / income		
UK corporation tax	—	54
Double tax relief	—	—
	<u>—</u>	<u>54</u>
Foreign tax	15,531	11,322
	<u>15,531</u>	<u>11,376</u>
Adjustment in respect of prior periods		
• UK corporation tax	2	5
• Foreign tax	(2,096)	(264)
	<u>13,437</u>	<u>11,117</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(12,341)	(7,746)
Adjustments in respect of previous periods	2,315	(304)
	<u>(10,026)</u>	<u>(8,050)</u>
Total deferred tax		
Total tax on net (expenditure) / income	<u>3,411</u>	<u>3,067</u>

The standard rate of tax applied to the reported profit is 20.5% (2022: 19%).

On 10 June 2021, new measures to increase the main corporation tax rates to 25% from 1 April 2023 were enacted. Deferred tax assets and liabilities have been remeasured for the increased tax rate.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group continues to monitor the impact of this legislation as well as other income tax developments in the territories in which it operates to understand their potential future impacts.

During the year beginning 1 July 2023, the net reversal of deferred tax assets and liabilities is expected to increase the corporate tax charge for the year by £2.1 million (2022: £5.0 million). This is due to the reversal of timing differences expected within the next 12 months.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2023 £000	2022 £000
Net (expenditure) / income before taxation	(29,892)	322,388
Net (expenditure) / income multiplied by the average standard rate of United Kingdom corporation tax of: 20.5% (2022: 19%)	(6,127)	61,254
Effects of:		
• Tax exempt losses	552	5,446
• Overseas rate differences	(1,354)	(1,213)
• Goodwill amortisation not deductible for tax purposes	3,219	1,031
• Expenses not deductible for tax purposes	670	6,893
• Brought forward unprovided timing differences now recognised in year	(472)	(316)
• Impact of UK qualifying corporate donations	(4,187)	(2,016)
• Current year unprovided timing differences	4,951	4,159
• Fair value loss on investment property not subject to tax	5,553	3,629
• Other taxes	4,030	2,989
• Adjustments in respect of prior periods	221	(563)
• Disposal of subsidiary undertakings including tax cost	(3,645)	(78,226)
	<u>3,411</u>	<u>3,067</u>
Group tax charge for year		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Deferred tax liabilities / (assets)

	2023 £000	2022 £000
Liabilities at 1 July	20,334	9,871
Arising in the year	(23,261)	943
Disposal of business	495	9,321
Foreign exchange differences	644	199
(Assets) / liabilities at 30 June	(1,788)	20,334
Deferred tax asset	(11,170)	(14,756)
Deferred tax liability (note 22)	9,382	35,090
	(1,788)	20,334
Deferred tax is recognised as follows:		
Accelerated capital allowances	4,044	3,022
Deferred tax arising in relation to retirement benefit obligations	25,036	37,511
Tax losses	(29,855)	(19,365)
Tax on disposal of business	1,064	4,063
Other timing differences	(2,077)	(4,897)
	(1,788)	20,334

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of the financial statements. Deferred tax assets on short-term timing differences and any overseas losses have not been recognised unless the asset is expected to be recovered in the foreseeable future. Deferred tax assets not recognised amount to £26.1 million (2022: £30.5 million). Unrecognised assets will potentially become recoverable against future profits generated in the relevant overseas operations.

11. Net (expenditure) / income before (losses) / gains on investments

This is stated after charging / (crediting):

	2023 £000	2022 £000
Staff costs (note 12)	305,713	352,137
(Credit) / charge for bad and doubtful debts	(1,545)	5,162
Research and development costs	7,168	12,534
Loss on disposal of fixed assets	2,906	600
Amortisation of intangible fixed assets (note 14)	6,327	8,272
Depreciation of tangible fixed assets (note 15)	5,547	6,788
Amortisation of goodwill (note 14)	15,818	5,586
Rentals payable under operating leases	19,418	23,964
Exceptional costs (note 18)	(8,900)	26,262
Auditor's remuneration:		
Audit of parent	65	62
Audit of subsidiaries	1,829	1,747
Other services	18	24
Tax compliance services	311	403
Foreign exchange (gain) / loss	(954)	652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. Employees

	Trading funds £000	General funds £000	Total funds 2023 £000	Total funds 2022 £000
Wages and salaries	251,552	2,580	254,132	290,999
Social security costs	26,517	285	26,802	31,042
Pension costs (note 24)	24,448	331	24,779	30,096
	<u>302,517</u>	<u>3,196</u>	<u>305,713</u>	<u>352,137</u>

In addition, £7.4 million (2022: £5.2 million) of redundancy costs have been incurred.

The average number of employees, analysed by function was:

	2023	2022
	Number	Number
Charitable activities	41	34
Trading activities	3,669	4,620
	<u>3,710</u>	<u>4,654</u>

The Charities SORP, which is applicable to the Foundation, recommends that charities disclose the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards.

Employee benefit banding disclosures for the Foundation only employees are provided on page 74 in compliance with the requirements of the Charities SORP.

In addition, the Trustees are providing summary information on employee benefits in the Foundation's trading subsidiaries (the 'Trading Group'). The emoluments received by employees of the Trading Group in the 12 month period to 30 June 2023 were as follows: 3 employees received over £1,000,000; 8 employees received between £500,001 and £1,000,000; 2 employees received between £400,001 and £500,000; 3 employees received between £300,001 and £400,000; 39 employees received between £200,001 and £300,000; 478 employees received between £100,001 and £200,000; and 1,139 employees received between £60,001 and £100,000.

The Trustees have chosen, however, not to provide this disclosure on a consolidated basis in £10,000 bandings for the employees of the Foundation's trading subsidiaries (the 'Trading Group') as they believe that these disclosures will not be material to users of the Foundation's financial statements for the following reasons:

- In 2012, Lloyd's Register converted its status from an industrial and provident society to a company limited by shares, with the Foundation created as a new parent to hold the shares in Lloyd's Register Group Limited. One of the principal reasons for this action was to facilitate the furtherance of the charitable goals of Lloyd's Register. It is the view of the Trustees, that the employment of individuals within the Trading Group has not arisen from the deployment of the resources of the Foundation, but rather it is the endeavours of past and present employees of the Trading Group that have given rise to the ability to create a charity that is financially strong and that is capable of furthering its charitable objectives. The work of the Trading Group contributes to the achievement of the charitable objectives of the Foundation however to do so it is necessary to recruit employees with the necessary skills by offering employee benefits which are competitive within their respective markets. Accordingly, this disclosure is not necessary to enable potential stakeholders to assess whether the balance between expenditure on employment of individuals to generate trading profits (which benefit the charity) and expenditure on charitable purposes is appropriate.
- The Trading Group had an average of 3,669 employees for the year ended 30 June 2023 (2022: 4,620). These employees are located throughout the world and their salaries reflect local market conditions. Provision of the disclosure required by the Charities SORP for the consolidated group would not aid comparability with other companies in the Charities sector because of the vast geographical diversity of the Trading Group's employee base and the employee benefits received by Trading Group employees can only be understood in the context of the market trends in the many countries in which the Trading Group operates. The vast majority of the Trading Group's employees are not in roles which exist in other charitable groups, and therefore any benchmarking against similarly sized charitable groups would not be meaningful for stakeholders.

This disclosure addresses the requirement of Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100), which requires that when an entity does not provide a disclosure required by a Statement of Recommended Practice, the financial statements explain which recommended disclosures have not been provided and the reasons why.

13. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £14,000 for reimbursement for out of pocket expenses (2022: £4,000) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

14. Intangible fixed assets

	Goodwill £000	Software £000
Cost:		
At 1 July 2022	54,102	70,329
Additions	311,884	6,750
Disposal	—	(18,363)
Exchange adjustment	(2,479)	—
At 30 June 2023	<u>363,507</u>	<u>58,716</u>
Amortisation:		
At 1 July 2022	29,554	40,482
Charged during the year	15,818	6,327
Disposal	—	(14,659)
Exchange adjustment	(380)	—
At 30 June 2023	<u>44,992</u>	<u>32,150</u>
Net book value:		
At 30 June 2023	<u>318,515</u>	<u>26,566</u>
At 30 June 2022	<u>24,548</u>	<u>29,847</u>

The Group has developed a group-wide enterprise resource planning and financial reporting solution. The net book value as at 30 June 2023 was £11,803,000 (2022: £14,164,000). The intangible asset is being amortised over the estimated useful life of seven years.

The net book value of an operational system specific to our Marine business at 30 June 2023 was £6,651,000 (2022: £9,976,000). The remaining estimated useful life is three years.

Acquisitions

OneOcean

On 31 August 2022, the Company acquired a 100% shareholding in the Ensign Holdco 1 Limited Group by purchasing 100% of the issued share capital of Ensign Holdco 1 Limited. Total consideration was £249.9m consisting of £242.9m of cash consideration and £7.0m of acquisition costs. In addition, liabilities of £47.5m were settled on acquisition. There was no deferred or contingent consideration.

Ensign Holdco 1 Limited is the owner of OneOcean, a leading supplier of voyage compliance, safety and environmental solutions. The acquisition has been accounted for using the acquisition method of accounting. After the alignment of accounting policies and other adjustments to the book value of acquired assets and liabilities to reflect their fair value, the fair value of net liabilities acquired was £58.2m.

	Book Value £'000	Fair Value Adjustments £'000	Fair Value £'000
Fixed assets	618	—	618
Current assets	15,999	—	15,999
Cash and cash equivalents	9,251	—	9,251
Current liabilities	(36,585)	—	(36,585)
Non-current liabilities	<u>(47,527)</u>	<u>—</u>	<u>(47,527)</u>
	<u>(58,244)</u>	<u>—</u>	<u>(58,244)</u>
Total consideration payable			242,896
Acquisition expenses			6,992
Net liabilities acquired			<u>58,244</u>
Goodwill arising on acquisition			<u>308,132</u>

The useful economic life of goodwill arising on acquisition is estimated to be 20 years. Intangible assets included within goodwill includes the assembled workforce, company knowhow and future development potential.

The consolidated profit and loss account for the year ended 30 June 2023 includes the result of Ensign Holdco 1 Limited since the acquisition date and contributed £51.2m of turnover and £7.0m of profit after taxation.

IT Energy Systems and Consulting Limited

In April 2023, the Company acquired 100% of IT Energy Systems and Consulting Limited business. The acquisition has been accounted for using the acquisition method of accounting, which resulted in £3,752,000 of goodwill. The useful economic life of goodwill arising on acquisition is estimated to be 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

15. Tangible fixed assets

	Investment property* £000	Land and buildings £000	Leasehold improvements £000	Office fittings and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation:								
At 1 July 2022	121,837	28,381	15,029	34,893	2,513	49,049	1,687	253,389
Additions	—	7,050	4,519	726	496	3,093	162	16,046
Acquisition of business	—	—	—	618	—	—	—	618
Transfers	(3,570)	3,570	—	—	—	—	—	—
Revaluations	(27,086)	—	—	—	—	—	—	(27,086)
Disposals	—	—	(1,405)	(1,389)	(2)	(922)	(744)	(4,462)
Exchange differences	—	—	(209)	(237)	(7)	(367)	(57)	(877)
At 30 June 2023	91,181	39,001	17,934	34,611	3,000	50,853	1,048	237,628
Depreciation:								
At 1 July 2022	—	15,278	9,951	29,484	1,433	46,323	1,357	103,826
Charged in year	—	546	1,043	1,799	313	1,738	108	5,547
Disposals	—	—	(1,097)	(1,174)	(2)	(381)	(744)	(3,398)
Exchange differences	—	—	(197)	(57)	(7)	(219)	(17)	(497)
At 30 June 2023	—	15,824	9,700	30,052	1,737	47,461	704	105,478
Net book value:								
At 30 June 2023	91,181	23,177	8,234	4,559	1,263	3,392	344	132,150
At 30 June 2022	121,837	13,103	5,078	5,409	1,080	2,726	330	149,563

*77% (2022: 79%) of the mixed used property is classified as an investment property. Land and buildings includes freehold property in the United Kingdom with a net book value of £22,360,000 (2022: £12,344,000) and estimated market value of £23,074,000 (2022: £37,500,000).

Heritage Assets

The Group has accumulated a collection of heritage assets as described in the accounting policies. As a result of their age and, in many cases, unique nature reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. The latest insurance valuation of these assets was £7.0 million.

Investment property

Investment property includes one freehold property that is in mixed functional and investment use. Areas of the building occupied by or marketed to third party tenants are deemed to be in investment property use and are held at market value. A proportion of 77% (2022: 79%) is deemed an investment property, based on the value of space let or marketed to third party tenants. The transfer of part of the property from investment property to own use resulted in a transfer of £3,570,000 representing the previous carrying value. The property valuation, with an effective date of 30 June 2023, was carried out on a market value basis by a surveyor holding a qualification from the Royal Institution of Chartered Surveyors who has recent experience in the location and class of investment property valued. If the investment property had not been revalued it would have been included at £19,996,000 (2022: £25,642,000).

Significant assumptions included in the valuation of the investment property include current investment yields and estimated future rental values, having regard to the age and general condition of the property.

As set out in note 4, rental income from investment properties for the year ended 30 June 2023 was £3,585,000 (2022: £5,034,000).

The Group leases the investment property to a portfolio of tenants. Lease agreements are up to 20 years and typically include rent review clauses. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2023 £000	2022 £000
Within one year	4,786	5,375
In the second to fifth years inclusive	13,491	21,384
After five years	10,867	17,742
	29,144	44,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

16. Investments

	2023 £000	2022 £000
Listed investments at market value comprise:		
Fixed Interest – UK	130,855	105,797
Fixed Interest – Overseas	667	268
Equities – UK	25,763	84,028
Equities – Overseas	247,148	186,914
Pooled Funds	121,786	154,803
Derivatives	388	105
Cash Instruments	428	17,740
	527,035	549,655
Cash at investment managers and accrued interest	7,945	30,758
	534,980	580,413
Long-term loans	34	102
Unlisted investments	1,889	—
	536,903	580,515
Investments in joint ventures: share of net assets	115	116
	537,018	580,631

Listed investments and cash held by investment managers

	2023 £000	2022 £000
At start of year	549,655	385,847
Additions at cost	382,182	421,603
Disposals proceeds	(391,702)	(202,632)
Realised gains on disposals	(39,213)	(9,938)
Unrealised (losses) / gains	26,113	(45,225)
At end of year	527,035	549,655
Cash held by investment managers and accrued interest	7,945	30,758
	534,980	580,413

Subsidiaries

A complete list of the subsidiaries and joint ventures is included in note 32.

Joint ventures

The following entities are treated as joint ventures of the Group:

Company	Share of company owned	Country of incorporation and registration	Principal activity
Lloyd's Maritime Information Services Ltd	50%	United Kingdom	Dormant
Common Structural Rules Software LLC	50%	United States of America	Software development

The shareholders' agreements in place for the above entities means that the Group does not have overall control of the Company despite the nominal level of ownership.

The following shows the share of net assets recognised by the Group for these entities:

	2023 £000	2022 £000
Lloyd's Maritime Information Services Limited	115	116
Common Structural Rules Software LLC	—	—
	115	116

At 30 June 2023 Common Structural Rules Software LLC joint venture had net liabilities. The Group's share of the net liabilities amounted to £28,000 (2022: £34,000) and was recognised within other provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

17. Sale of subsidiary undertaking

During the year, the Group disposed of its three Industrial Digital Products businesses. On 1 July 2022 the Group completed the disposal of its subsidiary undertakings, Lloyd's Register Digital Products Limited and Lloyd's Register RiskSpectrum AB to Total Specific Solutions B.V. In September 2022 the Group completed the sale of its AllAssets business to Pinnacle.

The disposal of Lloyd's Register Digital Products Limited and Lloyd's Register RiskSpectrum AB included the disposal of the Subsurface and RiskSpectrum product lines. The results of the subsidiaries for the year ended 30 June 2022 have not been disclosed as discontinued operations in the Group's consolidated statement of financial activities since they do not represent a major business line.

The trade and net assets relating to the AllAssets product line was disposed of in a separate transaction in September 2022. Net assets disposed of and the related sale proceeds were as follows:

	Total £000
Total non-current assets	1,661
Current assets	11,244
Creditors	(7,057)
Net assets	5,848
	24,051
Sale proceeds	(2,361)
Disposal costs	15,842
Profit on disposal	15,842
	21,213
Net cash inflows / (outflows) in respect of the sale comprised:	(5,581)
Cash and cash equivalents received	(2,361)
Less: cash and cash equivalents disposed of	13,271
Disposal costs	13,271

18. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in the marine industry.

The summarised financial information of the consolidated Trading Group position is provided below, as per the Trading Group consolidated accounts for the year ended 30 June 2023.

	2023 £000	2022 £000
Turnover	516,793	569,096
Cost of sales	(324,414)	(362,211)
Gross profit	192,379	206,885
Administrative expenses	(200,065)	(215,881)
Administrative expenses before exceptional costs	(191,165)	(189,619)
Operating profit before exceptional costs	1,214	17,266
Exceptional costs	(8,900)	(26,262)
Operating loss	(7,686)	(8,996)
Profit on disposal of discontinued operations	15,842	409,261
Share of net operating loss of joint ventures	(744)	(480)
Net investment income	(22,992)	(38,158)
Other finance income	2,163	—
(Loss) / profit before taxation	(13,417)	361,627
Taxation on (loss) / profit	(3,411)	(3,067)
(Loss) / profit for the financial year	(16,828)	358,560
	2023 £000	2022 £000
Assets	1,226,434	1,351,943
Liabilities	(405,021)	(454,960)
Net Assets	821,413	896,983
Shareholder's funds	821,413	896,983

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Exceptional costs within administrative expenses

The Group has continued to incur material administrative expenses associated with its restructuring and development programmes. The income / costs related to:

Current year:

- The recovery of a £4.0m loan made to a third party which was previously impaired; and
- Redundancy and restructuring costs incurred of £7.4m and other costs of £5.5m relating to the restructure of the Group's operating model. This includes the global outsourcing of payroll and statutory and compliance functions, the globalisation of the operational structure and the investment in the research of enhanced digital service delivery.

Prior year:

- Operating lease surrender costs of £17.1m following a review of the Group's office requirements;
- Redundancy and restructuring costs incurred of £5.2m relating to the restructure of the Group's financial operating model; and
- Voluntary repayment of £4.0m of Government grants received as part of governments initiatives to provide financial support as a result of Covid-19.

19. Debtors

	2023 £000	2022 £000
Trade debtors	124,290	131,204
Other debtors	6,673	41,339
Prepayments and accrued income	70,274	68,609
Taxation recoverable	9,135	14,276
	210,372	255,428

20. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	37,319	23,082
Grants payable	14,809	20,301
Other creditors	4,560	4,344
Other taxation and social security	7,518	1,948
Taxation	15,204	23,079
Accruals and deferred income	157,136	151,935
	236,546	224,689

21. Creditors: amounts falling due after one year

	2023 £000	2022 £000
Grants payable	10,486	11,947
	10,486	11,947

The timing of grants payable is shown in the table below:

	2023 £000	2022 £000
Due within one year	14,809	20,301
Due within 1-2 years	6,270	7,095
Due within 2-5 years	5,175	5,333
Due after 5 years	104	—
Impact of discounting	(1,063)	(481)
	10,486	11,947
Net grants payable	25,295	32,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

22. Provisions for liabilities

	Legal claims £000	Employee related £000	Onerous lease £000	Deferred tax £000	Other £000	Total £000
At 1 July 2022	1,964	16,498	17,396	35,090	15,787	86,735
Exchange revaluation	(2)	(155)	—	(16)	(72)	(245)
(Credited) / charged to profit and loss account	(1,085)	5,385	111	(13,779)	666	(8,702)
Credited to other comprehensive income	—	—	—	(12,408)	—	(12,408)
Utilisation of provision	—	(9,464)	(2,508)	—	(4,846)	(16,818)
Unwinding of discount	—	—	361	—	—	361
Acquisition of business	—	—	—	495	—	495
At 30 June 2023	877	12,264	15,360	9,382	11,535	49,418

Legal claims: In the normal course of business, Lloyd's Register Group entities may receive claims for compensation from clients. Substantial insurance cover is carried for this purpose. Where appropriate, provision is made for the uninsured costs arising from such claims. Adequate provision has been made for the claims notified. The timing on these liabilities is dependent upon the conclusion of the continuing legal proceedings which typically span several years.

Employee related: Provision is made for redundancy and relocation costs with respect to the restructuring programmes in addition to certain employee benefits, including £0.5m (2022: £1.2m) relating to the settlement of Netherlands pension obligations, and repatriation of expatriate workers and other employment related costs.

Settlement of these provisions is expected within two years.

Deferred tax: Liabilities are recognised in relation to deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax.

Onerous lease: Provision is made for the future anticipated rent expense and related costs of leasehold property (net of estimated sublease income) where the space is vacant or currently not planned to be used for ongoing operations. Settlement of these provisions is expected within 10 years.

Other: Included in this category are provisions maintained to meet contractual obligations to perform restoration on leasehold properties on exit. In addition, provision is made for losses on long-term contracts, expected liabilities on self-insurance programmes, a share of net liabilities of joint ventures and other project related costs. With the exception of a small number of leasehold properties, settlement of these provisions is expected within 9 years.

23. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit and loss are summarised by category below.

	2023 £000	20221 £000
Financial assets		
Investments in listed investments (note 16)	527,035	549,655

The Group's gains and losses in respect of financial instruments are summarised in note 16. The fair value of investments in listed investments is measured using quoted market prices in an active market.

24. Retirement benefits

Defined benefit pension schemes

Worldwide

The Group operates pension schemes in many of the countries in which the Group operates including defined benefit final salary schemes. Assets of certain schemes are held separately from those of the Group ('funded' schemes) whilst others are unfunded.

UK

The main funded scheme, the Lloyd's Register Superannuation Fund Association was closed to future accrual from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The most recent completed valuation was carried out as at 31 March 2022. This showed that the funding position of the scheme had improved from the previous valuation, a funding surplus of £23m on a technical provisions basis (31 March 2019: a shortfall of £17m). As a result of the surplus, no recovery contributions are required from the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company (2022: a £12.0m payment was made when a participating employer was removed from a multi-employer scheme as part of the BAIS business disposal). In addition, contributions of £1.3m (2022: £1.5m) were made to fund administration expenses of the scheme.

Other long-term employee benefits

The Group also contributes to other long-term schemes which provide other benefits. Significant employee benefits are as follows:

- USA: provision of medical insurance for retired employees subject to age qualification restrictions. This benefit is unfunded with an obligation at 30 June 2023 of £1.0m (2022: £1.1m).
- Korea: provision of a statutory lump sum payable to qualifying employees on leaving service. This is a funded benefit with an obligation at 30 June 2023 of £9.3m (2022: £9.8m), assets of £3.7m (2022: £3.9m) a net obligation of £5.6m (2022: £5.9m).
- UK: the UK has other benefits schemes. These benefits are unfunded with an obligation at 30 June 2023 of £6.1m (2022: £7.3m).

Other long-term employee benefits included within provisions (note 22)

Long-term unfunded employee benefits included within provisions are:

- UK: £7.9m (2022: £9.1m) in respect of the Executive Directors and Executive Leadership team participation in a Long Term Incentive Plan described in more detail in the Remuneration Committee report on page 58.
- Australia: £1.5m (2022: £1.7m) provision for paid sabbatical leave.

Assumptions

The disclosures have been calculated by qualified independent actuaries, based on the assumptions of the Directors and the most recent full actuarial valuations for funded schemes (completed at various dates) and updated to 30 June 2023.

The value of the defined benefit liabilities has been measured using the projected unit method.

The financial assumptions used at 30 June 2023 and 30 June 2022 for the different areas are summarised below.

	UK ⁽¹⁾		Japan ⁽²⁾		Eurozone ⁽³⁾		Rest of the World ⁽⁴⁾	
	2023	2022	2023	2022	2023	2022	2023 ⁽⁵⁾	2022 ⁽⁵⁾
Liabilities:	%	%	%	%	%	%	%	%
Rate of price inflation	3.2	3.2	1.0	1.0	2.5	2.0	2.0	2.0 to 3.3
Rate of increase in salaries	n/a	n/a	1.8	1.8	2.5	2.0	3.0 to 5.5	2.0 to 5.5
Rate of increase in pensions	Various	Various	0.8	0.8	Nil to 2.5	Nil to 2.0	5.0	3.3 to 5.0
Discount rate	5.3	3.9	1.2	0.9	3.7 to 3.9	2.5 to 3.1	5.0 to 7.4	4.4 to 7.9

(1) Main United Kingdom funded scheme.

(2) Japanese unfunded liability.

(3) The Eurozone rates have been used to assess the overall deficit within the separate funded schemes in Europe.

(4) This represents a grouped disclosure for the remaining liabilities.

(5) Represents the range of assumptions used for the countries covered in the region.

For mortality tables, the Group has used various different tables appropriate to the territory under review.

The most significant contribution to the Group pension liability is from the United Kingdom. The base mortality table for the UK and the weightings applied to it are unchanged from the last financial reporting period and in line with the best estimate assumption derived as part of the assumption setting process for the latest completed statutory funding valuation. The future mortality improvement model has been updated since the last financial reporting period to reflect the latest analysis from the Continuous Mortality Investigation (CMI). The UK mortality assumption adopted for the 30 June 2023 accounts is the self-administered pension schemes (SAPS) "S3NA" tables with a 100% (102%) weighting for males (females) and future long term improvements based on the CMI 2022 model with a long-term improvement rate of 1.25% p.a., a smoothing parameter of 7, an initial addition parameter of nil with no weighting placed on mortality experience data in 2020 and 2021.

The assumptions shown above are arrived at following discussion with, and in accordance with advice received from the scheme actuaries.

Amounts recognised in the consolidated balance sheet:

	United Kingdom		Japan		Eurozone		Rest of the World		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	35.5	36.1	—	—	—	—	1.2	1.1	36.7	37.2
Equity instruments	—	—	—	—	2.4	2.3	18.5	19.3	20.9	21.6
Debt instruments	699.8	877.3	—	—	2.8	2.8	36.2	38.1	738.8	918.2
Other	—	—	—	—	10.7	11.7	7.0	8.1	17.7	19.8
Market value of assets	735.3	913.4	—	—	15.9	16.8	62.9	66.6	814.1	996.8
Present value of scheme liabilities	(611.9)	(740.7)	—	—	(16.7)	(17.0)	(55.8)	(59.5)	(684.4)	(817.2)
	123.4	172.7	—	—	(0.8)	(0.2)	7.1	7.1	129.7	179.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Present value of unfunded liabilities	(6.1)	(7.3)	(28.3)	(34.3)	(35.5)	(36.8)	(56.2)	(78.6)	(126.1)	(157.0)
Net pension asset / (liability)	117.3	165.4	(28.3)	(34.3)	(36.3)	(37.0)	(49.1)	(71.5)	3.6	22.6

The net pension asset is reported on the balance sheet as:

	2023 £m	2022 £m
Pension surplus	137.8	187.0
Pension liability	(134.2)	(164.4)
Net pension asset	3.6	22.6

Amounts recognised within income and expenditure (statement of financial activities):

	2023 £m	2022 £m
Current service cost	2.4	4.8
Curtailment (gains) / losses	(0.7)	0.3
Administrative expenses	1.7	1.4
	3.4	6.5
Interest cost on schemes' liabilities	35.5	22.8
Interest income on schemes' assets	(38.0)	(22.8)
Total amount included under other finance income	(2.5)	—

In addition, there is a charge in respect of contributions to defined contribution plans for the year of £21.0m (2022: £23.3m).

The actual return on scheme assets for the year to 30 June 2023 was a loss of £134.3m (2022: £191.3m).

Amounts recognised in the Consolidated Statement of Comprehensive Income (statement of financial activities):

	2023 £m	2022 £m
Loss on pension scheme assets	(172.2)	(214.2)
Experience losses	(12.2)	(39.8)
Change in assumptions	148.4	307.9
Actuarial (loss) / gain	(36.0)	53.9

Changes in the present value of the defined benefit obligations are as follows:

	2023 £m	2022 £m
Opening defined benefit obligation	(974.2)	(1,300.2)
Current service cost	(2.4)	(4.8)
Curtailments	0.7	(0.3)
Interest cost	(35.5)	(22.8)
Actuarial gain	136.2	268.1
Exchange gain / (loss)	9.6	(2.4)
Benefits paid	55.1	50.1
Disposal of business	—	38.1
Closing defined benefit obligation	(810.5)	(974.2)

Changes in the market value of plan assets are as follows:

	2023 £m	2022 £m
Opening market value of plan assets	996.8	1,211.3
Expected return on plan assets	38.0	22.8
Benefits and expenses paid	(56.8)	(51.5)
Employer contributions	11.9	24.0
Actuarial loss on assets	(172.2)	(214.2)
Exchange (loss) / gain	(3.6)	6.5
Disposal of business	—	(2.1)
Closing market value of plan assets	814.1	996.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

25. Contingent liabilities

	2023 £000	2022 £000
In respect of bank guarantees	4,570	3,585
Escrow account for pension schemes	43,229	51,819
	47,799	55,404

The Group has issued guarantees to its customers and other stakeholders in relation to its contractual operations in compliance with local legislation and industry practice. The Directors do not assess the likelihood of transferring economic benefits in respect of these guarantees to be probable. No associated liability has been recognised on the Group's Consolidated Balance Sheet.

Investments with market value of £43.2m (2022: £51.8m) were held in a ring fenced portfolio relating to the funding of pension liabilities outside the UK.

In November 2022, the Group committed SGD 5m for shares in Rainmaking Ventures (S) VCC attributable to Motion Ventures Fund 1. As at 30 June 2023, the Group has paid SGD 3m of the total commitment.

At 30 June 2023 the Group and Company had capital commitments of £12.1m (30 June 2022: £nil)

26. Operating lease commitments

At 30 June, the Group had total future lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2023 £000	2022 £000	2023 £000	2022 £000
Within one year	10,123	8,233	3,681	3,744
Between two to five years	22,501	22,103	4,696	5,154
After five years	16,012	15,122	—	—
	48,636	45,458	8,377	8,898

27. Funds

Trading funds are the retained reserves of the Trading Group, and include the Trading Group's pension deficit.

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2023					
Trading funds	896,983	549,902	(527,345)	(98,127)	821,413
Unrestricted funds - general funds	(25,658)	10,499	(21,899)	20,317	(16,741)
Endowment funds:					
Expendable endowment	292,471	—	(863)	(2,506)	289,102
	1,163,796	560,401	(550,107)	(80,316)	1,093,774
30 June 2022					
Trading funds	485,367	988,217	(580,458)	3,857	896,983
Unrestricted funds - general funds	(19,153)	8,297	(18,541)	3,739	(25,658)
Endowment funds:					
Expendable endowment	318,205	—	(865)	(24,869)	292,471
	784,419	996,514	(599,864)	(17,273)	1,163,796

Other movements include realised and unrealised gains and losses on investment assets, taxation charge and also include transfers between funds, foreign exchange differences on the translation of net assets in overseas operations, acquisition of non-controlling interest and actuarial movements relating to defined benefit pension schemes.

Transfers between funds relates to a gift from the Trading Group to the Foundation and grants from the Foundation to the Trading Group.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep part of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift have been amended in the year to adjust the contingent asset to £100m (2022: £125m) and extend the period at least until the full actuarial valuation as at 31 March 2025, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

28. Revaluation reserve

	Brought forward £000	Unrealised gains arising in year £000	Released from revaluation reserve in period and other movements £000	Total £000
30 June 2023				
Trading funds – listed investments	(32,067)	21,762	5	(10,300)
Trading funds – investment property	57,117	(27,086)	—	30,031
Unrestricted – general funds	5,509	190	(304)	5,395
Endowment funds:				
Expendable endowment	68,185	4,161	(6,667)	65,679
	<u>98,744</u>	<u>(973)</u>	<u>(6,966)</u>	<u>90,805</u>
30 June 2022				
Trading funds – listed investments	(5,966)	(26,099)	(2)	(32,067)
Trading funds – investment property	76,216	(19,099)	—	57,117
Unrestricted – general funds	7,078	(1,135)	(434)	5,509
Endowment funds:				
Expendable endowment	93,054	(17,991)	(6,878)	68,185
	<u>170,382</u>	<u>(64,324)</u>	<u>(7,314)</u>	<u>98,744</u>

29. Fund distribution

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2023 £000
Non-current assets	870,488	3,636	289,102	1,163,226
Current assets	354,944	6,250	—	361,194
Creditors: amounts falling due within one year	(221,407)	(15,139)	—	(236,546)
Creditors: amounts falling due after one year	—	(10,486)	—	(10,486)
Provisions	(49,418)	—	—	(49,418)
Pension deficit	(134,196)	—	—	(134,196)
Inter-fund balance	1,002	(1,002)	—	—
	<u>821,413</u>	<u>(16,741)</u>	<u>289,102</u>	<u>1,093,774</u>
	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2022 £000
Non-current assets	691,983	1,862	292,471	986,316
Current assets	657,373	7,834	—	665,207
Creditors: amounts falling due within one year	(203,869)	(20,820)	—	(224,689)
Creditors: amounts falling due after one year	—	(11,947)	—	(11,947)
Provisions	(86,735)	—	—	(86,735)
Pension deficit	(164,356)	—	—	(164,356)
Inter-fund balance	2,587	(2,587)	—	—
	<u>896,983</u>	<u>(25,658)</u>	<u>292,471</u>	<u>1,163,796</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

30. Reconciliation of operating surplus to net cash outflow from operating activities

	2023 £000	2022 £000
Net income resources before taxation and other recognised gains and losses	10,294	396,650
Profit on disposal of discontinued operations	(15,842)	(409,261)
Net interest in the results for the period in joint ventures	744	480
Pension interest cost	(2,524)	—
Loss on disposal of fixed assets	2,906	600
Exchange adjustment	(6,910)	17,018
Depreciation	5,547	6,788
Amortisation and impairment charges relating to intangibles	22,145	13,858
(Increase) / decrease in debtors	53,235	(95,014)
Increase in creditors	(12,141)	7,494
Decrease in provisions	(11,719)	(3,635)
Foreign tax paid	(15,412)	(13,010)
Foreign tax received	872	3,025
Defined benefit contributions in excess of funds charges	(7,742)	(17,829)
Curtailment loss	(677)	303
Net investment income	(24,687)	(17,963)
Cash used in operations	(1,911)	(110,496)

Cash at bank and in hand includes cash held in local bank accounts in countries where exchange controls or other legal restrictions mean the balances are not available for general use by the Company or other Group subsidiaries. In total, £15.7m (2022: £12.2m) of cash was held by overseas entities which cannot be remitted to other Group entities. In addition to these balances, the immediate movement of cash assets held by other Group entities is subject to compliance with local regulation and legal restrictions; however the Group does not consider this cash unavailable for use by the Group. Countries where such restrictions exist and significant cash balances are held are China £7.0m (2022: £33.3m) due to exchange controls and Korea £19.6m (2022: £23.5m) where remittance is permitted following external audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

31. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

The Foundation defines its key management personnel as the Board of Directors and the Executive Leadership Team. The total remuneration for key management personnel for the year ended 30 June 2023 totalled £9,544,000 (2022: £9,273,000).

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100%:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2023 £000
Subsidiaries			
Lloyd's Register Middle East LLC Abu Dhabi	1,461	(681)	(3,195)
Lloyd's Register Oman LLC	267	(366)	1,119
Lloyd's Register Qatar LLC	412	(165)	1,383
Lloyd's Register Services (Malaysia) Sdn. Bhd	146	(49)	(185)
Lloyd's Register Algeria SARL	2	(3)	(2)

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the year ended 30 June 2022:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2022 £000
Subsidiaries			
i4Insight, Inc	3	—	(5,389)
Lloyd's Register International (Thailand) Ltd*	136	(54)	—
Lloyd's Register Middle East LLC Abu Dhabi	2,069	(2,489)	(4,563)
Lloyd's Register Oman LLC	182	(524)	1,730
Lloyd's Register Qatar LLC	601	(687)	1,065
Lloyd's Register Services (Malaysia) Sdn. Bhd	94	(48)	(219)
Joint ventures			
Lloyd's Register Apave Limited*	—	(870)	—

*Lloyd's Register Apave Limited and Lloyd's Register International (Thailand) Ltd were disposed of as part of the disposal of the BAIS business to Goldman Sachs Asset Management on 2 December 2021.

During the year the Group increased its investments in Common Structural Rules Software LLC from \$21,975,000 to \$22,875,000. The Group's investment in i4Insight has increased \$5,200,000 to \$12,200,000 following the acquisition of the non-controlling interest.

The Company provides administrative services to the Group's pension schemes. The following transactions took place between Lloyd's Register Group Limited and Lloyd's Register Superannuation Fund Association:

	2023 £000	2022 £000
Administrative services provided	240	240
Administrative services payable	240	240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

32. Group companies

The following are the subsidiaries and joint ventures of the Group at 30 June 2023. All subsidiaries are consolidated. Details are given of the principal country of operation. The equity share capital of these entities is wholly owned by the Group except where its percentage interest is shown otherwise. All companies are incorporated in their principal country of operation except where stated.

There are five entities included in the below list where the Group owns less than 50% of the subsidiary. All of these entities are incorporated in countries where local legislation requires local nationals to hold at least 50% of the issued share capital of each company. For each of these entities, arrangements exist which afford the Group control of the company's financial and operating policies so as to obtain benefit from its activities.

Company	Country of Origin	Registered Address	% of Ownership
Classification and Quality Services Ltd	UK	71 Fenchurch Street, London, England, EC3M 4BS	100
Classification Holdings Ltd	UK		100
Lloyd's Maritime Information Services Ltd	UK		50
Lloyd's Register Asia ¹	UK		100
Lloyd's Register Asia Trustees Limited ¹	UK		100
Lloyd's Register Central and South America Ltd ¹	UK		100
Lloyd's Register EMEA ¹	UK		100
Lloyd's Register EMEA Trustees Ltd ¹	UK		100
Lloyd's Register GMT Ltd	UK		100
Lloyd's Register Group Services Limited ¹	UK		100
Lloyd's Register Group Limited	UK		100
Lloyd's Register International ¹	UK		100
Lloyd's Register Limited	UK		100
Lloyd's Register Nominee 1 Ltd	UK		100
Lloyd's Register Nominee 2 Ltd	UK		100
Lloyd's Register of Shipping Trust Corporation Limited	UK		100
Lloyd's Register Trust Corporation Limited	UK		100
Lloyd's Register Superannuation Trustees Ltd	UK		100
Seasafe Marine Software & Computation (UK) Ltd	UK		100
Lloyd's Register Marine Limited ¹	UK		100
Safetytech Accelerator Limited ¹	UK		100
Green Steam Holdings Limited	UK		100
Greensteam Vessel Optimisation (UK) Limited	UK		100
Lloyd's Register Maritime Decarbonisation Hub Limited ¹	UK		100
IT Energy Systems and Consulting Limited	UK		100
Ensign Holdco 1 Limited	UK		100
Ensign Holdco 2 Limited	UK		100
Ensign Holdco 3 Limited	UK		100
Ensign Holdco 4 Limited	UK		100
OneOcean Group Limited	UK		100
Regs4Ships Limited	UK		100
Regs4Yachts Limited	UK		100
ChartCo Limited	UK		100
Shipping Guides Limited	UK		100
Lloyd's Register Finance Limited	UK	Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU	100
LR 1760 (1) Limited ¹	UK		100
Interactive Petrophysics Limited	UK		100
LR 1760 (2) Limited	UK		100
Lloyd's Register Aligned Services Limited	UK		100
71FS Insurance Company Limited ¹	GUERNSEY	Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100
Lloyd's Register Algeria SARL	ALGERIA	Business Center Tower - Algeria Business Center – 11e Etage, Pins maritimes, Mohammadia, Algiers, Algeria	49
Lloyd's Register Bangladesh Pvt Ltd	BANGLADESH	11 th Floor, 9 Mohakhali C/A, Dkaka – 1212, Dhaka, Bangladesh	100
Lloyd's Register Drilling Integrity Services Australia Pty Ltd	AUSTRALIA	Level 1, 503 Murray Street, Perth WA 6000, Australia	100
Lloyd's Register Belgie vzw ¹	BELGIUM	Rijnkaai 37, 20000 Antwerp, Belgium	100
Lloyd's Register Maritiem België BV	BELGIUM	Jan van Gentstraat 7 bus 202, 2000 Antwerpen, Belgium	100
Lloyd's Register Do Brasil Ltda	BRAZIL	Rua da Gloria, 311-11, Andar, Rio de Janeiro, RJ, 20.241.180, Brazil	100
Lloyd's Register Canada Limited	CANADA	5575 North Service Road, Suite 402 Burlington , ON L7L 6M1	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Martec Limited	CANADA	Canada 237 Brownlow Avenue, Suite 200, Dartmouth, B3B 2C7, NS, Canada	100
OneOcean (Canada) Inc	CANADA	1600-555 boul, René-Lévesque ouest, Montréal Québec H2Z1B1, Canada	100
11146726 Canada Inc	CANADA	1600-555 boul, René-Lévesque ouest, Montréal Québec H2Z1B1, Canada	100
Lloyd's Register Classification Society (China) Co Ltd	CHINA	19 th Floor, 550 Yan An dong Road, Huangpu District, Shanghai, China	100
Lloyd's Register Advisory Services China (Shanghai) Co Ltd	CHINA	Room 1906, No.550 Yan'an East Road, Huangpu District, Shanghai, China	100
Lloyd's Register Central and South America (Curaçao) NV	CURAÇAO	Alablancaweg No. 30 Wilhelminalaan 13, Curaçao	100
Green Steam Vessel Optimisation Denmark ApS	DENMARK	c/o Lloyds Register, Strandvejen 104, 1 Hellerup, 2900, Denmark	100
Lloyd's Register Egypt LLC	EGYPT	Apartment no 303-3 rd Floor, 13 Ramo Gardens Street – EL Nasr Road, Nasr City, Cairo, Egypt	100
Hanseaticsoft GmbH	GERMANY	Frankenstraße 29, 20097 Hamburg, Germany	100
Lloyd's Register Marine Deutschland GmbH	GERMANY	Überseeallee 10, Hamburg, 20457, Germany	100
Hellenic Lloyd's SA	GREECE	348 Syggrou Avenue, Kallithea, Athens, 17674, Greece	100
Lloyd's Register Guyana Inc	GUYANA	Unit 1, Upper Level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana	100
Lloyd's Register Advisory (Hong Kong) Co., Ltd	HONG KONG	RMS 5304-5305, 53/F Hopewell CTR 183 Queen's road East Wan Chai, Hong Kong	100
Lloyd's Register Italia S.R.L. ¹	ITALY	Via Sottoripa 1A/112, 16124 Genova GE, Italy	100
Lloyd's Register Industrial Services (India) Pvt Ltd ¹	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai, 400 059, India	51
Lloyd's Register Marine and Offshore Services (India) LLP	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai, 400 059, India	100
OneOcean KK	JAPAN	1-1-1 Ebisu Minami, Shibuya-ku, Tokyo 150-0022, Japan	100
Lloyd's Register Kazakhstan LLP	KAZAKHSTAN	29/6 Satpayev Street, Floor, Rakhmat Palace Hotel, Almaty, Kazakhstan	100
Lloyd's Register Advisory Services (Korea) Ltd	KOREA	CJ Logistics Bldg., Joongang- dong 6-ga) 10F, 119, Daegyo-ro, Jung-gu, Busan	100
Lloyd's Register of Shipping (Malaysia) Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	100
Lloyd's Register Services (Malaysia) Sdn. Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	49
OneOcean (Malaysia) Sdn Bhd	MALAYSIA	Damansara Intan, Unit 736, 7 th Floor, Block A, No. 1, Jalan SS20/27. 47400 Petaling Jaya Selangor, Malaysia	100
Lloyd's Register Mozambique Lda	MOZAMBIQUE	1 Bairro da Polana, Av. Marginal Tenente Ovaldo Tazama Torres Rani Torre 1, 2 Piso, Fraccão 5, Mozambique, Maputo	100
LR Advisory Services BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Lloyd's Register Maritiem Nederland BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
OneOcean (Nederland) BV	NETHERLANDS	Parmentierplan 20, 3088 GN Rotterdam, The Netherlands	100
Lloyd's Register EMEA (Nigeria) Ltd Gte	NIGERIA	6th Floor, B Wing, Shippers Plaza, 4 Park Lane, Apapa, Lagos, Nigeria	100
Lloyd's Register West Africa Ltd	NIGERIA	The Pro Space Centre, 18 Olu Holloway Road, Ikoyi, Lagos, Nigeria	100
Lloyd's Register Voyage AS	NORWAY	Elganeveien 1, 4370 Egersund, Norway	100
OneOcean (Norway) AS	NORWAY	Tullins Gate 2, 0177, Oslo, Norway	100
Lloyd's Register Oman LLC	OMAN	Bait Al Bahja, Building No 603, Room 21, Way No 2710, Ruwi CBD, Muscat, Sultanate of Oman	70
Lloyd's Register Pakistan (Private) Limited	PAKISTAN	BRR Towers, 14th and 15th Floor, 11 Chundrigar Road, Karachi, Sindh, 74400, Pakistan	100
Lloyd's Register Marine Polska Sp Zoo	POLAND	Al. Zwyciestwa 13a, 80-219, Gdansk, Poland	100
Vesopt Poland Sp Zoo	POLAND	Rondo Organizacji Narodow Zjednoczonych, 1, Xxv P., Warszawa, 00-124, Warszawa, Polska	100
Lloyd's Register Qatar LLC	QATAR	Regus Building D-Ring Road, Doha, PO Box 10285, Qatar	49
Lloyd's Register (Romania) SRL	ROMANIA	Sos. Iancului 31, Etaj 3, 021716 Bucuresti, Romania	100
Lloyd's Register Voyage RUS LLC	RUSSIA	Office 1-H, room № 57, liter H, house 8, Line 21 Vasilievsky Island, St. Petersburg, Russia, 199106	100
Lloyd's Register Saudi Arabia Ltd	SAUDI ARABIA	Office Number 7 Second Floor, West Tower Building, AL Khobar, Abdul Azeez Street, Saudi Arabia	100
Lloyd's Register D.O.O. (Beograd)	SERBIA	Vojvode Stepe 78, Beograd, Serbia	100
Lloyd's Register Signapore Pte Limited	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588 Singapore	100
Lloyd's Register Pte. Ltd	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588 Singapore	100
Marine Press Asia Pacific Pte Ltd	SINGAPORE	8 Eu Tong Sen Street, #14-94, The Central, Singapore 059818	100
OneOcean Maritime Solutions Pte Limited	SINGAPORE	896 Dunearn Road, #03-05, Singapore 589472	100
OneOcean AB	SWEDEN	Vallenvägen 9, 444 60 Stora Höga, Sweden	100
Lloyd's Register Marine Taiwan Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Marine Consulting Taiwan Co., Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Gozetim Ltd Sti	TURKEY	19 Mayıs Mah. Atatürk Caddesi, Sitkibey Plaza, No 82 Kat 3 No. 12, Kadıköy, Istanbul, Turkey	100
Lloyd's Register (Ukraine)	UKRAINE	63 Bolshaya Morskaya Street, Office 203, Mykolaiv, 54001, Ukraine	100
Lloyd's Register Middle East LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Middle East & Africa Advisory Services LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Americas, Inc. ¹	USA	1330 Enclave Parkway, Houston, Texas, 77077, USA	100
Common Structural Rules Software LLC	USA	16855 Northchase Drive, Houston, TX 77060, USA	50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register North America, Inc.	USA	1330 Enclave Parkway, Houston, TX 77077, USA	100
Lloyd's Register Americas Advisory Services, Inc.	USA		100
Lloyd's Register Technical Services, Inc.	USA		100
i4Insight, Inc	USA	300 Creek View Road, Suite 209, Newark, DE 19711, USA	100
Lloyd's Register Asia (Vietnam) Company	VIETNAM	Suite 450 PetroVietnam Tower, 8 Hoang Dieu Street, Ward 1, Vung Tau City, Ba Ria, Vung-Tau Province, Vietnam	100

¹ Wholly owned directly by Lloyd's Register Group Limited

The following subsidiaries have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Company	Place of registration	Registered number
Classification and Quality Services Limited	England and Wales	03973758
Classification Holdings Limited	England and Wales	03704447
Lloyd's Register Finance Limited	Scotland	SC320138
Lloyd's Register GMT Limited	England and Wales	06428883
Lloyd's Register Group Services Limited	England and Wales	06193893
Senergy Aligned Services Limited	Scotland	SC318186
LR 1760 (2) Limited	Scotland	SC346964
LR 1760 (1) Limited	Scotland	SC252441
Safetytech Accelerator Limited	England and Wales	13099135
Lloyd's Register Marine Limited	England and Wales	13281335
Ensign Holdco 1 Limited	England and Wales	10172727
Ensign Holdco 2 Limited	England and Wales	10172773
Ensign Holdco 3 Limited	England and Wales	10172900
Ensign Holdco 4 Limited	England and Wales	10173156
Regs4Ships Limited	England and Wales	04430411
Regs4Yachts Limited	England and Wales	04485715
ChartCo Limited	England and Wales	12289430
Shipping Guides Limited	England and Wales	00907386
Lloyd's Register Maritime Decarbonisation Hub Limited	England and Wales	14704215

33. Post balance sheet events

On 25 October 2023, the Trading Group paid a £14.4m charitable donation to Lloyd's Register Foundation.

LLOYD'S REGISTER FOUNDATION

England & Wales - Charity number 1145988

Accounts

Lloyd's Register Foundation
Report and financial statements
30 June 2022

Company number: 07905861 (England and Wales)
Charity registration number: 1145988 (England and Wales)

Contents

TRUSTEES' REPORT

Chairman's statement	1
Foundation Chief Executive's Review	2

THE STRATEGIC REPORT

Mission, vision, strategy	3
Establish the best evidence and insight	5
Focus on the most pressing challenges	7
Build global coalitions for change	17
Foundation Financial Review and Policies	32
Governance and management	38

LEGAL AND ADMINISTRATIVE DETAILS	46

STATEMENT OF TRUSTEES' RESPONSIBILITIES	47

REMUNERATION COMMITTEE REPORT	50

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT	52

NOMINATIONS COMMITTEE REPORT	53

INDEPENDENT AUDITOR'S REPORT	54

THE FINANCIAL STATEMENTS	57

GROUP FINANCIAL REVIEW	70

THE CONSOLIDATED FINANCIAL STATEMENTS	72

Connecting science, safety and society

Trustees' Report incorporating the Strategic Report

Chairman's Statement

As the world recovers from the Covid-19 pandemic (the pandemic), we are now facing multiple challenges in the form of food, water and energy shortages, climate-related weather disasters, a cost-of-living crisis and a widening inequality gap. The Foundation, through our investment in skills, science, innovation and technology, plays a critical role in working with key global stakeholders to solve some of these major societal challenges to save lives and improve safety worldwide. Despite ongoing uncertainty, the 12 months to 30th June 2022 was a period of significant progress for the Foundation.

During this period, from creating new interventions to protect local communities to harnessing science and technology to tackle global systemic challenges, the Foundation and its partners continued to respond in ground-breaking ways whilst remaining dedicated to making the world a safer place.

The global momentum to decarbonise maritime trade has grown, with the Lloyd's Register Maritime Decarbonisation Hub, launched in 2020 showing in practice the strength that partnership between Lloyd's Register Group ("LR" or the "Trading Group") and Lloyd's Register Foundation ("LRF" or the "Foundation"), can play in identifying solutions to address this global challenge. It remains a unique global resource that is evidence-based and provides unbiased information to the maritime community. We are already seeing how this collaborative effort is bringing the whole maritime community together in achieving Net Zero, with the launch of 'First movers in Shipping's Decarbonisation – a framework for getting started' and the Silk Alliance, a partnership of 11 cross-industry stakeholders to establish a Green Corridor Cluster between Hong Kong and Singapore.

Safetytech Accelerator Limited (STA) was incorporated and began operating as an independent business in January 2021. It was originally launched as a not-for-profit initiative by Lloyd's Register Group and Lloyd's Register Foundation, bringing together corporates, start-ups and the wider technology community to collaborate and accelerate the adoption of 'Safetytech' in safety-critical industries. In this next stage of its development we have seen all key performance indicators exceeded and the dedicated team have been able to achieve notable collaborations across sectors, working towards real world impacts.

Climate change has continued to dominate headlines and building a sustainable future for us all remains a priority focus for the Foundation. I'm delighted with the progress we have made in reinforcing our commitment to this, from our significant presence at COP26 to working closely with the UN Global Compact and High Level Climate Change Champions, our efforts to effect real change will continue at COP27 in November 2022 as we actively increase our involvement in long-term food safety and security.

Following Professor Richard Clegg's retirement on 30th June 2022, the Trustees, Board and all the Lloyd's Register family welcome Dr Ruth Boumphrey into her new role as CEO. Dr Boumphrey was previously Director of Research and Strategic Programmes at the Foundation, where she led our work on supporting safe and sustainable growth in the Ocean Economy and major programmes including with the Alan Turing Institute on data-centric engineering, with Arup on the 'Resilience Shift', a programme to enhance the resilience of critical lifeline infrastructures and in commissioning the first World Risk Poll. I very much look forward to working with her and the team to continue to build and expand the Foundation into its second decade.

All of us at Lloyd's Register have had the honour and privilege to work with Richard from the formation of the Foundation 10 years ago. Together with the great team he has built, Richard has been instrumental in not only creating the vision for the Foundation but also ensuring a formidable execution. This year celebrates the 10th anniversary of the Foundation which is now globally recognized as a world leading safety charity. We are all grateful for Richard's outstanding contribution to achieve this. We wish him well in his retirement.

Finally, on behalf of the Trustees, my warmest thanks go to all the Foundation staff and our partners and grants community who have achieved so much in the past 12 months.

Thomas Thune Andersen

Chairman, Lloyd's Register Foundation

Foundation Chief Executive's Review

I was appointed CEO of Lloyd's Register Foundation on 1 July 2022, succeeding Professor Richard Clegg. In its first ten years, Richard has built a Foundation that embodies Lloyd's Register values: to care, to share, and to do the right thing. The Foundation's second decade will see a world that is changing fast. Population growth, climate change, the energy transition, and technological innovation will bring us new challenges and opportunities. It will be a privilege and pleasure to lead the Foundation to have an even greater impact in making the world a safer place in the future.

As with many other charities and organisations, we have worked hard to remain optimistic, agile and responsive as we recover from the pandemic and lockdown restrictions. Following the fantastic work of our in-house Strategic Communications, Global Engagement team and our Evidence and Insight Centre, the World Risk Poll has positioned the Foundation as a world-leading authority on risk and safety. The Poll, since its release, has been referenced in 17 academic publications and ten global reports published by United Nations (UN) bodies such as the International Labour Organisation (ILO), United Nations Office for Disaster Risk Reduction (UNDRR), United Nations Development (UNDP) and UNESCO, where the findings have been used to support policy recommendations and guidelines designed to improve the quality of lives around the world.

We have continued to make great progress with the digitisation of the Heritage and Education Centre's (HEC) records, with the digitisation of the Ship Plan and Survey Report Collection being completed in this period on time and within budget. In total, 1,154,669 documents were digitised from 4,367 boxes. Since the Collection's release digitally, it has been accessed more than a million times with over 150,000 active users.

With support from the UN Global Compact, the Safe Seaweed Coalition (SSC) has made great strides, and it now has over 700 members to drive local and global solutions to food safety and sustainability. The SSC was a leading part of a visible seaweed presence at COP26, which has led to new, strategic-level conversations with the UN Food and Agriculture Organization (FAO), World Bank and others. In addition, we have agreed on a grant to determine the future structure, funding and priority topics of a UN Global Compact (UNGC) Food Platform. This work aligns with our ambition for 'safe and sustainable food for all by 2040', which requires coordination and cooperation across the supply chain and a systems-based approach. Our work with the FAO to develop a food safety curriculum for East Africa and the Caribbean has picked up momentum after being significantly affected by the pandemic. These focus areas testify to the influence we have gained at the UNGC through the secondments of Lloyd's Register Foundation staff.

The world is facing major global challenges around safety, the environment and sustainability, in which the mission of the Foundation has a pivotal role to play. The unique opportunity we have to solve some of the world's most significant long-term and increasingly urgent challenges continues to motivate us and our grants community every day.

I am exceptionally proud of the efforts of our grants community, impact partners, and of course, colleagues in the Foundation and Lloyd's Register Group for the resilience, dedication and commitment they have shown in ensuring that the world recovers and is better prepared to engineer a safer, more resilient and sustainable future.

Dr Ruth Bompfrey

Chief Executive, Lloyd's Register Foundation

Our Strategy

Lloyd's Register Foundation is a growing global charity, and our strategy enables us to deliver more significant impact than ever before. Our strategy starts with evidence – we will strive to understand the complex factors that most affect safety. Our interventions will be driven by evidence of what works – in fact, we plan to build the world's best centre for safety evidence and insight that others can use. We want to have a big impact, so we are coalescing around just a few big challenges with big goals – making the sea safer, making food safer and improving society's understanding of risk. Global challenges need global solutions. They cannot be tackled by working alone. So we will be at the forefront of building new coalitions, tirelessly promoting the issues and seeking willing collaborators who share our deepest values and strong social purpose.

Our Vision: Engineering a safer world

Our purpose is to secure high standards of design, manufacture, construction, maintenance, operation and performance, enhancing the safety of life and property at sea, on land and in the air. We also advance public education and skills for engineering.

Goal 1: Establish the best evidence and insight

We will use the best data, evidence, and insight available to understand better the complex factors that affect safety to identify areas of greatest need and areas where we can make a real difference. Our interventions will be driven by evidence of what works and we will build the world's best source of safety evidence, making it open to all.

Goal 2: Focus on the most pressing challenges

We will focus on the biggest safety challenges, where there's clear evidence and a compelling need for change to make a real difference. We will work in areas where we can harness our unique strengths and assets. We have identified seven challenges we will focus on:

1. Safety at sea
2. Safety of digital systems
3. Safety for a sustainable future
4. Safety of food
5. Skills for safety
6. Safety of physical infrastructure
7. Public understanding of risk

Goal 3: Build global coalitions for change

Global challenges need global solutions. They cannot be tackled by working alone. So we will be at the forefront of building new coalitions, tirelessly promoting safety issues and building partnerships with willing collaborators worldwide.

Investing for the Future

One of the Foundation's key attributes is our technical authority invested within LR and our global grants community. It enables us to be much more than just a funding provider, contributing technical solutions to deliver the challenge. We have increased our direct charitable activities within our Heritage and Education Centre and Evidence and Insight Centre. In addition, we have continued to make external investments in major programmes and centres of excellence.

We are building our capability through major programmes such as:

- The National Structural Integrity Research Centre (TWI)
- Lloyd's Register Safety Accelerator (Safetytech Accelerator Limited)
- The World Risk Poll (Gallup)
- Resilience Shift (Arup)
- Assuring Autonomy International Programme (University of York)
- Discovering Safety (Health and Safety Executive)
- Data Centric Engineering (Alan Turing Institute)
- Institute for the Public Understanding of Risk (National University of Singapore)
- Engineering X (Royal Academy of Engineering)

Heritage and Education Centre

We are investing over £10m in our Heritage and Education Centre to become a globally-renowned resource for understanding engineering and technological innovation and its impact on society. The Lloyd's Register Foundation Heritage and Education Centre is the custodian of Lloyd's Register's unique collection; one of the great resources still available for a better understanding of maritime history, marine engineering, naval architecture, offshore engineering and ocean technology.

Our investments will help to:

- Preserve the physical collection for future generations
- Digitise and make the collection accessible around the world through imaginative new education and outreach programmes
- Drive distinctive research to deepen understanding and further engagement
- Contribute to the understanding of the most pressing safety challenges
- Keep the collection modern and relevant

GOAL 1: Establish the best evidence and insight

Impact highlight 1.1

Knowledge generated from the Lloyd's Register Foundation World Risk Poll has been referenced in 17 academic publications and ten global reports published by United Nations (UN) bodies such as the International Labour Organisation (ILO), United Nations Office for Disaster Risk Reduction (UNDRR), United Nations Development (UNDP) and UNESCO, where the findings have been used to support policy recommendations and guidelines designed to improve the quality of lives around the world.

Plan

The period July 2021 to June 2022 saw the publication of reports from a range of commissioned projects and the expansion of the team's work in impact management. The plan for the Evidence and Insight Centre during this period focused on:

- Managing 19 active projects, building on our learning from across our evidence and insight commissions to launch the tender process for a 'What Works Centre' for the safety of life and property to improve the use of evidence and safety outcomes.
- Analysis of the 2021 World Risk Poll data and preparation for the launch of four reports with our strategic partners to highlight global risk and safety issues and opportunities for action.
- Accelerating our focus on impact through the recruitment of an Impact Manager for the Foundation and investment in our relationship with Technopolis, a consultancy specialising in evidence-based policy advice and insights, analysing how our work generates impact and embedding learning to advance our effectiveness.

Activities and impact

Evidence and Insight Centre

The EIC team expanded over the year with the addition in January 2022 of the Foundation's first Impact Manager and a Data Visualisation and Insight Scientist. The team have enjoyed the opportunities for face-to-face working and collaboration with the easing of COVID restrictions.

The strategy for the EIC focuses on understanding how data and evidence are used within our challenge areas to inform decision-making on future activities. Three key projects will have a significant influence on the future work programme of the EIC and wider Foundation:

- Our review of the management and maintenance of infrastructure, conducted by TÜV SÜD and Cambridge University, was completed in June 2022 and will be published later in the year. The recommendations will lead to a stakeholder workshop and decision on deep dive projects to be commissioned by the programmes team.
- Our work on maritime wellbeing was cited in a joint Foundation and Lloyd's Register Group publication on maritime welfare and has led to the commissioning of a rapid evidence assessment on what works in seafarer wellbeing that will be fed into our wider 'What Works' plans.
- A March 2022 publication by Delft University on current methodologies for assessing the 'Value of Safety' led directly to the commissioning of an impact-focused project with the National Safety Council designed to develop tools and guidance to support a holistic approach to valuing safety.

A total of seven publications in this period have generated a regular pipeline of outputs for the EIC, and several themes have now started to emerge:

- Better data collection is needed to enable an understanding of the scale of challenges, causation, and the effectiveness of interventions (e.g. psychological wellbeing, incidents and accidents at sea and aquaculture)

- Better monitoring and evaluation practice is needed to understand the effectiveness of safety programmes (e.g. skills and education for food safety aquaculture)

There is a disconnect between academic groups working in safety and practitioners who can make a difference to safety outcomes. Practical tools are needed that embed research findings to enable practical application (e.g. psychological wellbeing and designing safety interventions)

These findings have provided the driver for the commissioning of a 'What Works Centre' for life and property, relationship building and expressions of interest commenced with the period.

Nine new projects commenced during this period through open calls for grant proposals or direct proposal development with known experts.

World Risk Poll

The 2021 Lloyd's Register Foundation World Risk Poll was fielded by Gallup in 121 countries, and polling closed in December 2021. Findings started to be shared in early 2022, and the bulk of the analysis work was completed by the end of the financial year, ready for report writing and launch activities throughout the rest of 2022.

We have seen interest in the Poll continue to increase during this period. We have presented findings at seven events, including in the Blue Zone at Cop 26, AIUK 22, and the ILO World Congress. A number of partners have also featured Poll data during events they've attended or hosted this year. The 2019 World Risk Poll grants have continued to generate impact through a growing number of published papers in academic journals and international reports. Other researchers have also used the data resulting in 17 journal publications citing the World Risk Poll. In addition, findings from the Poll have been referenced in 10 global reports published by UN bodies such as the ILO, UNDRR, UNDP and UNESCO. The findings have been used to support policy recommendations and guidelines.

During this period, we engaged with a large number of experts to develop the World Risk Poll 2023 questionnaire, with an overwhelmingly positive response. Development of the upcoming Poll involved more than 20 meetings with stakeholders, including the ILO, World Bank, World Health Organisation (WHO) and UN Environment Programme, and we received close to 200 suggested questions as a result.

Impact guides

July 2021 saw the publication of the first impact guide for the Foundation, a comprehensive guide for impact management, building on our existing impact framework to help us assist our partners, grant applicants and holders in maximising the impact of their work. The arrival of our first Impact Manager in January 2022 has increased the visibility of the impact programme across the Foundation, and an internal review of the small grants programme has already been completed. A 'getting to know you' project was undertaken with Technopolis between January and March 2022, closely followed by the completion of our first evaluation project, which reviewed the contribution of Lloyd's Register Group to the Foundation's charitable purpose through the creation of social impact.

Future plans for the next 12 months to June 2023

The main objectives are to:

- Commission a 'What Works Centre' for the safety of life and property to ensure that user needs for data and evidence are understood and met, and safety outcomes are improved through the use of evidence.
- Build internal capacity and capability to better plan, monitor and record impact – delivered through engagement with colleagues across the Foundation and grant holders, Technopolis evaluations and internal evaluation.
- Stimulate debate among stakeholders, decision-makers and the public about global risk and safety issues, and highlight opportunities for actions to reduce risk, turning the World Risk Poll findings into action.

GOAL 2: Focus on the most pressing challenges

Plan

We continue to progress in addressing the challenges identified in our Strategy, which launched in July 2019. These are:

- Safety at sea
- Safety of digital systems
- Safety for a sustainable future
- Safety of food
- Skills for safety
- Safety of physical infrastructure
- Public understanding of risk

Activities and impact

During the last year, we have continued to deliver a mix of activities from ongoing programmes and new initiatives. All are focused on impact and delivering benefits to society in different ways.

Our mission explicitly directs us to enhance safety and advance public education. In many cases, as seen from the following sections, our activities deliver impact in both safety and education.

Challenge: Safety at sea

Impact highlight 2.1

Our grant to Hellenic Marine Environment Protection Association (HELMEPA) in Greece has reached over 175,000 people in Greece and Cyprus, including training 1,170 merchant marine officers and management staff from 87 shipping companies.

Foresight Review on the future of Ocean Engineering

The Foresight Review on the future of Ocean Engineering was published in November 2021. The review, led by Professor Mark Cassidy, highlights the importance of new approaches to engineering in delivering a safe growing ocean economy that is set to double in the next decade. Consolidating perspectives from academia, public bodies, and a wide range of relevant industries in Asia, Europe and North America, the review focuses on interventions to engineer a safer and more sustainable future for our oceans and the people dependent on them.

Seafarer wellbeing

The safety of ships is down to the design and conditions of the vessel, operating processes and procedures, and the training and performance of the crew. Key to crew performance is their state of wellbeing, which has been an area of focus for the Foundation during the year. In July 2021, the Foundation and the Trading Group published the report 'Shining a light on seafarer wellbeing' that brings together our work from recent years and includes activity from the reporting period. During the year, we published the findings from seminars we co-hosted with Yale University and the Seafarers' Hospital Society that explored what works to improve seafarer wellbeing from a ship owner and operator perspective. A small grant to the University of Philippines Visayas gained insights from 1,412 seafarers on the availability and value of mental health support during the pandemic. The Safetytech Accelerator led a campaign on the use of digital technology to assist with seafarer welfare improvement, including a webinar attended by more than 200 individuals.

Hellenic Marine Environment Protection Association (HELMEPA) grant

Our grant to HELMEPA in Greece has had multiple impacts. It has reached over 175,000 people in Greece and Cyprus, including training 1,170 merchant marine officers and management staff from 87 shipping companies. Through HELMEPA, we established a voluntary near-miss reporting system for crews which in a short time attracted 813 incident reports from 46 shipping companies, a significant step forward for an industry that is often reluctant to report unless mandated to do so.

International Maritime Law Institute (IMLI)

There are a number of approaches to enhancing safety, one of which is through the training of maritime legal experts at the IMLI in Malta. During the last year, we supported students from the Bahamas, St Kitts and Nevis, and Sudan. They will return to their countries after graduating to strengthen their home states' legal capabilities. The projects covered by these students were: legislation for work in fishing vessels; illegal migration by sea; elimination of garbage dumping at sea; safety requirements for domestic roll-on/roll-off passenger ferries, and prevention of air pollution from ships, all of which are directly aligned to our mission of safety and education.

Challenge: Safety of digital systems

Impact highlight 2.2

The University of York's Assuring Autonomy International Programme continues to test, refine and publish the methodologies it has created for building assurance into the development process of autonomous systems. Work has begun in educating regulators on what autonomy is and what they need to know to fulfil their mandates.

Data-Centric Engineering programme at the Alan Turing Institute (ATI)

Our Data Centric Engineering programme at the ATI has successfully established Data Centric Engineering as a discipline both in the UK and across the globe. It has established agreements of a shared ambition to embrace data-centric engineering with the Advanced Manufacturing Centre at the University of Sheffield, Maritime Digital Hub in the UK, the Canadian Statistical Sciences Institute, the Oden Institute (the University of Texas at Austin), the Finnish Centre for Artificial Intelligence (FAI), Visual Intelligence (Norway), the University of Western Australia and the University of Sydney. We are seeing the success of leaders that have been developed through their time at ATI, including Mark Girolami, who joined as Director of the programme and is now the Chief Scientist for ATI; Adam Sobey (University of Southampton) is co-lead of the Marine and Maritime Group and has been invited to hold a non-executive director position with Theyr, an organisation focused on high-precision weather and ocean forecasting; Myriam Neaimeh (Newcastle University), Vehicle Grid Integration Group Leader, has been appointed to national roles on UK Power Networks' Innovation Council and in the Office for Zero Emission Vehicles, inputting into policies and setting standards at a national level; Andrew Duncan, Group Leader and Theme Leader for Digital twins complex systems engineering, has been appointed Senior Research Scientist at metaverse technology company Improbable. We are now working with ATI to understand how they will increasingly focus their significant capability towards real-world impact.

The Data-Centric Engineering Journal, published by Cambridge University Press and supported by the Foundation, has been received positively. It has published 55 peer-reviewed open-access articles, had 46,000 article views, and achieved 29 citations. Such is the success that the journal is on the verge of financial sustainability.

Discovering Safety with Health and Safety Executive (HSE)

The Discovering Safety programme with HSE has continued to build capability in the understanding of data and applying this to real-life cases, including within construction and potential containment loss scenarios. There is increasing involvement from an industry that is helping to shape the wider programme and the individual activities within the programme. The tools developed by the programme are gaining interest from across HSE and UK Government, being seen as an exemplar of what can be achieved with data. The programme is increasingly focusing on its legacy and sustainability in the future.

Global Manufacturing and Industrialisation Summit (GMIS)

We have agreed on a work programme with the GMIS in partnership with United Nations Industrial Development Organization (UNIDO). The first step is the creation of a manifesto for safety in industrial revolution 4.0. The manifesto will be launched in September at GMIS 22 in Pittsburgh, followed by actively signing up members and launching aligned initiatives.

Assuring Autonomy International Programme (AAIP)

The University of York's AAIP continues to test, develop and publish the methodologies it has developed for building assurance into the development process of autonomous systems. These methodologies are now being utilised by the wider community, including the Defence Science and Technology Laboratory (DSTL), which published an informative document called a biscuit guide based upon AAIP's work. The work is also being applied to education with up-to-date knowledge used in MSC modules, Continuous Personal Development (CPD) courses and upskilling courses that have started to be provided to regulators, including NHS Digital and Maritime Coastguard Agency. The programme's outreach activities have included co-creating an exhibition on our autonomous future at the National Railway Museum, which has attracted considerable attention from the public, who for the first time, is seeing the world through the eyes of AI.

Challenge: Safety for a sustainable future

Impact highlight 2.3

The Lloyd's Register Maritime Decarbonisation Hub launched 'The Silk Alliance', a partnership of 11 cross-industry stakeholders to establish a Green Corridor Cluster between Hong Kong and Singapore.

Lloyd's Register Maritime Decarbonisation Hub

The global momentum rapidly building around the decarbonisation of maritime trade continues to justify the Foundation's decision to support the creation of the Maritime Decarbonisation Hub; it remains a unique global resource that is evidence-based, providing unbiased information to the community.

In December 2021, the Maritime Decarbonisation Hub launched its 'First movers in Shipping's Decarbonisation – a framework for getting started', a methodology that enables a detailed comparison of different fuel transition pathways regardless of vessel type or trade route. The framework evaluates the entire supply chain, from fuel production to usage onboard vessels, and can be applied to any fleet, revealing the implications of each transition strategy and offering insights in support of future fleet investment decisions. In this first study using the framework, the Hub's experts focused on three transition pathways - methanol, ammonia, and hydrogen - and applied these to the containership feeder fleet operating regionally between Singapore, Hong Kong, and other Asian countries nearby.

In May 2022, the Hub and partners launched 'The Silk Alliance' to develop a Green Corridor Cluster in direct response to the Clydebank Declaration that was announced at COP26. The Lloyd's Register Maritime Decarbonisation Hub is working with 11 leading cross-supply chain stakeholders to develop a scalable fleet fuel transition strategy that can enable the establishment of a highly scalable Green Corridor Cluster. The Silk Alliance brings together a diverse group of organisations whose collaboration can advance the decarbonisation of the maritime industry. These include shipowners, such as MSC Shipmanagement Ltd, Pacific International Lines (Pte) Ltd (PIL), Wan Hai Lines, X-Press Feeders, Yang Ming Marine Transport Corp; shipyard, Keppel Offshore & Marine Ltd (Keppel O&M); bunker logistical supplier, Singfar International; engine manufacturer, Wärtsilä; ship manager, Wilhelmsen Ship Management; and financial institutions, the Asian Development Bank and ING. At the outset, these members will collaborate to send an aggregated demand signal for other stakeholders such as fuel providers, port operators and governments to support the Green Corridor Cluster for trading between Hong Kong and Singapore. The Silk Alliance members will draw from their individual areas of expertise to develop a fleet-specific fuel transition strategy for container ships operating primarily in Asia, based on the Hub's First Mover Framework.

The Foundation, via the Hub, has seconded Katherine Palmer into the High-Level Climate Champions as their lead on the decarbonisation of shipping. During this year, Katherine has been instrumental in planning and making progress on a number of activities that resulted in important announcements at COP26 and has since been working with the community to act on the commitments made at COP26, plus track changes as they happen. At the UN Ocean Conference in June 2022, Katherine was visible in her leadership role, chairing one of the plenary sessions and being a speaker at multiple side events.

UN Global Compact

We are supporting the first phase of the UN Global Compact's work that is focused on a 'Just Transition' as part of the decarbonisation of maritime trade. This has a strong focus on identifying the skills that are needed, where they will be needed, and how we will ensure that individuals receive the appropriate training, whether they are new recruits to the sector or already part way through their careers. An anticipated output of later phases changes the Standards of Training, Certification and Watchkeeping for Seafarers (STCW) convention, the International Maritime Organisation (IMO) instrument that sets minimum standards for seafarer training, competence and watchkeeping.

Engineering X – Safe End of Engineered Life

Also on the COP agenda, for the first time, was the issue of the open burning of waste. This significant but overlooked safety issue was brought to the fore thanks to the work of Engineering X – Safe End of Engineered Life programme of the Royal Academy of Engineering and the International Solid Waste Association. A hybrid session took place to encourage dialogue about this issue, which causes significant emissions and associated health and safety consequences. The topic of open burning is now on the main agenda of COP27, which takes place in Egypt during November 2022. The Engineering X – Safe End of Engineered Life programme is funded by Lloyd's Register Foundation.

Resilience Rising

Our global systems face mounting pressures from rising population, urbanization, the warming planet, and inadequate physical and digital infrastructure. By increasing our ability to adapt, grow, and survive – becoming more resilient – we can mitigate the myriad of complex and interconnected challenges that confront us today. Lloyd's Register Foundation funding has helped launch a new global non-profit consortium, Resilience Rising. Its purpose is to enable and create a safe, resilient and sustainable future for all.

Resilience Rising has been created by the leadership team behind The Resilience Shift, an initiative created by Arup and Lloyd's Register Foundation, and will be the host for The Resilience Shift from 2022 onwards. Resilience Rising is focused on addressing the challenges that are currently standing in the way of ushering in the big, transformative, and systemic changes we need. We know today's global problems cannot be solved in silos, which is why we are supporting a consortium that harnesses the capacity for humans to collectively address major societal challenges by incorporating resilience in our networks and systems.

Challenge: Safety of food

Impact highlight 2.4

Safe Seaweed Coalition (SSC) now has over 700 members to drive local and global food safety and sustainability solutions.

Safe Seaweed Coalition (SSC)

As a result of its first call for proposals, the Safe Seaweed Coalition (SSC) received 71 high-level applications from 33 countries, reflecting the SSC's global reach. Fifteen projects, including work in Norway, the Philippines, Tanzania, Thailand, Australia, Madagascar, Chile and the UK, have been selected for funding, with a total value of about €700k (plus leveraged funding of nearly €1.2m). In addition, the SSC was a leading part of a visible seaweed presence at COP26. This has led to new, strategic-level conversations with the UN Food and Agriculture Organization (FAO), World Bank and others. Indeed, the influence of the SSC is being recognised by the UN, EU and national governments, as evidenced by its very strong presence at the One Ocean Summit in Brest, hosted by the French government and the development of the first-ever global regulation for food safety – with the FAO (Codex Alimentarius). Our programme at Wageningen University (Safe Seaweed by Design) is a significant contributor to the SSC (via the development of protocols to support the seaweed sector in monitoring and assessing safety). The Safe Seaweed by Design programme has published a review-type article in the Foods journal, which adds to the growing momentum for protocols to unify and standardize safety in the sector.

UN Global Compact (UNGC) Food Platform

We agreed on a grant to determine the future structure, funding and priority topics of a UN Global Compact (UNGC) Food Platform, as advocated at the 2021 UN Food Systems Summit (FSS). This work aligns with our ambition for ‘safe and sustainable food for all by 2040’, which requires coordination and cooperation across the supply chain and a systems-based approach. Only an UN-level entity can provide a truly neutral, international and holistic vehicle for change (existing entities have had only partial success uniting a fragmented and competitive industry), and the UN Global Compact (UNGC), which has 13,000 brands and NGOs, has been nominated by the UN’s Food and Agriculture Organization (FAO), World Food Programme (WFP) and UN Environment Programme (UNEP) to establish such an entity, building on its leadership in Blue Food within its Ocean Stewardship Coalition and Business Action Platform for Ocean. Our involvement in establishing the Platform will ensure that safety is prominent across its focus areas and is testimony to the influence we have gained at the UNGC through the secondments of Lloyd’s Register Foundation staff.

Food safety curriculum for East Africa and the Caribbean

Our work with the FAO to develop a food safety curriculum for East Africa and the Caribbean has picked up momentum (after being significantly affected by the pandemic). The FAO surveyed approximately 400 stakeholders across East Africa to achieve consensus on what the stakeholders believe to be the key/core competencies to achieve ideal food safety education in the region. The work will use some of the insight gained from the published EIC report on “The impact of skills and education interventions on food safety outcomes,” which notably highlights a lack of monitoring and evaluation to evidence the effectiveness of food safety training programmes. Indeed, all three EIC Food Safety reports are now available. The most recent, “Occupational health and safety in the aquaculture sector – a global review,” has revealed that accident and incident reporting in the aquaculture sector is insufficient and lacks a standardised approach. The expansion of aquaculture over the last 30 years and its potential for further growth makes a lack of health and safety data an increasingly important issue.

The report from our grant to the Science Museum, which provides insight into people’s existing awareness of food system issues and their current appetite for different solutions in the UK, India and Brazil, was released to coincide with COP26 in order to highlight the centrality of food systems to the climate crisis. This report recommends actions that museums and other public engagement professionals can take to help educate and inspire people, giving them the knowledge to make more informed choices about the food they eat, and so support positive change.

Challenge: Skills for safety

Impact highlight 2.5

An independent review of SEASEP demonstrates that it is having significant influence and is enhancing safety in Indonesia and India

Our £165,000 grant to Stellenbosch University, South Africa, has concluded recently. Key highlights from this successful grant include, but are not limited to:

- A full postgraduate programme in fire safety (the first-ever in Africa) has been created, along with multiple research projects. As a result, African engineers are learning to solve African problems.
- Fire safety engineering is being recognised through the various awards received by the team, along with publications and media coverage.
- Experimental research has led to insights regarding passenger train fire safety in South Africa (as current seats have been found to burn extremely intensely and easily). This is likely to impact most of the passenger trains throughout the country, following a recent presentation of results to engineers from the Passenger Rail Association of SA (PRASA).
- The programme has extended to Namibia, Kenya, Nigeria and Zambia.
- The group is influencing South African fire safety codes, which govern the construction industry, through having representation on the South African Bureau of Standards committees.

Engineering X Skills

The chair of the governing board of our Engineering X Skills programme, Professor Peter Goodhew, has recently stepped down from the role. Professor Jarka Glassey (Newcastle University) has been appointed as the new chair. The programme has awarded its most recent “Impact Grants,” which aim to support projects that develop domestic engineering capability to build, operate and maintain critical engineering infrastructures safely in countries that are Official Development Assistance (ODA) recipients. The twenty new projects include occupational safety interventions in Nigeria and India and strengthening engineering safety in Kenya. Pleasingly and in line with our targets, a number of the Safety Champions in Engineering Education – our Engineering X network to improve the quality of teaching and learning in engineering education institutions in the areas of the world which are most in need – have been successful applicants.

South East Asia Skills Enhancement Programme (SEASEP)

Phase 1 of the SEASEP lasted longer than the intended two years due to the extreme difficulties caused by the pandemic. Nevertheless, SEASEP trained and examined 4,000 individuals in India and Indonesia to internationally recognised standards across health and safety courses and construction safety courses. We performed a robust, independent evaluation of Phase 1, led by Technopolis, which shows that SEASEP is having significant influence and achieving its objectives, including:

- Partnerships with major stakeholders, including government bodies (Indonesian Ministry of Manpower), demonstrate the influence of SEASEP and should maintain its impact beyond Foundation funding.
- Increased opportunities for under-represented groups (including empowering women to participate in SEASEP training), new entrants to the labour market, and those not in employment.
- Building a regional workforce with health and safety skills and new safety/inspection rules being implemented by employers.
- Enhanced health and safety culture and awareness, backed by best practice

The review also provided important lessons for the implementation of SEASEP Phase 2, which we have agreed to support. SEASEP phase 2 will extend the project in Indonesia and India and deliver SEASEP for the first time in both Thailand and the Philippines, where evidence from the Lloyd’s Register Foundation World Risk Poll, the International Labour Organisation (ILO) and understanding of the intended large-scale construction creates a compelling case for intervention.

Challenge: Safety of physical infrastructure

Impact highlight 2.6

The world’s first metal-printed pedestrian bridge has been opened over a canal in Amsterdam. This smart bridge uses sensors and digital twins to demonstrate the ongoing safety of a bridge made with new manufacturing technology.

The world’s first smart pedestrian bridge

The world’s first printed bridge by MX3D was formally opened as a public asset by Her Majesty Queen Proxima of The Netherlands. Through a grant from the Foundation, the bridge has been made smart, it is now streaming data which is feeding an array of digital twins. The bridge is printed in stainless steel, is 12m long and weighs 4500 Kg. As a busy pedestrian canal crossing point in Amsterdam, the safety of this bridge is of paramount importance. The impact of this grant is significant as not only is it providing new insights into novel additive manufactured structures, it is providing a level of safety assurance over what is essentially a new, untried technology, additive manufacturing (3D printing in metal).

National Structural Integrity Research Centre (NSIRC)

Our grant to TWI Ltd, which supports the National Structural Integrity Research Centre, is in its eighth year of our support. Our funding has supported 74 PhD students, of which 28 have successfully graduated and moved into jobs in industry that utilise their expertise in Structural Integrity.

Following a relaxation of conditions associated with government funding at the time of NSIRC's establishment, we have agreed to support a trial to expand the successful NSIRC concept to other countries seeking to develop local capability in structural integrity. This will open access for locally funded PhD studentships to those individuals that are unable to move to the UK for three years. The first candidates in Thailand, Indonesia and Greece are expected to start in late 2022.

Infrastructure 2040

In 2021 TWI and LR Foundation delivered a new campaign, Infrastructure 2040, in celebration of strategic partner TWI's 75th anniversary. Over a series of interviews, the campaign has explored how global businesses, innovators, and governments are planning, thinking, and investing in the infrastructure we will see in 20 years and some of the technical challenges to get there, including safety and skills. Partners on the project explaining how they are working towards the new infrastructures of the 2040s included Boeing, the European Space Agency, Shell, and Orsted.

Fullagar

In addition to supporting PhDs at NSIRC, we also have a mechanism to accelerate good research towards impact. We supported a commercialisation vehicle between TWI Ltd and Lloyd's Register Inspection Services. Fullagar was designed to apply TWI's capability to develop research into commercial products, with Lloyd's Register Inspection Services providing end-user input and a route to market. In 2021 Fullagar was dissolved after three years of operation due to changes in the focus of Lloyd's Register Group following a series of divestments that removed market access for technologies under development and also changes at TWI. Going forwards the Foundation will review alternative approaches to maximise impact including new routes to market.

Safer Complex Systems

The Safer Complex Systems community identified a lack of case studies, which are a useful tool for education and professional development on complex systems. To address this gap, the Royal Academy of Engineering's Engineering X – Safer Complex Systems programme commissioned the development of 18 unique case studies from across academia and industry. After 18 months of development that included cross-sector learning, the case studies were finally published in 2022. The case studies cover a wide variety of complex system successes and failures, past and present, from around the world. In examining these events, these case studies provide insights into how the design, construction, operation, and governance of complex systems contribute to safe or unsafe outcomes. Beyond informing future activities under the programme's mission, the cross-cutting factors and lessons learned brought to light by these case studies will help to influence safer complex systems globally. The case studies have already attracted interest from academia in engineering, MBA providers and the wider community.

Challenge: Public understanding of risk

Impact highlight 2.7

We published the Risk Know-How agenda in *Significance*, the official publication of the Royal Statistical Society and the American Statistical Association. Risk Know-How identifies the elements in understanding risk that have the strongest application in day-to-day life.

Risk Know-How

Our work with Sense About Science on a practical Risk Literacy Agenda reached a milestone in December 2021. The agenda was published as "What is Risk Know-How" in the December edition of *Significance*, the official magazine and website of the Royal Statistical Society (RSS) and the American Statistical Association (ASA). Risk Know-How identifies the elements in understanding risk that have the strongest application in day-to-day life. As a result, we are building credibility and consensus amongst risk communicators (e.g. David Spiegelhalter and Gerd Gigerenzer were featured in the article) and

major risk information providers (such as the World Bank, WHO and the ILO). Notably, the executive Director of the ASA is keen that this work leads to a global standard for risk literacy.

British Science Association *For Thought*

The agenda had a soft launch at Evidence Week (in UK Parliament in November 2021) and was the opening provocation at a British Science Association *For Thought* high-level round table titled 'How do we develop a new relationship with risk?' This event was supported by the Foundation and provided the groundwork for a bigger *For Thought* online event in December 2021 at which leaders from business, policy, science and civil society considered what is required to develop a new relationship with risk that will help society combat some of the great threats on the horizon, such as climate change, an ageing population and new technologies. This has led to the publication of a new report, "Developing a New Relationship with Risk," that includes a number of principles and actions based on the Risk Know-How work. In addition, Tracey Brown (Sense About Science) and Olivia Jensen (Lloyd's Register Institute for the Public Understanding of Risk) co-hosted an interactive session on Risk Know-How at the Understanding Risk Asia conference on 3 December 2021 that focused on engaging the audience with the framework and concepts

The Risk Know-How programme has identified a burgeoning community of practice, people from all over the world who share the common concern of navigating risk information and helping their communities to make informed decisions suited to their contexts. The community encompasses a range of sectors and includes grant holders such as HELMEPA and TWI. Evidence gathered from these 'risk practitioners' provides useful insight into some of the more common challenges, including uncertainties about how to use data and where to find reliable information with explanations or guidance on how to understand and use it.

Lloyd's Register Institute for the Public Understanding of Risk (IPUR)

The impact and influence of the IPUR are growing; a relationship between IPUR and the Mongolian government has been strengthened by a new MoU that will set the parameters for a digital transformation training programme. In addition, IPUR launched two reports with the World Bank furthering the understanding of what is needed to develop water secure cities in Indonesia. A collaboration between IPUR, Sense About Science and the Korea Advanced Institute of Science and Technology (KAIST) produced a "Using AI to Support Healthcare Decisions" guide that is already gaining good traction amongst more than 150 medical research charities. Furthermore, an IPUR insight report revealed much about the different challenges faced by climate change communicators in Singapore and Thailand.

IPUR produced a mid-term review of their work and impact to date, with an ambitious plan for the future that includes integration of the Risk Know-How framework, new partnerships and leveraged funding. Importantly, the review also acknowledges 'lessons learnt' and hurdles – including strengthening the interface with Lloyd's Register Foundation (notably via the world risk poll) and expanding/strengthening the regional network of impact partners – that IPUR must overcome to meet its vision of being a leading global research institute in the analysis of risk perception and evaluation of risk communication. This important stage for IPUR allowed the Foundation and the National University of Singapore to independently decide to make the next and final payment as per the original agreement. To facilitate a closer working relationship, a new joint Foundation/IPUR working committee was established in early 2022.

Future plans for the next 12 months to June 2023

The main objectives are to:

- Expand the activities of the Maritime Decarbonisation Hub in response to the accelerating energy transition.
- Clearly define our theory of change in ocean safety and invest in these changes.
- Focus plans in maintenance as part of the physical infrastructure safety challenge area.
- Agree on a further programme of work which accelerates the impact of the Data Centric Engineering Programme at ATI.
- Undertake the second Engineering X Global Engineering Capability Review.
- Transition the Safe Seaweed Coalition from CNRS to the UN Global Compact, enhancing its long-term impact and influence.
- Increase our investment in understanding risk via specific support for the Risk Know-How community of practice.
- Start to build the evidence base for Engineering Skills for a Safe Future providing us with clear areas of focus for new funding.
- Implement recommendations from the review of the small grants programme to enhance its efficiency and potential for impact.

INVESTING FOR THE FUTURE

Impact Highlight

An internal review of our small grant programme evidenced its effectiveness and its potential to deliver yet more impact.

Our Strategy states that as well as our three goals, we will continue to invest in longer-term capability and activities in support of our mission of safety and education. For this reporting period we planned to extend our Making Spaces programme with UCL, for our Safetytech Accelerator to operate independently, a review of our small grants programme and its extension via small grant-funding to our Network to Engineer a Safer Tomorrow (NEST) members and the establishment of a Pathways to Impact programme, which aims to engage all Lloyd's Register employees in furthering the Foundation's global mission.

Activities and impact

Safetytech Accelerator

Safetytech Accelerator Limited (STA) was incorporated and began operating as an independent non-profit organisation on 4 January 2021.

Where the first year was largely devoted to building the new team, logistics and rebooting client engagement while in the middle of the pandemic, at the end of year one, there had been some significant achievements (all KPIs exceeded) and progressed towards the five-year objectives, STA has been able to achieve remarkable progress with its core dedicated team, which works autonomously and in a highly agile way with a 'venture style' approach.

Year two has taken a more flexible and pragmatic approach to shape challenges and pilots where STA have focused more on becoming an enabler, with well-crafted challenges, technology showcasing and activities with influencers and selected start-ups aimed at raising the awareness of 'Safetytech'.

During the year, STA has launched nine challenges, all at different stages of development. As the business grows, there is a mix of Foundation-funded, client-funded, and commercial activity, which is essential if STA becomes a self-sustaining vehicle in the future.

Foundation-funded activity:

- Working at height with the National Safety Council (NSC) resulted in a high-profile tech showcase at the Work to Zero summit in April with six start-ups and extensive promotion of the STA brand to the occupational health and safety (OHS) community in the USA. This challenge has been completed.
- Pilot with SMC metal and start-up Matroid on working at height. As a result of the above showcase, STA have supported the NSC on shaping a pilot with one of their partners and one of the start-ups of the tech showcase.
- Green house gas (GHG) assurance of Hydrogen and Ammonia challenge, done in collaboration with the Maritime Decarbonisation Hub. The project is under way and will result in two Proof of Concept (PoC) awards for feasibility studies.
- Crew mental wellbeing challenge, which led to a public technology showcase with partners such as Mission to Seafarers Nautical Institute and was well reported in the trade press. It resulted in six start-ups being selected and a winner, Scoutbase, which subsequently entered a programme of refining value proposition and market testing.
- Maritime risk challenge was designed as a wide-scope entrepreneur-led challenge and was launched at a webinar in February 2022. Its purpose was to identify start-ups that address real safety and risk challenges and market testing these. This process resulted in PoC funding being awarded to:
 - ShipIN addressing: can a single platform cater for a multitude of safety use cases, thereby creating cost / deployment disruption?
 - AliciaBot addressing: could a low-cost, lightweight drone inspect and clean hulls autonomously when ships are in operation, leading to the elimination of human risk as well as operational efficiency benefits?

- Eyegauge addressing: can the computer-vision-based reading of gauges on older ships (the vast majority of the world fleet) enable better safety, risk management and efficiency?

Client-funded activity:

- Automation of Compliance challenge, with HSE and Costain, with PoC funding awarded to AuditComply. The project is underway.
- Fatigue study for crew in Ports, with Harwich Haven and start-up Senseye. The project has since been completed, with brilliant learnings about the objections from unions and staff halfway through the trial related to the use of technology to monitor individuals. What was learned will be shared as a case study.
- Muscular Skeletal Disease Innovation Lab (MSD Labs), in collaboration with National Safety Council. For STA, this includes lab design, two challenges and the possibility of pilots. The first challenge, 'Moving objects in a warehouse,' is currently underway.

This year, two significant achievements that demonstrate longer-term routes to impact have been partnerships with organisations that influence wider industry, such as the National Safety Council and the HSE and indicators of the route to sustainability with an external income of £492,000.

Skills and education

The Lloyd's Register Foundation, small grants programme, offers up to £10,000 to organisations performing activities relating to our mission. In collaboration with EIC and the Foundation's new Impact Manager, its planned review evaluated the programme against an effective and efficient route to impact with the least risk. The programme's effectiveness and potential to deliver impact are already evident and should only increase; it is a low-risk investment with a high potential return. Recommendations from the report are included in our planning for the future structure and priorities of the small grants programme.

The Foundation's new Network to Engineer a Safer Tomorrow (NEST) programme, which is aimed at connecting those that have received our funding, launched a separate small grants call for applications exclusively to NEST members. We offered up to £2,000 to undertake activities in support of the Foundation's mission. A boat-building apprentice who used his funding to attend several training courses sent in a very enthusiastic report that concludes with the assertion that the "...courses have made me a better and more employable person within the industry as I have gained a lot of new skills and have a new-found confidence." This is exactly the kind of outcome that the NEST small grants programme was designed to achieve. In addition, a series of free online courses were launched in partnership with EdX. The courses will enable NEST members to develop skills and knowledge aligned with their interests and the Foundation's mission.

Our £300,000 grant to STEM Learning to fund ENTHUSE Partnerships (collaborations between 6-10 UK schools or colleges to improve young people's attainment and engagement in engineering-related subjects and careers) leveraged nearly £2m and revealed very strong indicators of increased attainment and significantly greater interest in STEM careers for those pupils who were part of our ENTHUSE partnerships.

It is important to note that the knock-on effects of the pandemic continued into 21/22. We agreed on new, no-cost extensions with a number of grant-holders, including the National Space Academy in Leicester and the Making Spaces programme led by Professor Louise Archer at UCL. This latter programme aims to widen participation in science, technology and engineering via makerspaces. It reported very positive headline findings from phase one of the project, both in terms of practitioner and participant outcomes. It is additionally pleasing to note the reported entrepreneurship and innovation among participating young people from unsupported communities, which was a target at the outset of the programme. As a result, we agreed to fund phase two of Making Spaces.

The pilot Pathways to Impact (Ptl) programme, which is an opportunity for colleagues at LR to apply for small-grant funding from the Foundation in support of a charity or other organisation that makes the world a safer place, awarded a grant to the Sino-Ocean Foundation in China that aims to develop carbon reduction education materials for schools. The Ptl programme had a global roll-out in the latter part of 21/22.

GOAL 3 – BUILDING COALITIONS

Impact highlight 3.1

The Foundation's presence as a lead partner at the Economist's World Ocean Summit 2022 showcased our mission to engineer a safer ocean and raised awareness of our work with 6,000 ocean-focused stakeholders, leading to over 20 one-to-one meetings with influential organisations.

Plan

The Foundation's communications strategy continued to focus on raising awareness of the global safety challenges and increasing the Foundation's influence, building strategic partnerships, and enhancing the impact of the work we fund.

Flagship campaigns

Safer Oceans

This year has focused on our strategic communications objectives to raise awareness of the evidence-led global safety challenges within the interconnected ocean economy and enhance the impact of our work in this area to date. Through creative communications and global influencer events, we have been identifying 'white space' for the Foundation where we can create a significant impact and make a difference – and building relationships with existing and new potential partners for leveraged funding programmes. During this financial year, over 50 articles in maritime media highlighting our work to engineer a safer world in the ocean community have been published.

Evidence-led content: Foresight Review of Ocean Safety

The financial year started with the launch of the Foresight Review of Ocean Safety which sets out urgent challenges facing the oceans with key recommendations made to create a safe and sustainable future blue economy. The review calls for international cooperation to ensure that future ocean-related developments are safe, sustainable and just. Recommendations set the scene for our future safer oceans work and include greater investment, a just transition to a low carbon ocean economy, new approaches to skills and education, the need for more data, infrastructure, innovation and fulfilling jobs for all.

The review was publicly launched in collaboration with the Economist Ocean Impact team, which aims to empower businesses, governments and foundations to catalyse change and enable progress. As part of their Ocean Insight Hour programme, the webinar was broadcast on 17 November 2021 and featured a panel debate moderated by Martin Koehring, head of the World Ocean Initiative, with speakers Ruth Bounphrey, former Director of research and strategic projects, Lloyd's Register Foundation and now CEO; Donnette Streete, Director, frontiers department, Ministry of Foreign Affairs and International Cooperation, (GUYANA); Michael Bruno, provost, the University of Hawaii at Manoa, author of The Urban Ocean and Ruben Eiras, secretary-general, Forum Oceano.

The event received 415 registrations from over 60 countries and 130 attendees from 26 countries, including international corporates, research centres, academics, policy units/makers, investors/banks, UN departments, governments and other ocean stakeholders. The press covered the event in multiple maritime publications and on the World Ocean Initiative website, which reaches 12,000 people a month.

Creative content: Documentary film series

The Foundation commissioned a series of documentary films by award-winning human rights journalist and filmmaker Dan McDougal at Miran Media to highlight the safety challenges faced by ocean workers. The first film, Searchlight, focuses on search and rescue, featuring volunteers from the RNLI, which launched publicly in June 2022, with exclusive screenings in advance at the Foundation's Safer World Conference 22 and the Hay literary festival in the UK attended by over 500

physical attendees with an online reach of over 500,000 people. Searchlight has now been requested for an exhibition by the National Maritime Museum.

The second film, *Two Kinds of Water*, was published in September 2022 on the social justice and environment platform Waterbear, following private screenings for LR's community, at the World Ocean Summit 22 and the United Nations Ocean Conference. This film focuses on small-scale fishers in Africa, and initial exposure has captured the interest of leading fisheries organisations such as FAO Fisheries, WorldFish and the Environmental Defense Fund.

The third film *Saltlines* shines a light on gender bias and safety challenges within the lobster fishing industry and has won the best documentary category at the Toronto Film Festival while being shortlisted for several more.

We continue to secure opportunities to show these films worldwide at conferences and events to spark debate and encourage action.

Global Influencer Events

COP26

Foundation representatives attended COP26 to raise awareness of key ocean-related initiatives and programmes. Representatives across Lloyd's Register, including the Foundation, attended several blue and green zone events at COP26 to raise awareness of ocean safety challenges and make connections. A key highlight was our side event on building resilience in sustainable supply chains, including a keynote from Ambassador Peter Thomson, the United Nations Secretary-General's Special Envoy for the Ocean, Ruth Bounphrey, NHS Oceans and green maritime supplier Baxters, which 140 people attended. This was the first COP where oceans were included on the agenda and notably seaweed was prominently featured as part of the blue food conversation and as a nature-based solution for climate change. The Foundation launched a podcast on at-risk coastal communities during the event, downloaded over 2,500 times, making it one of our most successful podcasts.

The Economist World Ocean Summit

The Foundation secured a major presence at the Economist World Ocean Summit 2022, with speaker opportunities on 'ocean literacy' and 'using data to drive investment' and a showcase of our *Two Kinds of Water* film. We also led a roundtable conversation on safer ocean stewardship with influential organisations in the ocean economy and arranged 20 one-to-one meetings to explore potential future global partnerships with organisations, including UNESCO's Intergovernmental Ocean Commission which has led to LRF joining the organisation's Foundation's Dialogue, the Commonwealth, OORA and NOAA.

United Nations Oceans Conference

The Foundation secured three official events at this global event attended by 6,000 people. Firstly an event on safety, equity and sustainability from source to sea' was delivered with the United Nations Global Compact (UNGC), Accenture, HUB Ocean, Stockholm resilience centre and Stockholm International Water institute. The core message was the importance of evidence and data to aid decision-making in the ocean economy, improving access to data and building incentives for organisations to share their data.

'Two Kinds of Water' was shown with a panel consisting of representatives from WEF (Friends of Ocean Action), the UN Food and Agriculture Organisation (FAO), WorldFish, Environmental Defense Fund (EDF) and the Environmental Management and Economic Development Organization (EMEDO). The core theme highlighted safety challenges faced by small-scale artisanal fishers who do not currently have a voice regarding interventions or policy making.

The Foundation also partnered with the Safe Seaweed Coalition grant holder to deliver the official side event 'Seaweed: a revolution to achieve Sustainable Development Goals (SDG) 14 and more'. This event explored the multiple contributions of seaweed to achieving the targets of SDG 14 and its relevance to other SDGs, describing the progress to date and identifying the next steps required to scale up the industry safely.

Seafarer Wellbeing

Olivia Swift has represented the Foundation at several seafarer wellbeing events throughout the year, including a 'Supporting Seafarers into the Future' webinar roundtable at the end of November 2021 alongside stakeholders from the Seafarer Hospital Society, the International Chamber of Shipping and Yale University. She has led multiple Foundation programmes, including a landmark study into the effectiveness of maritime worker health initiatives taken by shipping companies, charities and the wider maritime sector. Through a concerned communications campaign, Olivia has had several articles published on the topic in the maritime press and continues to build a thought leadership position in this space.

To coincide with the IMO's Day of the Seafarer in June 2022, Lloyd's Register and Lloyd's Register Foundation launched a report on seafarer wellbeing to highlight initiatives that are underway to tackle physical and mental wellbeing challenges for seafarers and what more still needs to be done – which is extensive.

Ocean Secondees

Across the Foundation, there are now two secondees working with other influential organisations in the ocean economy, bringing insight back into the organization and providing us with opportunities to build relationships, secure profile-raising initiatives and identify programmes for funding.

Vincent Doumeizel, on secondment to the UNGC and heading up the Safe Seaweed Coalition, has significantly raised the profile of safe seaweed as a source of blue food for communities worldwide, with a huge number of speaking opportunities delivered throughout the year, high profile media coverage secured in the Guardian and RTE and has recently authored a book on seaweed, available in French and English, which has been shortlisted for an environmental award.

Suzanne Johnson, on secondment to the UNGC oceans team, is highlighting the importance of finance as an enabler of ocean solutions to safety challenges and during the year has convened several high-level panels convening CEOs, CFOs, Ministers of Economy, Assistant Secretary General of the UN, NGOs, Multilateral Development Banks and investors to discuss mainstreaming finance to grow a sustainable blue economy.

Additionally, Katharine Palmer, from the Decarb Hub, is the shipping lead in the High-Level Climate Champions (HLCC) team, has ensured shipping and decarbonisation have a profile in the global ocean and climate events and is now working on a maritime resilience breakthrough programme as part of her HLCC work.

World Risk Poll

During the first half of the financial year, dissemination activities for the World Risk Poll 2019 continued alongside the development of launch plans for the 2021 iteration.

From July to December 2021, the Foundation presented thematic findings from the Poll at several high-profile events and continued to secure media opportunities.

Sarah Cumbers, Director of Evidence & Insight, presented top-level climate change findings at COP26, followed by an interactive game where attendees could make decisions about climate change interventions taken by their country, to see how evidence and insight can inform more effective choices – with follow up meetings with interested organisations secured as a result. Sarah also presented the Poll's food statistics at an online food safety event by the Global Alliance for Improved Nutrition and the Evidence and Action Towards Safe, Nutritious Food (EATSAFE) organisation.

The Foundation also highlighted global worker concerns revealed in the World Congress on Health & Safety Poll in November 2021. Most recently, Vincent Doumeizel presented the food safety Poll data at the World Health Organisation World Food Safety Day on 8 June 2022.

Since the WRP launch, more than 600 articles have been published by media around the world on the results of the World Risk Poll, citing the Poll data as evidence to lead other discussions and as part of subject matter expert comment on climate change, risk communications, food safety and the country happiness index.

Key learnings

The enormity of the 2019 data set and the thematic interests shown in the data by audiences influenced the team's decision to create a more thematic approach to developing and launching the 2021 Poll. For this reason, the 2021 Poll will be launched as four separate reports alongside the correlating data set:

- Pre/post-Covid: July 2022
- Resilience: September 2022
- Data & Artificial Intelligence: November 2022
- Violence and harassment at work: January 2023

Communications and Content Campaigns

Foundation Newsletter

We have seen a significant increase in our newsletter subscribers over the last year. There has been continued engagement up to 30th June 2022, with our contact database increasing to a high of 5,022 newsletter subscribers, up 1,391 since June 2021, an increase of 35%. Additionally, there was an impressive 33.5% average open rate, around 1.5% higher than 2020/21, with average industry benchmarks around 20-25%. The newsletter has also been rebranded in line with Lloyd's Register's brand transformation project.

Website and social media

Through high-quality content, we have continued to drive increased engagement with the Foundation's website and social media channels. Since July 1st 2021, the website has gained 577,827 page views – largely due to a paid advertising campaign coordinated to increase registrations to the Safer World Conference 2022. We've also achieved nearly 800,000 impressions of Foundation content across our social media platforms during this period, gaining 3,209 new followers on LinkedIn and Twitter. There have been material improvements to the Foundation's website, including a new interactive grants map, Impact Review and World Risk Poll microsites.

Media Relations

Our media relations activity has resulted in over 1,200 articles this year (excluding the World Risk Poll and Safer Oceans campaign) across more than 20 countries. Stories of significant interest to the media have included our Safer World Conference, news from grant holders including the Safe Seaweed Coalition, SafetyTech Accelerator, Engineering X, Resilience Shift/Rising, HiLo and Ruth's CEO appointment.

The Global Safety Podcast

The Global Safety Podcast aims to convene members of our global grants community, activists, influencers and policymakers around the key global safety challenges society faces. Since 1 July 2021, we have achieved 45,100 listeners a 2,000% increase in listeners from Series 1.

Events and Publications

Lloyd's Register Foundation's Safer World Conference 2022

The Safer World Conference was held between 10 to 11 May 2022 in Old Billingsgate Market, London and online. Over 40 international speakers and thought leaders from our grants community and close strategic partners spoke at the event as we gathered to discuss today's biggest safety challenges and the new approaches needed to create a safer world.

Over 1,450 people from 121 countries registered to attend, with nearly 600 people attending both in person and online over the two days.

The Safer World Conference saw the largest paid advertising campaign undertaken by the Foundation, resulting in a 1,500% increase in page views on the Foundation website and a 418% increase in impressions on social media.

We also coordinated a direct mail campaign to help promote the Safer World Conference, with a series of five bespoke branded emails going out to the Foundation's contact database. Following data collection from the Safer World Conference delegates, we added 1,081 new prospects to our contact database, increasing the Foundation's mailing list to nearly 5,000 people, an increase of 261% since April 2020.

The Safer World Conference was received extremely positively by LR staff, with five times the number of LR colleagues attending virtually and physically than our previous international conference in 2019.

Other key achievements at the conference include a selection of high-profile speakers, including James Michel, Former President of the Seychelles, the creation of a bespoke online platform for virtual attendees, dinner and networking for our top 100 stakeholders featuring a speech by High-Level Climate Champion Nigel Topping, and the creation of the Safer World Exhibition, including various stalls, galleries and installations from over 20 members of our global grants community.

Food Safety Publications

During this year, several high-profile publications have come out of the Foundation, which bespoke communications campaigns have supported.

Our grant with The Science Museum, 'Feeding Tomorrow', published a report in late October 2021 that revealed widespread public concern about food waste and a lack of understanding about the link between food production and climate change.

The Strategic Communications team helped deliver three new food safety reports from the Evidence and Insight Centre, focusing on skills and education, traceability and aquaculture. The publications have received 416 reads on the Foundation website.

Impact Review 2021: Frontline

The launch of our impact review was received extremely positively amongst our key stakeholders and social media audiences. Over 5000 people worldwide have accessed the online exhibition since it launched on 9 June 2021 (an increase of over 200% over the same period from 2020). The seven-week promotional campaign comprised 24 posts across Twitter and LinkedIn, gaining 13,541 impressions.

The physical version of the Impact Review was launched at the Safer World Conference and handed out to our top stakeholders during the Foundation's 10th-anniversary celebrations. There have been requests for the book to be shared with the Group's maritime stakeholders in both Southampton and Athens, and there is a distribution plan currently underway to send copies to LR's top 17 international offices – as well as to key grant holders.

Internal Communications

Internal Communications – Engaging LR employees worldwide

Our objective this year has been to enhance the communications between the Foundation and the Trading Group to inspire and engage employees from both organisations in our shared social purpose mission, celebrate the 10th anniversary of the Foundation and the Trading Groups' unique structure, as well as inform employees about the Foundation's work.

Being a part of the Lloyds Register (LR) conference

In January, LR hosted their new strategy through an all-employee conference where significant Foundation messaging featured alongside key strategic communications for the Trading Group. Foundation messaging was weaved into the leadership speeches, dedicated breakout sessions were hosted, the Foundation's CEO (at that time) Richard Clegg was invited to speak on the Executive Leadership Team (ELT) panel and a bespoke Foundation video was created to inspire and engage employees. As a result, we have seen 55% of the people who filled out the conference feedback form say that they will be engaging more with the Foundation and LR's social purpose. Over 250 positive responses have been logged, noting

where LR colleagues learned something new about the Foundation, and the breakout sessions that were the second most attended on the day (813 attendees) have been viewed an additional 500 times since on LR's intranet site.

Internal Communications for Safer World Conference 2022

The Safer World Conference 2022 sign-up campaign was very successful and had significant airtime covering all LR Group internal communications channels, resulting in sign-ups five times higher than what was seen in 2019, and 181 employees from LR signed up to join both in-person and online, with 86% of them signing up to both days.

Internal Communications campaign – Pathways to Impact

A key campaign has been the launch of Pathways to Impact, which went live globally on 16 May. This was an opportunity for colleagues to apply for funding up to £5,000 from the Foundation in support of a charity or not-for-profit organisation that makes the world a safer place and supports the Foundation's key challenges. As part of their application for funding, employees were encouraged to apply for two volunteering days with that charity or not-for-profit organization.

The multi-channel promoted campaign saw high engagement, totaling over 13,000 engagements from views, clicks, opens, comments and likes/reactions and 154 colleagues directly engaged with the application or expression of interest process through the expression of interest form, webinars and application forms.

Enhancing Internal Channels

Amongst larger campaigns, significant effort has gone into enhancing LR Foundation communications across existing internal channels such as the Intranet, Yammer, internal newsletters and CEO video messages. Notably, this work has resulted in significantly increased engagement with intranet pages featuring in the top 20 most viewed, the Yammer channel becoming an official 'blue tick' community with over 3,700 members from LR and the Foundation worldwide.

Engaging Foundation Employees

The Internal Communications work has also focused on informing and engaging Foundation colleagues through the continued improvement of the fortnightly meeting structure, a reinvigoration of the ED&I actions as well as the creation of a full-year communications plan to ensure the feedback from the internal Employee Opinion Survey has been implemented. We are now looking to rerun this survey in November 2022.

Future plans for the next 12 months to June 2023

The main objectives are to:

- Launch the four World Risk Poll 2021 reports between July and December 2022 through global, national and sector press and continue to build relationships with high-level partners and advocates who share our mission and can help bring the data to the attention of policymakers and organisations who can use it to inform interventions that make people safer. Each launch will be supported by a suite of multimedia content that will bring the data to life and a series of webinars that will engage stakeholders and potential end-users more deeply with the data.
- Use our sponsorship of Climate Week NYC in September 2022 to showcase the World Risk Poll and build our reputation as a global thought leader on resilience.
- Continue to build our profile within the ocean economy across supply chains and geographies and raise awareness of the safety challenges faced by people working in the ocean and those living in vulnerable coastal communities. We will focus on giving a voice to those who don't currently have one and highlight the role of evidence and insight, engineering and infrastructure, technology, and education and skills, using global influencer events such as COP27 and the World Ocean Summit 2023 to drive debate and form partnerships.
- In collaboration with the Red Cross Climate Centre, led a successful satellite event for the World Bank's Understanding Risk 2022 conference, connecting with stakeholders from across the public understanding of the risk ecosystem and further disseminating findings from the World Risk Poll.

- Conclude Lloyd's Register Foundation's anniversary celebrations with a state-of-the-art audio-visual experience in collaboration with award-winning designs and art practice Superflux, celebrating ten years of making the world a safer place.
- Coordinate a suite of events with our colleagues and potential stakeholders in Singapore, including an Art / Science Symposium in collaboration with the National University of Singapore and the Singapore Art / Science Museum and Lloyd's Register Foundation workshop with LR colleagues in the Singapore office.
- Strengthen communications activity with our grant holder community, ensuring the impact of our funding and their work is maximised.
- Internal Communications: Run 'LR Festival of Social Impact' events in key LR offices worldwide, showcasing the work of LR Foundation, how employees can get involved in Foundation initiatives and discuss our shared social purpose mission.
- Internal Communications: Create dynamic and engaging content for the second iteration of LR Group's all-employee conference.
- Internal Communications: Inspire LR Group and LR Foundation teams with employee stories of the Pathways to Impact programme.

HERITAGE AND EDUCATION CENTRE (HEC)

Impact highlight:

The digitisation of the Ship Plan and Survey Report Collection has been completed on time and within budget. In total, 1,154,669 documents were digitised from 4,367 boxes. Since the Collection's release digitally, it has been accessed more than a million times with over 150,000 active users.)

A New Vision and Mission for HEC

Following the appointment of Alex Stitt as Director, we took the opportunity to redefine the department's purpose. The new direction is as follows:

Vision

Maritime safety: increasing the understanding of its importance to the past, present and future ocean economy

Mission

Maritime safety has always been critical to the ocean economy. Today, as the industry navigates the challenges of climate change, sustainable global supply chains and net zero targets, what lessons can we learn from the past that will help us shape a safer ocean economy for tomorrow?

Our mission is to inform, educate, influence and inspire policymakers, researchers and business leaders as they meet these challenges. Leveraging our connections, cash flow, heritage assets and creativity, we will increase worldwide understanding of maritime safety's importance to a sustainable and efficient ocean economy.

We will innovate, pioneer and promote best practices within the maritime heritage sector to create the archive of the future, open and accessible to all.

Opening of the Archive and Visitor Centre in Fenchurch Street

Following the Group's strategic decision to sell the Rogers Building and the required capital works, the opening of our bespoke visitor centre at 71 Fenchurch Street in 2022 has been delayed until early 2024. We have used the time to invest in detailed planning of the visitor experience, maintaining contact online with our community of researchers, who continue to access the archive online.

Website – impact overview

From 1 July 2021 to 30 June 2022, the HEC website saw:

- 491,651 page views from 68,456 users across 190 Countries. Compared to the previous year, the HEC website has seen a 30% increase in page views and a 13% increase in users.
- 89% of all page views for the website were for archive resources.
- 390 different websites have referenced content listed on the HEC website
- Throughout the period, the HEC website received 121,199 unique engagements (document downloads, visits to external HEC platforms – Internet Archive, video views).

Social Media and YouTube

The Heritage & Education Centre's social media and YouTube platforms have continued to reach new audiences. In total, HEC's social media content has received 573,895 impressions (views), with our social media community now at 2,592 people.

The HEC's YouTube content has accrued a watch time of almost 175 hours and reached over 7,000 views.

Finally, in early January 2022, the Foundation-funded *Mariner's Mirror* Podcast began releasing videos. The videos, published to the video social network, TikTok, featured digitised documents from the Ship Plan and Survey Report Collection. These videos have now surpassed 750,000 views on the platform.

Digitisation

The Ship Plan and Survey Report Collection were digitised on time and within budget. In total, 1,154,669 documents were digitised from 4,367 boxes. Since the Collection's release digitally, it has been accessed more than a million times with over 150,000 active users.

The Centre's Register of Ships Collection has now been digitised, with over 200 years' worth of editions published to the HEC website, Google Books and Wiki Commons. HEC will soon be recruiting a new Digitisation Assistant as we continue to ramp up the digitisation of HEC's archive resources for public benefit.

Research and grants

Hindsight Perspectives for a Safer World (History & Policy, King's College London)

The Hindsight Perspectives project commissions professional historians to provide historical context and insight into contemporary safety challenges, deepen understanding of the issues and provoke creative solutions. Grant holder, History & Policy (H&P) is a collaborative network based at the Institute of Historical Research and King's College London, with connections to academic historians all over the UK and the world. Working with HEC material and other stakeholder's archive collections, the first of five H&P reports is by Dr Elin Jones, who explores how Lloyd's Register as a classification society deployed its surveyors to manage risk during the sail-to-steam transition, a maritime revolution comparable to the profound technological change happening today as the industry grapples with decarbonisation.

Curator of Contemporary Maritime Impacts

Support for the role of Curator of Contemporary Maritime Impacts at the National Maritime Museum (NMM), London, has been extended to 2024. Curator Laura Boon is working with the Museum team to strategically advance public education and understanding of maritime issues. This has included leading events for World Oceans Day, collecting and digitising merchant navy oral histories, and leading the curatorial strand of the incredibly successful Ice Worlds Festival. Staged in partnership with the British Antarctic Survey to celebrate the maiden voyage of the RRS *Sir David Attenborough*, the festival welcomed over 30,000 visitors to NMM across three days. The Our Ocean, Our planet online hub, continues to grow. The showcase exhibition 'Exposure: Lives at Sea' has also been extended, allowing more visitors to see it in person and to learn about the lives of those working at sea. It has been showcased at several events with representatives from the maritime industries and donors to the Museum, including London International Shipping Week and the Foundation's Safer World Conference.

Lloyd's Register Surveyors in China, 1869-1918

Cory Watson is undertaking his PhD at the University of Portsmouth and as a visiting scholar to be hosted by Hong Kong Baptist University and Dalian Maritime University. Blogs on the project have been published on the HEC and the Port Towns and Urban Cultures (PTUC) websites. In January 2022, PTUC hosted an online conference for postgraduate and early career researchers, exploring the emerging scholarship on many aspects of Chinese port life and work. Cory's thesis will explore the international understanding of health, safety, risk management, and their broader influences on local infrastructures and imperial cultural knowledge.

CITiZAN: Widening access to HEC resources through citizen science

We have extended the duration of our support for the award-winning Coastal and Intertidal Zone Archaeological Network (CITiZAN) to allow for the completion of the objectives. As a community-based project led by the Museum of London Archaeology, CITiZAN engages new and diverse audiences by using citizen science to document at-risk archaeology, covering the UK and including ports like Liverpool, Southampton, Hull and London, with an international perspective. Research undertaken by the team's participants and higher education students also covers topics such as impact of the maritime sector on world trade and trade routes. This will be incorporated as a theme into some of the targeted outreach and educational work.

Thomas Chapman Scholarships

Two Doctoral students at the University of Hull are on track to complete their PhDs in January 2023. The grant, extended due to the delays caused by the pandemic, has been used to fund the research and writing of two projects, one on the management of risk by Lloyd's Register (LR) in the 19th century (by Peter Phillipson), the other on the work of LR in the port of Hull, 1880-1908 (by Samuel Wright). The engagement has included online blogs, papers and exhibitions, plus 200 visitors on guided tours of Hull's Old Town, 200 attendees at conferences/workshops, and online coverage of activities including on the HEC and on the Hull: Yorkshire's Maritime City websites.

Appraising the Archives

The appraisal of the HEC archive collections, conducted by the University of Hull, was completed on 31 December 2021. The project was hindered by a lack of access to the physical archive collections due to the pandemic, resulting in reduced in-person archival visits and delayed project outputs. The project report, workshop report and future publication of a research note in an academic journal will facilitate more excellent knowledge and understanding of the contents and structure of the HEC archive.

Future plan for the next 12 months to June 2023

The main objectives are:

- Partnership activities - We will build partnerships with high-profile institutions.
 - Activating our grant with the Imperial War Museum
 - Reinvigorating our partnership with the National Maritime Museum
 - Contributing as a partner in the UNPATH Towards a National Collection Discovery Project. This five-year programme aims to rock the boat when it comes to telling maritime stories – exploring innovative ways of reaching more people by making 23,000 years of maritime history more accessible to the public.
 - Building opportunities with the UN Ocean Decade Cultural Heritage Framework and seeking new international partners.
- Collections – We will invigorate and expand the digital and physical access to our collections.
 - We will research, procure and install a new content management system for our archive.
 - Continue to invest in diversifying access to HEC's digital research resources by making these available across Wikipedia, The Internet Archive, ArchivesHub and Google Books.
 - Develop plans for a new engaging, and exciting visitor centre.
- Research, interpretation & engagement – We will build on our portfolio of work.
 - New collaborative research projects, including 'Rewriting women into maritime history'.
 - Launching the Learning from the Past (LFP) programme at the International Congress of Maritime Museums (ICMM) in Halifax, Nova Scotia.
 - Reaching new stakeholders and routes to impact through crowd-sourcing projects.

- Commissioning original editorial content to bring our Collection to life and encouraging new interpretations. This will include animations on the Plimsoll Line and MARPOL and videos for a ships-in-miniature series.
 - Working with authors, including Rose George, appointed to act as a frontline fishing correspondent for the Foundation while researching her next book, *Every Last Fish*. This will include a series of blog posts, podcasts, videos and tweets.
- Digital Transformation - HEC will lead a Digital Transformation project in partnership with leading agency Numiko.
 - Phase 1 will audit the existing digital estate, audiences and capabilities and deliver a compelling strategy for how LRF can leverage digital tools to increase global reach and impact.
 - Our ambition is a wholesale re-imagining of the Foundation's digital activity to support our global impact targets.

FUTURE PLANS BEYOND JUNE 2023

Beyond 30 June 2023, the Foundation will continue its strategy set out above. The Foundation will continue to manage its existing grant portfolio and make additional interventions through direct activities or grants based on evidence of the most pressing challenges and where the Foundation is able to achieve the most positive impact.

The future plans for the Foundation will continue to evolve during its second decade led by its new Chief Executive as it responds to a world that is changing fast. Population growth, climate change, the energy transition, and technological innovation will bring us new challenges and opportunities.

Accountability and Stakeholder Engagement

The following section describes how the Trustees have had regard to applying section 172 of the Companies Act to promote the success of Lloyd's Register Foundation and its subsidiaries. The Trustees confirm that they have acted in good faith to promote the long-term sustainable success of the charity to achieve its charitable purpose of working together for a safer world.

Oversight, Strategy and the Longer-term

The Trustee Board has a formal set of processes to enable it to discharge its duties in overseeing the management of the Foundation. The Board meets quarterly. The Audit, Risk and Investment Committee meets three times a year and the Grants and Direct Charitable Activities Committee meets quarterly. The Nominations Committee meets once a year, with additional meetings as required, to oversee succession planning and the Board composition. The Remuneration Committee meets four times a year. The Board also has a less formal, off-site meeting once a year where broader strategic issues are considered and the Board has the opportunity to meet with the Foundation's executive team. In addition, the Board meets twice a year with the Board of its operating subsidiary, Lloyd's Register Group Limited, for an update on its trading activities, with presentations by executive management, and there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees, customers and, where possible, Foundation beneficiaries.

The Board reviews all aspects of the Foundation's operations, risk management and objectives on a regular basis and those of its trading subsidiary, Lloyd's Register Group Limited. This is achieved by means of an annual rolling agenda of items to be considered at its meetings, split into standing agenda items, such as reports from the Foundation Chief Executive, the Foundation Chief Operating Officer and the Chief Executive of Lloyd's Register Group Limited, and annual items, such as the Board evaluation review, review of the budget and risk management updates. In conjunction with the Audit, Risk and Investment Committee, the Board has agreed a schedule of risk deep dives for presentation at each Board meeting.

The Board has oversight of planning for the longer-term through its review processes, the approval of the five-year strategy, the work of the Audit, Risk and Investment Committee, which meets with the investment fund managers at each meeting, and the annual Board update from each fund manager. This longer-term approach is reflected in the composition of grants awarded by the Foundation, which is agreed by the Grants and Direct Charitable Activities Committee and reported to the Board at its meetings as a standing item. The Board has also established delegated levels of authority for the Grants and Direct Charitable Activities Committee, above which the Board determines the award of grants. Further details on the charitable activities can be found on pages 5 to 27.

During the year under review, the Board held an additional meeting outside of the Board cycle to consider, and approve, the acquisition by its subsidiary, Lloyd's Register Group Limited, of OneOcean, a maritime digital services business covering navigation and compliance.

The following section describes the Board's engagement with the various stakeholder groups and the impact on its key decisions taken during the year. It includes the disclosures required in respect of Section 172 of the Companies Act 2006.

Charity Stakeholder engagement

Society in general As the Foundation is a company limited by guarantee and a registered charity, the beneficiary is society in general through the Foundation's charitable purpose	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation's mission and objectives are of a public benefit nature as noted on page 45.	At each Board meeting, the Foundation Chief Executive provides an update on the activities of the Foundation and the Chief Operating Officer reports on the financial and operating performance. There is also a report on the activities of the Grants and Direct Charitable Activities Committee and a presentation by the beneficiaries of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.

How the Board has taken account of these interests / Outcome	
The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. During the year under review, there were presentations from the UK Health and Safety Executive in respect of their Discovering Safety Grant, the Gallup World Risk Poll, the Foundation's Heritage and Education Centre in respect of their Strategy and Vision, and from the Royal Academy of Engineering in respect of an Engineering X programme for the Safer End of Engineered Life. This enabled Trustees to have direct access to the beneficiaries of the Foundation's large grants, to hear about their work, to assess their impact and how they are working in practice. During the year under review, the Trustees joined the board of Lloyd's Register Group Limited on a joint board visit to the Lloyd's Register offices and clients in Italy. There was no opportunity to visit a grant beneficiary during the visit, however the Trustees were able to visit the National Institute of Oceanography and Applied Geophysics, an internationally oriented public research institution, and to learn about its activities in spreading and widening knowledge and also its role in the safeguarding and enhancement of environmental and natural resources. The Foundation Chief Executive's report presented at each Board meeting lists upcoming Foundation events, which Trustees are invited to attend. During the period under review, notable presentations were those connected with the media launch of the Foresight Review on Ocean Engineering in conjunction with the Economist, key global influencer events on safer oceans and climate change at COP26 and the World Ocean Summit, the Foundation's Safer World Conference 2022 and the private viewing of two documentary films in the Ocean Citizens Series – "Two Kinds of Water" and "Salt Lines" – which document the safety challenges faced by fishermen in Senegal, West Africa and in Maine, USA. This enabled the Trustees to see the funding in action and to understand the benefits and challenges of projects more fully.	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and Communicates
The workforce is vital to the success of the Foundation. By demonstrating the values shared with Lloyds Register Group Limited of "We care, We share, We do the right thing" we build and maintain the relationships with our beneficiaries. Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.	The Foundation has a relatively small number of employees (34) when compared to Lloyd's Register Group Limited (circa 4,500 employees). As a result, the Foundation receives support from Lloyd's Register Group Limited in respect of employee and workforce engagement, and details can be found in the Strategic Report of the Lloyd's Register Group Limited financial report and accounts. At the Board Meeting held in December 2021, the Foundation Chief Executive reported to the Board on the results of the latest Employee Opinion Survey ("EOS"). The Foundation Chief Executive reported that the results had been considered by the Executive Team and in consultation with staff an action plan had been put in place. The Board continue to promote diversity and inclusion, and the Foundation has developed an action plan that embeds equity, diversity, and inclusion in everything that we do to create a sense of belonging for our staff and also our global community of grant holders and partners. At each Board Meeting the Foundation's Chief Executive provides an update in their report on matters specifically relating to the Foundation's workforce. The Foundation Board is able to engage with senior members of the Foundation's workforce when they give Board presentations on the Foundation's activity. The Lloyd's Register Remuneration Committee comprises two separate committees, one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. The Chair and membership of both committees are the same. A report is provided at each Trustees' Board meeting of the activities of the committees since the previous Board meeting. In respect of the Foundation, the committee deals with the remuneration of the Foundation Chief Executive and the remuneration policy for their direct reports.
How the Board has taken account of these interests / Outcome	
The Foundation Chief Executive's report to the Board provides updates on staffing matters specific to the Foundation, including succession planning, changes in key posts and initiatives such as diversity and inclusion and flexible working and actions from Employee Opinion Surveys. A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings.	
Customers The Foundation does not have customers, as such, but for this purpose regards the beneficiaries of its grants as customers	
Why we focus on this stakeholder	How the Board engages and Communicates
The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.	Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.
How the Board has taken account of these interests / Outcome	
The Trustees are mindful of the impact of the Foundation's activities on its beneficiaries. To ensure that there is security of funding for the grants to be maintained for beneficiaries, the Foundation's investment fund managers provide updates at each meeting of the Audit, Risk and Investment Committee and provide annual updates to the Foundation Board. In addition, the Foundation Board receives updates on the income from its trading subsidiary, Lloyd's Register Group Limited. This enables the Trustee Board to oversee the security of funding over the longer-term. Further details on grant holder matters can be found in the section below.	

Details of Lloyd's Register Group Limited's oversight of customer matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.	
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	How the Board engages and Communicates
Reliable suppliers are vital to the success of the Lloyd's Register Foundation. They include the provision of critical infrastructure such as IT systems and office accommodation. The Foundation relies upon a management services agreement with the Lloyd's Register Group Limited to provide key services.	The selection of suppliers and services are typically monitored by the Lloyd's Register Group's operational functions, and policies and procedures are set out in the Business Management System which is available on the Group's intranet. However, the selection of key suppliers of, for example, banking arrangements, IT systems and major property leases are reviewed by the LRG Board. Lloyd's Register Group Limited's Chief Executive Officer provides a business update on Lloyd's Register Group Limited to the Foundation Board at each meeting and details of Lloyd's Register's oversight can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.
How the Board has taken account of these interests / Outcome Details of Lloyd's Register's oversight of suppliers can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts. The Foundation engages regularly with the investment fund managers to ensure that all parties are engaged to provide a high level of service delivery.	
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	How the Board engages and Communicates
The key regulator for Lloyd's Register Foundation is the Charity Commission.	The Trustees receive annual training on Charity Commission guidance and updates from an external provider at its annual off-site meeting. In addition, the Company Secretary and the Foundation's executive leadership, including the Foundation Chief Executive and the Foundation Chief Operating Officer, report to the Board on engagement with the Charity Commission and on matters relating to Charity Commission regulation and guidance, either as specific items or as risk deep dives. There is a standing item at Board meetings for serious incident reporting.
How the Board has taken account of these interests / Outcome The Board applies the guidance received from the Charity Commission in its review of the grants process and in its oversight of its social investment, Lloyd's Register Group Limited and engages with the Charity Commission on matters of Charity law as necessary.	
Grant Holders Grant holders are those stakeholders who receive funding awards from the Foundation.	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation furthers its objectives by way of grants to universities, individuals and other institutions.	At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee. At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. The Board provides oversight over the grants approval process and the decisions made based on applications from different beneficiaries. Details of presentations from the beneficiaries of the Foundation's large grants, of annual Board site visits and of events connected with activities of the Foundation can be found in the section of this report on Society in General on page 28 to 29.	
Society and the Environment. Community and the environment - the impact on social and natural communities where LR deliver our services	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation has strong links to safety in the community. To further the Foundation's aim of 'working together for a safer world', the Foundation and Lloyd's Register Group Limited have a responsibility to use their position of influence to be a thought-leader on sustainability. What society expects of us: - Corporate responsibility	The Board receives updates on the Foundation's activities at each Board meeting in the Foundation Chief Executive's report and presentations from large grant holders. They also receive regular communications on the Foundation's activities.

- Trusted advisor to our industries promoting safety and efficiency.	
How the Board has taken account of these interests / Outcome The Board has underlined the Foundation's commitment to carbon neutrality by actively supporting decisions to work closely with the High Level Climate Change Champions and supporting the Race to Zero and Race to Resilience campaigns. The Board has supported the work being done jointly by the Foundation and Lloyd's Register Group Limited, working with the Carbon Trust to measure our carbon and emission footprint in order to inform and achieve the Science Based Targets submission (more details can be found at page 49). During 2021 Lloyd's Register signed up to the UNs Business Ambition for 1.5C and joined the Race to Zero in the lead up to COP26. The Board supported the Foundation's work in respect of COP26 and received a CEO report on the activities of representatives at the conference to raise awareness of key initiatives and programmes including the Foundation's safer oceans campaign and the World Risk Poll. Several Foundation funded secondees were also present in their UNGC and High-Level Climate Change for Shipping capacities and updates were provided to the Board. The Board receives regular updates on progress made by the Lloyd's Register Maritime Decarbonisation Hub. This project aims to accelerate the sustainable decarbonisation of the maritime industry by enabling the delivery and operation of safe, technically feasible, and commercially viable zero-emission vessels by 2030. This is an important part of the Foundation's mission to enable safer and more sustainable oceans. As noted above, the Trustees are updated on the activities of the Foundation against its Strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The actions taken by the Lloyd's Register Group on ESG factors are reported in a separate publication on www.unglobalcompact.org.	

Trading Group Stakeholders

Additional stakeholders specific to the Trading Group are summarised below:

Workforce The Trading Group defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	The workforce is vital to the success of the Trading Group. By demonstrating the values of "We care, We share, We do the right thing" they build and maintain the relationships with customers and continue to support the Group's reputation for technical excellence and client service.
Customers The Trading Group is an operating company. Its customers are those stakeholders to whom it provides services.	
Why we focus on this stakeholder	Customers are at the heart of everything that the Trading Group does. Its customers expect LRG to not only deliver world-class testing, inspection and certification services but increasingly also become a trusted advisor, helping them to maximise their operating efficiency, profitability and sustainability. Customers care about: - Safety - Sustainability - Trusted long-term partnerships - Technical expertise
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	Reliable suppliers are vital to the success of the Trading Group as they include not only the provision of critical infrastructure such as IT systems but also contractors who provide services alongside our workforce to complement services provided to clients by the Trading Group.
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	Many of the services provided by the Trading Group, are subject to compliance with regulation and accreditation.

How the Foundation Board engages and Communicates and how the Foundation Board has taken account of these interests / Outcome

The Foundation Board has delegated day to day responsibility for the management of the stakeholders referred to above to the Lloyd's Register Group board. It exercises oversight through reporting received from the updates provided by the Lloyd's Register Group Limited Chief Executive at each Trustee Board meeting where there are matters to report, as well as receiving a trading update on the activities of the Lloyd's Register Group.

Additionally, the Foundation Board meets twice a year with the Board of the Trading Group for an update on its activities, with presentations by executive management. Each year, there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees and customers, and grant holders where possible.

Further details of Lloyd's Register Group Limited's oversight of the above matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.

Foundation Financial Review and Policies

Lloyd's Register Foundation ("the Foundation") generates its income from the investments that it holds.

These fall into two categories:

- Financial investments: a portfolio of listed investments; and
- A Social Investment: 100% ownership of the unlisted shares in the immediate subsidiary company Lloyd's Register Group Limited ("LRG" or "the Trading Group").

The Trustees consider that the policies outlined in this section constitute the framework for their key financial risk management policies.

Results for the period

The Foundation had total income for the year ended 30 June 2022 of £15.3m (6 months to 30 June 2021: £6.8m) consisting of income from its listed investments and gift aid donation from LRG.

Investment income of £15.3m (6 months to 30 June 2021: £6.8m) comprised £7.0m (6 months to 30 June 2021: £3.0m) of donations from the Trading Group and £8.3m (6 months to 30 June 2021: £3.8m) of income from the return on the investment portfolio.

The Foundation had total expenditure of £21.3m during the year to 30 June 2022 (6 months to 30 June 2021: £7.1m). The increase in expenditure reflects the longer accounting period and increased grant awards.

Lloyd's Register Foundation	12 months ended 30 June 2022 £m	6 months ended 30 June 2021 £m
Gift aid donation from Trading Group	7.0	3.0
Income from listed investments and other resources	8.3	3.8
Total income	15.3	6.8
Investment management costs	(0.8)	(0.4)
Charitable activity costs	(20.5)	(6.7)
Total expenditure	(21.3)	(7.1)
Net (losses) / gains on listed investments	(26.5)	11.0
Net (loss) / income and net movement in funds	(32.5)	10.7

Charitable expenditure of £20.5m for the year (6 months to 30 June 2021: £6.7m) includes grants of £14.7m (6 months to 30 June 2021: £3.1m) which are discussed further in this Trustees' Report.

The Group Financial Review can be found on pages 70 to 71 and forms part of this Strategic Report.

Subsidiaries: Social Investment

The Foundation has one direct, wholly-owned subsidiary company: Lloyd's Register Group Limited. Together we share the same mission to make the world a safer place and work closely to maximise our global impact.

LRG is itself the head of a global trading group of companies with over 260 years of history, focused on adding value to society through independent assurance and expert advice for clients in the maritime industry. The profits generated by the Trading Group help fund the public benefit activities of the Foundation. The Trading Group carries out a mix of charity-related and non-charitable activities globally. The Charities (Protection and Social Investment) Act 2016 ("the Act") sets out a general power for Trustees to make social investments (pursuing both a financial and social return). This effectively enshrines in legislation the basis for mixed-motive investment. The extent to which public benefit is delivered by the work of the Trading Group forms part of the Trustees' assessment of the return on their investment.

The Trading Group's trading operations include many activities which are of a public benefit nature, aligned to the Foundation's mission of securing high technical standards of design, manufacture, construction, maintenance, operation and performance and to advance engineering-related public education.

The Trading Group's Marine & Offshore business includes the safety inspection of over 6,000 ships each year and the ongoing development of Rules for their safe construction, maintenance and disposal. For example, the Group's Marine business has helped the International Maritime Organisation to devise international safety standards such as the Ballast Water Management Convention and helped the International Labour Organisation devise the Maritime Labour Convention. Following its input into the creation of these internationally recognised safety standards, the Trading Group then performs design approvals, surveys and audits to verify its customers' assets comply with these requirements.

Overall, the Trading Group's activities include considerable investment in furthering the understanding of technology through research conducted by the Marine & Offshore business stream and through a focus on 'Data and digital innovation' as one of its core areas of business development. Typical areas of research include: advance materials; propulsion and powering; energy production and storage; robotics; marine biotechnology; and autonomous systems. The Trading Group has established key strategic relationships based around important digital capabilities and areas of focus for growth through investment or collaboration. This emphasis on research and data and digital innovation directly benefits public understanding of technology and means that when technology is deployed it is safe, suitable and dependable and therefore safe for society in its application.

The Foundation's investment in the Trading Group is a social investment. The extent to which the Trading Group's activities further the Foundation's charitable objectives is assessed as well as its financial return. Whilst acknowledging the social benefits of the Trading group, a financial return is expected from the Trading Group to help fund additional public benefit activities of the Foundation.

The Trustees base their expectations of future financial return from the Foundation's investment in the Trading Group on quarterly reports to their Board meetings and an annual five-year plan review from the executive leadership of the Trading Group. The performance of this unlisted investment is considered in the 'Investment performance: Social Investment' section. We monitor the social return on our investment in 4 key areas:

LR commercial products and services – they demonstrably contribute to making the world a safer place through the clients and sectors they serve.

LR leading by example – acting as a beacon, driving positive change in the world, being a good global citizen in core areas linked to our charitable objects. Key priorities include: maritime decarbonisation, sustainability, ocean stewardship, occupational health and safety, diversity and inclusion, ethics, delivering the UN Sustainable Development Goals and participation in COP26.

LR as a trusted advisor and impact partner to the Foundation – providing a real-world, industrial, end-user perspective that helps inform the Foundation's strategy and deliver key programmes. Examples of LRG as an impact partner include projects such as: the Safetytech Accelerator, the Maritime Industry Decarbonisation Hub, and HILO.

LR employees supporting our charitable ethos in their local communities – our key initiative in this area is our LR Pathways to Impact project. Other examples include Mercy Ships (Rotterdam) and HELMEPA (Greece).

During the year the Trustees commissioned an independent organisation to strengthen and support this ongoing process.

Funds

In September 2012, the Trading Group transferred £206.4m of assets to the Foundation as an expendable endowment. The Trustees have the power to convert the capital within the fund to income and expend such amounts converted on the Foundation's objectives as they see fit. £125.0m of the endowment can only be converted to income from late 2022 at the earliest as discussed below in the reserves policy section.

Income generated from the assets held within the expendable endowment is shown in the Foundation's general fund, as it may be used in furtherance of the Foundation's charitable objectives.

Capital returns on the assets held within the expendable endowment are retained within the endowment and form part of the endowment into the future, subject to the same rules as the existing endowment funds.

Reserves policy

The Trustees review the Foundation's reserves policy on an ongoing basis and at least each financial year.

The Foundation's reserves underpin its long-term financial viability. The Foundation (charity only) has total reserves of £305.8m of which £292.5m is held in an expendable endowment as at 30 June 2022.

The level of general funds is maintained to facilitate meeting the medium-term overhead costs, forecast grant awards and direct charitable activities. The general reserves include the Foundation's £40.1m investment in LRG held at cost. This Social Investment is integral to the Foundation's ability to generate future income and to delivering its public benefit, as noted elsewhere in this Strategic Report. Grant commitments approved and communicated to grantees to be claimed in future periods are also included in the general reserves fund. The Trustees have considered the Foundation's level of general reserves. The Foundation does not currently have large overheads and, in general, is able to rely on recurring income from its endowment and from the Trading Group. Excess funds are placed on investment and may be drawn down upon if required. For that reason, the Trustees do not currently consider that the charity has a need to hold other funds as general reserves.

The target for the expendable endowment is to maintain the real value of the initial £206m donation received from the Trading Group following the establishment of the Foundation in 2012.

However, should the Trustees consider there to be a shortfall in the general funds, part of the expendable endowment could be used to continue to meet the Foundation's short-term plans while the long-term reserve policy is reviewed. The original terms of the expendable endowment contained a condition that the Foundation must retain £100.0m of that sum until 1 July 2017 which was subsequently increased to £125.0m and extended until at least the full actuarial valuation as at 31 March 2022 has been approved, with possible further extensions to 2034. During that period, there is a contractual obligation to transfer an amount not exceeding £125.0m to the Trading Group's UK defined benefit pension scheme should the Trading Group become insolvent.

Having reviewed the policy and the current reserves position, the Trustees consider the levels of reserves to be satisfactory.

Financial position

At 30 June 2022, the Foundation had unrestricted funds of £13.3m (30 June 2021: £20.1m). Of the £305.8m total funds (30 June 2021: £338.3m), £40.1m is invested in the Trading Group (30 June 2021: £40.1m).

Going concern

A review of financial performance and the Foundation's reserves position is set out above. In the opinion of the Trustees, the Foundation has adequate financial resources and is able to manage its business risks. The Foundation's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Foundation's ability to continue in operation. Accordingly, the Foundation's financial statements have been prepared on the basis that the charity is a going concern.

Grant-making policy

The Foundation has a formal governance structure for grant decision making. The Foundation can receive grant proposals and applications at any time. All proposals and applications are reviewed initially at its monthly grant applications meetings.

All grants are approved by the Chief Executive Officer with guidance from the members of the Grants Application Meeting Committee (GAM). Further approval is needed from the Grants and Direct Charitable Activities Committee (GDCA) for grants above £1m and from the Board for grants above £2m.

Details of available funding and the application process are published on the Foundation's website and notified on social media. Grant holders are required to submit staged reports as part of the process to track delivery against the agreed grant objectives, as well as to monitor the impact and public benefit being generated.

Investment policy

The Trustees have delegated decision making on investment matters relating to all assets except the investment in the Trading Group (reviewed directly by the Board of Trustees) to an Audit, Risk and Investment Committee, which is governed by agreed Terms of Reference. In order to provide appropriate focus on the investment arrangements, day-to-day investment choice is delegated to investment managers, who have been given targets against which they are measured. With the guidance and oversight of the investment managers, Trustees take account of the following classes of risk: capital; liquidity; market; valuation; counterparty; tax; and Environmental, Social and Governance issues.

The Foundation's financial objective is to at least maintain the real value of the 2012 initial donation from the Trading Group of £206m, whilst generating a stable and sustainable return to meet the Foundation's objectives as laid down under its governing document.

The investment portfolios are a mix of unrestricted funds and an expendable endowment, the income from which serves to provide funds for the ongoing charitable work of the Foundation. In this context, a number of portfolios exist, each of which has specific objectives.

The Foundation seeks to produce an optimum level of return within an acceptable level of risk. The current investment objective for the majority of the investment portfolio is to generate a return of inflation as defined by the Consumer Price Index ("CPI") which the government has set at a target rate of 2% per annum plus 4% per annum over the long term. These returns, when combined with the anticipated future gift aid donations from the Trading Group, should enable the present and future financial requirements of the Foundation to be met whilst maintaining the real value of the initial donation. Where there is a shortfall part of the investment portfolio may be realised. The Trustees review the performance of the Trading Group on a regular basis.

A set of measurable performance objectives has been developed for the investment managers and pooled funds. Performance in each asset category is compared quarterly with a suitable performance benchmark. The managers are expected to demonstrate skill in the management of their portfolios consistent with the performance objectives, given

the level of risks adopted. Investment performance is considered three times a year by the Audit, Risk and Investment Committee.

Cash-based investments support the Foundation's working capital, overhead expenses and anticipated near term grant awards and as such are invested in a prudent manner with a secondary objective of achieving reasonable rates of return relative to the deposit market.

The Trustees are fully supportive of responsible investment as it aligns with the Foundation's aims to provide a benefit to society and is also central to long-term value creation. The Foundation's investment managers are required to adopt the same philosophy and whilst day-to-day investment decisions are delegated to them, the Trustees regularly receive investment reports enabling them to monitor the investments and the managers' performance. The Trustees expect them to take an active interest in the management of the investee companies, engaging with management on issues of corporate governance and with regard to social, environmental or ethical considerations all of which impact shareholder value.

Investment performance: listed investments

During the year, the investments delivered a total return of (5.7%) (2021: 9.3%). This comprised an income yield of 2.6% (2021: 2.4%) and a capital yield of (8.3%) (2021: 6.9%). The return on the endowment is lower than the long-term objective stated within the investment policy above due to the current market conditions.

Investment performance: Social Investment

The Trading Group's refocus on the maritime industry is driven by the strong foundations of its maritime business. The new construction market was at a peak during the reporting period, with yards full for several years hence. The Maritime Performance Services business stream pro forma revenue grew by over 25%, helping us serve customers' need for safe, sustainable and efficient operation.

The divestment of the BAIS business stream has enabled a focus of the Trading Group's resources on building a cohesive portfolio of client-centric services around its role as trusted advisors, decarbonisation experts, fuel specialists and maintenance optimisation consultants.

Six months since the launch of the Trading Group's new F.I.T. to Grow strategy (Focus, Invest, Transform), it has made sound progress in a truly globally coordinated, team approach. The Trading Group gained share of the world's fleet, achieving our most positive transfer of class results in 8 years. The Trading Group secured excellent wins for i4 Insight and Hanseaticsoft, with clients such as Louis Dreyfus and PIL bringing hundreds of ships on to LR platforms to reduce their emissions and fuel bills, and to make their organisations more sustainable, both environmentally and commercially.

The Trading Group continues with its drive to create safe, sustainable pathways to a zero-carbon maritime industry, through the work of the Maritime Decarbonisation Hub, an LRG/LRF joint venture. New fuels will start to become available in greater quantities, as will new technologies such as carbon capture and storage solutions. To advance this, the Hub launched the Zero Carbon Fuel Monitor, a framework for understanding the environmental, societal and investment viability of leading fuels. The Hub, in collaboration with several partners, launched 'The Silk Alliance' to develop a Green Corridor Cluster beginning with intra-Asia container trade. The Hub also created a First Movers Framework, which is a methodology that enables comparison of different fuel transition pathways, regardless of vessel type or trade route. These resources, free to the maritime industry, will help advance the maritime energy transition.

Meanwhile, global external events continued to impact the day-to-day operations of clients. Lockdowns and restrictions on movement of people continued their impact in major port cities, such as Shanghai. Following the invasion of Ukraine, LR was the first classification society to comply fully with sanctions on Russia imposed by the UK, EU and US.

Financial results

Summarised consolidated financial information as disclosed in the Trading Group's consolidated financial statements for the year ended 30 June 2022 is provided in note 12 to the Foundation's financial statements. Further details of the financial performance of the Trading Group is included within LRG's financial statements.

The Trustees are satisfied with the Trading Group's performance, and will continue to maintain and develop the effective working relationship with it. They will allow the Trading Group to retain funds for investment in operating improvements and potential acquisitions, but continue to expect cash distributions.

Governance and management

The Foundation is governed by a Board of Trustees, which is responsible for setting the Foundation's strategy, operating with good governance and monitoring the fulfilment of the Foundation's objective – delivering public benefit.

The Board is currently made up of seven Trustees who are also the Members and Directors of the Foundation for Companies Act 2006 purposes. The Board considers Foundation policies, receives committee reports and recommendations, approves annual budgets, reviews the performance of the Trading Group, and guides the Foundation Chief Executive.

Thomas Thune Andersen, Chairman (appointed 22 June 2012)

Thomas is the Chairman of the Lloyd's Register Foundation and Chairman of Lloyd's Register Group Limited. He is a member of the Foundation's Nominations Committee and the Lloyd's Register Group Limited Remuneration Committee. Thomas, a former member of the executive Board of the A.P. Moller-Maersk Group with more than 30 years tenure in its maritime and energy sectors, was appointed to the Board in June 2012. Thomas is Chairman of Ørsted A/S and of VKR Holding A/S, and a Non-Executive Director of IMI plc, BW Group Limited and Green Hydrogen Systems A/S. He is a member of the World Economic Forum Chairmen's Council, Friends of Ocean Action and the Danish Committee on Corporate Governance.

Lambros Varnavides (appointed 24 July 2012)

Lambros is the former Managing Director and Global Head of Shipping at The Royal Bank of Scotland. Lambros was Chairman of the Baltic Exchange during 2017 and is Vice President of The Baltic Exchange Charitable Foundation, as well as a member of its Finance Committee. He is a court assistant to the Worshipful Company of Shipwrights and was Chair of its Finance Committee until May 2021. He is also a Younger Brother of Trinity House Corporation, a liveryman of the Honourable Company of Master Mariners (including its Finance Committee), a Freeman of the Watermen and Lightermen of the River Thames and an Honorary Visiting Professor at the Business School, City University. Lambros was appointed Senior Independent Trustee of Lloyd's Register Foundation in September 2015 and chairs the Grants and Direct Charitable Activities Committee.

Carol Sergeant CBE (appointed 1 January 2014)

Carol holds non-executive positions on the boards of Danske Bank AS and Belmont Green Finance Limited. She is a member of the Governing Council of the Centre for the Study of Financial Innovation, an Ambassador for the Money Advice Trust and a member of the Global Advisory Board of the Bayes Business School and Chairman of its Global Women's Leadership Programme. She has previously been Chairman of the BSI Standards Strategy and Policy Committee, Managing Director on the board of the Financial Services Authority, Chairman of Protect, the UK Whistleblowing Charity, a non-executive director of TP ICAP plc, BNY Mellon SA/NV, and Secure Trust Bank, and Chief Risk Officer at Lloyds Banking Group, having begun her career at the Bank of England. Carol holds a degree in Modern Languages from Cambridge University and an MBA from the Business School, City University. Carol is a member of the Foundation's Audit, Risk and Investment Committee.

Rosemary Martin (appointed 1 July 2014)

Rosemary is Group General Counsel and Company Secretary of Vodafone Group Plc. She previously served as CEO of the Practical Law Group, having spent 11 years with Reuters Group plc with the last five years as Group General Counsel and Company Secretary. Before joining Reuters, Rosemary was a partner with Rowe & Maw (now Mayer Brown). She is currently a Trustee of Vodafone Foundation, a member of the UK Takeover Panel's code committee, a member of the Supervisory Board of Vantage Towers AG, Vice Chair of the University of Sussex (UoS) and also a member of both the Chair's Committee and the Strategy, Performance and Resources Committee of UoS. Rosemary was appointed Chairman of the Foundation's Nominations Committee in August 2020 and is a member of the Lloyd's Register Foundation Remuneration Committee.

Andreas Sohmen-Pao (appointed 26 June 2018)

Andreas is Chairman of BW Group and its listed affiliates, BW Offshore, BW Energy, BW LPG, BW Epic Kosan, Cadeler and Hafnia. He is also Chairman of the Singapore Maritime Foundation, Chairman of the Global Centre for Maritime Decarbonisation in Singapore and a director of Navigator Holdings. He has served as a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited, The London P&I Club, The Esplanade Co Ltd, Singapore National Parks Board, Sport Singapore and the Maritime and Port Authority of Singapore, amongst others. Andreas graduated from Oxford University with an honours degree in Oriental Studies and holds an MBA from Harvard Business School

Dame Una O'Brien (appointed 1 January 2021)

Dame Una O'Brien was the Permanent Secretary at the Department of Health and Social Care between 2010 and 2016. She has extensive UK and international experience of healthcare policy and government, having held a wide variety of senior policy roles in Whitehall departments and the NHS over a 30-year career in public service. Whilst working primarily in and for the Department of Health, she was also seconded to be Principal Private Secretary to the Secretary of State for Transport and worked in the Prime Minister's Efficiency Unit under both Conservative and Labour governments. Since leaving government, Una has served as a trustee on charitable and higher education boards and currently is a member of Council at the London School of Hygiene & Tropical Medicine and a member of the Board of Visitors at the Ashmolean Museum, University of Oxford. Una was also on the Board of Trustees at Macmillan Cancer until her term of office finished in June 2021.

Professor Sir Peter Gregson FREng (appointed 1 June 2021)

A materials' scientist by background, Peter is Chair of the Henry Royce Institute and a Trustee of the Royal Anniversary Trust. He has previously been Chief Executive and Vice-Chancellor of Cranfield University, President of Queen's University Belfast, Non-Executive Director of Rolls-Royce Group and served on the councils of the Royal Academy of Engineering and the Central Laboratory of the Research Councils. Peter has been elected to Fellowship of the Royal Academy of Engineering and the Royal Irish Academy and was knighted for services to higher education in 2013.

Governance structure

The Board is supported by four committees, which have been delegated authority on certain matters (Audit, Risk and Investment; Grants and Direct Charitable Activities; Nominations; and the Remuneration Committee). Details of which Trustees, executives and independent members sit on these committees are provided in the 'membership of committees' section below.

Trustee recruitment and training

The Board and the Nominations Committee invest considerable time in identifying Trustees with appropriate skills which will benefit the Foundation. They are equally keen that any new Trustee is properly inducted into the Board. All new Board members go through a structured period of training.

Thomas Thune Andersen and Lambros Varnavides have been in office for more than 9 years. Given their critical roles, their appointments have been extended solely for the purposes of succession planning, which has enabled them to oversee recent changes in the composition of the Board of Trustees and to provide continuity and support following the recent change in Foundation Chief Executive. The Nominations Committee is carrying out the recruitment for their replacement.

During the period under review, the Nominations Committee carried out its annual review of the composition of the Trustee Board, its skills and experience. Recommendations were made to, and approved by, the Board on Trustee re-elections and succession planning.

During the training for new Trustees, the Chairman talks to them about the history of the Foundation, its role in Society and the way the Board operates. The Company Secretary provides a fuller briefing on the operations of the Foundation,

its structure, its risks, its key documentation and will provide a general overview of Trustees' duties and responsibilities and charity law. The new Board members meet with the Foundation Chief Executive and are also encouraged to meet with the senior staff in both the Foundation and in the Trading Group, to assist them in their understanding of the Group, and can therefore apply appropriate oversight.

Each year the full Trustee Board receives refresher training on the roles and responsibilities of charity trustees delivered by an external provider. This training was carried out during the period under review and included updates on the Foundation's legal structure, trustee duties and social investment issues.

Board Evaluation Review

The Trustee Board undertakes annual evaluations of its performance and effectiveness. In line with the UK Corporate Governance Code, evaluations are externally facilitated every third year. The last external Board evaluation was carried out in 2021.

In order to gain the benefit of an informed perspective on the way in which the Trustee Board has evolved since the previous external evaluation in 2018, particularly through the recent period of change, the Trustee Board appointed Leadership Advisor Group to facilitate the 2021 external Board evaluation, having carried out the previous external evaluation in 2018. Leadership Advisor Group had no other connection with the Foundation or Lloyd's Register Group Limited.

This enabled the tailoring of the process to the Foundation, with a facilitator who has a demonstrable understanding of the Foundation. The evaluation progressed during the second half of 2021 by way of questionnaires, individual interviews, and observation at a Board meeting, with the final report and discussion taking place in the first quarter of 2022.

The performance of Thomas Thune Andersen and Lambros Varnavides, were subject to rigorous review, given their length of service. In the 2021 board evaluation, the composition and effectiveness of the Board were areas of particular focus. In its outcomes, the review noted that Thomas is perceived as an excellent Chair who achieves his mandate and fulfils his responsibilities. The Board of Trustees considers that both individuals continue to be effective in their roles.

The final report detailed key strengths, areas for development and made recommendations. Following board discussion, a number of actions were agreed, including the continuation of regular discussions between the board of the Foundation and the board of Lloyd's Register Group Limited in respect of strategic developments and matters concerning future decisions by the Board of Trustees, the extension of the length of board meetings to allow more time for discussion and a review of ESG goals.

Remuneration of Trustees

The Trustees are the Directors of the Foundation. Trustees are not remunerated for their services as Trustees of the Foundation. The Foundation pays for Trustees' travel expenses to Board meetings.

Membership of committees:

	Status	Foundation Board	Grants and Direct Charitable Activities ⁷	Audit, Risk and Investment	Nominations	Remuneration ¹
Thomas Thune Andersen ⁶	Trustee	Chair	—	—	Member	Member
Rosemary Martin	Trustee	Member	Member	—	Chair	Member
Carol Sergeant	Trustee	Member	Member	Member	—	—
Lambros Varnavides ⁶	Trustee	Member	Chair	—	—	—
Andreas Sohmen-Pao	Trustee	Member	—	—	—	—
Ishbel Macpherson ²	Trustee	Member	Member	Chair	—	—
Una O'Brien	Trustee	Member	—	—	—	—
Peter Gregson	Trustee	Member	—	—	—	—
Allan Whalley	Independent	—	—	Member	—	—
Michelle Davies	Company Secretary	—	—	—	—	—
Richard Clegg ³	Foundation Chief Executive	—	Member	—	—	—
Ruth Boumphrey ⁴	Foundation Chief Executive	—	Member	—	—	—
Michael F. Lykiardopulo	Independent	—	—	—	Member	—
Ron Henderson ⁵	Independent	—	—	Chair	—	—

Notes:

¹ The Remuneration Committee has the same membership composition as the Remuneration Committee of Lloyd's Register Group Limited and is chaired by Chris Finlayson, a Non-Executive Director of Lloyd's Register Group Limited.

² Resigned 22 April 2022

³ Retired 30 June 2022 as Foundation Chief Executive

⁴ Appointed 1 July 2022 as Foundation Chief Executive

⁵ Appointed 22 April 2022 as Chair of the Audit and Risk Committee

⁶ Appointed in 2021 for a fourth term of up to three years, subject to annual re-election, for the purposes of succession planning

⁷ The Committee Chair invites two additional Trustees to be members of the Committee. One is invited to sit on the Committee for up to 12 months; the other for 6 months. During the year, Carol Sergeant held the 12-month appointment and Rosemary Martin and Ishbel Macpherson each held the 6-month appointment. They all attended meetings of the Committee.

Executive

The Foundation Chief Executive is responsible to the Board for the operation of the Foundation. On 30 June 2022, after 10 years as Chief Executive of the Foundation since it was established, Richard Clegg retired as the Foundation Chief Executive. Following a formal search process for his successor, Ruth Boumphrey was appointed as the new Foundation Chief Executive with effect from 1 July 2022

The Advisory Council

The Advisory Council continues to assist the Foundation on delivering its charitable aims by providing independent expert advice, support and constructive challenge in areas including developing general strategy and plans, identifying new funding opportunities and emerging priorities, maximising impact plus suggesting other bodies with which to work. The Advisory Council meets twice a year.

360Giving

We are committed to being as transparent as possible so the Foundation is pleased to be one of the growing number of significant UK grant-givers to share grants data through the 360Giving standard. 360Giving supports organisations to publish their grants data in an open, standardised way and helps people to understand and use the data in order to support decision-making and learning across the charitable giving sector.

Employees

The Foundation and its Trading Group are equal opportunities employers.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Foundation’s policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Foundation and its Trading Group aim to provide employees with information on matters of concern to them as employees and to enable them to engage with the operations and objectives of the organisation.

Management of risk

The Board is responsible for establishing, monitoring and maintaining an effective risk management and internal control framework. LR Foundation’s (LRF) risk management framework enables the leadership teams and those charged with governance to identify, evaluate, prioritise, and respond to the risk landscape in a consistent and managed way. This framework was established several years ago and is regularly refreshed and updated, with formal reviews undertaken every 6 months.

Risk management is overseen by the Board and its Audit, Risk and Investment Committee (ARIC), to whom the monitoring of the identification, review and assessment of key risks to the Foundation has been delegated. These risks are described in a Risk Register which is reviewed at each meeting of the Committee. The updated Risk Register is also tabled at meetings of the Board, where the Chair of the ARIC provides a report following each meeting of the Committee. The Risk Register describes the current mitigating controls and plans for future development, and risks are evaluated according to their impact and likelihood.

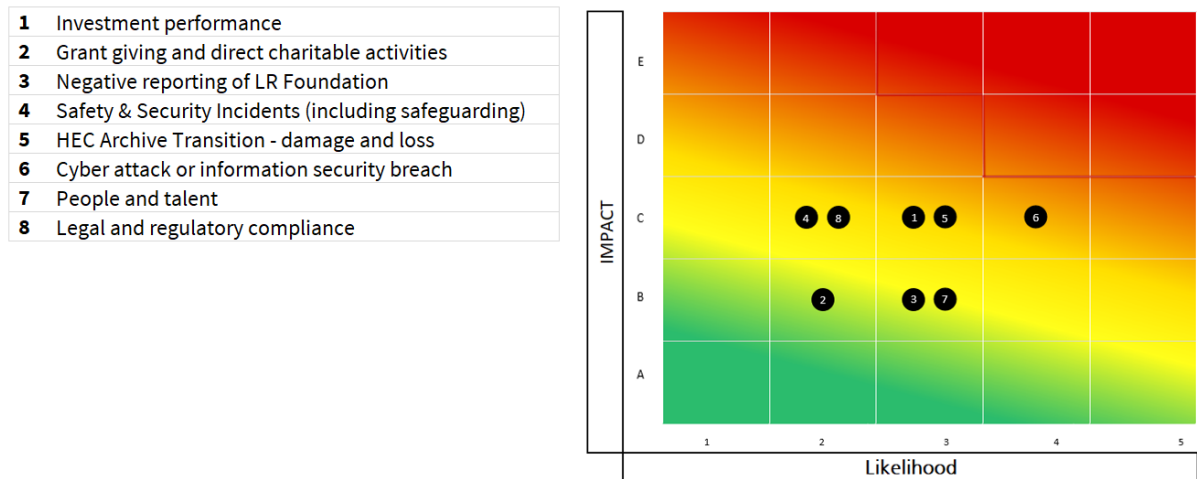
- The key elements of LRF’s risk management framework for evaluating, categorising and presenting risks are as follows:
- risks are evaluated using a combination of impact and likelihood;
 - each risk is evaluated at three points: the unmitigated (gross) risk score; the current (net) risk score considering all current controls; and the target risk score considering the impact of future mitigating actions;
 - each risk is categorised according to whether it is a strategic, operational or legal and compliance risk;
 - each risk is flagged as to whether it is being monitored or managed;
 - each risk has its own velocity score to assess the speed at which the exposure can impact LRF;
 - a risk evaluation scale is used to ensure a common approach and consistency when assessing the impact and likelihood; and
 - the complete risk register is expressed graphically in a risk heatmap to allow comparison between risks.

A timetable is in place to manage the various elements of risk management across the Foundation, including:

- Board risk deep dives at three of the four meetings;
- Inclusion of the LRF Risk Register in Board papers for every meeting; and
- LRF’s Risk Register is updated and reviewed by Senior Management, ARIC and the Board every six months.

Risk heatmap

The risk heatmap illustrates the risk identification and assessment process used to prepare the Foundation’s Risk Register. The chart plots the relative likelihood and impact of the key risks identified, demonstrating the net risk.



Risk	Mitigation
Investment performance Investment income can be impacted (positively and negatively) by external events, stock market performance, the global economy, the operational performance of the Lloyd's Register Group (LRG), and the ability of the respective management teams to respond to and manage through a downturn. This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately. The investment in LRG is mixed-motive as the Group's goals are aligned with those of the Foundation.	• Review by Audit, Risk and Investment Committee with active management and frequent reporting by third party investment managers. • Portfolio split between two competing managers to enable a champion/challenger approach. • Regular reporting of LRG strategy and financial performance to the Trustees. • Cash flow and reserves projected in the 5 Year Plan and performance against the plan is monitored by the Board. • Monthly cash and treasury management by a dedicated Financial Controller. • Management of short and medium-term funds in conjunction with the longer-term endowment funds, including medium-term lower risk fund to cover cash requirements for the period 12-24 months in the event of a sustained major market downturn. • Benchmarking of fund managers assessed by ARIC. • Oversight of fund manager service level agreements in place.
Grant giving and direct charitable activities (DCA) Grants awarded and / or direct charitable activities (DCA) do not achieve stated objectives. This impacts the Foundation's achievement of its charitable purpose. This could arise from mismanagement of the project, misappropriation of funds or other unforeseen circumstances and might result in reputational damage and regulatory impact.	• Detailed and thorough evaluation and approval of grant/DCA applications, including applicant due diligence where there is uncertainty or risk. Pre-grant application process implemented to streamline / standardise processes. • Regular monitoring of grant progress and impact by Chief Executive and the Grants and Direct Charitable Activities Committee (GDCA) with focus on the need for strong evidence of impacts. Grant impact deep dives also undertaken at the GDCA and Board. • Controls over grant/DCA applications, including due diligence and 'red flag' reviews, guidance documents with strong screening processes in place. • Clear guidelines in place directing monitoring and recording of impact for grants, the Heritage and Education Centre (HEC) and internal charitable activity, including reporting against agreed progress and escalation policy for overdue progress reports. • Metrics library created to use for pathways to impact for grants, DCA, HEC and internal charitable activity (such as the foresight reviews). • Whistleblowing, anti-bribery and corruption, modern slavery and serious incident requirement clauses have been added to grant agreements and progress monitoring reports. • Social impact of LRG monitored through shared value sheet.
Negative reporting of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of: • an issue or incident relating to a Foundation grant recipient or investee; • negative press relating to current or historic activities of LRG; • controversial conclusions in published output of Foundation funded research or by the Evidence and Insight Centre; • a misunderstanding of the social investment relationship between LRG and LRF; and • reputational damage amongst LRF stakeholder and supplier network due to delays in operational processes.	• Crisis planning and media training in place to ensure Trustees and staff are prepared to respond appropriately to media coverage that concerns the Foundation. • Detailed technical and peer reviews of published material/reports. • Discussion and early warnings between LRF and LRG on any reports that could be sensitive. • Public statements controlled by the LRF Communications Manager and external advice taken where appropriate. • Horizon scanning/social media review for issues/trends that could impact LRF's reputation. • All grants to LRG approved by LRF Board. • LRG Corporate narrative agreed and in place, which incorporates narrative specifically focused on LRF.

Safety and Security Incidents (including safeguarding) Grantee/DCA related staff or recipients of grantee services operate in environments that are not under the direct control of the Foundation. There may be incidents or issues that arise in a grantee organisation that impact individuals' safety and/or wellbeing, including vulnerable individuals. Safety and security incidents directly affecting LRF employees	• Consideration of grantee health, safety and security risk, where relevant, is incorporated into the grantee application and due diligence process. Safeguarding policy addressing vulnerable individuals implemented, with grantees required to confirm compliance. • Safeguarding policy in place covering for LRF staff interactions with potentially vulnerable people. • Whistleblowing, anti-bribery and corruption, modern slavery and safeguarding clauses have been added to grant agreements and progress monitoring reports. • LRF applies LRG policies and procedures, with the office HSE risk being managed by LRG.
HEC Archive Transition - damage and loss Events including disaster and theft resulting in the destruction/loss of irreplaceable historical records and artefacts. This risk is heightened during the transition of the archive to the Collcutt building. Once the transition is complete, this risk will be addressed by the "Business resilience event/crisis" risk.	• Digital copies of historic archive documents retained, providing a preserved copy, including back ups. • Safe transition of the archive to a modern, purpose-built archive at 71 Fenchurch Street is underway and is being actively managed. During works, records and artefacts are being stored in a secure offsite location. • Insurance is in place for LRF collection. • LRF offices at 71 Fenchurch Street, London, have appropriate fire suppression systems and incident response plans, which are tested regularly, including testing of fire equipment.
Cyber attack or information security breach An advanced targeted cyber attack could result in the loss of sensitive information.	• Sensitive information is identified and is subject to appropriate security measures, which are tested regularly. • Technology based security provided by LRG, with all Foundation staff required to undertake annual information security awareness training • Multifactor authentication has been implemented to protect administrative, privileged and standard users. • Migration of data from physical servers to the cloud is now complete, resulting in reduced physical infrastructure footprint across the Foundation.
People and talent Loss of key staff potentially due to a decrease in employee morale, lack of development opportunities or misallocation of workloads. Furthermore, the inability to recruit new specialised roles and skill-sets within the Foundation or replace lost talent.	• Succession planning and active talent management implemented. • Annual Employee Opinion Survey undertaken, with plans implemented to address identified development issues. Increase attention and active management of current trends identified. • Annual appraisal process in place to ensure all staff are properly equipped to deliver their role. • Consultants used to address necessary skills gaps.
Legal and regulatory compliance Failure to comply with UK or international law, regulatory requirements or sanctions. Key areas of compliance are charity law, anti-bribery and corruption, sanctions and conflicts of interest.	• LRF Chief Executive and LRG's General Counsel and Company Secretary keep compliance under close review. • Advice and support sought from external advisers where appropriate.

Lloyd's Register Group has in place Internal Audit and Risk, and Quality functions which provide independent and objective opinions and assurance on the adequacy of the Foundation and Trading Group's risk processes, internal controls and governance frameworks. The resources of the Internal Audit and Risk, and Group Legal functions are available to the Foundation's Audit, Risk and Investment Committee.

Public benefit

As described throughout this Trustees' Report, the Trustees place specific focus on the public benefits arising from the output and activities of the Foundation having regard to the Charity Commission guidance on public benefit.

Research and development

The Trading Group carries out research and development activities. The amount of £12.5m (6 months to 30 June 2021: £5.7m) has been charged to the consolidated statement of financial activities.

Organisational structure

The Foundation has a total of 34 members of staff supported by secondees from the Trading Group. A service level agreement exists between the Foundation and the Trading Group for the provision of specialist business support in areas including finance, HR, communications, legal and IT. The Foundation pays for these services at an agreed market rate.

Disclosure of information to the Auditor

Having made enquiries each of the Trustees, listed above, in office at the time of approving the Trustees' Report confirm that:

- so far as each Trustee is aware, there is no information relevant to the preparation of its report and the financial statements of which the Foundation's Auditor is unaware; and
- each Trustee has taken all steps a trustee might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Foundation's Auditor is aware of that information.

Independent Auditor

Deloitte LLP has expressed a willingness to continue in office.

Governing document

Lloyd's Register Foundation is a company limited by guarantee registered in England, incorporated in 2012, governed by its Memorandum and Articles of Association.

Financial statements and Trustees' Report

The company and consolidated financial statements have been prepared in accordance with the accounting policies set out on pages 60 to 61 and 76 to 79 respectively and comply with applicable laws and the FRS102 Charity SORP (Statement of Recommended Practice) except for the disclosures relating to employee benefit banding (see page 76).

This Trustees' Report on pages 1 to 45 and 70 to 71 has been prepared in accordance with Part 8 of the Charities Act 2011 and the Companies Act 2006 and incorporates the Strategic Report and has been approved by order of the Board.

Michelle K Davies

Michelle K Davies (Dec 13, 2022 12:03 GMT)

Michelle Davies
Company Secretary

13 December 2022

Legal and administrative details

Company number

07905861 (England and Wales)

Charity number

1145988 (England and Wales)

Principal Banker

HSBC UK Bank plc
Level 6
71 Queen Victoria Street
London
EC4V 4AY

Statutory Auditor

Deloitte LLP
London
United Kingdom

Investment managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Fidelity International
25 Cannon Street
London
EC4M 5TA

Investment custodians

Bank of New York Mellon
One Canada Square
Canary Wharf
London
E14 5AL

Solicitors

4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Registered and principal office

71 Fenchurch Street
London
EC3M 4BS

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Foundation and Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Energy and Carbon Reporting

The table below reports on all sources of Greenhouse Gas (GHG) emissions and energy usage in the Group's operations as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Working with The Carbon Trust, the below table has been prepared in accordance to ISO14064-3 which is the standard that specifies principles, requirements and provides guidance for verifying and validating greenhouse gas statements.

GHG Scope	Category	Global			
		Total Emissions (t CO2e)		% of total value chain	
		12 months to 30 June 2022	6 months to 30 June 2021	12 months to 30 June 2022	6 months to 30 June 2021
Scope 1	Scope 1 – Gas, lease car miles and F-gas	2,413	1,304	6%	6%
Scope 2	Scope 2 – location based electricity consumption	3,836	1,029	10%	5%
Scope 3	Scope 3 – indirect emissions (not included in scope 2)	33,789	18,501	84%	89%
		40,038	20,834	100%	100%

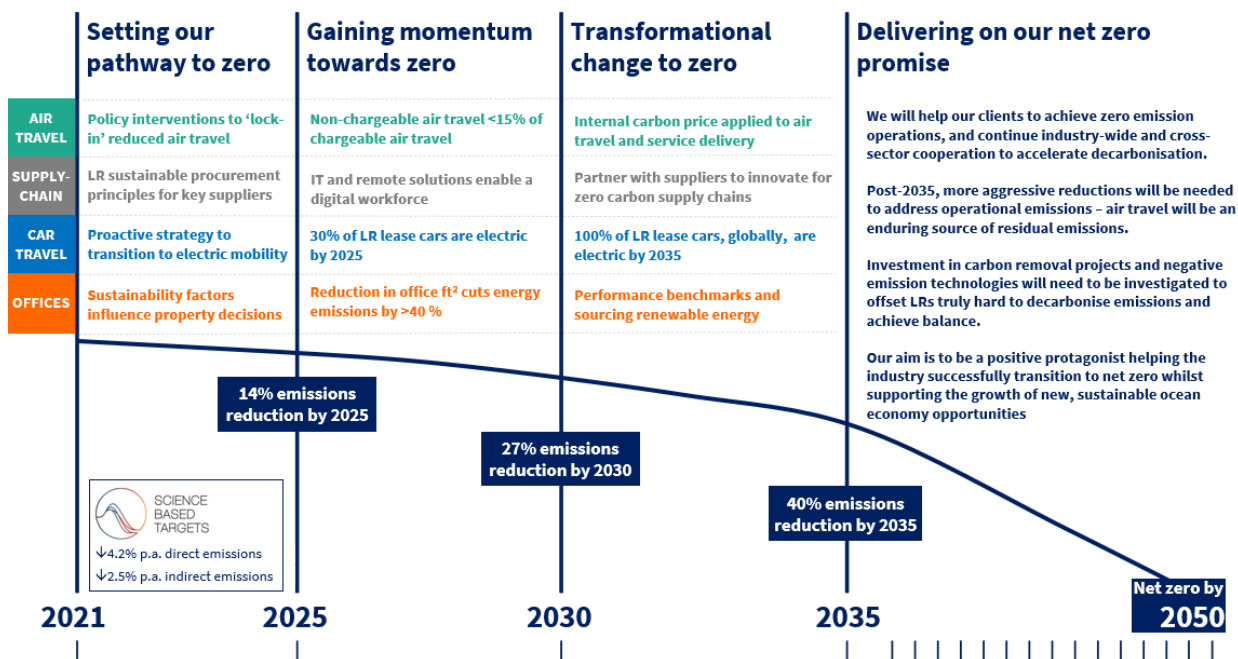
Total t CO2e / £m turnover	70.4	55.5
Total Scope 1 and 2 emissions – location based (t CO2e)	6,249	2,333
Total Scope 3 emissions (t CO2e)	33,789	18,501
Total Scope 1, 2, and 3 emissions – location based (t CO2e)	40,038	20,834

Quantity of Energy consumed for which the company is responsible	Global	
	Kilowatt Hours kWh	
	12 months to 30 June 2022	6 months to 30 June 2021
Gas	4,463,341	2,392,399
Purchased electricity	13,596,901	4,450,170

	FOOTPRINT SHARE	PROGRESS 2021/22	PLANS 2022/23
TRAVEL	13%	'Remote-first' travel policy implemented, together with quarterly CO2 reporting.	Continue to develop low / zero emission service delivery.
FLEET	6%	Policy towards full electrification agreed; accelerating switch to Battery Electric Vehicles (BEVs) in multiple early-adopter countries.	Focus on stimulate switch to BEVs in continental Europe.
PROCUREMENT	56%	Focus on working with Travel, Fleet and Property-related suppliers.	Develop holistic policy and approach, focusing on priority categories.
PROPERTY	22%	Significant reduction in office footprint achieved, aligned to new ways of working.	Continue to review the portfolio, targeting a similar further reduction over the next three years.
OTHER	3%	Reduction in commuting through the move to (hybrid) Ways-of-Working.	Influence colleagues' behaviours, though raising awareness.

Our GHG Reduction Plan and Science-Based Target

Our timeline to zero-emissions by 2050



Lloyd's Register commits to reduce absolute scope 1 and 2 GHG emissions by 63% by FY2034/35 from a FY 2019/20 base year.

Lloyd's Register also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and business travel by 37.5% within the same timeframe.



Remuneration Committee Report

This report describes the constitution and activities of the Remuneration Committee during the 12 month period ended 30 June 2022.

The Committee

Two separate remuneration committees operate within the Group; one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. A report is provided at each Trustees' Board meeting of the activities of the Foundation Remuneration Committee since the previous Board meeting.

Both Committees comprise members of the Board of Directors of Lloyd's Register Group Limited and Trustees of the Lloyd's Register Foundation. Their current membership is as follows:

Mr C G Finlayson (Chair)
Mr T T Andersen
Mrs R Martin

The members of the Foundation's Committee are appointed and removed by the Board of Trustees.

It is the role of the Foundation's Remuneration Committee to:

- Aim to ensure that the Foundation reward structure reflects best practice;
- Provide advice to the Board of Trustees on the remuneration policy for the Foundation's Chief Executive Officer and his direct reports;
- Implement the remuneration policy in practice through determination of all aspects of the remuneration of the Foundation Chief Executive;
- Approve the salary and bonus proposals and payments for the Foundation's Chief Executive and review remuneration decisions with reference to the Foundation employee salary budget, including approval of the overall level of any annual pay increase applied in the Foundation;
- Review and approve all changes to terms in pension scheme arrangements for the Foundation Chief Executive;
- Review and advise upon the level of remuneration for senior direct reports to the Foundation Chief Executive;
- Have oversight of the diversity and gender spread across the globe, insofar as it relates to remuneration matters of the Foundation; and
- Oversee any major changes to remuneration strategy for the Foundation.

The Foundation is anchored in the charity sector but is differentiated by greater commercial and technical involvement than would be the norm in many charitable organisations. Therefore, our pay and benefits provide market competitiveness within those other sectors from which we seek to attract and retain senior talent to lead the Foundation and deliver its charitable aims. These include the charity, science and technology sectors.

General Policy

In determining the general policy regarding the total remuneration of the Foundation's Chief Executive and his direct reports, the Board of Trustees has directed the Committee to have regard to the following guidelines:

- Our aim is to pay at the market median, but roles that need specific skills, specialisms or business experience may command a remuneration premium as a result of the value they add.
- Reward and affordability align to efficient and effective delivery of the Foundation's short and long-term strategies and priorities and will include links to the business performance of the Trading Group.
- We recognise high performance by individuals and teams through the use of variable pay.

- We believe in the principles of fairness and equality of opportunity in employment. We are committed to all our colleagues receiving equal pay for the same or broadly similar work, regardless of gender, ethnicity or other non-performance related differences.

The remuneration of the charity's key management personnel is set to:

- provide a base salary designed to attract and retain key management which also reflects their level of responsibility and experience;
- see that they are fairly and responsibly rewarded for their individual contributions; and
- take account of competitive rates of total remuneration, based upon surveys of comparative organisations which are undertaken annually.

Remuneration

The highest paid Foundation employee serving in the 12 month period received aggregate emoluments, including performance based remuneration, of £353,000 (6 months to June 2021: £116,000). They are not a member of a Company pension scheme.

A summary of employee remuneration is included in note 12 of the consolidated financial statements.

Independent External Advice

The Committee has access to, and takes cognisance of, professional advice both from within the organisation and from independent external consultants. The current external advisor is EY and the Chief People Officer acts as Secretary to the Committee.

Audit, Risk and Investment Committee Report

This report describes the constitution and activities of the Audit, Risk and Investment Committee in place during the year ended 30 June 2022.

Summary of the role of the Audit, Risk and Investment Committee

The membership of the Audit, Risk and Investment Committee is:

Ms I J S Macpherson (resigned 22 April 2022)

Mr R A Henderson (appointed 22 April 2022)

Mrs C F Sergeant

Mr A Whalley

During the year Ms Macpherson ceased to be a member of the Board of Trustees and resigned as a member and Chair of the Committee. Mr Henderson was appointed as a member and Chair of the Committee in her place.

The Audit, Risk and Investment Committee is a sub-committee of the Board of Trustees. The Committee reviews the application and effectiveness of the policies and processes of the Lloyd's Register Foundation.

The Committee assists the Board of Trustees in monitoring the integrity of the Foundation's published financial statements and the compliance of the Foundation's Report and Accounts with UK accounting standards, the Companies Act and the Charities SORP. The external auditor attends each meeting of the Committee and reports on the external audit plan, the results of the external audit and on the annual report and accounts.

The Committee also reviews the performance of the Foundation's investment portfolio and its investment managers and makes decisions on behalf of the Board of Trustees as to an appropriate investment strategy for the Foundation. At each meeting, the Committee receives reports from the Group Treasurer and the investment fund managers.

The Group's Internal Audit and Risk function reports to the Committee on any issues which it considers impact on the adequacy and effectiveness of the Foundation's internal financial controls and risk management systems. The Committee reviews the risk register at each meeting. No material items have been reported to the Committee by Group Audit and Risk during the financial period.

The Committee oversees the relationship with the external auditor including approval of the audit plan and scope of the audit. The assessment of the auditor's independence and review of the level of fees payable for non-audit services did not identify any significant matters.

The financial statements are reviewed by the Committee before recommending their consideration by the Board of Trustees, focusing particularly on any significant adjustments resulting from the audit and major judgmental areas. The Audit, Risk and Investment Committee typically meets three times a year, and at least once a year a meeting is held between the Chair of the Committee, the Head of Group Internal Audit and Risk and the external auditor, at which no employees are present.

The Committee met three times during the year under review. Matters considered by the Committee during the year and subsequently include the review of:

- the 30 June 2021 and 30 June 2022 Reports and Consolidated Financial Statements and the Auditor's Reports thereon;
- the process for the re-tendering for investment fund managers;
- the approval of the schedule of risk deep dives for presentation to the Board of Trustees;
- the annual review of the risk appetite statement; and
- the approval of a loan facility from Lloyd's Register Group Limited.

Nominations Committee Report

The Nominations Committee is a committee of Lloyd's Register Foundation which addresses the needs of Lloyd's Register Foundation, Lloyd's Register Group Limited and other related senior appointments or succession issues. It comprises one Foundation Trustee, one Lloyd's Register Group Board Director and the Chairman. The current members of the Committee are the following:

Mrs R Martin – Committee Chair

Mr T T Andersen

Mr M Lykiardopulo – Senior Independent Non-Executive Director of Lloyd's Register Group Limited

The Committee meets at least annually to consider the matters noted below in respect of both Lloyd's Register Foundation and Lloyd's Register Group Limited, with additional meetings as required, for example, for the appointment of additional Board members and succession planning.

- Board succession planning;
- Reviewing the composition of the Boards of the Group and the Foundation and making recommendations regarding the annual re-election of Board members and changes and new appointments of the Chairman, Trustees and Directors, to ensure an appropriate balance of skills, experience and diversity;
- Reviewing the membership and operation of Board committees and making recommendations where appropriate;
- Reviewing the succession of senior executive positions and making recommendations accordingly;
- Identifying, nominating and recommending for approval of the Boards, candidates to fill Board vacancies; and
- Making recommendations to the Boards regarding changes to the positions of Chief Executive and Chief Financial Officer of Lloyd's Register Group Limited, and to the position of the Chief Executive of Lloyd's Register Foundation.

During the period under review, the Committee made recommendations with regard to the appointment of Dr. Ruth Bournemouth as the Chief Executive of Lloyd's Register Foundation on the retirement of Professor Richard Clegg, succession planning, the re-election of Board members on the expiry of terms of office which were due to expire in the coming year, and the review of the Board Committee memberships, including the consideration and recommendation of the appointment of an additional member of each of the Remuneration Committee, the Foundation Audit, Risk and Investment Committee and the Lloyd's Register Group Limited Audit and Risk Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lloyd's Register Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2022 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Foundation statement of financial activities (incorporating an income and expenditure account);
- the Foundation balance sheet;
- the Foundation cash flow statement;
- the related notes to the Foundation financial statements 1 to 19;
- the consolidated statement of financial activities;
- the consolidated balance sheet;
- the consolidated statement of cash flow; and
- the related notes to the consolidated financial statements 1 to 33.

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).

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 financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to

the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, and Real Estate specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- grants awarded to the Trading Group may not be in line with charitable objectives of the Foundation. The Foundation had approved grant awards of £1.92 million to the Trading Group in the current year (note 19), to support decarbonisation in the marine sector, and the SafetyTech Accelerator Programme. We obtained an understanding of these grants and how it delivered the Foundation's charitable objectives. We also performed detailed reviews of the grant agreements, evidence of approvals and related information to understand any conditions present and ascertain the correct level of expenditure to recognise;
- manual adjustments are posted to the general ledger to true-up revenue recognised under multi-year marine in-service contracts. We have performed substantive tests of detail on a sample of contracts to assess the accuracy of the adjustments that were made; and
- the proportion of revenue recognised in the period in relation to fixed price projects that are still in-progress at the end of the period is subject to error due to an inaccurate estimation of costs to complete. We have assessed the design and implementation of key controls relating to this process and performed substantive tests of detail on a sample of contracts by corroborating project progress with project managers and evidencing the inputs to the revenue calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Black

Jeremy Black (Dec 13, 2022 15:48 GMT)

Jeremy Black, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

13 December 2022

FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 JUNE 2022

	Note	General funds 12 months to 30 June 2022 £000	Endowment funds 12 months to 30 June 2022 £000	Total funds 12 months to 30 June 2022 £000	General funds 6 months to 30 June 2021 £000	Endowment funds 6 months to 30 June 2021 £000	Total funds 6 months to 30 June 2021 £000
Income							
Income from investments:							
Gift aid donation from Trading Group		7,000	—	7,000	3,000	—	3,000
From listed investments and other investments		8,297	—	8,297	3,824	—	3,824
Total income	3	<u>15,297</u>	<u>—</u>	<u>15,297</u>	<u>6,824</u>	<u>—</u>	<u>6,824</u>
Expenditure on raising funds							
Investment management costs	4	—	(865)	(865)	—	(437)	(437)
Charitable activities							
Total grant activities	5	(14,652)	—	(14,652)	(3,063)	—	(3,063)
Total direct activities	5	<u>(5,809)</u>	<u>—</u>	<u>(5,809)</u>	<u>(3,611)</u>	<u>—</u>	<u>(3,611)</u>
Total expenditure		<u>(20,461)</u>	<u>(865)</u>	<u>(21,326)</u>	<u>(6,674)</u>	<u>(437)</u>	<u>(7,111)</u>
Net (expenditure) / income before gains on investments		(5,164)	(865)	(6,029)	150	(437)	(287)
Realised (losses) / gains on disposal of listed investments		(434)	(6,878)	(7,312)	2,195	35,112	37,307
Unrealised losses on listed investments		<u>(1,135)</u>	<u>(17,991)</u>	<u>(19,126)</u>	<u>(1,547)</u>	<u>(24,749)</u>	<u>(26,296)</u>
Net (expenditure) / income and net movement in funds		<u>(6,733)</u>	<u>(25,734)</u>	<u>(32,467)</u>	<u>798</u>	<u>9,926</u>	<u>10,724</u>
Reconciliation of funds							
Funds brought forward		<u>20,071</u>	<u>318,205</u>	<u>338,276</u>	<u>19,273</u>	<u>308,279</u>	<u>327,552</u>
Funds carried forward		<u>13,338</u>	<u>292,471</u>	<u>305,809</u>	<u>20,071</u>	<u>318,205</u>	<u>338,276</u>

All of the Company's income is derived from continuing activities.

There are no recognised gains or losses for the current and preceding period other than those shown above. All funds are unrestricted.

FOUNDATION BALANCE SHEET AT 30 JUNE 2022

	Note	30 June 2022 £000	30 June 2021 £000
Fixed assets			
Investments	10	<u>334,383</u>	<u>360,282</u>
		334,383	360,282
Current assets			
Cash at bank and in hand		7,140	17,763
Debtors	11	<u>694</u>	<u>245</u>
		7,834	18,008
Creditors: amounts falling due within one year	13	<u>(24,461)</u>	<u>(23,243)</u>
Net current liabilities		(16,627)	(5,235)
Total assets less current liabilities		317,756	355,047
Creditors: amounts falling due after one year	14	<u>(11,947)</u>	<u>(16,771)</u>
Net assets		<u>305,809</u>	<u>338,276</u>
The funds of the charity			
Unrestricted – general fund		7,829	12,993
Revaluation reserve	17	<u>5,509</u>	<u>7,078</u>
Total unrestricted funds		13,338	20,071
Endowment funds		224,286	225,151
Revaluation reserve	17	<u>68,185</u>	<u>93,054</u>
Total endowment funds		292,471	318,205
Total charity funds	16	<u>305,809</u>	<u>338,276</u>

The financial statements on pages 57 to 69 were approved by the Trustees on 13 December 2022 and signed on their behalf by:

C.F. Sergeant
C.F.Sergeant (Dec 13, 2022 12:55 GMT)

Carol Sergeant, Trustee

Lloyd's Register Foundation
Company registration number 07905861

FOUNDATION CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		12 months to 30 June 2022	6 months to 30 June 2021
	Note	£000	£000
Cash flows from operating activities:			
Net cash used in operating activities	A	(25,381)	(12,920)
Cash flows from investing activities:			
Dividends and income from investments		15,297	6,824
Purchase of investments		(158,006)	(124,961)
Proceeds from sale of listed investments		157,467	135,774
Net cash provided by investing activities		14,758	17,637
Change in cash and cash equivalents in the period		(10,623)	4,717
Cash and cash equivalents at the beginning of the period	B	17,763	13,046
Cash and cash equivalents at the end of the period	B	7,140	17,763

A. Reconciliation of net income to net cash flow from operating activities

	12 months to 30 June 2022	6 months to 30 June 2021
	£000	£000
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(32,467)	10,724
Adjustments for:		
Losses / (gains) on investments	26,438	(11,011)
Dividends and income from investments	(15,297)	(6,824)
Increase in debtors	(449)	(245)
Decrease in creditors	(3,606)	(5,564)
Net cash used in operating activities	(25,381)	(12,920)

B. Analysis of cash and cash equivalents

	30 June 2021	Cash flow £000	30 June 2022
	£000	£000	£000
Cash at bank and in hand	17,763	(10,623)	7,140
Total cash and cash equivalents	17,763	(10,623)	7,140

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Basis of accounting

Lloyd's Register Foundation is a private charitable company limited by guarantee, incorporated in the United Kingdom, registered in England and Wales and a registered charity. It is governed by its memorandum and articles.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments. They have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP") FRS102 "Accounting and Reporting by Charities" ("the Charities SORP"), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Foundation meets the definition of a public benefit entity under FRS102. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed in the Trustees' report on page 35.

The functional currency of the company is considered to be Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Company is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds represents costs associated with generating income from investment management.

Expenditure on charitable activities comprises all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities represents all the expenditure by the charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Charity formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Foundation, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on the investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

Short-term employee benefits are recognised as an expense in the period in which they relate.

c. Investments

Listed investments are stated at market value. The statement of financial activities includes realised gains and losses on investments sold in the period and unrealised gains and losses on revaluation of investments.

Investment in the Trading Group (Lloyd's Register Group Limited), which is a social investment, is valued at cost less any impairment.

d. Cash

Items considered to be cash are those held in hand, in current accounts and on short-term deposit (where the term is less than three months) with recognised financial institutions.

e. Taxation and Value Added Tax

The Foundation is a UK registered charity and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

f. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 16.

g. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are recognised at their settlement amount while grant liabilities are discounted to net present value where the impact is material.

h. Significant accounting estimates and assumptions

The Foundation makes estimates and assumptions to produce the Financial Statements. The accounting estimates will, by nature, differ from the actual results. The key estimate that may have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year relates to the discounting of grant liabilities. The rate applied to discount grant liabilities payable after more than twelve months requires an estimate of the appropriate discount rate, as well as an estimate of when the liability will be called down as a claim to be paid. A discount rate of 2.1% (30 June 2021: 2.1%) has been applied having considered the range of the market rate of interest the Foundation could borrow money over the life of the grants and the opportunity cost of income from investments foregone. A 1.5% increase in the discount rate would reduce grant liabilities by £0.3 million while a 0.5% decrease in the discount rate would increase grant liabilities by £0.1 million. There are no other significant accounting estimates or judgements for the Foundation.

3. Investment income

	General funds £000	Endowment funds £000	Total 12 months to 30 June 2022 £000	Total 6 months to 30 June 2021 £000
Gift aid from Trading Group	7,000	—	7,000	3,000
Listed and other investments:				
Fixed Interest – UK	652	—	652	370
Fixed Interest – Overseas	56	—	56	46
Equities – UK	1,824	—	1,824	1,003
Equities – Overseas	2,223	—	2,223	1,021
Pooled Funds	3,478	—	3,478	1,378
Cash Instruments	38	—	38	6
Bank interest	26	—	26	—
	8,297	—	8,297	3,824
Total	15,297	—	15,297	6,824

4. Expenditure on raising funds

Expenditure on raising funds represents investment management costs, which are charged to the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Analysis of expenditure on charitable activities

				12 months to 30 June 2022 £000
Grant making activities:	Grants (note 6) £000	Direct costs £000	Support costs £000	
Goal 1: Evidence and Insight	410	40	136	586
Goal 2: Challenge area: Safety at Sea	477	47	158	682
Goal 2: Challenge area: Safety of Food	1,107	108	367	1,582
Goal 2: Challenge area: Safety for a Sustainable Future	4,037	407	1,343	5,787
Goal 2: Challenge area: Skills for Safety	1,010	98	335	1,443
Goal 2: Challenge area: Safety of Physical Infrastructure	134	13	44	191
Heritage and education centre	874	85	290	1,249
Foundational *	1,965	191	652	2,808
	10,014	989	3,325	14,328
Unwinding of discounting of grant liabilities	324	—	—	324
Total grant activities	10,338	989	3,325	14,652
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,205	667	2,872
Goal 2: Challenge area: Safety of Food	—	158	48	206
Goal 2: Challenge area: Safety for a Sustainable Future	—	139	42	181
Goal 2: Challenge area: Safety of Physical Infrastructure	—	36	11	47
Heritage and education centre	—	1,688	510	2,198
Foundational *	—	234	71	305
Total direct activities	—	4,460	1,349	5,809
	10,338	5,449	4,674	20,461

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

No grant expenditure has been incurred during the year relating to Safety of Digital Systems and Public Understanding of Risk (Goal 2)

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £4,674,000 (6 months to 30 June 2021: £1,478,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £1,795,000 (6 months to 30 June 2021: £737,000) and governance costs of £62,000 (6 months to 30 June 2021: £59,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £62,000 (6 months to 30 June 2021: £59,000).

Analysis of expenditure by charitable activities in the 6 months to 30 June 2021 is shown below.

				6 months to 30 June 2021 £000
Grant making activities:	Grants £000	Direct costs £000	Support costs £000	
Goal 1: Evidence and Insight	534	255	239	1,028
Goal 2: Challenge area: Safety at Sea	21	10	9	40
Goal 2: Challenge area: Safety of Food	7	3	3	13
Goal 2: Challenge area: Safety of Digital Systems	333	159	149	641
Goal 2: Challenge area: Public Understanding of Risk	40	19	18	77
Heritage and education centre	90	43	40	173
Foundational	403	193	181	777
	1,428	682	639	2,749
Unwinding of discounting of grant liabilities	314	—	—	314
Total grant activities	1,742	682	639	3,063
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	1,329	402	1,731
Heritage and education centre	—	1,375	416	1,791
Foundational	—	68	21	89
Total direct activities	—	2,772	839	3,611
	1,742	3,454	1,478	6,674

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded in the 12 months to 30 June 2022 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Foundational £000	Total 12 months to 30 June 2022 £000
Foundation for the Global Compact	1	—	—	—	—	—	—	—	—	250	250
Interferry	1	50	—	—	—	—	—	—	—	—	50
Imperial War Museum	1	—	—	—	—	—	—	500	—	—	500
The University of Manchester	1	—	—	—	—	—	—	—	104	—	104
Accenture	1	119	—	—	—	—	—	—	—	—	119
Detection of hydrogen embrittlement	1	—	—	—	—	—	—	—	—	2	2
FISH Safety Foundation	1	98	—	—	—	—	—	—	—	—	98
Kindling Safety Organisation	1	—	—	—	—	10	—	—	—	—	10
National Safety Council	1	—	—	—	—	200	—	—	—	—	200
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	95	—	95
Research presentations at Transport Research Board Annual Meeting	1	—	—	—	—	—	—	—	—	2	2
Royal Academy of Engineering Fellowship scheme	1	—	—	—	11	—	—	—	—	—	11
Royal National Lifeboat Institution	1	—	—	—	—	—	10	—	—	—	10
Safe adoption of emerging technologies	1	—	—	—	—	—	—	—	—	87	87
Techshore Inspection Services for International Certifications	1	—	—	—	—	—	—	—	—	2	2
The Resilience Shift for The Resilience Shift	1	—	—	—	3,750	—	—	—	—	—	3,750
TUV SUD Ltd	1	—	—	—	—	100	—	—	—	—	100
UCL	1	—	—	—	—	—	—	—	—	2	2
UN Global Compact Network Norway	1	—	150	—	—	—	—	—	—	—	150
Undertaking a series of development courses	1	—	—	—	—	—	—	—	—	2	2
University of Hull	1	—	—	—	—	—	—	—	—	16	16
University of Southampton	1	—	—	—	—	—	—	—	10	—	10
University of Surrey	1	—	—	—	—	—	—	—	—	10	10
University of Strathclyde	1	—	—	—	—	—	—	—	10	—	10
Lloyds Register Group	1	—	—	—	1,120	—	—	—	—	—	1,120
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	800	800
CNRS Station Biologique de Roscoff	2	—	957	—	—	—	—	—	—	—	957
Nottingham Trent University	1	—	—	—	—	—	—	—	45	—	45
Zero Carbon Green Future	1	—	—	—	—	—	—	—	9	—	8
University College London	1	—	—	—	—	—	—	—	—	657	657
Unicef	1	—	—	—	—	—	—	—	—	100	100
Ocean Decade Heritage Network	1	—	—	—	—	—	—	374	—	—	374
National Safety Council	1	—	—	—	—	—	—	—	148	—	148
The CHIRP Charitable Trust	1	260	—	—	—	—	—	—	—	—	260
Haumaru HS - Micro Credential	1	—	—	—	—	—	—	—	—	8	8
Sustainable Shipping Initiative	1	—	—	—	—	—	—	—	—	10	10
Children's Radio UK	1	—	—	—	—	—	—	—	—	10	10
University of Southampton	1	—	—	—	—	—	—	—	—	10	10
National Safety Council	1	—	—	—	—	—	—	—	—	10	10
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
TWI Ltd - SEASEP	1	—	—	—	—	—	1,000	—	—	—	1,000
Kids Invent Stuff	1	—	—	—	—	—	—	—	—	10	10
Grant adjustments		(50)	—		(713)	(176)	—	—	(10)	(33)	(982)
	43	477	1,107	—	4,168	134	1,010	874	410	1,965	10,145
Impact of discounting grants awarded		—	—	—	(131)			—	—	—	(131)
		477	1,107	—	4,037	134	1,010	874	410	1,965	10,014

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Grants awarded in the 6 months to 30 June 2021 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Public Under- standing of Risk £000	Safety of Physical infra- structure £000	Safety for a sustainable future £000	Heritage And education centre £000	Evidence and Insight £000	Found- ational £000	Total 6 months to 30 June 2021 £000
British Science Association	1	—	—	—	40	—	—	—	—	—	40
Cardiff University Seafarers International Research Centre	1	21	—	—	—	—	—	—	—	—	21
Cranfield University	1	—	—	—	—	—	—	—	—	50	50
Delft University of Technology	1	—	—	—	—	—	—	—	—	10	10
Delft University of Technology	1	—	—	—	—	—	—	—	—	21	21
Global Manufacturing Organisation Limited	1	—	—	400	—	—	—	—	—	—	400
History & Policy, King College London	1	—	—	—	—	—	—	—	—	122	122
Hook Marine Ltd	1	—	—	—	—	—	—	—	—	10	10
Lancaster University	1	—	—	—	—	—	—	—	—	10	10
Nottingham Trent University	1	—	—	—	—	—	—	—	—	59	59
Queen's University Belfast	1	—	19	—	—	—	—	—	—	—	19
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	104	104
Scense about Science	1	—	—	—	—	—	—	—	384	—	384
SeedPod LLC	1	—	—	—	—	—	—	—	150	—	150
University of Portsmouth Higher Education Corporation	1	—	—	—	—	—	—	90	—	—	90
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	7	7
Grant adjustments		—	(12)	(67)	—	—	—	—	—	—	(79)
17		21	7	333	40	—	—	90	534	403	1,428
Impact of discounting grants awarded		—	—	—	—	—	—	—	—	—	—
		21	7	333	40	—	—	90	534	403	1,428

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. Grants awarded but not paid

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
At start of period	37,710	43,987
Awarded in the period	10,996	1,507
Unwinding of discounting (note 5)	324	314
Grant adjustments (note 6)	(982)	(79)
Paid in the period	(15,800)	(8,019)
At end of period	32,248	37,710

The aging of grants payable is shown in note 14.

8. Employees

	General funds £000	Endowment funds £000	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Wages and salaries	2,440	—	2,440	1,238
Social security costs	239	—	239	117
Pension costs	301	—	301	120
	2,980	—	2,980	1,475

All employees are engaged in charitable activities. The average number of employees during the year was 34 (6 months to June 2021: 31).

Included within employee costs above is £353,000 (6 months to 30 June 2021: £124,000) remuneration received by key management personnel which includes £nil of employer defined contribution pension costs (6 months to 30 June 2021: £8,000). See note 31 of the consolidated financial statements for the key management personnel of the Foundation Group.

The following number of employees earned emoluments within the bands shown below. Emoluments include benefits in kind, but exclude employer defined contribution pension costs.

	12 months to 30 June 2022 Number	6 months to 30 June 2021 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	2	—
£90,001 - £100,000	1	—
£100,001 - £110,000	2	—
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—
£130,001 - £140,000	1	—
£150,001 - £160,000	2	—
£350,001 - £360,000	1	—

The increase compared to the prior period is principally due to the longer financial reporting period from 6 to 12 months. The Foundation made no termination payments during the current or prior period.

9. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £4,000 for reimbursement for out of pocket expenses (6 months to 30 June 2021: £nil) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

10. Investments

	30 June 2022 £000	30 June 2021 £000
Listed investments at market value comprise:		
Fixed Interest – UK	17,404	24,400
Fixed Interest – Overseas	268	1,561
Equities – UK	44,472	45,766
Equities – Overseas	101,745	134,995
Pooled Funds	109,983	107,825
Derivatives	105	(563)
Cash instruments	17,740	3,927
Cash at investment managers and accrued interest	2,616	2,321
	294,333	320,232
Unlisted investments		
Investment in subsidiaries – social investment at cost less impairment	40,050	40,050
	334,383	360,282

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Listed investments and cash held by investment managers	30 June 2022 £000	30 June 2021 £000
At start of period	317,911	318,103
Additions at cost	158,006	124,961
Disposals proceeds	(157,762)	(136,164)
Realised gains on disposals	(7,312)	37,307
Unrealised gains	(19,126)	(26,296)
At end of period	291,717	317,911
Cash at investment managers and accrued interest	2,616	2,321
	294,333	320,232

Subsidiaries (note 12)

The Foundation has invested £40,050,000 (30 June 2021: £40,050,000) in its only immediate subsidiary, Lloyd's Register Group Limited. The subsidiaries and joint ventures of Lloyd's Register Group Limited are shown in note 32 to Lloyd's Register Foundation Group Consolidated Financial Statements.

11. Debtors

	30 June 2022 £000	30 June 2021 £000
Prepayments and accrued income	694	245
	694	245

12. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry.

The summarised financial information of the consolidated Trading Group is provided below, as per the Trading Group's consolidated financial statements for the 12 months ended 30 June 2022 (2021: 6 months ended 30 June 2021).

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Turnover	569,096	375,669
Cost of sales	(362,211)	(237,164)
Gross profit	206,885	138,505
Administrative expenses	(215,881)	(114,983)
Administrative expenses before exceptional costs	(189,619)	(108,642)
Operating profit before exceptional costs	17,266	29,863
Exceptional costs	(26,262)	(6,341)
Operating (loss) / profit	(8,996)	23,522
Profit on disposal	409,261	—
Share of net operating loss of joint ventures	(480)	(336)
Net investment income	(38,158)	(92)
Other finance costs	—	(186)
Profit before taxation	361,627	22,908
Taxation on profit	(3,067)	(8,791)
Profit for the financial period	358,560	14,117
	30 June 2022 £000	30 June 2021 £000
Assets	1,351,943	1,033,901
Liabilities	(454,960)	(548,534)
Net Assets	896,983	485,367
Shareholder's funds	896,983	485,367

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Creditors: amounts falling due within one year

	30 June 2022	30 June 2021
	£000	£000
Trade creditors	458	108
Amounts due to related companies	2,587	1,150
Grants payable	20,301	20,939
Accruals and deferred income	1,115	1,046
	24,461	23,243

14. Creditors: amounts falling due after one year

	30 June 2022	30 June 2021
	£000	£000
Grants payable	11,947	16,771
	11,947	16,771

The timing of grants payable is shown in the table below:

	30 June 2022	30 June 2021
	£000	£000
Due within one year	20,301	20,939
Due within 1-2 years	7,095	15,016
Due within 2-5 years	5,333	2,429
Impact of discounting	(481)	(674)
	11,947	16,771
Net grants payable	32,248	37,710

15. Contingent liabilities

The Foundation has a contractual obligation to transfer up to £125m of the investment assets received from the Trading Group in September 2012 to the Lloyd's Register Superannuation Fund Association in the event of an insolvency of Lloyd's Register Group Limited. The Trustees consider the risk of insolvency, and therefore the risk of payment of the contingent liability, to be minimal. Additional funding commitments to related parties are detailed in note 19.

16. Funds

	30 June 2021 £000	Income £000	Expenditure £000	Other movements £000	30 June 2022 £000
Total unrestricted funds	20,071	15,297	(20,461)	(1,569)	13,338
Endowment funds:					
Expendable endowment	318,205	—	(865)	(24,869)	292,471
	338,276	15,297	(21,326)	(26,438)	305,809

Other movements relate to realised and unrealised gains and losses on investment assets.

	31 December 2020 £000	Income £000	Expenditure £000	Other movements £000	30 June 2021 £000
Total unrestricted funds	19,273	6,824	(6,674)	648	20,071
Endowment funds:					
Expendable endowment	308,279	—	(437)	10,363	318,205
	327,552	6,824	(7,111)	11,011	338,276

Other movements relate to realised and unrealised gains and losses on investment assets.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep £100.0m of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were subsequently amended to increase the contingent asset to £125.0m and extend the period at least until the full actuarial valuation as at 31 March 2022 has been approved, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. Revaluation reserve

	30 June 2021 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2022 £000
Unrestricted – general funds	7,078	(1,135)	(434)	5,509
Endowment funds:				
Expendable endowment	93,054	(17,991)	(6,878)	68,185
	<u>100,132</u>	<u>(19,126)</u>	<u>(7,312)</u>	<u>73,694</u>

	31 December 2020 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2021 £000
Unrestricted – general funds	6,430	(1,547)	2,195	7,078
Endowment funds:				
Expendable endowment	82,691	(24,749)	35,112	93,054
	<u>89,121</u>	<u>(26,296)</u>	<u>37,307</u>	<u>100,132</u>

18. Analysis of net assets between funds

	General funds £000	Endowment funds £000	Total 30 June 2022 £000	Total 30 June 2021 £000
Fixed assets	41,912	292,471	334,383	360,282
Current assets	7,834	—	7,834	18,008
Creditors: amounts falling due within one year	(24,461)	—	(24,461)	(23,243)
Creditors: amounts falling due after one year	(11,947)	—	(11,947)	(16,771)
	<u>13,338</u>	<u>292,471</u>	<u>305,809</u>	<u>338,276</u>

	General funds £000	Endowment funds £000	Total 30 June 2021 £000	Total 31 December 2020 £000
Fixed assets	42,077	318,205	360,282	360,084
Current assets	18,008	—	18,008	13,046
Creditors: amounts falling due within one year	(23,243)	—	(23,243)	(21,951)
Creditors: amounts falling due after one year	(16,771)	—	(16,771)	(23,627)
	<u>20,071</u>	<u>318,205</u>	<u>338,276</u>	<u>327,552</u>

19. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

In accordance with the provisions of Financial Reporting Standard 102 the related party transactions entered into by the charity are detailed below. The transactions that arose were in the normal course of business.

Two grants have been awarded to the Trading Group during the 12 months to 30 June 2022:

- A £1,120,000 grant to support decarbonisation in the marine sector. £nil remains outstanding as at 30 June 2022.
- A £800,000 grant to support the SafetyTech Accelerator Programme. £nil remains outstanding as at 30 June 2022.

A grant was awarded to the Trading Group during the 6 months to 30 June 2021:

- A £104,000 grant to support the SafetyTech Accelerator programme. £nil remains outstanding as at 30 June 2022 (30 June 2021: £51,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

In addition to the grants provided, a further £2.4m may become payable to the Trading Group over the following nine years, with the majority payable within the following two years. The additional payments are dependent upon periodic reviews of the project outcomes. The commitments are planned to be funded from general funds, following receipt of future investment income.

During the 12 months to 30 June 2022, the Foundation was charged the following amounts from the Trading Group:

- £1,013,000 in respect of the provision of services including accommodation and IT support (6 months to 30 June 2021: £496,000); and
- £450,000 in respect of Trading Group employees seconded to the Foundation (6 months to 30 June 2021: £96,000).

The above recharges do not include any amounts in respect of services for key management personnel.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP

Strategic report of the Foundation

The Foundation has a direct social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies ("the Trading Group"). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry. The activities of the Trading Group in furthering the charitable objects of the Foundation are discussed on pages 33 and 27.

The Foundation's consolidated total income for the 12 months to 30 June 2022 of £996.5 million (6 months to 30 June 2021: £384.5 million) comprises of income recognised by the Trading Group of £988.2 million (6 months to 30 June 2021: £380.7 million) and investment income recognised by the Foundation of £8.3 million (6 months to 30 June 2021: £3.8 million). Income recognised by the Trading Group includes turnover of £569.1 million (6 months to 30 June 2021: £375.7 million), investment income of £9.8 million (6 months to 30 June 2021: £5.0 million) and profit on disposal of discontinued operations of £409.3 million.

The Foundation's consolidated total expenditure for the 12 months to 30 June 2022 of £189.1 million (6 months to 30 June 2021: £360.5 million) relates principally to the Trading Group of £169.7 million (6 months to 30 June 2021: £353.5 million) with the remainder relating to the activities of the charitable entity.

Consolidated net assets for the Foundation at 30 June 2022 are £1,163.8 million (30 June 2021: £784.4 million), an increase of £379.4 million from the prior period.

Net consolidated funds (cash and short term deposits) for the Foundation at 30 June 2022 are £409.8 million (30 June 2021: £314.6 million), an increase of £95.2 million from 30 June 2021.

The performance of the Charitable entity is discussed on pages 32 to 37, and the results of the Trading Group below.

Results of the Trading Group

This financial review of the Trading Group forms part of the strategic report.

The summarised financial information of the consolidated Trading Group is provided in note 18 to the consolidated financial statements, as per the Trading Group's consolidated financial statements for the year ended 30 June 2022.

Turnover for the 12 month period to 30 June 2022 was £569.1 million (6 months to 30 June 2021: £375.7 million).

Total Group operating profit before exceptional costs for the year to 30 June 2022 was £17.3m, (6 months to 30 June 2020: £29.9m). Group operating profit from continuing operations before exceptional costs for the year to 30 June 2022 was £17.5m, (6 months to 30 June 2020: £26.5m). Discontinued operations comprise the BAIS business line which was disposed of on 2 December 2021.

Exceptional costs for the year of £26.3 million relate to the surrender of an operating lease following a review of Group's office requirements, restructuring activity associated with changes in processes and resource requirements following restructuring within back office functions and the voluntary repayment of Government grants received as part of government initiatives to provide financial support as a result of Covid-19.

Statutory operating loss for the 12 month period, after exceptional costs, was £9.0 million (6 months to 30 June 2021: profit £23.5 million).

Financial position of the Trading Group

Net assets for the Trading Group at 30 June 2022 are £987.0 million (30 June 2021: £485.4 million), an increase of £411.6 million.

Branches of the Group

The Lloyd's Register Foundation group (the Group) has branches, as defined in section 1046(3) of the Companies Act 2006, which are outside the UK.

Financial risk management policies and objectives

The Group is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include litigation, foreign exchange risk, credit risk, and interest rate risk.

Litigation

In the normal course of business, the Trading Group receives claims for compensation from clients and other associated parties. The Trading Group has in place appropriate policies and procedures to mitigate litigation risk. Although insurance cover is carried to mitigate this risk, the results of litigation can be uncertain and the Trading Group remains exposed to a potential shortfall in this cover.

Foreign exchange risk (price risk)

Foreign exchange exposure is an expected risk of operating across a number of geographies. The Trading Group monitors the impact of foreign exchange on a regular basis. Where possible, the Trading Group uses natural hedges (offsetting costs incurred in a particular currency against revenues earned in that currency) that arise from its normal operating activities to manage its foreign exchange exposures. Where cash-pooling is not permitted by local regulations, non-GBP entities submit cash to head office companies by paying dividends and management charges. Derivative financial

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

instruments are used by the Trading Group's third-party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Residual foreign exchange exposure is monitored and is considered tolerable.

Liquidity risk and going concern

The Group has net cash of £409.8 million (30 June 2021: £314.6 million). In addition, the Group holds listed investments of £580.4 million (30 June 2021: £388.9 million) of which £51.8 million (30 June 2021: £68.7 million) is held in escrow to make good the deficit on overseas defined benefit pension schemes in future periods.

The Trustees consider that the cash held by the Group, together with its listed investments, are sufficient to address the Group's liquidity requirements, both in the near and longer term.

The Trustees therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Credit risk

It is company policy to perform an assessment of the creditworthiness of new clients and, where appropriate, assign a credit limit to clients' accounts.

Interest rate risk

Derivative financial instruments are used by the Group's third party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Aside from this potential risk the Group has only limited exposure to interest rate risk as it has no external borrowings or other interest-bearing financial instruments.

Further details of the Trading Group

Further details of the financial performance of the Trading Group is included within the Lloyd's Register Group Limited's statutory accounts.

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

		Trading funds	Trading funds	Trading funds	General funds	Endowmen t funds	Total funds	Total funds
	Note	12 months to 30 June 2022	12 months to 30 June 2022	12 months to 30 June 2022	12 months to 30 June 2022	12 months to 30 June 2022	12 months to 30 June 2022	6 months to 30 June 2021
		£000	£000	£000	£000	£000	£000	£000
		Continuing	Discontinued	Total				
Income								
Income from investments:								
Listed investments	4	3,917	—	3,917	8,271	—	12,188	4,837
Property	4	5,034	—	5,034	—	—	5,034	2,647
Other	4	909	—	909	26	—	935	1,305
Income from other trading activities	5	441,371	127,725	569,096	—	—	569,096	375,669
Profit on disposal of discontinued operations	17	—	409,261	409,261	—	—	409,261	—
Total income		451,231	536,986	988,217	8,297	—	996,514	384,458
Expenditure on raising funds								
Investment management costs		—	—	—	—	(865)	(865)	(437)
Cost of other trading activities		(450,792)	(129,178)	(579,970)	—	—	(579,970)	(352,940)
Other finance costs – pensions		—	—	—	—	—	—	(186)
Net interest in the results for the period in joint ventures		(480)	—	(480)	—	—	(480)	(336)
Other		(8)	—	(8)	—	—	(8)	(26)
Total costs of raising funds		(451,280)	(129,178)	(580,458)	—	(865)	(581,323)	(353,925)
Expenditure on charitable activities								
Total grants activities	7	—	—	—	(12,732)	—	(12,732)	(2,959)
Total direct activities	7	—	—	—	(5,809)	—	(5,809)	(3,611)
Total expenditure		(451,280)	(129,178)	(580,458)	(18,541)	(865)	(599,864)	(360,495)
Net income / (expenditure) before (losses) / gains on investments	11	(49)	407,808	407,759	(10,244)	(865)	396,650	23,963
Unrealised (losses) / gains on investments		(45,198)	—	(45,198)	(1,135)	(17,991)	(64,324)	(39,864)
Realised gains on disposal of investments		(2,626)	—	(2,626)	(434)	(6,878)	(9,938)	45,926
Net income / (expenditure) before taxation		(47,873)	407,808	359,935	(11,813)	(25,734)	322,388	30,025
Taxation	10	(2,471)	(596)	(3,067)	—	—	(3,067)	(8,791)
Net income / (expenditure)		(50,344)	407,212	356,868	(11,813)	(25,734)	319,321	21,234
Transfers between funds				(5,308)	5,308	—	—	—
Acquisition of non-controlling interest				—	—	—	—	(2,525)
Foreign exchange differences on translation of net assets of overseas operations				15,881	—	—	15,881	(588)
Net actuarial movements on defined benefit pension schemes	24			53,935	—	—	53,935	14,904
Tax relating to components of other comprehensive income				(9,760)	—	—	(9,760)	(9,974)
Net movement in funds				411,616	(6,505)	(25,734)	379,377	23,051
Funds brought forward				485,367	(19,153)	318,205	784,419	761,368
Funds carried forward				896,983	(25,658)	292,471	1,163,796	784,419

There are no recognised gains or losses for the year other than those shown above. An analysis of the prior period funds is shown in note 6. All funds are unrestricted.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022

	Note	30 June 2022 £000	30 June 2021 £000
Non Current Assets			
Goodwill	14	24,548	58,655
Intangible fixed assets	14	29,847	40,350
Tangible assets	15	149,563	172,309
Investments	16	580,515	389,012
Pension surplus	24	186,971	148,420
Deferred tax assets	10	14,756	20,377
Interests in joint ventures: share of net assets	16	116	275
		986,316	829,398
Current assets			
Debtors	19	255,428	227,037
Cash at bank and in hand		409,779	314,556
		665,207	541,593
Creditors: amounts falling due within one year	20	(224,689)	(248,029)
Net current assets		440,518	293,564
Total assets less current liabilities		1,426,834	1,122,962
Creditors: amounts falling due after one year	21	(11,947)	(16,771)
Provisions for liabilities	22	(86,735)	(84,496)
Net assets excluding pension liability		1,328,152	1,021,695
Pension liability	24	(164,356)	(237,276)
Net assets including pension liability		1,163,796	784,419
The funds of the group	27,28		
Non charitable trading funds		1,030,780	645,315
Revaluation reserve		30,559	77,328
General fund	29	(25,658)	(19,153)
Unrestricted funds excluding pension liability		1,035,681	703,490
Pension reserve		(164,356)	(237,276)
Total unrestricted funds		871,325	466,214
Endowment funds		224,286	225,151
Revaluation reserve	28	68,185	93,054
Total endowment funds	27	292,471	318,205
Total group funds		1,163,796	784,419

The financial statements on pages 73 to 106 were approved by the Trustees on 13 December 2022 and signed on their behalf by:

C.F. Sergeant

C.F.Sergeant (Dec 13, 2022 12:55 GMT)

Carol Sergeant, Trustee

Lloyd's Register Foundation

Company registration number 07905861

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 June 2022

	Note	2022 £000	2021 £000
Net cash (outflow) / inflow from operating activities	30	(110,496)	36,336
Cash flows used in investing activities			
Decrease / (increase) in loans		26	(7)
Proceeds from sale of investments		174,912	142,420
Proceeds from sale of tangible fixed assets		966	485
Purchase of investments		(421,603)	(132,581)
Purchase of intangible fixed assets		(2,435)	(591)
Purchase of tangible fixed assets		(8,527)	(1,626)
Interest paid		(194)	(108)
Investment income		18,157	8,789
Additional investment in existing joint ventures		(686)	(217)
Acquisition of trade and assets		(4,671)	(6,964)
Disposal of subsidiaries		480,704	—
Cash acquired		67	—
Cash disposed		(24,457)	—
Net cash inflows generated by investing activities		212,259	9,600
Net increase in cash and cash equivalents		101,763	45,936
Cash and cash equivalents at beginning of period		314,556	272,200
Net increase in cash and cash equivalents		101,763	45,936
Effect of foreign exchange rate changes		(6,540)	(3,580)
Cash and cash equivalents at end of period		409,779	314,556

Analysis of cash and cash equivalents

Group	At 30 June 2021 £000	Cash flow £000	Effect of foreign exchange rate changes £000	At 30 June 2022 £000
Cash and cash equivalents	314,556	101,763	(6,540)	409,779
	314,556	101,763	(6,540)	409,779

Reconciliation of net cash flow to movements in net funds

	Cash and cash equivalents £000	2022 Net funds £000	Cash and cash equivalents £000	2021 Net funds £000
At start of period	314,556	314,556	272,200	272,200
Foreign exchange	(6,540)	(6,540)	(3,580)	(3,580)
Cash flow	101,763	101,763	45,936	45,936
At end of period	409,779	409,779	314,556	314,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Basis of accounting and consolidation

The Group financial statements consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and derivative financial instruments. They have been prepared in accordance with the Statement of Recommended Practice FRS 102 "Accounting and Reporting by Charities" ("the Charities SORP"), with the exception of banding disclosures of employee benefits (excluding pension costs) in £10,000 bandings from £60,000 for employees of the Foundation's trading subsidiaries (see note 12), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed further in the Trustees' report on page 35.

The functional currency of the Group is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Group is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Turnover from surveys and inspections, which are the main activities of the Trading Group is recognised by reference to the stage of completion of the contract activity as at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs once the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds includes costs associated with trading activities and investment management.

Expenditure on charitable activities comprise all the costs incurred applied by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities are all the expenditure by the charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Group formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Group, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

c. Tangible fixed assets

Tangible fixed assets (other than investment properties) are stated at cost, net of depreciation and impairment.

Depreciation of tangible fixed assets is provided using the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives as follows:

Motor vehicles	5 years
Office fittings and equipment	8 years
Computer equipment	5 years
Plant and machinery	5 to 20 years
Freehold buildings	5 to 40 years
Leasehold improvements	Length of the lease

Depreciation is not provided in respect of freehold land as it is deemed to have an infinite useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

d. Intangible fixed assets: goodwill

Goodwill arises on the acquisition of subsidiary undertakings and businesses and represents the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired.

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life up to a maximum of 10 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

e. Intangible fixed assets

Intangible assets relating to intellectual property rights acquired from third party developers are recognised at cost and amortised on a straight line basis over their estimated useful economics lives, which is estimated to be 10 years. Provision is made for any impairment.

Intangible assets relating to purchased software is recognised at cost including any directly attributable costs of preparing the software for its intended use and amortised using the straight line method over their useful economic lives which are estimated to be from 3 to 11 years. Provision is made for any impairment.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date and are amortised over a period of six years which is estimated to be their useful economic life.

f. Investments

Listed investments are stated at market value. Unlisted investments are stated at cost less provision for impairment. The statement of financial activities includes realised gains and losses on investments sold in the period and unrealised gains and losses on revaluation of investments.

Investment properties includes one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the consolidated statement of financial activities. A valuation of the building is pro-rated according to the value of floor space occupied by third party tenants. The valuation is carried out by a surveyor holding a relevant qualification (via an independent property company).

g. Cash

Items considered to be cash are those held in hand, in current accounts and on term deposit (where the term is less than three months) with recognised financial institutions.

h. Taxation and Value Added Tax

The Foundation is a UK registered charity, and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

The Trading Group includes companies and branches that operate overseas and that are subject to foreign tax. Direct tax relating to those entities is included within the consolidated financial statements as a trading cost, and analysed in note 10 to the financial statements. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

i. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less or to receive more tax in the future.

Deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

j. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Non-charitable trading funds represent the accumulated surpluses and deficits retained within the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 27.

k. Financial assets and liabilities:

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments and derivative financial instruments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Income from quoted securities, which is recorded on an accruals basis, is recognised in investment income as are changes in the fair value of the listed investment portfolio. The Group does not apply hedge accounting for any of its financial instruments.

l. Foreign currencies:

i. Foreign currency denominated assets and liabilities of the Group and its overseas operations are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities and accumulated in net funds.

ii. Income and expenditure for the period are translated at the appropriate rates prevailing during the period, updated on a monthly basis.

iii. Other exchange differences are shown in net income within the statement of financial activities except for exchange differences on monetary items receivable or payable from / to a foreign operation for which settlement is neither planned nor likely to occur (forming part of the net investment in the foreign operations) which are accumulated in net funds.

m. Leases

The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

o. Research and development expenditure

Research expenditure is written off as incurred. Development expenditure, including all costs of developing internally generated intangible assets, is also written off, except for costs of bringing purchased software into use, where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as part of the cost of the purchased software as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between 1 and 10 years. Provision is made for any impairment.

p. Interest receivable

Interest receivable from bank and short term deposits includes interest accrued. Income from listed investments is recorded on an accruals basis when the income becomes payable to the Group.

q. Short-term employee benefits

Short-term employee benefits are recognised as an expense in the period in which they relate.

r. Pensions

For defined benefit schemes the amounts charged to costs of activities for generating funds are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within other finance costs - pensions. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

For defined contribution schemes the amount charged to the statement of financial activities account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

s. Investment in joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

t. Heritage assets

The Group's collection of pictures, furniture and fittings, ship models, books and archive material are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation charged on the grounds that for many of the assets, reliable historical cost information is not available and that the depreciated historical cost of these assets is now immaterial.

u. Provisions

Provision is made on a case-by-case basis in respect of defending claims received and where appropriate, the estimated cost of settling claims. Provisions for employee benefits arising on termination of employment, are recognised when a company is demonstrably committed to a formal plan for termination and is without realistic possibility of withdrawal from the plan.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The Trustees do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Group has long-term customer contracts under which service delivery can extend over a number of years. In accounting for such long-term contracts, an estimate is required of the costs to complete the contract to determine the percentage of completion, which is used to determine the amount of revenue to be recognised. These estimates are used to forecast the ultimate profitability of each contract. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the contract is recognised immediately. If the estimates change, the measurement of the percentage of completion will change, with a consequential remeasurement of cumulative revenue recognised to date on the contract. Consequently the determination of cost estimates on long-term customer contracts that span more than one accounting period are considered a critical judgement. However, there are no such long-term projects that are individually material to the Group's reported result. At 30 June 2022, the Group has recognised £53,997,000 of net deferred income in respect of long term contracts.

Pension plans

The Group operates pension schemes worldwide, including defined benefit pension schemes, the most significant of which is in the United Kingdom. For a description of the related accounting policies, refer to Note 2 above. Changes in significant assumptions could materially affect the amounts, particularly the rate used to discount the projected benefit obligation. Note 24 to the financial statements describes the principal discount rate, salary increase, inflation, mortality and pension payment increase assumptions that have been used to determine the pension and post-retirement charges. The calculation of any charge relating to pensions is dependent on the assumptions used, which reflects the exercise of judgement. The assumptions adopted are based on advice of the Group's actuaries, on prior experience and market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

4. Investment income

	Trading funds £000	General funds £000	Endowment funds £000	Total funds 12 months to 30 June 2022 £000	Total funds 6 months to 30 June 2021 £000
Fixed Interest – UK	2,684	652	—	3,336	1,383
Fixed Interest – Overseas	—	56	—	56	46
Equities – UK	521	1,824	—	2,345	1,003
Equities – Overseas	541	2,223	—	2,764	1,021
Pooled Funds	165	3,478	—	3,643	1,378
Cash Instruments	6	38	—	44	6
	<u>3,917</u>	<u>8,271</u>	<u>—</u>	<u>12,188</u>	<u>4,837</u>
Bank interest	909	26	—	935	1,305
Income from UK investment property	<u>5,034</u>	<u>—</u>	<u>—</u>	<u>5,034</u>	<u>2,647</u>
	<u>9,860</u>	<u>8,297</u>	<u>—</u>	<u>18,157</u>	<u>8,789</u>

5. Income from other trading activities

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Turnover by class of business of the Trading Group:		
Marine and Offshore**	364,297	186,683
Maritime Performance Services **	59,920	25,971
Industrial Digital Products **	17,154	7,640
Business Assurance and Inspection Services*	127,725	155,375
	<u>569,096</u>	<u>375,669</u>

* Business Assurance and Inspection Services operations were discontinued following the disposal of the business to Goldman Sachs Management on 2 December 2021.

** During the year the Trading Group has established a new business line, Maritime Performance Services. The Maritime Performance Services business line focuses on operational efficiency and sustainability solutions. The comparative period has been re-presented to separately show the turnover for this new business line, for which turnover was previously reported within the Marine and Offshore business line and Digital Products. The Digital Products operations not transferred to Maritime Performance Services has been renamed Industrial Digital Products.

Expenditure on raising funds

Costs of raising funds include investment management costs and all expenses of the Trading Group including those attributable to public benefit activities but excluding any charitable donations made directly by the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. Breakdown of total funds for 2021

	Trading funds £000	Trading funds £000	Trading funds £000	General funds £000	Endowment funds £000	Total funds 6 months to 30 June 2021 £000
	Continuing	Discontinued	Total			
Income						
Income from investments:						
Listed investments	1,013	—	1,013	3,824	—	4,837
Property	2,647	—	2,647	—	—	2,647
Other	1,305	—	1,305	—	—	1,305
Income from other trading activities	220,294	155,375	375,669	—	—	375,669
Total income	225,259	155,375	380,634	3,824	—	384,458
Expenditure on raising funds						
Investment management costs	—	—	—	—	(437)	(437)
Cost of other trading activities	(198,371)	(154,569)	(352,940)	—	—	(352,940)
Other finance costs – pensions	(186)	—	(186)	—	—	(186)
Net interest in the results for the period in joint ventures	(336)	—	(336)	—	—	(336)
Other	(26)	—	(26)	—	—	(26)
Total costs of raising funds	(198,919)	(154,569)	(353,488)	—	(437)	(353,925)
Expenditure on charitable activities						
Total grant activities	—	—	—	(2,959)	—	(2,959)
Total direct activities	—	—	—	(3,611)	—	(3,611)
Total expenditure	(198,919)	(154,569)	(353,488)	(6,570)	(437)	(360,495)
Net income / (expenditure) before (losses) / gains on investments	26,340	806	27,146	(2,746)	(437)	(23,963)
Unrealised (losses) / gains on investments	(13,568)	—	(13,568)	(1,547)	(24,749)	(39,864)
Realised gains / (losses) on disposal of investments	8,619	—	8,619	2,195	35,112	45,926
Net income / (expenditure) before taxation	21,391	806	22,197	(2,098)	9,926	30,025
Taxation	(5,583)	(3,208)	(8,791)	—	—	(8,791)
Net income / (expenditure)	15,808	(2,402)	13,406	(2,098)	9,926	21,234
Transfers between funds			(2,021)	2,021	—	—
Acquisition of non-controlling interest			(2,525)	—	—	(2,525)
Foreign exchange differences on translation of net assets of overseas operations			(588)	—	—	(588)
Net actuarial movements on defined benefit pension schemes			14,904	—	—	14,904
Tax relating to components of other comprehensive income			(9,974)	—	—	(9,974)
Net movement in funds			13,202	(77)	9,926	23,051
Funds brought forward			472,165	(19,076)	308,279	761,368
Funds carried forward			485,367	(19,153)	318,205	784,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

7. Analysis of expenditure on charitable activities

Grant making activities:	Grants (note 8)	Direct costs	Support costs	12 months to 30 June 2022 £000
	£000	£000	£000	
Goal 1: Evidence and Insight	410	40	136	586
Goal 2: Challenge area: Safety at Sea	477	47	158	682
Goal 2: Challenge area: Safety of Food	1,107	108	367	1,582
Goal 2: Challenge area: Safety for a Sustainable Future	2,917	407	1,343	4,667
Goal 2: Challenge area: Skills for Safety	1,010	98	335	1,443
Goal 2: Challenge area: Safety of Physical Infrastructure	134	13	44	191
Heritage and education centre	874	85	290	1,249
Foundational *	1,165	191	652	2,008
	8,094	989	3,325	12,408
Unwinding of discounting of grant liabilities	324	—	—	324
Total grant activities	8,418	989	3,325	12,732
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	2,205	667	2,872
Goal 2: Challenge area: Safety of Food	—	158	48	206
Goal 2: Challenge area: Safety for a Sustainable Future	—	139	42	181
Goal 2: Challenge area: Safety of Physical Infrastructure	—	36	11	47
Heritage and education centre	—	1,688	510	2,198
Foundational *	—	234	71	305
Total direct activities	—	4,460	1,349	5,809
	8,418	5,449	4,674	18,541

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

No grant expenditure has been incurred during the year relating to Safety of Digital Systems and Public Understanding of Risk (Goal 2)

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £4,674,000 (6 months to 30 June 2021: £1,478,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £1,795,000 (6 months to 30 June 2021: £737,000) and governance costs of £62,000 (6 months to 30 June 2021: £59,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £62,000 (6 months to 30 June 2021: £59,000).

Analysis of expenditure on charitable activities in the 6 months to 30 June 2021 is shown below.

Grant making activities:	Grants (note 8)	Direct costs	Support costs	6 months to 30 June 2021 £000
	£000	£000	£000	
Goal 1: Evidence and Insight	534	255	239	1,028
Goal 2: Challenge area: Safety at Sea	21	10	9	40
Goal 2: Challenge area: Safety of Food	7	3	3	13
Goal 2: Challenge area: Safety of Digital Systems	333	159	149	641
Goal 2: Challenge area: Public Understanding of Risk	40	19	18	77
Heritage and education centre	90	43	40	173
Foundational *	299	193	181	673
	1,324	682	639	2,645
Unwinding of discounting of grant liabilities	314	—	—	314
Total grant activities	1,638	682	639	2,959
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	1,329	402	1,731
Heritage and education centre	—	1,375	416	1,791
Foundational *	—	68	21	89
Total direct activities	—	2,772	839	3,611
	1,638	3,454	1,478	6,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

8. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded for the year ended 30 June 2022 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Safety for a sustainable future £000	Safety of Physical infrastructure £000	Skills for Safety £000	Heritage And Education Centre £000	Evidence and Insight £000	Foundational £000	Total 12 months to 30 June 2022 £000
Foundation for the Global Compact	1	—	—	—	—	—	—	—	—	250	250
Interferry	1	50	—	—	—	—	—	—	—	—	50
Imperial War Museum	1	—	—	—	—	—	—	500	—	—	500
The University of Manchester	1	—	—	—	—	—	—	—	104	—	104
Accenture	1	119	—	—	—	—	—	—	—	—	119
Detection of hydrogen embrittlement	1	—	—	—	—	—	—	—	—	2	2
FISH Safety Foundation	1	98	—	—	—	—	—	—	—	—	98
Kindling Safety Organisation	1	—	—	—	—	10	—	—	—	—	10
National Safety Council	1	—	—	—	—	200	—	—	—	—	200
RAND Europe Community Interest Company	1	—	—	—	—	—	—	—	95	—	95
Research presentations at Transport Research Board Annual Meeting	1	—	—	—	—	—	—	—	—	2	2
Royal Academy of Engineering Fellowship scheme	1	—	—	—	11	—	—	—	—	—	11
Royal National Lifeboat Institution	1	—	—	—	—	—	10	—	—	—	10
Safe adoption of emerging technologies	1	—	—	—	—	—	—	—	—	87	87
Techshore Inspection Services for International Certifications	1	—	—	—	—	—	—	—	—	2	2
The Resilience Shift for The Resilience Shift	1	—	—	—	3,750	—	—	—	—	—	3,750
TUV SUD Ltd	1	—	—	—	—	100	—	—	—	—	100
UCL	1	—	—	—	—	—	—	—	—	2	2
UN Global Compact Network Norway	1	—	150	—	—	—	—	—	—	—	150
Undertaking a series of development courses	1	—	—	—	—	—	—	—	—	2	2
University of Hull	1	—	—	—	—	—	—	—	—	16	16
University of Southampton	1	—	—	—	—	—	—	—	10	—	10
University of Surrey	1	—	—	—	—	—	—	—	—	10	10
University of Strathclyde	1	—	—	—	—	—	—	—	10	—	10
CNRS Station Biologique de Roscoff	2	—	957	—	—	—	—	—	—	—	957
Nottingham Trent University	1	—	—	—	—	—	—	—	45	—	45
Zero Carbon Green Future	1	—	—	—	—	—	—	—	9	—	8
University College London	1	—	—	—	—	—	—	—	—	657	657
Unicef	1	—	—	—	—	—	—	—	—	100	100
Ocean Decade Heritage Network	1	—	—	—	—	—	—	374	—	—	374
National Safety Council	1	—	—	—	—	—	—	—	148	—	148
The CHIRP Charitable Trust	1	260	—	—	—	—	—	—	—	—	260
Haumaru HS – Micro Credential	1	—	—	—	—	—	—	—	—	8	8
Sustainable Shipping Initiative	1	—	—	—	—	—	—	—	—	10	10
Children's Radio UK	1	—	—	—	—	—	—	—	—	10	10
University of Southampton	1	—	—	—	—	—	—	—	—	10	10
National Safety Council	1	—	—	—	—	—	—	—	—	10	10
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
TWI Ltd – SEASEP	1	—	—	—	—	—	1,000	—	—	—	1,000
Kids Invent Stuff	1	—	—	—	—	—	—	—	—	10	10
Grant adjustments		(50)	—	—	(713)	(176)	—	—	(10)	(33)	(982)
	41	477	1,107	—	3,048	134	1,010	874	410	1,165	8,225
Impact of discounting grants awarded		—	—	—	(131)	—	—	—	—	—	(131)
		477	1,107	—	2,917	134	1,010	874	410	1,165	8,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Grants awarded in the 6 months to 30 June 21 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Public Under standing of Risk £000	Safety of Physical infra-structure £000	Safety for a sustainable future £000	Heritage And education centre £000	Evidence and Insight £000	Found-ational £000	Total 6 months to 30 June 2021 £000
British Science Association	1	—	—	—	40	—	—	—	—	—	40
Cardiff University Seafarers International Research Centre	1	21	—	—	—	—	—	—	—	—	21
Cranfield University	1	—	—	—	—	—	—	—	—	50	50
Delft University of Technology	1	—	—	—	—	—	—	—	—	10	10
Delft University of Technology	1	—	—	—	—	—	—	—	—	21	21
Global Manufacturing Organisation Limited	1	—	—	400	—	—	—	—	—	—	400
History & Policy, King College London	1	—	—	—	—	—	—	—	—	122	122
Hook Marine Ltd	1	—	—	—	—	—	—	—	—	10	10
Lancaster University	1	—	—	—	—	—	—	—	—	10	10
Nottingham Trent University	1	—	—	—	—	—	—	—	—	59	59
Queen's University Belfast	1	—	19	—	—	—	—	—	—	—	19
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
Scense about Science	1	—	—	—	—	—	—	—	384	—	384
SeedPod LLC	1	—	—	—	—	—	—	—	150	—	150
University of Portsmouth Higher Education Corporation	1	—	—	—	—	—	—	90	—	—	90
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	7	7
Grant adjustments		—	(12)	(67)	—	—	—	—	—	—	(79)
16	21	7	333	40	—	—	—	90	534	299	1,324
Impact of discounting grants awarded		—	—	—	—	—	—	—	—	—	—
	21	7	333	40	—	—	—	90	534	299	1,324

9. Grants awarded but not paid

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
At start of period	37,659	42,692
Awarded in the period	9,076	1,403
Unwinding of discounting (note 7)	324	314
Grant adjustments (note 8)	(982)	(79)
Paid in the period	(13,829)	(6,671)
At end of period	32,248	37,659

The aging of grants payable is shown in note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

10. Taxation

The Foundation is a UK registered charity and is not subject to UK corporation tax on its charitable activities.

Many companies and branches within the Trading Group are in jurisdictions where there is no such exemption, and so the overall Group is subject to tax.

	Group	
	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Current tax on profit		
UK corporation tax	54	658
Double tax relief	—	(658)
	54	—
Foreign tax	11,322	12,078
	11,376	12,078
Adjustment in respect of prior periods		
• UK corporation tax	5	28
• Foreign tax	(264)	(539)
Total current tax	11,117	11,567
Deferred tax		
Origination and reversal of timing differences	(7,746)	(4,259)
Adjustments in respect of previous periods	(304)	1,483
Total deferred tax	(8,050)	(2,776)
Total tax on profit	3,067	8,791

The standard rate of tax applied to the reported profit is 19% (2021: 19%).

On 10 June 2021, new measures to increase the main corporation tax rates to 25% from 1 April 2023 were enacted. Deferred tax assets and liabilities have been remeasured for the increased tax rate.

During the year beginning 1 July 2021, the net reversal of deferred tax assets and liabilities is expected to increase the corporate tax charge for the year by £5.0m (2021: £7.0m). This is due to the reversal of timing differences expected within the next 12 months.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Net income before taxation	322,388	30,025
Profit multiplied by the average standard rate of United Kingdom corporation tax of: 19 % (2021: 19%)	61,254	5,705
Effects of:		
• Tax exempt losses / (profits)	5,446	(2,321)
• Overseas rate differences	(1,213)	1,296
• Goodwill amortisation not deductible for tax purposes	1,031	789
• Expenses not deductible for tax purposes / (non-taxable income)	6,893	(175)
• Brought forward unprovided timing differences now recognised in period	(316)	(1,117)
• Impact of UK qualifying corporate donations	(2,016)	—
• Current year unprovided timing differences	4,159	2,281
• Fair value loss / (gain) on investment property not subject to tax	3,629	(299)
• Other taxes	2,989	1,660
• Adjustments in respect of prior periods	(563)	972
• Disposal of subsidiary undertakings including tax cost (note 17)	(78,226)	—
Group tax charge for period	3,067	8,791

In addition to the taxation charge above, tax of £17.2m has been included within transaction costs related to the disposal of BAIS (note 17)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Deferred tax liabilities / (assets)

	2022 £000	2021 £000
At start of period liabilities	9,871	2,936
Arising in the period	943	6,273
Disposal of business	9,321	—
Foreign exchange differences	199	662
At end of period liabilities	20,334	9,871
Deferred tax asset	(14,756)	(20,377)
Deferred tax liability (note 22)	35,090	30,248
	20,334	9,871

Deferred tax is recognised as follows:

Accelerated capital allowances	3,022	2,768
Deferred tax arising in relation to retirement benefit obligations	37,511	26,068
Tax losses	(19,365)	(11,877)
Tax on disposal of business	4,063	—
Other timing differences	(4,897)	(7,088)
	20,334	9,871

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of the financial statements.

Deferred tax assets on short-term timing differences and any overseas losses have not been recognised unless the asset is expected to be recovered in the foreseeable future. Deferred tax assets not recognised amount to £30.5 million (2021: £29.3 million). Unrecognised assets will potentially become recoverable against future profits generated in the relevant overseas operations.

11. Net income / (expenditure) before (losses) / gains on investments

This is stated after charging / (crediting):

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Staff costs (note 12)	352,137	216,635
Charge for bad and doubtful debts	5,162	7,496
Research and development costs	12,534	5,693
Loss on disposal of fixed assets	600	128
Amortisation of intangible fixed assets (note 14)	8,272	4,945
Depreciation of tangible fixed assets (note 15)	6,788	3,988
Amortisation of goodwill (note 14)	5,586	4,269
Rentals payable under operating leases	23,964	15,144
Exceptional costs (note 18)	26,262	6,341
Auditor's remuneration:		
Audit of parent	62	59
Audit of subsidiaries	1,747	1,980
Other services	24	9
Tax compliance services	403	35
Foreign exchange loss / (gain)	652	(3,320)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. Employees

	Trading funds £000	General funds £000	Total funds 12 months to 30 June 2022 £000	Total funds 6 months to 30 June 2021 £000
Wages and salaries	288,559	2,440	290,999	175,256
Social security costs	30,803	239	31,042	21,661
Pension costs (note 24)	29,795	301	30,096	19,718
	349,157	2,980	352,137	216,635

In addition, £5.2 million (6 months to 30 June 2021: £6.3 million) of redundancy costs have been incurred.

The average number of employees, analysed by function was:

	12 months to 30 June 2022 Number	6 months to 30 June 2021 Number
Charitable activities	34	31
Trading activities	4,620	5,943
	4,654	5,974

The Charities SORP, which is applicable to the Foundation, recommends that charities disclose the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards.

Employee benefit banding disclosures for the Foundation only employees are provided on page 65 in compliance with the requirements of the Charities SORP.

In addition, the Trustees are providing summary information on employee benefits in the Foundation's trading subsidiaries (the 'Trading Group'). The emoluments received by employees of the Trading Group in the 12 month period to 30 June 2022 were as follows: 3 employees received over £1,000,000; 5 employees received between £500,001 and £1,000,000; 3 employees received between £400,001 and £500,000; 10 employees received between £300,001 and £400,000; 34 employees received between £200,001 and £300,000; 437 employees received between £100,001 and £200,000; and 1,114 employees received between £60,001 and £100,000.

The Trustees have chosen, however, not to provide this disclosure on a consolidated basis in £10,000 bandings for the employees of the Foundation's trading subsidiaries (the 'Trading Group') as they believe that these disclosures will not be material to users of the Foundation's financial statements for the following reasons:

- In 2012, Lloyd's Register converted its status from an industrial and provident society to a company limited by shares, with the Foundation created as a new parent to hold the shares in Lloyd's Register Group Limited. One of the principal reasons for this action was to facilitate the furtherance of the charitable goals of Lloyd's Register. It is the view of the Trustees, that the employment of individuals within the Trading Group has not arisen from the deployment of the resources of the Foundation, but rather it is the endeavours of past and present employees of the Trading Group that have given rise to the ability to create a charity that is financially strong and that is capable of furthering its charitable objectives. The work of the Trading Group contributes to the achievement of the charitable objectives of the Foundation however to do so it is necessary to recruit employees with the necessary skills by offering employee benefits which are competitive within their respective markets. Accordingly, this disclosure is not necessary to enable potential stakeholders to assess whether the balance between expenditure on employment of individuals to generate trading profits (which benefit the charity) and expenditure on charitable purposes is appropriate.
- The Trading Group had an average of 4,620 employees for the 12 months ended 30 June 2022 (6 months ended 30 June 2021: 5,943). These employees are located throughout the world and their salaries reflect local market conditions. Provision of the disclosure required by the Charities SORP for the consolidated group would not aid comparability with other companies in the Charities sector because of the vast geographical diversity of the Trading Group's employee base and the employee benefits received by Trading Group employees can only be understood in the context of the market trends in the many countries in which the Trading Group operates. The vast majority of the Trading Group's employees are not in roles which exist in other charitable groups, and therefore any benchmarking against similarly sized charitable groups would not be meaningful for stakeholders.

This disclosure addresses the requirement of Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100), which requires that when an entity does not provide a disclosure required by a Statement of Recommended Practice, the financial statements explain which recommended disclosures have not been provided and the reasons why.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

13. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. Trustees received £4,000 for reimbursement for out of pocket expenses (6 months to 30 June 2021: £nil) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

14. Intangible fixed assets

	Group	
	Goodwill	Software and other intangibles*
	£000	£000
Cost:		
At 1 July 2021	111,391	85,416
Additions	9,471	2,435
Disposal of business (note 17)	(68,481)	(17,522)
Exchange adjustment	1,721	—
At 30 June 2022	54,102	70,329
Amortisation:		
At 1 July 2021	52,736	45,066
Charged during the period	5,586	8,272
Disposal of business (note 17)	(28,923)	(12,856)
Exchange adjustment	155	—
At 30 June 2022	29,554	40,482
Net book value:		
At 30 June 2022	24,548	29,847
At 30 June 2021	58,655	40,350

*Other intangibles relate to customer relationships acquired as part of business combinations and were disposed of during the period as part of the sale of the BAIS business.

The rights to software intellectual property relating to geological surveys were acquired in September 2013 for £10,193,000. The carrying amount as at 30 June 2022 was £1,204,000 (30 June 2021: £2,306,000) and the software has an estimated remaining useful life of one year.

The Group has developed a group-wide enterprise resource planning and financial reporting solution. The net book value as at 30 June 2022 was £14,164,000 (30 June 2021: £19,422,000). The intangible asset is being amortised over the estimated useful life of eight years.

The net book value of an operational system specific to our Marine business at 30 June 2022 was £9,976,000 (30 June 2021: £13,301,000). The remaining estimated useful life is four years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Acquisitions

C-MAP commercial

On 16 July 2021, the Group completed the second stage of the acquisition of C-MAP commercial, a leading provider of marine cartography and digital publications, shore-side and shipside voyage optimisation and cloud-based fleet management & fleet analytics software.

The first stage of the acquisition completed in March 2021, representing the operations principally in USA, Norway, Norway, Greece, Singapore and India.

The second stage represents the acquisition of the trade and assets of the technical support operations for consideration of USD \$3.7 million (GBP 2.7 million). The fair value of net assets acquired was £0.1 million, giving rise to goodwill of £2.6 million. The operations primarily relate to the provision of software research and development to other group companies. The acquisition has been accounted for using the acquisition method of accounting. The fair value of net assets acquired was £0.1 million.

	Book value £000	Fair value adjustments £000	Fair value £000
Current assets	82	—	82
	<u>82</u>	<u>—</u>	<u>82</u>
Total consideration payable			2,731
Acquisition costs			—
Less net assets acquired			(82)
Goodwill arising on acquisition			<u>2,649</u>

The useful economic life of the goodwill arising on acquisition is estimated to be 10 years based on the expected life of the marine cartography database and software underpinning the business and is consistent with the initial acquisition.

Intangible assets have not been separately recognised and are subsumed within goodwill. They relate to customer relations, internally developed software and internally generated databases. Lloyd's Register Group Limited has adopted the changes in the FRS102 triennial review, resulting in an accounting policy choice to recognise such intangible assets within goodwill.

The consolidated profit and loss account for the year ended 30 June 2022 includes the results of C-MAP since the acquisition date and contributed £2.8 million of profit after taxation which includes £1.4 million of foreign exchange gains.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Acquisitions (continued)

Green Steam Holdings Limited

In September 2021, the Group completed the acquisition of Green Steam Holdings Limited for consideration of \$2.5 million (GBP 1.8 million), a marine data intelligence company specialising in improving vessel efficiency through machine learning.

The acquisition has been accounted for using the acquisition method of accounting.

	Book value £000	Fair value adjustments £000	Fair value £000
Fixed Assets	6	—	6
Current assets	286	—	286
Cash and cash equivalents	67	—	67
Current liabilities	(5,241)	—	(5,241)
	<u>(4,882)</u>	<u>—</u>	<u>(4,882)</u>
Total consideration payable			1,812
Acquisition costs			128
Add net liabilities acquired			<u>4,882</u>
Goodwill arising on acquisition			<u>6,822</u>

The useful economic life of goodwill arising on acquisition is estimated to be 10 years based on the expected life of the underlying technology acquired.

Intangible assets have not been separately recognised and are subsumed within goodwill. They relate to customer relations, internally developed software and internally generated databases. Lloyd's Register Group Limited has adopted the changes in the FRS102 triennial review, resulting in an accounting policy choice to recognise such intangible assets within goodwill.

The consolidated profit and loss account for the year ended 30 June 2022 includes the results of Green Steam since the acquisition date and contributed £0.6 million to turnover and a £3.6 million loss after taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

15. Tangible fixed assets

	Investment property*	Land and buildings	Leasehold improvements	Office fittings and equipment	Plant and machinery	Computer equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 July 2021	140,563	22,882	19,841	39,539	1,766	55,315	2,022	281,928
Additions	373	5,499	423	625	738	760	109	8,527
Disposal of business	—	—	(3,440)	(4,425)	—	(6,418)	(293)	(14,576)
Revaluations	(19,099)	—	—	—	—	—	—	(19,099)
Disposals	—	—	(2,477)	(1,694)	—	(1,110)	(211)	(5,492)
Exchange differences	—	—	682	848	9	502	60	2,101
At 30 June 2022	<u>121,837</u>	<u>28,381</u>	<u>15,029</u>	<u>34,893</u>	<u>2,513</u>	<u>49,049</u>	<u>1,687</u>	253,389
Depreciation:								
At 1 July 2021	—	14,807	12,311	31,110	879	48,972	1,540	109,619
Charged in year	—	471	1,126	2,491	548	1,994	158	6,788
Disposal of business	—	—	(2,431)	(3,277)	—	(4,482)	(163)	(10,353)
Disposals	—	—	(1,634)	(1,480)	—	(601)	(211)	(3,926)
Exchange differences	—	—	579	640	6	440	33	1,698
At 30 June 2022	<u>—</u>	<u>15,278</u>	<u>9,951</u>	<u>29,484</u>	<u>1,433</u>	<u>46,323</u>	<u>1,357</u>	103,826
Net book value:								
At 30 June 2022	<u>121,837</u>	<u>13,103</u>	<u>5,078</u>	<u>5,409</u>	<u>1,080</u>	<u>2,726</u>	<u>330</u>	149,563
At 30 June 2021	<u>140,563</u>	<u>8,075</u>	<u>7,530</u>	<u>8,429</u>	<u>887</u>	<u>6,343</u>	<u>482</u>	172,309

*79% (2021: 79%) of the mixed used property is classified as an investment property.

Land and buildings includes freehold property in the United Kingdom with a net book value of £12,344,000 (2021: £7,080,000) and estimated market value of £37,500,000 (2021: £41,942,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Heritage Assets

The Group has accumulated a collection of heritage assets as described in the accounting policies. As a result of their age and, in many cases, unique nature reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. The latest insurance valuation of these assets was £7.0 million.

Investment property

Investment property includes one freehold property that is in mixed functional and investment use. Areas of the building occupied by or marketed to third party tenants are deemed to be in investment property use and are held at market value. A proportion of 79% (2021: 79%) is deemed an investment property, based on the value of space let or marketed to third party tenants. The property valuation, with an effective date of 30 June 2022, was carried out on a market value basis by a surveyor holding a qualification from the Royal Institution of Chartered Surveyors who has recent experience in the location and class of investment property valued. If the investment property had not been revalued it would have been included at £25,642,000 (2021: £27,069,000).

Significant assumptions included in the valuation of the investment property include current investment yields and estimated future rental values, having regard to the age and general condition of the property.

As set out in note 4, rental income from investment properties for the 12 months ended 30 June 2022 was £5,034,000 (6 months ended 30 June 2021: £2,647,000).

The Group leases the investment property to a portfolio of tenants. Lease agreements are up to 20 years and typically include rent review clauses. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2022 £000	2021 £000
Within one year	5,375	6,116
In the second to fifth years inclusive	21,384	22,227
After five years	17,742	22,282
	44,501	50,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

16. Investments

	2022 £000	2021 £000
Listed investments at market value comprise:		
Fixed Interest – UK	105,797	92,336
Fixed Interest – Overseas	268	1,561
Equities – UK	84,028	45,766
Equities – Overseas	186,914	134,995
Pooled Funds	154,803	107,825
Derivatives	105	(563)
Cash Instruments	17,740	3,927
	549,655	385,847
Cash at investment managers and accrued interest	30,758	3,038
	580,413	388,885
Long-term loans	102	127
	580,515	389,012
Investments in joint ventures: share of net assets	116	275
	580,631	389,287

Listed investments and cash held by investment managers

	2022 £000	2021 £000
At start of period	385,847	391,544
Additions at cost	421,603	132,581
Disposals proceeds	(202,632)	(142,767)
Realised gains on disposals	(9,938)	45,926
Unrealised (losses) / gains	(45,225)	(41,437)
At end of period	549,655	385,847
Cash held by investment managers and accrued interest	30,758	3,038
	580,413	388,885

Subsidiaries

A complete list of the subsidiaries and joint ventures is included in note 32.

Joint ventures

The following entities are treated as joint ventures of the Group:

Company	Share of company owned	Country of incorporation and registration	Principal activity
Lloyd's Maritime Information Services Ltd	50%	United Kingdom	Dormant
Common Structural Rules Software LLC	50%	United States of America	Software development

The shareholders' agreements in place for the above entities means that Lloyd's Register Group Limited does not have overall control of the Company despite the nominal level of ownership.

The following shows the share of net assets recognised by the Group for these entities:

	Group 2022 £000	2021 £000
Lloyd's Register Apave Limited*	—	160
Lloyd's Maritime Information Services Limited	116	115
Common Structural Rules Software LLC	—	—
	116	275

At 30 June 2022 Common Structural Rules Software LLC joint venture had net liabilities. The Group's share of the net liabilities amounted to £34,000 (2021: £130,000) and was recognised within other provisions.

*Lloyd's Register Apave Limited was disposed of as part of the disposal of the BAIS business to Goldman Sachs Asset Management on 2 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

17. Sale of subsidiary undertaking

On 2 December 2021 the Group completed the disposal of the majority of its Business Assurance and Inspection Services (BAIS) business comprising certain legal entities as well as certain business assets to Goldman Sachs Asset Management. The results of the BAIS business for the period to 2 December 2021 and the six month period to 30 June 2021 are disclosed as discontinued operations in the Group's consolidated statement of financial activities.

Net assets disposed of and the related sale proceeds were as follows:

	Total £000
Fixed Assets	9,190
Current Assets	128,912
Creditors	(53,951)
Provisions for liabilities	(6,215)
Pension liability	(36,010)
Net assets	<u>41,926</u>
Goodwill	39,558
Sale proceeds	540,840
Disposal costs	50,095
Profit on disposal	<u>409,261</u>
Net cash inflows / (outflows) in respect of the sale comprised:	
Cash and cash equivalents received	514,675
Less: cash and cash equivalents disposed of	(24,457)
Disposal costs	<u>(33,971)</u>
	<u>456,247</u>

Disposal costs include £17.2m of taxation costs incurred relating to the group reorganisation required as part of the disposal of the BAIS business.

18. Trading Group

The Foundation has a social investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry.

The summarised financial information of the consolidated Trading Group position is provided below, as per the Trading Group consolidated accounts for the 12 month period ended 30 June 2022.

	12 months to 30 June 2022 £000	6 months to 30 June 2021 £000
Turnover	569,096	375,669
Cost of sales	<u>(362,211)</u>	237,164
Gross profit	206,885	138,505
Administrative expenses	<u>(215,881)</u>	(114,983)
Administrative expenses before exceptional costs	<u>(189,619)</u>	(108,642)
Operating profit before exceptional costs	17,266	29,863
Exceptional costs	<u>(26,262)</u>	(6,341)
Operating (loss) / profit	(8,996)	23,522
Profit on disposal of discontinued operations	409,261	—
Share of net operating loss of joint ventures	<u>(480)</u>	(336)
Net investment income	(38,158)	(92)
Other finance costs	<u>—</u>	(186)
Profit before taxation	361,627	22,908
Taxation on profit	<u>(3,067)</u>	(8,791)
Profit for the financial period	<u>358,560</u>	<u>14,117</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

	30 June 2022 £000	30 June 2021 £000
Assets	1,351,943	1,033,901
Liabilities	(454,960)	(548,534)
Net Assets	896,983	485,367
Shareholder's funds	896,983	485,367

Exceptional costs within administrative expenses

The Group has continued to incur material administrative expenses associated with its restructuring and development programmes. The costs related to:

- operating lease surrender costs of £17.1m following a review of the Group's office requirements;
- redundancy and severance costs incurred of £5.2m (2021: £6.3m) relating to the restructure of the Group's financial operating model; and
- voluntary repayment of £4.0m of Government grants received as part of government initiatives to provide financial support as a result of Covid-19.

19. Debtors

	2022 £000	2021 £000
Trade debtors	131,204	118,284
Other debtors	41,339	6,852
Prepayments and accrued income	68,609	86,929
Taxation recoverable	14,276	14,972
	255,428	227,037

20. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	23,082	21,358
Grants payable	20,301	20,888
Other creditors	4,344	2,418
Other taxation and social security	1,948	14,156
Taxation	23,079	15,188
Accruals and deferred income	151,935	174,021
	224,689	248,029

21. Creditors: amounts falling due after one year

	2022 £000	2021 £000
Grants payable	11,947	16,771
	11,947	16,771

The timing of grants payable is shown in the table below:

	2022 £000	2021 £000
Due within one year	20,301	20,888
Due within 1-2 years	7,095	15,016
Due within 2-5 years	5,333	2,429
Impact of discounting	(481)	(674)
	11,947	16,771
Net grants payable	32,248	37,659

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

22. Provisions for liabilities

	Legal claims £000	Employee related £000	Onerous lease £000	Deferred tax £000	Other £000	Total £000
At 1 July 2021	3,695	20,703	17,943	30,248	11,907	84,496
Exchange revaluation	40	245	93	44	92	514
(Credited) / charged to profit and loss account	(1,458)	11,552	—	(3,903)	5,875	12,066
Charged to other comprehensive income	—	—	—	8,993	—	8,993
Utilisation of provision	(164)	(11,605)	(566)	—	(1,432)	(13,767)
Disposal of business	(149)	(4,397)	(74)	(292)	(655)	(5,567)
At 30 June 2022	<u>1,964</u>	<u>16,498</u>	<u>17,396</u>	<u>35,090</u>	<u>15,787</u>	<u>86,735</u>

Legal claims: In the normal course of business, Lloyd's Register Group entities may receive claims for compensation from clients. Substantial insurance cover is carried for this purpose. Where appropriate, provision is made for the uninsured costs arising from such claims. Adequate provision has been made for the claims notified. The timing on these liabilities is dependent upon the conclusion of the continuing legal proceedings which typically span several years.

Employee related: Provision is made for redundancy and relocation costs with respect to the restructuring programmes in addition to certain employee benefits, including £1.2m (2021: £4.7m) relating to the settlement of Netherlands pension obligations, and repatriation of expatriate workers and other employment related costs. Settlement of these provisions is expected within two years.

Deferred tax: Liabilities are recognised in relation to deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax.

Onerous lease: Provision is made for the future anticipated rent expense and related costs of leasehold property (net of estimated sublease income) where the space is vacant or currently not planned to be used for ongoing operations. Settlement of these provisions is expected within 11 years.

Other: Included in this category are provisions maintained to meet contractual obligations to perform restoration on leasehold properties on exit. In addition, provision is made for losses on long-term contracts, expected liabilities on self-insurance programmes, a share of net liabilities of joint ventures and other project related costs. With the exception of a small number of leasehold properties, settlement of these provisions is expected within 10 years.

23. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit and loss are summarised by category below.

	2022 £000	2021 £000
Financial assets		
Investments in listed investments (note 16)	549,655	385,847

The Group's gains and losses in respect of financial instruments are summarised in note 11. The fair value of investments in listed investments is measured using quoted market prices in an active market.

24. Retirement benefits

Defined benefit pension schemes

Worldwide

The Group operates pension schemes in many of the countries in which the Group operates including defined benefit final salary schemes. Assets of certain schemes are held separately from those of the Group ('funded' schemes) whilst others are unfunded.

UK

The main funded scheme, the Lloyd's Register Superannuation Fund Association was closed to future accrual from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The most recent completed valuation was carried out as at 31 March 2019. This showed that the funding position of the scheme had declined from the previous valuation. The funding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

shortfall was £17m for the 2019 valuation, a decrease from £81m in the previous valuation's Recovery Plan as at 31 March 2016. In the year ended 30 June 2022, special contributions of £13.5m (6 months to 30 June 2021: £5.3m) were paid. The £13.5m includes a £12.0m payment which arose when a participating employer was removed from a multi-employer scheme as part of the BAIS business disposal.

Other long-term employee benefits

The Group also contributes to other long-term schemes which provide other benefits. Significant employee benefits are as follows:

- USA: provision of medical insurance for retired employees subject to age qualification restrictions. This benefit is unfunded with an obligation at 30 June 2022 of £1.1m (2021: £1.2m).
- Korea: provision of a statutory lump sum payable to qualifying employees on leaving service. This is a funded benefit with an obligation at 30 June 2022 of £9.8m (2021: £12.7m), assets of £3.9m (2021: £4.8m) a net obligation of £5.9m (2021: £7.5m).
- UK: the UK has other benefits schemes. These benefits are unfunded with an obligation at 30 June 2022 of £7.3m (2021: £9.8m).

Other long-term employee benefits included within provisions (note 22)

Long-term unfunded employee benefits included within provisions are:

- UK: £9.1m (2021: £7.6m) in respect of the Executive Directors and Executive Leadership team participate in a Long Term Incentive Plan described in more detail in the Remuneration Committee report of Lloyd's Register Group Limited.
- Australia: £1.7m (2021: £1.6m) provision for paid sabbatical leave.

Assumptions

The disclosures have been calculated by qualified independent actuaries, based on the assumptions of the Directors and the most recent full actuarial valuations for funded schemes (completed at various dates) and updated to 30 June 2022.

The value of the defined benefit liabilities has been measured using the projected unit method.

The financial assumptions used at 30 June 2022 and 30 June 2021 for the different areas are summarised below.

	UK ⁽¹⁾		Japan ⁽²⁾		Eurozone ⁽³⁾		Rest of the World ⁽⁴⁾	
	2022	2021	2022	2021	2022	2021	2022 ⁽⁵⁾	2021 ⁽⁵⁾
Liabilities:	%	%	%	%	%	%	%	%
Rate of price inflation	3.2	3.2	1.0	1.0	2.0	1.8	2.0 to 3.3	2.0 to 5.0
Rate of increase in salaries	n/a	n/a	1.8	1.8	2.0	1.8	2.0 to 5.5	1.8 to 4.5
Rate of increase in pensions	Various	Various	0.8	0.8	Nil to 2.0	Nil to 1.8	3.3 to 5.0	2.0 to 5.0
Discount rate	3.9	1.9	0.9	0.5	2.5 to 3.1	0.5 to 1.3	4.4 to 7.9	2.5 to 6.8

(1) Main United Kingdom funded scheme.

(2) Japanese unfunded liability.

(3) The Eurozone rates have been used to assess the overall deficit within the separate funded schemes in Europe.

(4) This represents a grouped disclosure for the remaining liabilities.

(5) Represents the range of assumptions used for the countries covered in the region.

For mortality tables, the Group has used various different tables appropriate to the territory under review.

The most significant contribution to the Group pension liability is from the United Kingdom. The base mortality table for the UK and the weightings applied to it are unchanged from the last financial reporting period and in line with the best estimate assumption derived as part of the assumption setting process for the latest completed statutory funding valuation. The future mortality improvement model has been updated since the last financial reporting period to reflect the latest analysis from the Continuous Mortality Investigation (CMI). The UK mortality assumption adopted for the 30 June 2022 accounts is the self-administered pension schemes (SAPS) "S3NA" tables with a 100% (102%) weighting for males (females) and future long term improvements based on the CMI 2021 model with a long-term improvement rate of 1.25% p.a., a smoothing parameter of 7.5, an initial addition parameter of nil and no weighting placed on mortality experience data in 2020 and 2021.

The assumptions shown above are arrived at following discussion with, and in accordance with advice received from the scheme actuaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Amounts recognised in the consolidated balance sheet:

	United Kingdom		Japan		Eurozone		Rest of the World		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	36.1	56.3	—	—	—	0.3	1.1	0.4	37.2	57.0
Equity instruments	—	—	—	—	2.3	3.1	19.3	27.9	21.6	31.0
Debt instruments	877.3	1,055.5	—	—	2.8	3.6	38.1	34.7	918.2	1,093.8
Other	—	5.8	—	—	11.7	15.1	8.1	8.6	19.8	29.5
Market value of assets	913.4	1,117.6	—	—	16.8	22.1	66.6	71.6	996.8	1,211.3
Present value of scheme liabilities	(740.7)	(980.8)	—	—	(17.0)	(22.2)	(59.5)	(70.0)	(817.2)	(1,073.0)
	172.7	136.8	—	—	(0.2)	(0.1)	7.1	1.6	179.6	138.3
Present value of unfunded liabilities	(7.3)	(9.8)	(34.3)	(48.0)	(36.8)	(69.8)	(78.6)	(99.6)	(157.0)	(227.2)
Net pension asset / (liability)	165.4	127.0	(34.3)	(48.0)	(37.0)	(69.9)	(71.5)	(98.0)	22.6	(88.9)

The net pension asset / (liability) is reported on the balance sheet as:

	30 June 2022	30 June 2021
	£m	£m
Pension surplus	187.0	148.4
Pension liability	(164.4)	(237.3)
Net pension asset / (liability)	22.6	(88.9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Amounts recognised within income and expenditure (statement of financial activities):

	12 months to 30 June 2022 £m	6 months to 30 June 2021 £m
Current service cost	4.8	3.3
Curtailment losses	0.3	0.2
Administrative expenses	1.4	0.6
	<u>6.5</u>	<u>4.1</u>
Interest cost on schemes' liabilities	22.8	9.3
Interest income on schemes' assets	(22.8)	(9.1)
Total amount included under Other finance costs	<u>—</u>	<u>0.2</u>

In addition, there is a charge in respect of contributions to defined contribution plans for the year of £23.3m (6 months to 30 June 2021: £15.2m).

The actual return on scheme assets for the year to 30 June 2022 was a loss of £191.3m (6 months to 30 June 2021: loss of £39.3m).

Amounts recognised in the Consolidated Statement of Comprehensive Income (statement of financial activities):

	12 months to 30 June 2022 £m	6 months to 30 June 2021 £m
Loss on pension scheme assets	(214.2)	(48.4)
Experience gains	(39.8)	2.3
Change in assumptions	307.9	(61.0)
Actuarial gain	<u>53.9</u>	<u>14.9</u>

Changes in the present value of the defined benefit obligations are as follows:

	12 months to 30 June 2022 £m	6 months to 30 June 2021 £m
Opening defined benefit obligation	(1,300.2)	(1,390.8)
Current service cost	(4.8)	(3.3)
Curtailment losses	(0.3)	(0.2)
Member contributions	—	—
Interest cost	(22.8)	(9.3)
Actuarial gain	268.1	63.3
Exchange (loss) / gain	(2.4)	10.4
Benefits paid	50.1	29.7
Disposal of business	38.1	—
Closing defined benefit obligation	<u>(974.2)</u>	<u>(1,300.2)</u>

Changes in the market value of plan assets are as follows:

	12 months to 30 June 2022 £m	6 months to 30 June 2021 £m
Opening market value of plan assets	1,211.3	1,270.0
Expected return on plan assets	22.8	9.1
Benefits and expenses paid	(51.5)	(30.3)
Employer contributions	24.0	12.7
Actuarial loss on assets	(214.2)	(48.4)
Exchange gain / (loss)	6.5	(1.8)
Disposal of business	(2.1)	—
Closing market value of plan assets	<u>996.8</u>	<u>1,211.3</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

25. Contingent liabilities

	2022 £000	2021 £000
In respect of bank guarantees	3,585	7,212
Escrow account for pension schemes	51,819	68,653
	55,404	75,865

The Group has issued guarantees to its customers and other stakeholders in relation to its contractual operations in compliance with local legislation and industry practice. The Directors do not assess the likelihood of transferring economic benefits in respect of these guarantees to be probable. No associated liability has been recognised on the Group's Consolidated Balance Sheet.

Listed investments and cash held at investment managers includes £51.8 million (2021: £68.7 million) which is held in a ring fenced portfolio relating to the funding of pension liabilities outside of the UK.

26. Operating lease commitments

At 30 June 2022, the Group had total future lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022 £000	2021 £000	2022 £000	2021 £000
Within one year	8,233	15,973	3,744	7,322
Between two to five years	22,103	36,673	5,154	11,403
After five years	15,122	48,434	—	—
	45,458	101,080	8,898	18,725

27. Funds

Trading funds are the retained reserves of the Trading Group, and include the Trading Group's pension deficit.

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2022					
Trading funds	485,367	988,217	(580,458)	3,857	896,983
Unrestricted funds - general funds	(19,153)	8,297	(18,541)	3,739	(25,658)
Endowment funds:					
Expendable endowment	318,205	—	(865)	(24,869)	292,471
	784,419	996,514	(599,864)	(17,273)	1,163,796
30 June 2021					
Trading funds	472,165	380,634	(353,488)	(13,944)	485,367
Unrestricted funds - general funds	(19,076)	3,824	(6,570)	2,669	(19,153)
Endowment funds:					
Expendable endowment	308,279	—	(437)	10,363	318,205
	761,368	384,458	(360,495)	(912)	784,419

Other movements include realised and unrealised gains and losses on investment assets, taxation change and also include transfers between funds, foreign exchange differences on the translation of net assets in overseas operations, share of loss of joint venture transferred to goodwill following step acquisition and actuarial movements relating to defined benefit pension schemes.

Transfers between funds relates to a gift from the Trading Group to the Foundation and grants from the Foundation to the Trading Group.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep £100.0m of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were subsequently amended to increase the contingent asset to £125.0m and extend the period at least until the 31 March 2022 valuation has been approved, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

28. Revaluation reserve

	Brought forward £000	Unrealised gains arising in year £000	Released from revaluation reserve in period and other movements £000	Total £000
30 June 2022				
Trading funds – listed investments	(5,966)	(26,099)	(2)	(32,067)
Trading funds – investment property	76,216	(19,099)	—	57,117
Unrestricted – general funds	7,078	(1,135)	(434)	5,509
Endowment funds:				
Expendable endowment	93,054	(17,991)	(6,878)	68,185
	<u>170,382</u>	<u>(64,324)</u>	<u>(7,314)</u>	<u>98,744</u>
30 June 2021				
Trading funds – listed investments	9,175	(15,141)	—	(5,966)
Trading funds – investment property	74,643	1,573	—	76,216
Unrestricted – general funds	6,430	(1,547)	2,195	7,078
Endowment funds:				
Expendable endowment	82,691	(24,749)	35,112	93,054
	<u>172,939</u>	<u>(39,864)</u>	<u>37,307</u>	<u>170,382</u>

29. Fund distribution

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2022 £000
Non-current assets	691,983	1,862	292,471	986,316
Current assets	657,373	7,834	—	665,207
Creditors: amounts falling due within one year	(203,869)	(20,820)	—	(224,689)
Creditors: amounts falling due after one year	—	(11,947)	—	(11,947)
Provisions	(86,735)	—	—	(86,735)
Pension deficit	(164,356)	—	—	(164,356)
Inter-fund balance	2,587	(2,587)	—	—
	<u>896,983</u>	<u>(25,658)</u>	<u>292,471</u>	<u>1,163,796</u>
	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2021 £000
Non-current assets	509,166	2,027	318,205	829,398
Current assets	523,585	18,008	—	541,593
Creditors: amounts falling due within one year	(226,762)	(21,267)	—	(248,029)
Creditors: amounts falling due after one year	—	(16,771)	—	(16,771)
Provisions	(84,496)	—	—	(84,496)
Pension deficit	(237,276)	—	—	(237,276)
Inter-fund balance	1,150	(1,150)	—	—
	<u>485,367</u>	<u>(19,153)</u>	<u>318,205</u>	<u>784,419</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

30. Reconciliation of operating surplus to net cash outflow from operating activities

	2022 £000	2021 £000
Net income resources before taxation and other recognised gains and losses	396,650	23,963
Profit on disposal of discontinued operations	(409,261)	—
Net interest in the results for the period in joint ventures	480	336
Pension interest cost	—	186
Loss on disposal of fixed assets	600	128
Exchange adjustment	17,018	(5,851)
Depreciation	6,788	3,988
Amortisation and impairment charges relating to intangibles	13,858	9,214
(Increase) / decrease in debtors	(95,014)	12,011
Increase in creditors	7,494	5,653
Decrease in provisions	(3,635)	3,266
Foreign tax paid	(13,010)	(10,127)
Foreign tax received	3,025	10,851
Defined benefit contributions in excess of funds charges	(17,829)	(8,758)
Curtailment loss	303	157
Net investment income	(17,963)	(8,681)
Cash (used) / generated in operations	<u>(110,496)</u>	<u>36,336</u>

Cash at bank and in hand includes cash held in local bank accounts in countries where exchange controls or other legal restrictions mean the balances are not available for general use by the Company or other Group subsidiaries. In total, £12.2m (2021: £12.4m) of cash was held by overseas entities which cannot be remitted to other Group entities. In addition to these balances, the immediate movement of cash assets held by other Group entities is subject to compliance with local regulation and legal restrictions; however the Group does not consider this cash unavailable for use by the Group. Countries where such restrictions exist and significant cash balances are held are China £33.3m (2021: £13.5m) due to exchange controls and Korea £23.5m (2021: £17.4m) where remittance is permitted following external audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

31. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

The Foundation defines its key management personnel as the Board of Directors and the Executive Leadership Team. The total remuneration for key management personnel for the 12 month period to 30 June 2022 totalled £9,273,000 (6 months to 30 June 2021: £4,554,000).

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100%:

	Turnover arising from trading with other LR Group companies	Operating costs charged by LR Group companies	Amounts owed (to) / from Group companies at 30 June 2022
	£000	£000	£000
Subsidiaries			
i4Insight, Inc	3	—	(5,389)
Lloyd's Register International (Thailand) Ltd*	136	(54)	—
Lloyd's Register Middle East LLC Abu Dhabi	2,069	(2,489)	(4,563)
Lloyd's Register Oman LLC	182	(524)	1,730
Lloyd's Register Qatar LLC	601	(687)	1,065
Lloyd's Register Services (Malaysia) Sdn. Bhd	94	(48)	(219)
Joint ventures			
Lloyd's Register Apave Limited*	—	(870)	—

*Lloyd's Register Apave Limited and Lloyd's Register International (Thailand) Ltd were disposed of as part of the disposal of the BAIS business to Goldman Sachs Asset Management on 2 December 2021.

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the 6 months to 30 June 2021:

	Turnover arising from trading with other LR Group companies	Operating costs charged by LR Group companies	Amounts owed (to) / from Group companies at 30 June 2021
	£000	£000	£000
Subsidiaries			
i4Insight, Inc	—	—	(1,712)
Lloyd's Register International (Thailand) Ltd	184	(209)	1,703
Lloyd's Register Middle East LLC Abu Dhabi	1,142	(1,894)	(3,169)
Lloyd's Register Oman LLC	137	(303)	1,688
Lloyd's Register Qatar LLC	300	(382)	588
Joint ventures			
Lloyd's Register Apave Limited	—	(1,116)	(622)

During the period the Group has increased its investments in Common Structural Rules Software LLC from \$21,075,000 to \$21,975,000. The Group's investment in i4Insight has remained at \$5,200,000.

The Group provides administrative services to the Group's pension schemes. The following transactions took place between the Group and Lloyd's Register Superannuation Fund Association.

	2022 £000	2021 £000
Administrative services provided	240	120
Administrative services payable	240	20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

32. Group companies

The following are the subsidiaries and joint ventures of the Group at 30 June 2022. All subsidiaries are consolidated. Details are given of the principal country of operation. The equity share capital of these entities is wholly owned by the Group except where its percentage interest is shown otherwise. All companies are incorporated in their principal country of operation except where stated.

There are five entities included in the below list where the Group owns less than 50% of the subsidiary. All of these entities are incorporated in countries where local legislation requires local nationals to hold at least 50% of the issued share capital of each company. For each of these entities, arrangements exist which afford the Group control of the company's financial and operating policies so as to obtain benefit from its activities.

Company	Country of Origin	Registered Address	% of Ownership
Classification and Quality Services Ltd	UK	71 Fenchurch Street, London, England, EC3M 4BS	100
Classification Holdings Ltd	UK		100
Lloyd's Maritime Information Services Ltd	UK		50
Lloyd's Register Asia ¹	UK		100
Lloyd's Register Asia Trustees Limited ¹	UK		100
Lloyd's Register Central and South America Ltd ¹	UK		100
Lloyd's Register EMEA ¹	UK		100
Lloyd's Register EMEA Trustees Ltd ¹	UK		100
Lloyd's Register GMT Ltd	UK		100
Lloyd's Register Group Services Limited ¹	UK		100
Lloyd's Register International ¹	UK		100
Lloyd's Register Limited	UK		100
Lloyd's Register Nominee 1 Ltd	UK		100
Lloyd's Register Nominee 2 Ltd	UK		100
Lloyd's Register of Shipping Trust Corporation Limited	UK		100
Lloyd's Register Trust Corporation Limited	UK		100
Lloyd's Register Superannuation Trustees Ltd	UK		100
Seasafe Marine Software & Computation (UK) Ltd	UK		100
Lloyd's Register Marine Limited ¹	UK		100
Safetytech Accelerator Limited ¹	UK		100
Green Steam Holdings Limited	UK		100
Greensteam Vessel Optimisation (UK) Limited	UK		100
Lloyd's Register Finance Limited	UK	Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU	100
Senergy Holdings Ltd ¹	UK		100
Interactive Petrophysics Limited	UK		100
Senergy Resources Limited	UK		100
Lloyd's Register Digital Products Limited	UK		100
Lloyd's Register Aligned Services Limited	UK	Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100
71FS Insurance Company Limited ¹	GUERNSEY		100
Lloyd's Register Algeria SARL	ALGERIA	Business Center Tower - Algeria Business Center – 11e Etage, Pins maritimes, Mohammadia, Algiers, Algeria	49
Lloyd's Register Bangladesh Pvt Ltd	BANGLADESH	11 th Floor, 9 Mohakhali C/A, Dkaka – 1212, Dhaka, Bangladesh	100
Lloyd's Register Drilling Integrity Services Australia Pty Ltd	AUSTRALIA	Level 1, 503 Murray Street, Perth WA 6000, Australia	100
Lloyd's Register Belgie vzw ¹	BELGIUM	Lloyd's Register Belgie VZWD, Rijnkaai 37, 20000 Antwerp, Belgium	100
Lloyd's Register Maritiem België BV	BELGIUM	Jan van Gentstraat 7 bus 202, 2000 Antwerpen, Belgium	100
Lloyd's Register Do Brasil Ltda	BRAZIL	Rua da Gloria, 311-11, Andar, Rio de Janeiro, RJ, 20.241.180, Brazil	100
Lloyd's Register Canada Limited	CANADA	5121 Sackville Street, Suite 700, Sovereign Place, Halifax, B3J 1K1, NS, Canada	100
MARTEC Limited	CANADA	237 Brownlow Avenue, Suite 200, Dartmouth, B3B 2C7, NS, Canada	100
Lloyd's Register Classification Society (China) Co Ltd	CHINA	19 th Floor, 550 Yan An dong Road, Huangpu District, Shanghai, China	100
Lloyd's Register Advisory Services China(Shanghai) Co Ltd	CHINA	Room 1906,	100
Lloyd's Register Central and South America (Curaçao) NV	CURAÇAO	No.550 Yan'an East Road, Huangpu District, Shanghai, China Alablancaweg No. 30 Wilhelminalaan 13, Curaçao	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Green Steam Vessel Optimisation Denmark ApS	DENMARK	c/o Lloyds Register, Strandvejen 104, 1 Hellerup, 2900, Denmark	100
Hanseaticsoft ApS	DENMARK	c/o Sonderjyllands Revision – Torvegade 6, 6330 Padborg Denmark	100
Lloyd's Register Egypt LLC	EGYPT	Apartment no 303-3 rd Floor, 13 Ramo Gardens Street – EL Nasr Road, Nasr City, Cairo, Egypt	100
Hanseaticsoft GmbH	GERMANY	Frankenstraße 29, 20097 Hamburg, Germany	100
Lloyd's Register Marine Deutschland GmbH	GERMANY	Überseeallee 10, Hamburg, 20457, Germany	100
Hellenic Lloyd's SA	GREECE	348 Syggrou Avenue, Kallithea, Athens, 17674, Greece	100
Lloyd's Register Guyana Inc	GUYANA	Unit 1, Upper Level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana	100
Lloyd's Register Advisory (Hong Kong) Co., Ltd	HONG KONG	RMS 5304-5305, 53/F Hopewell CTR 183 Queen's road East Wan Chai, Hong Kong	100
Lloyd's Register Italia S.R.L. ¹	ITALY	Via Sottoripa 1A/112, 16124 Genova GE, Italy	100
Lloyd's Register Industrial Services (India) Pvt Ltd ¹	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai, 400 059, India	51
Lloyd's Register Marine and Offshore Services (India) LLP	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai, 400 059, India	100
Lloyd's Register Kazakhstan LLP	KAZAKHSTAN	29/6 Satpayev Street, Floor, Rakhat Palace Hotel, Almaty, Kazakhstan	100
Lloyd's Register Advisory Services (Korea) Ltd	KOREA	(CJ Logistics Bldg., Joongang-dong 6-ga) 10F, 119, Daegyo-ro, Jung-gu, Busan	100
Lloyd's Register of Shipping (Malaysia) Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	100
Lloyd's Register Services (Malaysia) Sdn. Bhd ¹	MALAYSIA	Level 18, 18-102 Equatorial Plaza, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	49
Lloyd's Register Mozambique Lda	MOZAMBIQUE	1 Bairro da Polana, Av. Marginal Tenente Ovaldo Tazama Torres Rani Torre 1, 2 Piso, Fraccao 5, Mozambique, Maputo	100
LR Advisory Services BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Lloyd's Register Maritiem Nederland BV	NETHERLANDS	George Hintzenweg 77, 3068 AX Rotterdam, The Netherlands	100
Lloyd's Register EMEA (Nigeria) Ltd Gte	NIGERIA	6th Floor, B Wing, Shippers Plaza, 4 Park Lane, Apapa, Lagos, Nigeria	100
Lloyd's Register West Africa Ltd	NIGERIA	The Pro Space Centre, 18 Olu Holloway Road, Ikoyi, Lagos, Nigeria	100
Lloyd's Register Voyage AS	NORWAY	Elganeveien 1, 4370 Egersund, Norway	100
Lloyd's Register Oman LLC	OMAN	Bait Al Bahja, Building No 603, Room 21, Way No 2710, Ruwi CBD, Muscat, Sultanate of Oman	70
Lloyd's Register Marine Polska Sp Zoo	POLAND	Al. Zwyciestwa 13a, 80-219, Gdansk, Poland	100
Vesopt Poland Sp Zoo	POLAND	Rondo Organizacji Narodow Zjednoczonych, 1, Xxv P., Warszawa, 00-124, Warszawa, Polska	100
Lloyd's Register Qatar LLC	QATAR	Regus Building D-Ring Road, Doha, PO Box 10285, Qatar	49
Lloyd's Register (Romania) SRL	ROMANIA	Sos. Iancului 31, Etaj 3, 021716 Bucuresti, Romania	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Voyage RUS LLC	RUSSIA	Office 1-H, room № 57, liter H, house 8, Line 21 Vasilievsky Island, St. Petersburg, Russia, 199106	100
Lloyd's Register Saudi Arabia Ltd	SAUDI ARABIA	Office Number 7 Second Floor, West Tower Building, AL Khobar, Abdul Azeez Street, Saudi Arabia	100
Lloyd's Register D.O.O. (Beograd)	SERBIA	Vojvode Stepe 78, Beograd, Serbia	100
Lloyd's Register Signapore Pte Limited	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588 Singapore	100
Lloyd's Register Pte. Ltd	SINGAPORE	9 North Buona Vista Drive, #02-01, The Metropolis, 138588 Singapore	100
Lloyd's Register RiskSpectrum AB	SWEDEN	Box 1288, 172 25 Sundbyberg, Sweden	100
Lloyd's Register Marine Taiwan Ltd	TAIWAN	14F., No 137, Sec. 2, Nanjing E. Road. Zhongshan Dist. Taipei City 104475, Taiwan	100
Lloyd's Register Gozetim Ltd Sti	TURKEY	19 Mayıs Mah. Atatürk Caddesi, Sitkibey Plaza, No 82 Kat 3 No. 12, Kadıköy, Istanbul, Turkey	100
Lloyd's Register (Ukraine)	UKRAINE	63 Bolshaya Morskaya Street, Office 203, Mykolaiv, 54001, Ukraine	100
Lloyd's Register Middle East LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Middle East & Africa Advisory Services LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Americas, Inc. ¹	USA	1330 Enclave Parkway, Houston, Texas, 77077, USA	100
Common Structural Rules Software LLC	USA	16855 Northchase Drive, Houston, TX 77060, USA	50
Lloyd's Register North America, Inc.	USA	1330 Enclave Parkway, Houston, TX 77077, USA	100
Lloyd's Register Americas Advisory Services, Inc.	USA		100
Lloyd's Register Technical Services, Inc.	USA		100
i4Insight, Inc	USA	300 Creek View Road, Suite 209, Newark, DE 19711, USA	80
Lloyd's Register Asia (Vietnam) Company	VIETNAM	Suite 450 PetroVietnam Tower, 8 Hoang Dieu Street, Ward 1, Vung Tau City, Ba Ria, Vung-Tau Province, Vietnam	100

¹ Wholly owned directly by Lloyd's Register Group Limited

The following subsidiaries have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Company	Place of registration	Registered number
Classification and Quality Services Limited	England and Wales	03973758
Classification Holdings Limited	England and Wales	03704447
Lloyd's Register Finance Limited	Scotland	SC320138
Lloyd's Register GMT Limited	England and Wales	06428883
Lloyd's Register Group Services Limited	England and Wales	06193893
Senergy Aligned Services Limited	Scotland	SC318186
Senergy Resources Limited	Scotland	SC346964
Senergy Holdings Limited	Scotland	SC252441
Safetytech Accelerator Limited	England and Wales	13099135
Lloyd's Register Marine Limited	England and Wales	13281335

33. Post balance sheet events

Subsequent to year end, the Group has disposed of its three Industrial Digital Products businesses. On 1 July 2022, the Group completed the disposal of its Subsurface and RiskSpectrum businesses to Total Specific Solutions. In September 2022, the Group completed the sale of its AllAssets business to Pinnacle.

On 22 July 2022, the Trading Group approved a £17.7m charitable donation to Lloyd's Register Foundation.

On 31 August 2022, the Group Completed the acquisition of OneOcean, a leading supplier of digital voyage solutions for the maritime industry.

LLOYD'S REGISTER FOUNDATION

England & Wales - Charity number 1145988

Accounts

Lloyd's Register Foundation
Report and financial statements
30 June 2021

Company number: 07905861 (England and Wales)
Charity registration number: 1145988 (England and Wales)

Contents

TRUSTEES' REPORT

Chairman's statement	1
Foundation Chief Executive's Review	2

THE STRATEGIC REPORT

Mission, vision, strategy	3
Establish the best evidence and insight	5
Focus on the most pressing challenges	7
Build global coalitions for change	13
Foundation Financial Review and Policies	25
Governance and management	31

LEGAL AND ADMINISTRATIVE DETAILS 39

STATEMENT OF TRUSTEES' RESPONSIBILITIES 40

REMUNERATION COMMITTEE REPORT 43

AUDIT, RISK AND INVESTMENT COMMITTEE REPORT 45

NOMINATIONS COMMITTEE REPORT 46

INDEPENDENT AUDITOR'S REPORT 47

THE FINANCIAL STATEMENTS 50

GROUP FINANCIAL REVIEW 63

THE CONSOLIDATED FINANCIAL STATEMENTS 65

Connecting science, safety and society

Trustees' Report incorporating the Strategic Report

Chairman's Statement

The Covid-19 pandemic (the pandemic) has continued to make its mark on society. From loved ones as well as colleagues seeing each other for the first time in two years, to remote and hybrid working becoming the norm, everyone and every country has had to adjust to living with the pandemic. Despite the continued uncertainty and subsequent delays to some projects, the six months to 30 June 2021 was a period of significant progress for the Foundation.

During this period the Foundation's grants community continued to respond to the situation in remarkable ways whilst also adapting to new ways of working. From creating new interventions to protect local communities to harnessing science and technology to inform pandemic responses, it has remained dedicated to making the world a safer place.

Throughout the pandemic, the essential role of science, innovation, and technology to solve major societal challenges has been highlighted. There has never been a greater time for the Foundation to invest in new ways to accelerate discovery right the way through to implementation by championing innovation that will save lives and improve safety all around the world.

An important part of the Foundation's mission to enable safer and more sustainable oceans has been the Lloyd's Register Maritime Decarbonisation Hub in partnership with LR Group as our impact partner. This period saw a significant development with the hub announcing a major collaboration with the world's other leading centre for decarbonisation, the Maersk McKinney Moller Centre for Zero Carbon Shipping. This high-profile collaboration sees the Centre and Hub working with MAN Energy Solutions, Mitsubishi Heavy Industries, NYK Line and Total to develop guidance around safe use of ammonia as a marine fuel. This collaboration will help bring the whole maritime community together with the goal of achieving Net Zero as quickly as possible.

Following its launch during the last quarter of 2020, the Foundation has renewed its focus on the Safetytech Accelerator, a not-for-profit initiative created by Lloyd's Register Group and Lloyd's Register Foundation. Bringing together corporates, start-ups and the wider technology community to collaborate and accelerate the adoption of safetytech in safety-critical industries, in the first six months of this year it has a confirmed income of £130,000 against an annual target of £250,000.

The Trustees continue to promote diversity and inclusion, and this year the Foundation has been working hard to embed equity, diversity, and inclusion in everything that we do to create a sense of belonging for our staff and also our global community of grantholders and partners.

It has never been more important to unite the world to tackle climate change and build a sustainable future for us all. I'm delighted that we continue to underline our commitment to this by working closely with the UN's High Level Climate Change Champions and are actively supporting the Race to Zero and Race to Resilience campaigns.

Finally, on behalf of the Trustees, my warmest thanks go to the Foundation's Chief Executive Richard Clegg and all the Foundation staff who have achieved so much in the past six months.

Thomas Thune Andersen

Chairman, Lloyd's Register Foundation

Foundation Chief Executive's Review

Like many other charities and organisations, we have worked hard to remain agile and responsive to the unrelenting challenges and uncertainty that the pandemic, now in its second year, has generated.

One consequence of the pandemic is that last year we extended our accounting period to 18 months to 31 December 2020. The accounts in this report cover the six month period up to 30 June 2021, which now brings us back in line in terms of our usual reporting cycle. Consequently, the results are not directly comparable between the current and prior period.

The global pandemic has continued to serve as a stark reminder of the reason why we exist and the importance of our unique charitable purpose to engineer a safer world. As a result of who we are and what we stand for, since the beginning of the pandemic we have been in the position to be able to directly contribute to the global effort to tackle the pandemic. I am proud of the efforts of our grants community, impact partners, and of course colleagues in the Foundation and Lloyd's Register Group for the resilience, dedication and commitment they have shown in ensuring that the world recovers and is better prepared to engineer a safer, more resilient and sustainable future.

We published our new strategy in 2020 and at its heart is for the Foundation to be challenge led, evidence driven and to work in partnership with others that share our ethos in order to multiply our impact in the world. While the second year of the pandemic meant we had to continue to review some of our operational plans and budgets, our strategy remained unchanged. We also continued to prioritise the wellbeing of our people, whilst protecting our finances and directing our grants and activities where they could have the biggest impact.

In 2020 we launched a brand-new Evidence and Insight Centre and enhanced our in-house Strategic Communications and Global Engagement capability. We have seen some fantastic achievements following these investments. Strategically, we regard them as 'bookending' our grants and programme work, helping us to direct our efforts where greatest need exists and where we can make the greatest difference, and helping us strengthen our stakeholder engagement to build partnerships for impact. These combined efforts can be seen through the award-winning World Risk Poll, which has reached over 1.9 billion people, the data continues to be used by others and has had a significant impact in raising awareness of the Foundation globally.

We have continued to make great progress with the digitisation of the Heritage and Education Centre's (HEC) records despite the pandemic. By 30 June 2021 a total of 1,020,573 documents had been digitised and 941,559 documents catalogued. In addition, 290,170 new documents were made available to the public via the HEC website, meaning that a total of 530,528 documents were fully completed and accessible externally by 30 June 2021.

Our role at the UN Global Compact (UNGC) is increasingly influential. Vincent Doumeizel, the Foundation's food programme lead, gained the UNGC's support for the Safe Seaweed Coalition (SSC) and he was appointed to the UN Expert Advisory group on transforming global food systems in support of the UN Food System Summit and the 2030 Sustainable Development Agenda, working alongside the World Bank, WHO, Food and Agriculture Organisation and the EU Commission. The SSC now has over 250 members - including producers, researchers, processors, government agencies, conservation organisations, carbon market registries, project developers and investors - from more than 50 countries.

In the early days of the pandemic environment, we had to take some swift actions in order to protect our finances, including careful management of cashflow and outgoings whilst working closely with our grants community to support their situation. This prudent cashflow management during the period of market downturn resulting from the pandemic positioned the Foundation well to maximise returns as the market recovered. During the period, our investments outperformed the budgeted returns for the six months. Therefore as a result of the measures taken, we are now in a strong position in readiness for the bounce back which should enable us further to increase our charitable activities and expenditure over coming years.

In conclusion I would like to thank once again colleagues, Trustees and partners for all their support and patience during this uncertain period.

Professor Richard Clegg FREng, FRSC
Chief Executive, Lloyd's Register Foundation

Our Strategy

Lloyd's Register Foundation is a growing global charity and our strategy enables us to have greater impact than ever before. Our strategy starts with evidence – we will strive to understand the complex factors that most affect safety. Our interventions will be driven by evidence of what works – in fact, we plan to build the world's best centre for safety evidence and insight which others can use. We want to have a big impact, so we are coalescing around just a few big challenges with big goals – making the sea safer, making food safer and improving society's understanding of risk. Global challenges need global solutions. They cannot be tackled by working alone. We will be at the forefront of building new coalitions, tirelessly promoting the issues and seeking out willing collaborators who share our deepest values and strong social purpose.

Our Vision: Engineering a safer world

Our purpose is to secure high standards of design, manufacture, construction, maintenance, operation and performance, enhancing the safety of life and property at sea, on land and in the air. We also advance public education and skills for engineering.

Goal 1: Establish the best evidence and insight

We will use the best data, evidence, and insight available to understand better the complex factors that affect safety to identify areas of greatest need and areas where we can make a real difference. Our interventions will be driven by evidence of what works and we will build the world's best source of safety evidence, making it open to all.

Goal 2: Focus on the most pressing challenges

We will focus on the biggest safety challenges, where there's clear evidence and a compelling need for change, to make a real difference. We will work in areas where we can harness our unique strengths and assets. We have identified seven challenges we will focus on:

1. Safety at sea
2. Safety of digital systems
3. Safety for a sustainable future
4. Safety of food
5. Skills for safety
6. Safety of physical infrastructure
7. Public understanding of risk

Goal 3: Build global coalitions for change

Global challenges need global solutions. They cannot be tackled by working alone. We will be at the forefront of building new coalitions, tirelessly promoting safety issues and building partnerships with willing collaborators all around the world.

Investing for the Future

One of the Foundation's key attributes is our technical authority invested within Lloyd's Register Group and our global grants community. It enables us to be much more than just a funding provider, contributing technical solutions to deliver the challenge. We have increased our direct charitable activities including in the Heritage and Education Centre, created a new Evidence and Insight Centre, and continued to make external investments in major programmes and centres of excellence.

We are building our capability through major programmes such as:

- The National Structural Integrity Research Centre (TWI)
- Lloyd's Register Safety Accelerator (Safetytech Accelerator Limited)
- The World Risk Poll (Gallup)
- Resilience Shift (Arup)
- Assuring Autonomy International Programme (University of York)
- Discovering Safety (Health and Safety Executive)
- Data Centric Engineering (Alan Turing Institute)
- Institute for the Public Understanding of Risk (National University of Singapore)
- Engineering X (Royal Academy of Engineering)

Heritage and Education Centre

We are investing over £10m in our Heritage and Education Centre to become a globally-renowned resource for understanding engineering and technological innovation and its impact on society. The Lloyd's Register Foundation Heritage and Education Centre is the custodian of Lloyd's Register's unique collection; one of the great resources still available for better understanding maritime history, marine engineering, naval architecture, offshore engineering and ocean technology.

Our investments will help to:

- Preserve the physical collection for future generations
- Digitise and make the collection accessible around the world through imaginative new education and outreach programmes
- Drive distinctive research to deepen understanding and further engagement
- Contribute to the understanding of the most pressing safety challenges
- Keep the collection modern and relevant

GOAL 1: Establish the best evidence and insight

Impact highlight 1.1

Following the positive response to its report on the link between psychological wellbeing and safety in the workplace, the Foundation's Evidence and Insight Centre (EIC) awarded a follow-on commission to Nottingham Trent University to accelerate learning from the pandemic on wellbeing and safety with a particular focus on the maritime sector.

Plan

The period January to June 2021 saw the scoping and commissioning of a range of projects from the EIC. The plan for the Centre during this period focused on:

- Managing seven active grants and commissioning three new evidence and insight projects.
- Engagement and dissemination activities for the 2019 World Risk Poll.
- Launching a tender for an impact evaluation framework contract.
- Recruitment and on boarding of two EIC posts.
- 18 month review of the EIC following establishment in October 2019.

Activities and impact

The EIC strategy was developed following a programme of engagement with colleagues and was presented to the Foundation Board in December 2019. The strategy was approved as part of the long-range strategic plan for the Foundation considered by the Board in March 2020.

A Project and Stakeholder Engagement Manager and Senior Information Specialist were recruited to the team, who started in April/May 2021 and were welcomed to the Foundation in a series of virtual interactions. The team relished the opportunity to hold their first face-to-face meeting at an away day at the end of June.

The strategy for the EIC focuses on understanding how data and evidence is being used within our challenge areas, to inform decision making on future activities. Ongoing work to understand this within our safety at sea and food domains was undertaken in the reporting period, and a new project was scoped and open call for grant proposals launched within the occupational safety and health domain. The ultimate impact we are seeking from this work is to understand whether opportunities exist to improve the use of evidence in decision making, with an impact on safety outcomes.

Three other new open calls for grant proposals were issued during this period – Physical Infrastructure: Management and maintenance for safety, safe adoption of emerging technologies: review of the skills needed and readiness of the engineering sector and designing safety interventions for specific contexts.

During the reporting period EIC also capitalised on our first publication (launched in November 2019), a rapid evidence assessment looking at the link between psychological wellbeing and safety in the workplace. This work led to a follow-on commission from Nottingham Trent University to accelerate learning from the pandemic about psychological wellbeing at work, with a particular focus on the maritime sector.

The focus of the Lloyd's Register Foundation World Risk Poll (WRP) in early 2021 was a series of engagement and dissemination activities using the results of the 2019 poll. These included a round table event on fire safety that raised the profile of this occupational hazard with UN organisations; a contribution to the UN Food systems dialogue; a webinar on violence and harassment in the workplace with the International Labour Organisation; and two presentations at international conferences.

Future plans for the next 12 months to June 2022

The main objectives are to:

- Build on our evidence and insight work on seafarer wellbeing to commission a 'what works centre' to improve use of evidence and safety outcomes.
- Analyse the 2021 World Risk Poll data and launch four reports with our strategic partners to highlight global risk and safety issues and opportunities for action.
- Accelerate our focus on impact through our relationship with Technopolis, a consultancy specialising in evidence-based policy advice and insights, analysing how our work generates impact and embedding learning to advance our effectiveness.

GOAL 2: Focus on the most pressing challenges

Plan

We continue to make progress addressing the challenges identified in our Strategy, launched in July 2019. These are:

- Safety at sea
- Safety of digital systems
- Safety for a sustainable future
- Safety of food
- Skills for safety
- Safety of physical infrastructure
- Public understanding of risk

As with our previous reporting period, the activities of the Foundation continued to be restricted by global and local Covid-19 lockdowns, which lasted throughout this reporting period.

Activities and impact

Overall within the six month period we continued to deliver against well established long term programmes. However, the global pandemic kept the UK and much of the world in lockdown during this time period and this affected the mode and speed of delivery, most noticeably within educational programmes that require face-to-face teaching.

Safety at sea

Impact highlight 2.1

Our grant holder at Pusan University in South Korea has patented a fire suppression system for shipping containers in Korea, China and the USA with prototypes being manufactured and tested in China.

As part of our ongoing work with CHIRP Maritime, with our support they published a highly informative video on YouTube called 'Sea of Distractions'. This film takes a real-life scenario from a commercial vessel where a string of distractions led to an increasing number of poor decisions that resulted in a collision. Professor Vince Walsh from the Institute of Neuroscience at University College of London provides an explanation of what goes wrong and why this happens. YouTube shows 3,360 views.

Our grant holder at Pusan University has continued the development of a fire suppression system for shipping containers. Fires started in shipping containers pose a significant risk to the vessels themselves, including the risk of sinking. The fire suppression system has now been patented in Korea, China and the USA with prototypes being manufactured and tested in China.

The wellbeing of seafarers has been hitting the headlines in the context of Covid restrictions. A number of seafarer organisations have carried out multiple surveys of seafarer's views and also introduced interventions to help with consequences of poor mental wellbeing such as mental first aiders and helplines. At the Foundation we have recognised the importance of the issue and together with the Seafarers Hospital Trust and Yale University we focused on taking a proactive approach to finding a solution to this very important issue. During this period we hosted the first of two workshops with representatives of the shipping industry to start to understand 'what works' in creating good seafarer wellbeing. The outcome of the first workshop revealed that there isn't a consistent approach or view of 'what works' in introducing better mental health support and improved wellbeing on ships, often even when good solutions are found by owner/operators it isn't possible to share this information in a way that provides sufficient confidence to repeat or embed consistency across the fleet or industry. This is something we will explore with the Seafarers Hospital Trust and Yale next year.

Our grant to Southampton University on the safety challenge of solid bulk liquefaction has been making progress in its understanding of the issues. During the reporting period they held a workshop with a significant number of project partners exploring the issue of data sharing. When the programme was being established the community told Southampton that data sharing was key to making progress, yet the sharing of data continues to be a real issue. The workshop explored the difficulties that lay behind the sharing of data giving an insight into how progress could be made not only in improving safety of bulk carriers but also across the marine industry.

Our grant holder HELMEPA held their first English language ‘Safety-First’ seminar during this time. Over 130 participants - merchant marine officers, shipping execs and coastguard officers attended - all determined to improve Safety at Sea in the Eastern Mediterranean (one of the global hotspots for accidents and incidents at sea).

Safety of digital systems

Impact highlight 2.2

The Assuring Autonomy International Programme’s ground-breaking Assurance of Machine Learning for use in Autonomous Systems (AMLAS) guidance has been downloaded 500 times since February 2021 by global organisations spanning automotive, health, academia, maritime, engineering, software, aviation, and retail.

Our grant to the University of York for the Assuring Autonomy International Programme has published its annual report. Some highlights from the year are: publication of its AMLAS document that has been well received by the community; and results of a public engagement exercise understanding the public’s perceptions of Artificial Intelligence and autonomy being used in safety critical systems with the results suggesting that engineers and regulators are not focussed on the things that concern the public, and there are 14 demonstrator projects aimed at understanding assurance needs and testing assurance methodologies covering applications including factory cobots, sharing control between autonomous systems and people, robots collaborating together, explaining decision making and ratings for robotic and autonomous system safety. The Programme’s ground-breaking AMLAS guidance has been downloaded 500 times since February 2021 by global organisations spanning automotive, health, academia, maritime, engineering, software, aviation and retail.

During this time period we also awarded a grant to the Global Manufacturing and Industrialisation summit (GMIS) for a programme of work to advance safety associated with the fourth industrial revolution within global manufacturing. The partnership includes UNIDO – the UN Industrial Development Organisation – which ensures that the impact from the programme will be global and scaleable.

Safety for a sustainable future

Impact highlight 2.3

The LR Decarbonisation Hub announced a major collaboration with the world’s other leading centre for decarbonisation, the Maersk McKinney Moller Centre for Zero Carbon Shipping. This high-profile collaboration will help bring the whole maritime community together with the goal of achieving Net Zero as quickly as possible.

The importance of decarbonising maritime trade has been growing in importance across international agendas during this period; the Foundation has started to play an influencing role.

The LR Decarbonisation Hub announced a major collaboration with the world’s other leading centre for decarbonisation, the Maersk McKinney Moller Centre for Zero Carbon Shipping. This high-profile collaboration sees the Centre and Hub working with MAN Energy Solutions, Mitsubishi Heavy Industries, NYK Line and Total to develop guidance around safe use of ammonia as a marine fuel, with the Decarbonisation Hub taking the lead on quantitative risk assessment. The

implementation of this guidance via the partners and wider community will mark a small but significant step in decarbonising maritime trade.

Foundation CEO Richard Clegg provided witness testimony to the UK Parliamentary Science and Technology Committee as part of the evidence gathering on the role of hydrogen in achieving net zero. Richard provided his evidence during the session dedicated to maritime decarbonisation together with Morten Bo Christiansen who is VP Head of Decarbonisation at Maersk.

The LR Decarbonisation Hub, in collaboration with Resilience Shift, published the Resilience4Ports Phase 1 report. The report looks at the multiple drivers for change and how the port industry needs to consider a whole system approach that connects sea, ports and land-based infrastructures.

The Foundation's Engineering X programme looking at 'end of life' safety issues for engineered objects chose 'open burning' of waste as its next topic of focus. Every 30 seconds it is estimated that someone dies as a result of this under-reported issue. Our Engineering X report on waste has been cited at an all-parliamentary group meeting highlighting the widespread issues of open burning of waste around the world. We also agreed to provide leadership within the High Level Climate Champions team which will take forward a programme of work across the African continent in preparedness for COP27.

Safety of food

Impact highlight 2.4

Safe Seaweed Coalition (SSC) launched on 17 March 2021, so far it has over 250 members from more than 50 countries

The Safe Seaweed Coalition (SSC) had its official launch on 17 March 2021. This online event had an audience of 1600 people and picked up global media coverage in more than 20 countries. As a result, the SSC now has over 250 members - including producers, researchers, processors, government agencies, conservation organisations, carbon market registries, project developers and investors - from more than 50 countries. The SSC is currently hosting a series of 15 focused round-table workshops to refine their next steps, and build on strategic discussions with organisations such as the World Bank, Food and Agriculture Organisation (FAO), Nestle and WWF. Our programme at Wageningen University (Safe Seaweed by Design) is a significant contributor to the SSC (via development of protocols to support the seaweed sector in monitoring and assessing safety). There has been good progress since launching at the start of 2021, focusing on risk assessments, mitigation and methodologies for prioritisation of over 150 potential hazards.

Our role at the UN Global Compact (UNGC) is increasingly influential. Vincent Doumeizel, the Foundation's food programme lead, gained the UNGC's support for the SSC and he was appointed to the UN Expert Advisory group on transforming global food systems in support of the UN Food System Summit and the 2030 Sustainable Development Agenda, working alongside the World Bank, WHO, FAO and the EU Commission. He also gave a keynote presentation at the UN Food System Summit Dialogue in April 2021.

The pandemic slowed our work with the FAO that will help to develop capacity and capability for food safety in East Africa and the Caribbean. However, we are excited that this work will be ramping up via an online consultation process and expect that the programme will be close-to-completion during the next period.

In contrast, we have had to delay our work with the Science Museum Group. This programme aims to identify the best ways to increase engagement and understanding of the food safety in the UK, Brazil and India, understandably this work is taking a back-seat to the pandemic situation in each of these countries.

Impact highlight 2.5

Our EngineeringX Skills programme oversaw projects in Uganda, Botswana, South Africa, Nepal, Vietnam, Malaysia, Indonesia and Colombia further highlighting the international reach that we can achieve.

Our £165,000 grant to Stellenbosch University to develop Africa's first-ever postgraduate fire engineering course continues to create some very positive outcomes. For example:

- So far, it has leveraged more than £340,000 and has created the strong foundation of a full postgraduate programme, with three courses and multiple research projects being available by 2022.
- Ongoing research has led to insights regarding passenger train fire safety in South Africa (current seats have been found to burn extremely intensely and easily). Following presentation of results to engineers from the Passenger Rail Association of SA it is likely to have an impact on most of the passenger trains throughout the country.
- The group is having an influence on South African fire safety codes, which govern the construction industry, through having representation on the SA Bureau of Standards committees.
- Africa's first fire engineering laboratory at a university has been built. The laboratory is now hosting equipment for fire research and testing, and making a big impact on the development of technical capacity.
- The programme is increasingly international, and now involves South Africa, Namibia, Kenya, Nigeria and Zambia.

Our South East Asia Skills Enhancement Programme (SEASEP) had difficulties associated with delivery of training during the the pandemic. More recently however, our grant-holder (TWI) has been able to alter the way in which they reach and train candidates in India and Indonesia. As a result, SEASEP has now trained 3,095 people, and is back on track. An evaluation of the programme was commissioned which will inform our decision on progress to SEASEP phase 2.

Our EngineeringX Skills programme oversaw projects in Uganda, Botswana, South Africa, Nepal, Vietnam, Malaysia, Indonesia and Colombia further highlighting the international reach that we can achieve. Highlights included:

- Reduction in safety incidents during construction programmes in Uganda.
- Contribution to an Indonesian National Standard for the design and development of a safe battery for electric vehicles.
- Over 200 people trained in high-tech design and engineering skills at Nepal's first FabLab.

Additionally, the EngineeringX Safety Champions in Engineering Education project launched successfully. The pilot cohort includes participants from Malaysia, the Philippines, Nigeria, South Africa, Uganda and Kenya.

Impact highlight 2.6

The National Structural Integrity Research Centre supports students from over 30 countries, having completed 840 years of industrial research since launch and achieving a 95% PhD completion rate.

During this period our grant holder TWI reported the latest update from our largest grant that established the National Structural Integrity Research Centre (NSIRC). In summary, they have students from 30 countries, with a gender balance of 31% female to 69% male, having completed a total of 840 years of industrial research since establishment, with a 95% PhD completion rate and 100% recruitment within 12 months. Both the quality of research and number of people training and taken into industry are helping to make safety-critical industries safer.

Our grant to the Energy Institute in the previous period supports the EI Toolbox App which is an engaging platform that raises people's awareness of work-based risks to their safety by learning from accidents that have taken place in the past. During this period German, Malay and Simplified Chinese languages were added to Toolbox App bringing the total number of languages supported to eight. There is growing evidence of use in different languages with the number of users scaling to when the language was introduced.

We are supporting some research at Imperial College looking at safety in general aviation, effectively private pilots as opposed to the well supported commercial aviation sector. Based upon the strength of the work, Professor Arnab Majumdar and his PhD student have been invited to join the General Aviation Safety Program and Canadian General Aviation Joint Steering Committee headed by Transport Canada (the transport regulator). This is in recognition of the excellent work that is being conducted and the user pull to implement this work as soon as possible.

We have also been supporting a former LRF funded scholar from Imperial College that set up a company called Vianair to commercialise his research that created algorithms to optimise design for air corridors at airports. Customers for this software solution now include the port authority of New York / New Jersey, Fraport and United Airlines are trialling the solution. The application of this software impacts the safety of millions of people daily.

Public understanding of risk

Impact highlight 2.7

We continue to grow our influence via a new £384,000 partnership with Sense About Science, which will convene international experts and institutions around a practical definition of risk literacy and form a network of 'risk literacy innovators', who influence how their communities respond to risks.

We revisited our Public Understanding of Risk challenge, and recognise that understanding risk is part of a bigger consideration of how people behave, and how that behaviour affects their safety. Ongoing work at Institute of Public Understanding of Risk (IPUR) in Singapore, via the World Risk Poll and new evidence and insight work is making distinctive contributions to this area. Additionally, we continue to grow our influence via a new £384,000 partnership with Sense About Science, which will convene international experts and institutions around a practical definition of risk literacy and form a network of 'risk literacy innovators,' who influence how their communities respond to risks.

IPUR has also been working closely with Sense About Science, producing an "AI Guide for Society". The guide aims to facilitate public discourse on artificial intelligence and equip end users with basic understanding of its benefits and limitations. Currently the guide is focused on the healthcare sector in Singapore and South Korea and is meant to enable relevant stakeholders to ask the pertinent questions when evaluating and adopting AI-based solutions. If successful, it will be expanded to other sectors and other countries. IPUR also launched a Massive Open Online Course (MOOC) on risk

communication to equip people with the tools and knowledge to take more informed decisions and manage risks in their workplace and everyday life.

A mid-term review of IPUR will be commissioned which will address both past performance and the future plan, so that both the Foundation and National University of Singapore can decide whether or not to commit the final payments which will support the sustainability of IPUR into the future.

Future plans for the next 12 months to June 2022

The main objectives are to:

- Launch Engineering X 'Safety Champions in Engineering Education' programme.
- Evaluate SEASEP programme to build case for Phase 2.
- Launch calls for partnerships for the Safe Seaweed Coalition.
- Build partnerships with the UN Global Compact to further our shared goals to establish safe and sustainable Oceans.
- Work with the High Level Climate Champions Group to deliver commitments made at COP26.
- Extend our partnership with the Resilience Shift.
- Agree a new programme in Safety in industrial 4.0 with UNIDO and GMIS.
- Publish our Foresight Review of Ocean Engineering.
- Deliver a future of infrastructure Foresight Campaign in partnership with TWI.
- Launch Making Sense of Risk; working with Sense About Science to achieve practical risk literacy.

GOAL 3: Build Global Coalitions for Change

Impact Highlight 3.1

World Risk Poll campaign won three industry award categories and reached 1.9 billion people.

Plan

The Foundation's communications strategy continued to focus on raising awareness of the global safety challenges and increasing the Foundation's influence, building strategic partnerships, and enhancing impact of the work we fund.

Partnerships for Global Influence

Learning from the Crisis: Engineering a safer world after the pandemic

In February 2021, Lloyd's Register Foundation and the Resilience Shift developed 'Engineering A Safer Future', a series of podcasts and reports bringing together innovators working within the Lloyd's Register Foundation grant programme and outside subject matter specialists, with the aim of highlighting insights on the likely scale and permanence of the changes that pandemic has triggered. These podcasts were released in February along with a social media campaign and have received a high level of attention. Currently half-way through the communications plan, the series has been viewed on our website 521 times in total.

Psychological Wellbeing Report

In January, we ran a communications campaign in partnership with Nottingham Trent University to promote their report on Psychological Wellbeing in the workplace commissioned by the Foundation. The aim of the campaign was to raise awareness of the importance of employee mental health in maintaining safety across critical infrastructure industries. Two press releases were distributed to marine press during May 2021, highlighting the work of the Foundation with Nottingham Trent University on the Foresight Review, and with Yale and the Seafarers' Hospital Society as our forthcoming roundtables, both of which call to marine stakeholders to share insight and information on this topic. During January to June, 20 articles have been published with a reach of 1.2 million.

World Risk Poll 2019 communications and dissemination campaign

The World Risk Poll continued to gain press coverage this period, with two press releases featuring organisations who have used the data having been published on its dedicated webpages. The first showcases grant winner USC who will be using the research to help international humanitarian organisations improve risk communications and intervention programmes, whilst the other highlights the use of the data by Sedex - a global membership organisation that supports companies to implement responsible business practices in their operations and supply networks, enhancing the tools used by its members to understand in which countries and industry sectors human rights issues are most likely to occur.

The World Happiness Report which was published earlier in the period using data from the World Risk Poll continues to be covered by media, with mentions in 111 articles in 20 countries, reaching over 300 million around the world to date.

Overall, during this time period, the World Risk Poll was mentioned in 323 news articles, reaching 1.9 billion people.

Our World Risk Poll communications campaign was highly commended in three separate award categories in this year's Chartered Institute of Public Relations Excellence Awards: Best Global Campaign, Best STEM Campaign and Best Use of Digital.

Between January and June 2021, we ran six virtual global dissemination events to share the results of the Poll with 650 attendees including potential partners for future waves.

Highlight events:

- United Nations Food Systems Summit Independent Dialogue entitled 'Food: Knowing what's safe', attended by 64 food sector experts from 25 countries to discuss actions needed to ensure reliable and trusted information on food safety reaches all consumers by 2030. A report was subsequently prepared and sent to the UN Food Systems team for inclusion in their follow-up meetings.
- Webinar hosted by Reuters in conjunction with the International Labour Organisation's week of activities to promote and encourage countries to ratify Convention C.190 on eliminating violence and harassment in the world of work. The event was attended 95 people from 29 countries including policy makers, NGOs and national and global corporates and showcased the opportunities to turn World Risk Poll evidence into action.
- Event ran with Capitals Coalition, an organisation identified in the World Risk Poll stakeholder engagement strategy, to discuss the role of Health and Safety in the future of human capital and its role in Environment, Social and Governance (ESG). The event was hosted by Health and Safety International magazine, reaching 111 health and safety expert attendees.

Foresight Review on Future of Regulatory Systems

This Foresight Review was launched in March 2021 on our website, social media channels, newsletter and shared with relevant media. To date there has been 627 visits to this webpage and 221 downloads of the report. The subject matter included in the report was discussed during an Economist event on 28 April 2021 by a panel of regulatory experts including Foresight Review author Richard Judge, Rebecca Fatima Sta Maria, Executive Director, APEC Secretariat, Jonathan Blamey, VP, Global Solutions Design centre of excellence, DHL and Erik Brynjolfsson, Professor and Senior Fellow, Stanford Institute for Human-Centred AI and director of Stanford Digital Economy Lab. More than 450 people from around the world registered for the event, with 189 attending on the day. The event is now available on demand through our website.

Digital Communications and Content Campaigns

Foundation Newsletter

We've seen a significant increase in our newsletter subscribers over the course of last year, and seen continued good engagement up to 30th June 2021, with our contact database increasing to a high of 3,631 newsletter subscribers (163% increase from April 2020 newsletter) with an impressive 32% average open rate (average industry benchmarks around 20-25%).

Impact stories campaign

Between January – June 2021, we published a further 22 impact stories and ran social media campaigns with impact videos to promote them. During this period our impact stories campaign was viewed on our website 4,196 times. Stories included World's First 3D Printed Bridge, Search and Rescue in a Global Pandemic and Unlocking the Impact of our Seafaring History.

Website

We have continued to drive increased engagement with the Foundation's website and social media channels through high quality content. From December 2020 - February 2021 the website gained 23,076 page views. We've also achieved 155,601 impressions of Foundation content across our social media platforms during this period, gaining 735 new followers on LinkedIn and Twitter in the process. From March 2021 - June 2021 the website gained 32,987 page views (up 29.47% on the previous period). We've also achieved 278,061 impressions of Foundation content across our social media

platforms during this period (62% increase on the previous period), gaining 831 new followers on LinkedIn, Twitter and Facebook in the process.

The Global Safety Podcast, Series 2

The second series of The Global Safety Podcast launched at the end of April 2021. This season aims to convene members of our global grants community, activists, influencers and policy makers around the key global safety challenges society faces. Our first episode was on Safer Roads, and features insights from Olympic cycling gold medallist Chris Boardman, Natalie Draisin, North America Director and UN representative for the FIA Foundation, Juliet Ado, Ghana Country Manager for Amend, Oscar Edmundo Diaz, Urban Transport and Planning, E-Mobility and road safety consultant and former special advisor to the Mayor of Bogota and James Pomeroy, Group Health and Safety and Environment and Security Director at Lloyd's Register. Just over a week after its release, we achieved 118 downloads.

PR Events and Publications

Impact Review 2020: People and Places

Launch of our impact review was received extremely positively amongst our key stakeholders and social media audiences. Over 1,600 people from 68 countries around the world have accessed the online exhibition since it launched on 11 March 2021. The eight-week promotional campaign consisted of 36 posts across Twitter and LinkedIn, gaining in excess of 58,000 impressions. The Impact Review is also currently being translated in the UN's main six languages – the first translation campaign undertaken by the Foundation.

Future plans for the next 12 months to June 2022

The main objectives are to:

- Deliver a programme of high-profile activities to celebrate the Foundation's 10th Anniversary and position the Lloyd's Register Foundation as a unique social purpose organisation.
- Lead two major global campaigns around our priority areas: in Safer Oceans and launching the results of the 2021 World Risk Poll to an international audience and support the priority area 'Turning the WRP Into Action'.
- Work more closely with our grants community to maximise the impact of their work and identify opportunities to promote the role of the Foundation.

INVESTING FOR THE FUTURE

Impact Highlight

Six months into the first year the Safetytech Accelerator has a confirmed income of £130,000 against an annual target of £250,000.

Our Strategy states that as well as our three goals we will continue to invest in longer term capability and activities in support of our mission of safety and education. For this reporting period we had planned a continuation of our Safety Accelerator, and the establishment of a small grants and Alumni scheme.

Activities and impact

Safetytech Accelerator

The first six months of the re-launched Safetytech Accelerator operations have focused on establishing the new entity and making rapid progress towards meeting its year one Key Performance Indicators (KPIs).

It has successfully launched eight new projects, some with individual challenge owners but increasingly with a preferred model of a number of companies coming together around a shared safety challenge.

The programme is midway through testing a new initiative called Wayfair; its purpose is to promote successful start-up alumni of the accelerator, building visibility across industry with the aim of moving the technology towards full implementation and impacting a wider number of organisations. In this case the technology being promoted is that of Senseye, digital software that monitors the nerves in the eye to infer the condition of the individual including fatigue, stress or intoxication by drugs or alcohol. The implementation of this technology will allow the identification of workers that carry a greater risk to themselves, critical infrastructure or sites where they are working.

A target for the Safetytech Accelerator is to achieve financial sustainability within four years with annual financial KPIs increasing over the five years of the grant. Six months into the first year the Safetytech Accelerator has a confirmed income of £130,000 against an annual target of £250,000. This is a positive indicator of future sustainability.

An important vehicle to success is marketing. A number of campaign approaches have been trialled to identify the most effective method. In addition to publishing press releases, articles and case studies, two successful webinars attracted significant interest, which has resulted in the creation of a monthly programme of webinars covering a variety of topics.

Skills and education

Our new Network to Engineer a Safer Tomorrow (NEST) launched on 31 March 2021. This is our 'alumni' programme. An audience of 247 people tuned in from 29 countries around the world. The event was chaired by Tim Slingsby, the Foundation's Director of Skills and Education, and featured inspiring case studies from members of our grants community who have completed a qualification or scholarship through our funding programme, including Stavros Sidirpolous, CEO of Vianair (US) and Rebecca Boston, University of Sheffield (United Kingdom). In the next reporting period a small grants scheme specifically for this group will be provided to build on the lessons learnt from our existing and successful small grants programme. During the six month period, our small grants scheme awarded a third wave of grants to five projects cutting across our Safety at Sea and Skills for Safety challenge areas, reaching populations and sectors in the UK, Netherlands, Cambodia, Nepal and Indonesia. In addition, we are preparing to launch our Pathways to Impact programme that will engage all LR employees in furthering the Foundation's global mission.

Data Centric Engineering and Discovering Safety

Professor Mark Girolami, Sir Kirby Laing Professor of Civil Engineering and Royal Academy of Engineering Research Chair at the University of Cambridge and Director of the Data-centric Engineering Programme at The Alan Turing Institute, has been heading up an international consortium who published a groundbreaking paper in the Proceedings of the National Academy of Sciences (PNAS). The research paper provides a statistical redefinition of the well-known Finite Element Method (FEM), which has been used as a computational predictive tool in the engineering and physical sciences for more than 70 years.

China

We have been developing relationships with key partners in China on our shared safety objectives for a number of years. Haibo Chen is seconded into the Foundation to support this work. In 2019 he brought a party of Chinese officials to the UK to showcase the Foundation's partnerships and research, as well as taking them on a tour to visit the Health and Safety Executive (HSE) and other collaborators. The Chinese government has now approved the establishment of a new science facility, the National Academy of Safety Science and Engineering (NASSE), modelled on the HSE's Buxton capabilities. Haibo is supporting impact through knowledge sharing and collaboration by translating key materials and ensuring strong connections are made so that Foundation work has a route to impact in China, and so that the rest of the world can learn from China's safety work.

HERITAGE AND EDUCATION CENTRE (HEC)

Impact highlight

The HEC website has seen a 46% increase in page views and a 24% increase in users.

Plan

HEC will contribute to the understanding of engineering and technological innovation and its impact on society, using the past to inform the future.

We will use innovative technologies, engage new audiences and increase our digital engagement. We will extend our external reach through new and existing project partners, strengthen our network of global users and increase our 18-35 demographic.

Activities and impact

In a challenging period, with activity severely constrained by COVID, and unavoidable reductions in headcount HEC focussed its energies on our digital estate and the preservation and digitisation of our archive.

Website – impact overview

From 1 January to 30 June 2021, the HEC website saw:

- 223,778 page views from 34,100 users across 173 countries. When compared to the previous six months, the HEC has seen a 46% increase in page views and a 24% increase in users.
- 30% of users aged 18-35. The previous period saw this demographic represent 27% of overall users.
- 84% of all page views for the website were for archive resources.
- 264 different websites have referenced content listed on the HEC website.
- We have received over 500 export requests for catalogued Ship Plan and Survey Report Collection (SPSRC) data during the period.

Social Media and YouTube

The HEC has continued to schedule and produce content for its social media platforms on Twitter, Facebook and Instagram.

In total, HEC's social media content has received 423,843 impressions with a social media community of 2,205 people.

During the six-month period, the HEC's YouTube account videos have been viewed over 5,200 times with a watch time of 141 hours.

Digitisation

The digitisation of the SPSRC has seen continued progress despite the pandemic. By 30 June 2021 a total of 1,020,573 documents had been digitised (imaged) and 941,559 documents catalogued ready for processing.

In addition, 290,170 new documents were made available to the public via the HEC website, meaning that a total of 530,528 documents were fully completed and accessible externally by 30 June 21.

Throughout this period the HEC team scoped the feasibility of ingesting small collections of data and imagery to Archives Hub and Wikimedia. These projects have continued at great pace with over 5,005 documents being made available to users across external sites.

Website development

During the period, the HEC website underwent two development cycles, launching a data export function that allowed users to export raw catalogued data from the SPSRC, a historical sensitivity notes for documents of a sensitive nature and brand-new stories portal.

Further development phases have been paused pending the development of HEC's new vision and mission in 2022/23.

Education and outreach

The pandemic severely restricted our in-person education and outreach work during the period. Instead, we prioritised digital outreach content (stories, blogs, webinars and online exhibitions) which was viewed by over 3,000 users.

In addition, the Foundation-funded Mariner's Mirror podcast, produced in collaboration with the Society for Nautical Research and historian Dr Sam Willis, was downloaded 46,591 times and reached 85 countries worldwide.

Research and grants

CITiZAN (Coastal and Intertidal Zone Archaeological Network)

Our support for Museum of London Archaeology (MOLA)'s CITiZAN project (£100,000, 2019-2022) continues to enhance understanding of our maritime heritage. The team engage new and diverse audiences by using citizen science to document at-risk archaeology around the UK coasts. By also exploring and linking to the online HEC collections, CITiZAN have enhanced the appeal and research scope of their work. Throughout the pandemic, they enthusiastically embraced new and innovative public engagement techniques, and prioritised report writing and desk-based research. Despite the physical restrictions, a busy programme was developed and delivered, including several self-guided and virtual Low-Tide-Trials.

Curator Contemporary Maritime Impacts

The Lloyd's Register Foundation Curator of Contemporary Maritime Impacts at the National Maritime Museum, London UK (£500,000, 2018-2023) strategically advances public education and understanding of maritime issues. The curator's first showcase exhibition launched virtually in November 2020, is now open to the public at the Museum. '*Exposure: Lives at Sea*' recognises the important role seafarers play in the modern world. Through the lens of six seafarers and researchers, it explores themes with contemporary and historical relevance, including what the ocean means, the environment, isolation, and the effect of COVID-19. The photographs and interviews capture a unique perspective. In June 2021 the Museum and Mission to Seafarers organised an online conference "All at Sea: Seafarer Wellbeing and Mental Health; Past, Present and Future". The curator has also been a panellist for a World Ocean Day event deep dive into our relationship with the ocean and environmental impacts and for a Marine Protected Areas video.

Thomas Chapman PhD scholarships

The Thomas Chapman PhD students (£150,000 2018-2022) at the University of Hull undertook two research weeks (in August and October) at our external archive storage facility in Woolwich, London. We are working with the grant holder to extend funding of the project to account for various archive/research centre closures across the UK throughout the COVID-19 pandemic.

Hull Archive Appraisal

The Archive Appraisal of the HEC collections (£10,000 2018-2021), conducted by the University of Hull, was significantly impacted by staffing changes, travel restrictions (from March 2020 onwards) and the Collcutt building refurbishment project at 71 Fenchurch Street limiting corporate archive access. A short extension was granted to allow for project completion by 31 December 2021. This included submission of the project report, planned publication of a research note in the *International Journal of Maritime History*, and completion of the workshop report.

1851 Trust

The 1851 Trust's STEM Crew Maritime Roadshows (£141,000 2019-2022) have now been completed, with 1,200 girls from 56 schools attending the events. The purpose of the roadshows was to inspire the next generation of young women within the maritime and STEM sectors across the UK. The roadshows offer young women the opportunity of engaging with apprentices, graduates and women in leading roles within the maritime sector. Students also had the opportunity to explore STEM subjects against a backdrop of an exciting sporting and maritime context. Further impact data gathered from the Trust revealed 70% of attendees felt inspired to think differently about their future careers, while 88% recognised the diverse opportunities for women in the STEM sector.

Lloyd's Register Surveyors in China, 1869-1918

The University of Portsmouth in collaboration with the Port Towns and Urban Cultures group, recruited Cory Watson to undertake a three-year PhD research project (£90,000 2021-2024) exploring the international understandings of health, safety, and risk management, and their broader influences on local infrastructures and imperial cultural knowledge. They have also partnered with two Chinese institutions; Hong Kong Baptist University (HKBU) and Dalian Maritime University (DMU), who will host Cory as a visiting scholar.

Future plan for the next 12 months to June 2022

The main objectives are to:

- Launch a new vision: 'Maritime safety: increasing the understanding of its importance to the past, present and future ocean economy'.
- Open the new visitor centre at 71 Fenchurch Street, with its archive facility and client engagement spaces.
- Partnership activities with the UNPATH Towards a National Collection Discovery Project, a five year programme that supports the research and development of emerging technologies to connect the UK's cultural artefacts and historical archives. The programme aims to make 23,000 years of maritime history more accessible to the public.
- Extend our relationship with the National Maritime Museum and broker new partnerships with other institutions (such as The National Archives) in our mission space to increase the Foundation's reach, reputation and impact.
- Further diversifying access to HEC's digital research resources by making these available across Wikipedia, The Internet Archive, ArchivesHub and Google Books.
- Build-on our portfolio of work in the learning from the past space and reach new stakeholders.
- Invest in new software for managing and displaying our digital assets to bring our archive up to General International Standard Archival Description standards, increasing its accessibility.
- Commission original editorial content to bring our collection to life and encourage new interpretations.

FUTURE PLANS BEYOND JUNE 2022

Beyond 30 June 2022, the Foundation will continue its strategy set out above. The Foundation will continue to manage its existing grant portfolio and make additional interventions through direct activities or grants based on evidence of the most pressing challenges and where the Foundation is able to achieve the most positive impact.

Accountability and Stakeholder Engagement

The following section describes how the Trustees have had regard to applying section 172 of the Companies Act to promote the success of Lloyd's Register Foundation and its subsidiaries. The Trustees confirm that they have acted in good faith to promote the long-term sustainable success of the charity to achieve its charitable purpose of working together for a safer world.

Oversight, Strategy and the Longer-term

The Trustee Board has a formal set of processes to enable it to discharge its duties in overseeing the management of the Foundation. The Board meets quarterly. The Audit, Risk and Investment Committee meets three times a year and the Grants and Direct Charitable Activities Committee meets quarterly. The Nominations Committee meets once a year, with additional meetings as required, to oversee succession planning and the Board composition. The Remuneration Committee meets four times a year. The Board also has a less formal, off-site meeting once a year where broader strategic issues are considered and the Board has the opportunity to meet with the Foundation's executive team. In addition, the Board meets twice a year with the Board of its operating subsidiary, Lloyd's Register Group Limited, for an update on its trading activities, with presentations by executive management, and there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees, customers and, where possible, Foundation beneficiaries.

The Board reviews all aspects of the Foundation's operations, risk management and objectives on a regular basis and those of its trading subsidiary, Lloyd's Register Group Limited. This is achieved by means of an annual rolling agenda of items to be considered at its meetings, split into standing agenda items, such as reports from the Foundation Chief Executive, the Foundation Chief Operating Officer and the Chief Executive of Lloyd's Register Group Limited, and annual items, such as the Board evaluation review, review of the budget and risk management updates. In conjunction with the Audit, Risk and Investment Committee, the Board has agreed a schedule of risk deep dives for presentation at each Board meeting.

The Board has oversight of planning for the longer-term through its review processes, the approval of the five-year strategy, the work of the Audit, Risk and Investment Committee, which meets with the investment fund managers at each meeting, and the annual Board update from each fund manager. This longer-term approach is reflected in the composition of grants awarded by the Foundation, which is agreed by the Grants and Direct Charitable Activities Committee and reported to the Board at its meetings as a standing item. The Board has also established delegated levels of authority for the Grants and Direct Charitable Activities Committee, above which the Board determines the award of grants. Further details on the charitable activities can be found on pages 5 to 20.

During the period under review, the Board held an additional meeting outside of the Board cycle to consider, and approve, the sale by its subsidiary, Lloyd's Register Group Limited, of its assurance and inspection services business.

The following section describes the Board's engagement with the various stakeholder groups and the impact on its key decisions taken during the period. It includes the disclosures required in respect of Section 172 of the Companies Act 2006.

Charity Stakeholder engagement

Society in general As the Foundation is a company limited by guarantee and a registered charity, the beneficiary is society in general through the Foundation's charitable purpose	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation's mission and objectives are of a public benefit nature as noted on page 38.	At each Board meeting, the Foundation Chief Executive provides an update on the activities of the Foundation and the Chief Operating Officer reports on the financial and operating performance. There is also a report on the activities of the Grants and Direct Charitable Activities Committee and a presentation by the beneficiaries of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.

How the Board has taken account of these interests / Outcome The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides a high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. During the period under review, there were presentations from the Institute for the Public Understanding of Risk in Singapore and the Maritime Decarbonisation Hub. This enabled Trustees to have direct access to the beneficiaries of the Foundation's large grants, to hear about their work, to assess their impact and how they are working in practice. There was no site visit during the period under review or during the previous accounting period due to the impact of the pandemic. In 2019, the Trustees had visited the Merchant Marine Academy of Aspropyrgos, to view the impact of a maritime education project mainly funded by the Foundation. The Foundation Chief Executive's report presented at each Board meeting lists upcoming Foundation events, which Trustees are invited to attend. During the period under review, notable presentations were those connected with the media launch of the Foresight Review on the Future of Regulatory Systems, the funding of the World Risk Poll Violence and Harassment at Work webinar in conjunction with Reuters, and a Health and Safety International Webinar in conjunction with the World Risk Poll. This enabled the Trustees to see the funding in action and to understand the benefits and challenges of projects more fully.	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and Communicates
The workforce is vital to the success of the Foundation. By demonstrating the values shared with Lloyds Register Group Limited of "We care, We share, We do the right thing" we build and maintain the relationships with our beneficiaries. Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.	The Foundation has a relatively small number of employees (31) when compared to Lloyd's Register Group Limited (circa 6,000 employees), as noted on page 81. As a result, the Foundation receives support from Lloyd's Register Group Limited in respect of employee and workforce engagement, and details can be found in the Strategic Report of the Lloyd's Register Group Limited financial report and accounts. The Foundation conducted its own separate Employee Opinion Survey ("EOS") for the first time in January 2021, using the same platform and external provider (GLINT) as Lloyd's Register Group Limited. The results were considered by the Executive Team and in consultation with staff an action plan was put in place. The outcome was also reported to the Board of Trustees at the March 2021 Board Meeting. It is intended that this will be carried out on an annual basis going forward. In previous years, including the period covered in this report and accounts, the Foundation participated in the EOS organised by Lloyd's Register Group Limited. The Board continue to promote diversity and inclusion, and the Foundation has developed an action plan that embeds equity, diversity, and inclusion in everything that we do to create a sense of belonging for our staff and also our global community of grant holders and partners. At each Board Meeting the Foundation's Chief Executive provides an update in his report on matters specifically relating to the Foundation's workforce. The Foundation Board is able to engage with senior members of the Foundation's workforce when they give Board presentations on the Foundation's activity. The Lloyd's Register Remuneration Committee comprises two separate committees, one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. The Chair and membership of both committees are the same. A report is provided at each Trustees' Board meeting of the activities of the committees since the previous Board meeting. In respect of the Foundation, the committee deals with the remuneration of the Foundation Chief Executive and the remuneration policy for his direct reports.
How the Board has taken account of these interests / Outcome The Foundation Chief Executive's report to the Board provides updates on staffing matters specific to the Foundation, including succession planning, changes in key posts and initiatives such as diversity and inclusion and flexible working and actions from Employee Opinion Surveys. A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings.	
Customers The Foundation does not have customers, as such, but for this purpose regards the beneficiaries of its grants as customers	
Why we focus on this stakeholder	How the Board engages and Communicates
The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.	Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.
How the Board has taken account of these interests / Outcome The Trustees are mindful of the impact of the Foundation's activities on its beneficiaries. To ensure that there is security of funding for the grants to be maintained for beneficiaries, the Foundation's investment fund managers provide updates at each meeting of the Audit, Risk and Investment Committee and provide annual updates to the Foundation Board. In addition, the Foundation Board receives updates on the income from its trading subsidiary, Lloyd's Register Group Limited. This enables the Trustee Board to oversee the security of funding over the longer-term. Further details on grant holder matters can be found in the section below.	

Details of Lloyd's Register Group Limited's oversight of customer matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.	
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	How the Board engages and Communicates
Reliable suppliers are vital to the success of the Lloyd's Register Foundation. They include the provision of critical infrastructure such as IT systems and office accommodation. The Foundation relies upon a management services agreement with the Lloyd's Register Group Limited to provide key services.	The selection of suppliers and services are typically monitored by the Lloyd's Register Group's operational functions, and policies and procedures are set out in the Business Management System which is available on the Group's intranet. However, the selection of key suppliers of, for example, banking arrangements, IT systems and major property leases are reviewed by the LRG Board. Lloyd's Register Group Limited's Chief Executive Officer provides a business update on Lloyd's Register Group Limited to the Foundation Board at each meeting and details of Lloyd's Register's oversight can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.
How the Board has taken account of these interests / Outcome Details of Lloyd's Register's oversight of suppliers can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts. The Foundation engages regularly with the investment fund managers to ensure that all parties are engaged to provide a high level of service delivery.	
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	How the Board engages and Communicates
The key regulator for Lloyd's Register Foundation is the Charity Commission.	The Trustees receive annual training on Charity Commission guidance and updates from an external provider at its annual off-site meeting. In addition, the Company Secretary and the Foundation's executive leadership, including the Foundation Chief Executive and the Foundation Chief Operating Officer, report to the Board on engagement with the Charity Commission and on matters relating to Charity Commission regulation and guidance, either as specific items or as risk deep dives. There is a standing item at Board meetings for serious incident reporting.
How the Board has taken account of these interests / Outcome The Board applies the guidance received from the Charity Commission in its review of the grants process and in its oversight of its social investment, Lloyd's Register Group Limited and engages with the Charity Commission on matters of Charity law as necessary.	
Grant Holders Grant holders are those stakeholders who receive funding awards from the Foundation.	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation furthers its objectives by way of grants to universities, individuals and other institutions.	At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee. At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities. During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible. Trustees are invited to events connected with the activities of the Foundation.
How the Board has taken account of these interests / Outcome The Trustees are updated on the activities of the Foundation against its strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The report of the Grants and Direct Charitable Activities Committee provides high level of granularity into funding applications, grants and rejections. A Trustee is chair of the committee. The Board provides oversight over the grants approval process and the decisions made based on applications from different beneficiaries. Details of presentations from the beneficiaries of the Foundation's large grants, of annual Board site visits and of events connected with activities of the Foundation can be found in the section of this report on Society in General on page 21 to 22.	
Society and the Environment. Community and the environment - the impact on social and natural communities where LR deliver our services	
Why we focus on this stakeholder	How the Board engages and Communicates
The Foundation has strong links to safety in the community. To further the Foundation's aim of 'working together for a safer world', the Foundation and Lloyd's Register Group Limited have a responsibility to use their position of influence to be a thought-leader on sustainability. What society expects of us: - Corporate responsibility	The Board receives updates on the Foundation's activities at each Board meeting in the Foundation Chief Executive's report and presentations from large grant holders. They also receive regular communications on the Foundation's activities.

- Trusted advisor to our industries promoting safety and efficiency.	
How the Board has taken account of these interests / Outcome The Board has underlined the Foundation's commitment to carbon neutrality by actively supporting decisions to work closely with the High Level Climate Change Champions and supporting the Race to Zero and Race to Resilience campaigns. The Board has supported the work being done jointly by the Foundation and Lloyd's Register Group Limited, working with the Carbon Trust to measure our carbon and emission footprint in order to inform and achieve the Science Based Targets submission (more details can be found at page 41). During 2021 we have signed up to the UN's Business Ambition for 1.5C and joined the Race to Zero in the lead up to COP26. The Board also awarded a grant to support the launch in October 2020 of a new initiative that will help bring the whole maritime community together and achieve Net Zero as quickly as possible. The new Lloyd's Register Maritime Decarbonisation Hub will accelerate the sustainable decarbonisation of the maritime industry by enabling the delivery and operation of safe, technically feasible, and commercially viable zero-emission vessels by 2030. This is an important part of the Foundation's mission to enable safer and more sustainable oceans. As noted above, the Trustees are updated on the activities of the Foundation against its Strategy and related challenges and can assess the connection of funding back to the strategy and charitable purpose. The actions taken by the Lloyd's Register Group on ESG factors are reported in a separate publication on www.unglobalcompact.org.	

Trading Group Stakeholders

Additional stakeholders specific to the Trading Group are summarised below:

Workforce The Trading Group defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	The workforce is vital to the success of the Trading Group. By demonstrating the values of "We care, We share, We do the right thing" they build and maintain the relationships with customers and continue to support the Group's reputation for technical excellence and client service.
Customers The Trading Group is an operating company. Its customers are those stakeholders to whom it provides services.	
Why we focus on this stakeholder	Customers are at the heart of everything that the Trading Group does. Its customers expect LRG to not only deliver world-class testing, inspection and certification services but increasingly also become a trusted advisor, helping them to maximise their operating efficiency, profitability and sustainability. Customers care about: - Safety - Sustainability - Trusted long-term partnerships - Technical expertise
Suppliers Lloyd's Register's suppliers are those stakeholders from whom LR receives goods and services	
Why we focus on this stakeholder	Reliable suppliers are vital to the success of the Trading Group as they include not only the provision of critical infrastructure such as IT systems but also contractors who provide services alongside our workforce to complement services provided to clients by the Trading Group.
Regulators Regulators are those stakeholders by whom Lloyd's Register and its services are assessed and regulated	
Why we focus on this stakeholder	Many of the services provided by the Trading Group, are subject to compliance with regulation and accreditation.

How the Foundation Board engages and Communicates and how the Foundation Board has taken account of these interests / Outcome

The Foundation Board has delegated day to day responsibility for the management of the stakeholders referred to above to the Lloyd's Register Group board. It exercises oversight through reporting received from the updates provided by the Lloyd's Register Group Limited Chief Executive at each Trustee Board meeting where there are matters to report, as well as receiving a trading update on the activities of the Lloyd's Register Group.

Additionally, the Foundation Board meets twice a year with the Board of the Trading Group for an update on its activities, with presentations by executive management. Each year, there is a joint boards' visit to a Lloyd's Register site where both boards meet and engage with employees and customers, and grant holders where possible.

Further details of Lloyd's Register Group Limited's oversight of the above matters can be found in the Strategic Report of the Lloyd's Register Group Limited report and accounts.

Foundation Financial Review and Policies

Lloyd's Register Foundation ("the Foundation") generates its income from the investments that it holds.

These fall into two categories:

- Financial investments: a portfolio of listed investments; and
- A Social Investment: 100% ownership of the unlisted shares in the immediate subsidiary company Lloyd's Register Group Limited ("LRG" or "the Trading Group").

The Trustees consider that the policies outlined in this section constitute the framework for their key financial risk management policies.

Results for the period

The Foundation had total income for the 6 months ended 30 June 2021 of £6.8m (18 months to 31 December 2020: £15.5m) consisting of income from its listed investments and gift aid from LRG.

Investment income of £6.8m (18 months to 31 December 2020: £15.5m) comprised £3.0m (18 months to 31 December 2020: £3.0m) of donations from the Trading Group and £3.8m (18 months to 31 December 2021: £12.5m) of income from the return on the investment portfolio.

The Foundation had total expenditure of £7.1m during the 6 months to 30 June 2021 (18 months 2020: £22.9m). The decrease in expenditure reflects the shorter accounting period. The shortfall relative to income was met through the sale of certain listed investments.

Lloyd's Register Foundation

	6 months ended 30 June 2021	18 months ended 31 December 2020
	£m	£m
Gift aid from Trading Group	3.0	3.0
Income from listed investments and other resources	3.8	12.5
Total income	6.8	15.5
Investment management costs	(0.4)	(1.5)
Charitable activity costs	(6.7)	(21.4)
Total expenditure	(7.1)	(22.9)
Net gains on listed investments	11.0	36.2
Net income and net movement in funds	10.7	28.8

Charitable expenditure of £6.7m for the 6 month period (18 months to 31 December 2020: £21.4m) includes grants of £3.1m (18 months to 31 December 2020: £10.5m) which are discussed further in the Trustees' Report.

The Group Financial Review can be found on pages 63 to 64 and forms part of this Strategic Report.

Subsidiaries: Social Investment

The Foundation has one direct, wholly-owned subsidiary company: Lloyd's Register Group Limited. Together we share the same mission to make the world a safer place and work closely to maximise our global impact.

LRG is itself the head of a global trading group of companies with over 260 years of history, focused on adding value to society through independent assurance and expert advice for clients who own, operate, design and build the critical infrastructure upon which society relies. The profits generated by the Trading Group help fund the public benefit activities of the Foundation. The Trading Group carries out a mix of charity-related and non-charitable activities globally. The Charities (Protection and Social Investment) Act 2016 ("the Act") sets out a general power for Trustees to make social investments (pursuing both a financial and social return). This effectively enshrines in legislation the basis for mixed-motive investment. The extent to which public benefit is delivered by the work of the Trading Group forms part of the Trustees' assessment of the return on their investment.

The Trading Group's trading operations include many activities which are of a public benefit nature, aligned to the Foundation's mission of securing high technical standards of design, manufacture, construction, maintenance, operation and performance and to advance engineering-related public education.

The Trading Group's Marine & Offshore business includes the safety inspection of over 6,000 ships each year and the ongoing development of Rules for their safe construction, maintenance and disposal. For example, the Group's Marine business has helped the International Maritime Organisation to devise international safety standards such as the Ballast Water Management Convention and helped the International Labour Organisation devise the Maritime Labour Convention. Following its input into the creation of these internationally recognised safety standards, the Trading Group then performs design approvals, surveys and audits to verify its customers' assets comply with these requirements.

The Business Assurance and Inspection Services business includes the Trading Group's CE marking activity helping to assure the safety of a range of consumer products. As the only supplier of management system certification to the major UK nuclear sites its contribution to nuclear safety for society is significant. The sale of the Group's Business Assurance and Inspection Services business was completed on 2 December 2021.

Overall, the Trading Group's activities include considerable investment in furthering the understanding of technology through research conducted by the Marine & Offshore business stream and through a focus on 'Data and digital innovation' as one of its core areas of business development. Typical areas of research include: advance materials; propulsion and powering; energy production and storage; robotics; marine biotechnology; and autonomous systems. The Trading Group has established key strategic relationships based around important digital capabilities and areas of focus for growth through investment or collaboration. This emphasis on research and data and digital innovation directly benefits public understanding of technology and means that when technology is deployed it is safe, suitable and dependable and therefore safe for society in its application.

The Foundation's investment in the Trading Group is a mixed-motive investment. The extent to which the Trading Group's activities further the Foundation's charitable objectives is assessed as well as its financial return. Whilst acknowledging the social benefits of the Trading group, a financial return is expected from the Trading Group help fund additional public benefit activities of the Foundation.

The Trustees base their expectations of future financial return from the Foundation's investment in the Trading Group on quarterly reports to their Board meetings and an annual five-year plan review from the executive leadership of the Trading Group. The performance of this unlisted investment is considered in the 'Investment performance: Social Investment' section. We monitor the social return on our investment in 4 key areas:

LR commercial products and services – they demonstrably contribute to making the world a safer place through the clients and sectors they serve.

LR leading by example – acting as a beacon, driving positive change in the world, being a good global citizen in core areas linked to our charitable objects. Key priorities include: maritime decarbonisation, sustainability, ocean stewardship, occupational health and safety, diversity and inclusion, ethics, delivering the UN Sustainable Development Goals and participation in COP26.

LR as a trusted advisor and impact partner to the Foundation – providing a real-world, industrial, end-user perspective that helps inform the Foundation’s strategy and deliver key programmes. Examples of LRG as an impact partner include projects such as: the Safetytech Accelerator, the Maritime Industry Decarbonisation Hub, and HILO.

LR employees supporting our charitable ethos in their local communities – our key initiative in this area is our LR Pathways to Impact project. Other examples include Mercy Ships (Rotterdam) and HELMEPA (Greece).

Funds

In September 2012, the Trading Group transferred £206.4m of assets to the Foundation as an expendable endowment. The Trustees have the power to convert the capital within the fund to income and expend such amounts converted on the Foundation’s objectives as they see fit. £125.0m of the endowment can only be converted to income from 2022 at the earliest as discussed below in the reserves policy section.

Income generated from the assets held within the expendable endowment is shown in the Foundation’s general fund, as it may be used in furtherance of the Foundation’s charitable objectives.

Capital returns on the assets held within the expendable endowment are retained within the endowment and form part of the endowment into the future, subject to the same rules as the existing endowment funds.

Reserves policy

The Trustees review the Foundation’s reserves policy on an ongoing basis and at least each financial year.

The Foundation’s reserves underpin its long-term financial viability. The Foundation (charity only) has total reserves of £338.3m of which £318.2m is held in an expendable endowment as at 30 June 2021.

The level of general funds is maintained to facilitate meeting the medium-term overhead costs, forecast grant awards and direct charitable activities. The general reserves include the Foundation’s £40.1m investment in LRG held at cost. This Social Investment is integral to the Foundation’s ability to generate future income and to delivering its public benefit, as noted elsewhere in this Strategic Report. Grant commitments approved and communicated to grantees to be claimed in future periods are also included in the general reserves fund. The Trustees have considered the Foundation’s level of general reserves. The Foundation does not currently have large overheads and, in general, is able to rely on recurring income from its endowment and from the Trading Group. Excess funds are placed on investment and may be drawn down upon if required. For that reason, the Trustees do not currently consider that the charity has a need to hold other funds as general reserves.

The target for the expendable endowment is to maintain the real value of the initial £206m donation received from the Trading Group following the establishment of the Foundation in 2012.

However, should the Trustees consider there to be a shortfall in the general funds, part of the expendable endowment could be used to continue to meet the Foundation’s short-term plans while the long-term reserve policy is reviewed. The original terms of the expendable endowment contained a condition that the Foundation must retain £100.0m of that sum until 1 July 2017 which was subsequently increased to £125.0m and extended until at least 2022, with possible further extensions to 2034. During that period, there is a contractual obligation to transfer an amount not exceeding £125.0m to the Trading Group’s UK defined benefit pension scheme should the Trading Group become insolvent.

Having reviewed the policy and the current reserves position, the Trustees consider the levels of reserves to be satisfactory.

Financial position

At 30 June 2021, the Foundation had unrestricted funds of £20.1m (31 December 2020: £19.3m). Of the £338.3m total funds (31 December 2020: £327.6m), £40.1m is invested in the Trading Group (31 December 2020: £40.1m).

Going concern

A review of financial performance and the Foundation's reserves position is set out above. In the opinion of the Trustees, the Foundation has adequate financial resources and is able to manage its business risks. The Foundation's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

The Trustees believe that there are no material uncertainties that call into doubt the Foundation's ability to continue in operation. Accordingly, the Foundation's financial statements have been prepared on the basis that the charity is a going concern.

Grant-making policy

The Foundation has a formal governance structure for grant decision making. The Foundation can receive grant proposals and applications at any time. All proposals and applications are reviewed initially at its monthly grant applications meetings.

All grants are approved by the Chief Executive Officer with guidance from the members of the Grants Application Meeting Committee (GAM). Further approval is needed from the Grants and Direct Charitable Activities Committee (GDCA) for grants above £1m and from the Board for grants above £2m.

Details of available funding and the application process are published on the Foundation's website and notified on social media. Grant holders are required to submit staged reports as part of the process to track delivery against the agreed grant objectives, as well as to monitor the impact and public benefit being generated.

Investment policy

The Trustees have delegated decision making on investment matters relating to all assets except the investment in the Trading Group (reviewed directly by the Board of Trustees) to an Audit, Risk and Investment Committee, which is governed by agreed Terms of Reference. In order to provide appropriate focus on the investment arrangements, day-to-day investment choice is delegated to investment managers, who have been given targets against which they are measured. With the guidance and oversight of the investment managers, Trustees take account of the following classes of risk: capital; liquidity; market; valuation; counterparty; tax; and Environmental, Social and Governance issues.

The Foundation's financial objective is to at least maintain the real value of the 2012 initial donation from the Trading Group of £206m, whilst generating a stable and sustainable return to meet the Foundation's objectives as laid down under its governing document.

The investment portfolios are a mix of unrestricted funds and an expendable endowment, the income from which serves to provide funds for the ongoing charitable work of the Foundation. In this context, a number of portfolios exist, each of which has specific objectives.

The Foundation seeks to produce an optimum level of return within an acceptable level of risk. The current investment objective for the majority of the investment portfolio is to generate a return of inflation as defined by the Consumer Price Index ("CPI") which the government has set at a target rate of 2% per annum plus 4% per annum over the long term. These returns, when combined with the anticipated future gift aid donations from the Trading Group, should enable the present and future financial requirements of the Foundation to be met whilst maintaining the real value of the initial donation. Where there is a shortfall, as in the 6 months to 30 June 2021, part of the investment portfolio may be realised. The Trustees review the performance of the Trading Group on a regular basis.

A set of measurable performance objectives has been developed for the investment managers and pooled funds. Performance in each asset category is compared quarterly with a suitable performance benchmark. The managers are expected to demonstrate skill in the management of their portfolios consistent with the performance objectives, given

the level of risks adopted. Investment performance is considered three times a year by the Audit, Risk and Investment Committee.

Cash-based investments support the Foundation's working capital, overhead expenses and anticipated near term grant awards and as such are invested in a prudent manner with a secondary objective of achieving reasonable rates of return relative to the deposit market.

The Trustees are fully supportive of responsible investment as it aligns with the Foundation's aims to provide a benefit to society and is also central to long-term value creation. The Foundation's investment managers are required to adopt the same philosophy and whilst day-to-day investment decisions are delegated to them, the Trustees regularly receive investment reports enabling them to monitor the investments and the managers' performance. The Trustees expect them to take an active interest in the management of the investee companies, engaging with management on issues of corporate governance and with regard to social, environmental or ethical considerations all of which impact shareholder value.

Investment performance: listed investments

During the period, the investments performed well, delivering a total annualised return of 9.3% (2020: 10.2%). This comprised an annualised income yield of 2.4% (2020: 2.6%) and a capital yield of 6.9% (2020: 7.6%). The return on the endowment is higher than the long-term objective stated within the investment policy above.

Investment performance: Social Investment

During the period, the Trading Group launched its Strategy for Profitable Growth. The Trading Group will focus on fewer activities, allowing better allocation of resources, producing a greater positive impact for our customers and higher commercial returns. The Trading Group's aim is to build on its long history of independence and technical excellence to become a trusted professional advisor to its customers, on compliance, performance and sustainability in the maritime industry.

In line with this strategy, in June 2021, the Trading Group agreed the sale of its Business Assurance and Inspection Services (BA&IS) business line, including cybersecurity firm Nettitude, to Goldman Sachs Asset Management. The divestment was completed in December 2021.

The Trading Group's steps to refocus the business drove a significant turnaround in profitability during the period, with £23.5 million of operating profit on revenues of £375.7 million which includes the BA&IS business line. To have achieved this against a backdrop that included the Covid-19 pandemic, the strain on global supply chains and the climate emergency is testament to the hard work and commitment of our colleagues in the Trading Group.

The Trading Group's pro-forma year-on-year sales results from continuing activities were significantly higher partly due to the growth in new vessel construction activity. The Trading Group also saw positive sales results from its new services, such as its fleet management solution software, Hanseaticsoft, on which the Trading Group completed a final transaction to bring the business under 100% LR ownership. The Trading Group also supported the cruise industry to return to operations with safe sailing products and services (LR SHIELD and LR SHIELD+), and is encouraged to see newly built cruise ships being transferred into Lloyd's Register class.

The Trading Group has seen a marked increase in customers looking to comply with new environmental regulations such as the International Maritime Organization's Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII). Keen to reduce fuel consumption and improve the efficiency of fleet operations, the Trading Group saw several of the leading vessel charterers adding significant numbers of vessels to the Trading Group's i4 Insight fleet optimisation suite of services. To enhance its status as a trusted advisor able to support customers with improved operational efficiency, reduced emissions and optimised commercial performance, the Trading Group started the acquisition processes of C-MAP Russia and GreenSteam, both of which were completed after the reporting period ended.

Financial results

Summarised consolidated financial information as disclosed in the Trading Group's consolidated financial statements for the 6 months ended 30 June 2021 is provided in note 12 to the Foundation's financial statements. Further details of the financial performance of the Trading Group is included within LRG's financial statements.

The Trustees are satisfied with the Trading Groups's performance, and will continue to maintain and develop the effective working relationship with it. They will allow the Trading Group to retain funds for investment in operating improvements and potential acquisitions, but continue to expect cash distributions.

Governance and management

The Foundation is governed by a Board of Trustees, which is responsible for setting the Foundation's strategy, operating with good governance and monitoring the fulfilment of the Foundation's objective – delivering public benefit.

The Board is currently made up of eight Trustees who are also the Members and Directors of the Foundation for Companies Act 2006 purposes. The Board considers Foundation policies, receives committee reports and recommendations, approves annual budgets, reviews the performance of the Trading Group, and guides the Foundation Chief Executive.

Thomas Thune Andersen, Chairman (appointed 22 June 2012)

Thomas is the Chairman of the Lloyd's Register Foundation and Chairman of Lloyd's Register Group Limited. He is a member of the Foundation's Nominations Committee and the Lloyd's Register Group Limited Remuneration Committee. Thomas, a former member of the executive Board of the A.P. Moller-Maersk Group with more than 30 years tenure in its maritime and energy sectors, was appointed to the Board in June 2012. Thomas is Chairman of Ørsted A/S and of VKR Holding A/S, and a Non-Executive Director of IMI plc, BW Group Limited and Green Hydrogen Systems A/S. He is a member of the World Economic Forum Chairmen's Council, Friends of Ocean Action and the Danish Committee on Corporate Governance.

Lambros Varnavides (appointed 24 July 2012)

Lambros is the former Managing Director and Global Head of Shipping at The Royal Bank of Scotland. Lambros was Chairman of the Baltic Exchange during 2017 and is Vice President of The Baltic Exchange Charitable Foundation, as well as a member of its Finance Committee. He is a court assistant to the Worshipful Company of Shipwrights and was Chair of its Finance Committee until May 2021. He is also a Younger Brother of Trinity House Corporation, a liveryman of the Honourable Company of Master Mariners (including its Finance Committee), a Freeman of the Watermen and Lightermen of the River Thames and an Honorary Visiting Professor at the Business School, City University. Lambros was appointed Senior Independent Trustee of Lloyd's Register Foundation in September 2015 and chairs the Grants and Direct Charitable Activities Committee.

Carol Sergeant CBE (appointed 1 January 2014)

Carol holds non-executive positions on the boards of Danske Bank AS and Belmont Green Finance Limited. She is a member of the Governing Council of the Centre for the Study of Financial Innovation, an Ambassador for the Money Advice Trust and a member of the Global Advisory Board of the Bayes Business School and Chairman of its Global Women's Leadership Programme. She has previously been Chairman of the BSI Standards Strategy and Policy Committee, Managing Director on the board of the Financial Services Authority, Chairman of Protect, the UK Whistleblowing Charity, a non-executive director of TP ICAP plc, BNY Mellon SA/NV, and Secure Trust Bank, and Chief Risk Officer at Lloyds Banking Group, having begun her career at the Bank of England. Carol holds a degree in Modern Languages from Cambridge University and an MBA from the Business School, City University (formerly Cass). Carol is a member of the Foundation's Audit, Risk and Investment Committee.

Rosemary Martin (appointed 1 July 2014)

Rosemary is Group General Counsel and Company Secretary of Vodafone Group Plc. She previously served as CEO of the Practical Law Group, having spent 11 years with Reuters Group plc with the last five years as Group General Counsel and Company Secretary. Before joining Reuters, Rosemary was a partner with Rowe & Maw (now Mayer Brown). She is currently a Trustee of Vodafone Foundation, a member of the UK Takeover Panel's code committee, a member of the Supervisory Board of Vantage Towers AG and a member of the Council and audit committee of the University of Sussex. She was a Non-Executive Director of EY until August 2018 and a Non-Executive Director of HSBC Bank Plc (the European arm of HSBC Group) until April 2016. Rosemary was admitted as a solicitor in 1984 and holds a degree in Philosophy and Literature and an MBA in Legal Practice. Rosemary was appointed Chairman of the Foundation's Nominations Committee in August 2020 and represents the Foundation on the Lloyd's Register Group Limited Remuneration Committee.

Andreas Sohmen-Pao (appointed 26 June 2018)

Andreas is Chairman of BW Group and its listed affiliates, BW Offshore, BW Energy, BW LPG, BW Epic Kosan, Cadeler and Hafnia. He is also Chairman of the Singapore Maritime Foundation, Chairman of the Global Centre for Maritime Decarbonisation in Singapore and a director of Navigator Holdings. He has served as a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited, The London P&I Club, The Esplanade Co Ltd, Singapore National Parks Board, Sport Singapore and the Maritime and Port Authority of Singapore, amongst others. Andreas graduated from Oxford University with an honours degree in Oriental Studies and holds an MBA from Harvard Business School

Ishbel Macpherson (appointed 25 June 2019)

Ishbel spent over 20 years in corporate finance in the City of London with BZW, ABN AMRO Hoare Govett and Dresdner Kleinwort Benson. At Dresdner Kleinwort Benson she led the mid-market corporate finance, corporate broking, corporate broking support and investment trust teams. Since leaving the City, Ishbel has become an experienced Non-Executive Director having had roles with over 10 publicly listed companies as chairman, chairman of audit committees, remuneration committees and as senior independent director. Currently, she is Senior Independent Director and Chairman of the Remuneration Committee at Dechra Pharmaceuticals plc. Ishbel is also a Non-Executive Director of Lloyd's Register Group Limited and Chairman of its Audit and Risk Committee. She is also Chairman of the Foundation's Audit, Risk and Investment Committee.

Dame Una O'Brien (appointed 1 January 2021)

Dame Una O'Brien was the Permanent Secretary at the Department of Health and Social Care between 2010 and 2016. She has extensive UK and international experience of healthcare policy and government, having held a wide variety of senior policy roles in Whitehall departments and the NHS over a 30-year career in public service. Whilst working primarily in and for the Department of Health, she was also seconded to be Principal Private Secretary to the Secretary of State for Transport and worked in the Prime Minister's Efficiency Unit under both Conservative and Labour governments. Since leaving government, Una has served as a trustee on charitable and higher education boards and currently is a member of Council at the London School of Hygiene & Tropical Medicine and a member of the Board of Visitors at the Ashmolean Museum, University of Oxford. Una was also on the Board of Trustees at Macmillan Cancer until her term of office finished in June 2021.

Professor Sir Peter Gregson FREng (appointed 1 June 2021)

Sir Peter is a research engineer and was the Chief Executive and Vice-Chancellor of Cranfield University until 31 July 2021. He was previously President and Vice-Chancellor of Queen's University Belfast and Deputy Vice-Chancellor at Southampton University. He is a strategic leader with extensive executive and non-executive experience of working at the highest levels of academia, industry and Government. He is a Trustee of the Royal Anniversary Trust and has been Non-Executive Director of Rolls Royce Group plc. He has served on the Council of the Royal Academy of Engineering and the Central Laboratory of the Research Councils. He has contributed to the Strategic Leadership Consultations of the Windsor Leadership Trust, the Harvard University Programme for University Presidents and the American Council on Education Fellows Programme. He has served on the Steering Committee of the US/Ireland R&D Partnership, the Northern Ireland Economic Development Forum and Council of CBI Northern Ireland.

Governance structure

The Board is supported by four committees, which have been delegated authority on certain matters (Audit, Risk and Investment; Grants and Direct Charitable Activities; Nominations; and the Remuneration Committee). Details of which Trustees, executives and independent members sit on these committees are provided in the 'membership of committees' section below.

Trustee recruitment and training

The Board and the Nominations Committee invest considerable time in identifying Trustees with appropriate skills which will benefit the Foundation. They are equally keen that any new Trustee is properly inducted into the Board. All new Board members go through a structured period of training.

During the period under review, the Nominations Committee carried out its annual review of the composition of the Trustee Board, its skills and experience. Recommendations were made to, and approved by, the Board on Trustee re-elections and succession planning.

During the training for new Trustees, the Chairman talks to them about the history of the Foundation, its role in Society and the way the Board operates. The Company Secretary provides a fuller briefing on the operations of the Foundation, its structure, its risks, its key documentation and will provide a general overview of Trustees' duties and responsibilities and charity law. The new Board members meet with the Foundation Chief Executive and are also encouraged to meet with the senior staff in both the Foundation and in the Trading Group, to assist them in their understanding of the Group, and can therefore apply appropriate oversight.

Each year the full Trustee Board receives refresher training on the roles and responsibilities of charity trustees delivered by an external provider. This training was carried out during the period under review and included updates on the Foundation's legal structure, trustee duties and social investment issues.

Board Evaluation Review

The Trustee Board undertakes annual evaluations of its performance and effectiveness. In line with the UK Corporate Governance Code, evaluations are externally facilitated every third year. The last external Board evaluation was carried out by Leadership Advisor Group in 2018, with the 2019 and 2020 evaluations having been internally facilitated (with coordination and collation only by Leadership Advisor Group to preserve the anonymity of individual respondents).

During the period under review the Trustees reviewed the results of an internal evaluation of the skills composition and operational effectiveness of the Board which had been carried out in 2020 via questionnaire, with support from Leadership Advisor Group to collate responses, whilst preserving anonymity. Leadership Advisor Group had no other connection with the Foundation or Lloyd's Register Group Limited. The questionnaire covered key governance matters, the effectiveness of Board and Committee meetings, the quality of board papers, the effectiveness of the Chairman, oversight of risks and strategy, and Board and corporate culture. The review did not identify any significant shortcomings.

An external Board evaluation was carried out in 2021. In order to gain the benefit of an informed perspective on the way in which the Trustee Board has evolved since 2018, particularly through the recent period of change, the Trustee Board appointed Leadership Advisor Group to facilitate the 2021 external Board evaluation. This enables the tailoring of the process to the Foundation, with a facilitator who has a demonstrable understanding of the Foundation. The evaluation progressed during the second half of 2021 by way of questionnaires, individual interviews, and observation at a Board meeting, with the final report and discussion to take place in the first quarter of 2022.

Remuneration of Trustees

The Trustees are the Directors of the Foundation. Trustees are not remunerated for their services as Trustees of the Foundation. The Foundation pays for Trustees' travel expenses to Board meetings.

Membership of committees:

	Status	Foundation Board	Grants and Direct Charitable Activities ⁵	Audit, Risk and Investment	Nominations	Remuneration ¹
Thomas Thune Andersen ⁴	Trustee	Chair	—	—	Member	Member
Rosemary Martin	Trustee	Member	Member	—	Chair	Member
Carol Sergeant	Trustee	Member	Member	Member	—	—
Lambros Varnavides ⁴	Trustee	Member	Chair	—	—	—
Andreas Sohmen-Pao	Trustee	Member	—	—	—	—
Ishbel Macpherson	Trustee	Member	Member	Chair	—	—
Una O'Brien ²	Trustee	Member	—	—	—	—
Peter Gregson ³	Trustee	Member	—	—	—	—
Allan Whalley	Independent	—	—	Member	—	—
Michelle Davies	Company Secretary	—	—	—	—	—
Richard Clegg	Foundation Chief Executive	—	Member	—	—	—
Michael F. Lykiardopulo	Independent	—	—	—	Member	—

Notes:

¹ The Remuneration Committee has the same membership composition as the Remuneration Committee of Lloyd's Register Group Limited and is chaired by Chris Finlayson, a Non-Executive Director of Lloyd's Register Group Limited.

² Appointed 1 January 2021

³ Appointed 1 June 2021

⁴ Appointed for a fourth term of up to three years, subject to annual re-election, for the purposes of succession planning

⁵ The Committee Chair invites two additional Trustees to be members of the Committee. One will be invited to sit on the Committee for up to 12 months; the other for six months. During the period covered by the accounts, Carol Sergeant, Rosemary Martin and Ishbel Macpherson attended meetings of the Committee.

Executive

The Foundation Chief Executive, Richard Clegg, is responsible to the Board for the operation of the Foundation.

Following the period under review, after 10 years as Chief Executive of the Foundation since it was established, Richard Clegg announced his plan to retire in 2022. A search is under way for his successor.

The Advisory Council

The Advisory Council continues to assist the Foundation on delivering its charitable aims by providing independent expert advice, support and constructive challenge in areas including developing general strategy and plans, identifying new funding opportunities and emerging priorities, maximising impact plus suggesting other bodies with which to work. The Advisory Council meets twice a year.

For details of the members of the Advisory Council see lrfoundation.org.uk/about-us/advisory-council.

360Giving

We are committed to being as transparent as possible so the Foundation is pleased to be one of the growing number of significant UK grant-givers to share grants data through the 360Giving standard. 360Giving supports organisations to publish their grants data in an open, standardised way and helps people to understand and use the data in order to support decision-making and learning across the charitable giving sector. For more information see lrfoundation.org.uk/programmes/360giving-data.

Employees

The Foundation and its Trading Group are equal opportunities employers.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Foundation's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Foundation and its Trading Group aim to provide employees with information on matters of concern to them as employees and to enable them to engage with the operations and objectives of the organisation.

Management of risk

The Board has overall responsibility for establishing, monitoring and maintaining an effective system of risk management and internal controls. LRF's risk management framework establishes that system and enables the leadership teams and those charged with governance to identify, evaluate, prioritise and respond to the risk landscape in a consistent and managed way. This framework was established several years ago and, although regularly refreshed and updated, it has not changed significantly in the 6 months to 30 June 2021.

Risk management is overseen by the Board and its Audit, Risk and Investment Committee (ARIC), to whom the monitoring of the identification, review and assessment of key risks to the Foundation has been delegated. These risks are described in a Risk Register which is reviewed at each meeting of the Committee. The updated Risk Register is also tabled at meetings of the Board where the Chair of the Audit, Risk and Investment Committee provides a report following each meeting of the Committee. The risks are evaluated according to their impact and likelihood and the Register describes the current mitigations and controls and plans for future development.

The key elements of LRF's risk management framework for evaluating, categorising and presenting risks are as follows:

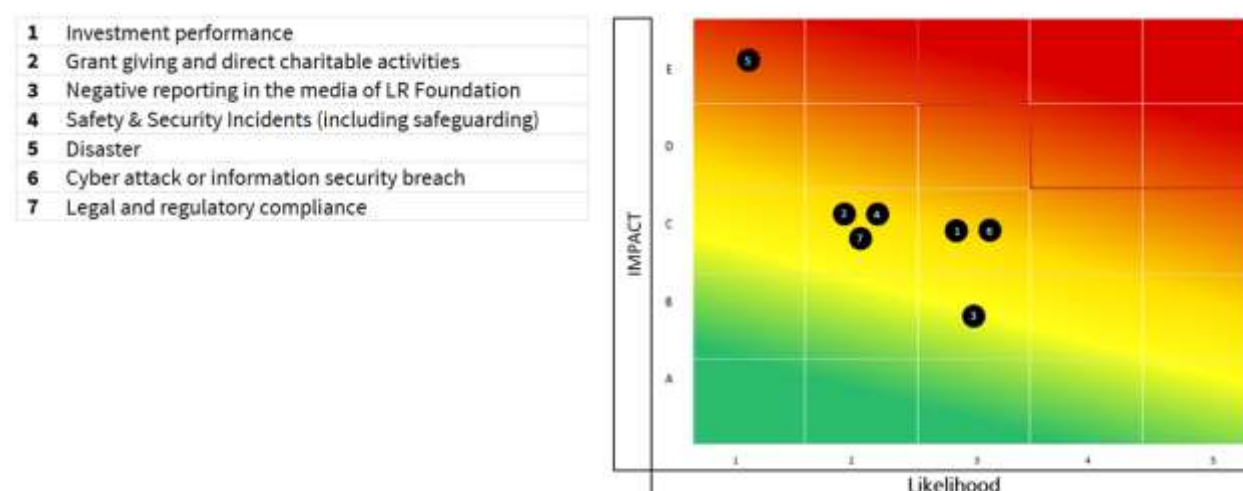
- risks are evaluated using a combination of impact and likelihood;
- each risk is evaluated at three points: the unmitigated (gross) risk; the current (net) risk score considering all current controls; and the target risk score considering the impact of future mitigating actions;
- each risk is categorised according to whether it is a strategic, operational or legal and compliance risk;
- each risk is flagged as to whether it is being monitored or managed;
- each risk has its own velocity score to assess the speed at which the exposure can impact LRF;
- to ensure a common approach and consistency when assessing the impact and likelihood, a risk evaluation scale is used; and
- the complete risk register is expressed graphically in a risk heatmap to allow comparison between risks.

A timetable is in place to manage the various elements of risk management across the Foundation, including:

- Board risk deep dives at three of the four meetings;
- the LRF Risk Register is included in Board papers for every meeting; and
- LRF's Risk Register is updated and reviewed by Senior Management, ARIC and the Board every six months.

Risk heatmap

The risk heatmap illustrates the risk identification and assessment process used to prepare the Group Risk Register. The chart plots the relative likelihood and impact of the key risks identified, demonstrating the net risk.



Risk	Mitigation
Investment performance Investment income can be impacted (positively and negatively) by external events, stock market performance, the global economy, the operational performance of the Lloyd's Register Group, and the ability of the respective management teams to respond to and manage through a downturn. This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately.	- Continued close review by the Audit, Risk and Investment Committee with active management and frequent reporting by third party investment managers. - The portfolio is split between two competing managers to enable a champion/challenger approach. - Regular reporting of the Trading Group's strategy and financial performance to the Trustees. - Cash flow and reserves are projected in the 5 Year Plan and performance against the plan is monitored by the Board. - Monthly cash and treasury management by a dedicated Financial Controller. - Management of short and medium-term funds in conjunction with the longer term endowment funds. - Implementation of medium-term lower risk fund to cover cash requirements for the period 12-24 months in the event of a sustained major market downturn.
Grant giving and direct charitable activities Grants awarded and / or direct charitable activities (DCA) do not achieve stated objectives. This impacts the Foundation's achievement of its charitable purpose. This could arise from mismanagement of the project, misappropriation of funds or other unforeseen circumstances and might result in reputational damage and regulatory impact.	- A detailed and thorough process exists for the evaluation and approval of grant/DCA applications, including applicant due diligence where there is uncertainty or risk. - Regular monitoring of the progress and impact of grants by the Foundation Chief Executive and its Grants and Direct Charitable Activities Committee (GDCA) with a focus on the need for strong evidence of impact. Grant impact deep dives are also undertaken at the GDCA and Board. - Controls over grant/DCA applications, including due diligence and 'red flag' reviews, guidance documents with strong screening processes in place. - Clear guidelines are in place directing the monitoring and recording of impact for grants, the Heritage and Education Centre (HEC) and internal charitable activity, including recipient reporting against the agreed progress and escalation policy for overdue progress reports. - A metrics library has been created to use for pathways to impact for grants, DCA, HEC and internal charitable activity (such as the foresight reviews). - Whistleblowing, anti-bribery and corruption, modern slavery and serious incident requirement clauses have been added to grant agreements and progress monitoring reports.
Negative reporting in the media of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of: - an issue or incident relating to a Foundation grant recipient or investee; - negative press relating to the LR Group; - controversial conclusions in published output of Foundation funded research or by the Evidence and Insight Centre; and - a misunderstanding of the social investment relationship between the Group and Foundation;	- Crisis planning and media training are in place with a view to ensuring that Trustees and staff are prepared to respond appropriately to media coverage that concerns the Foundation. - Detailed review including technical and peer reviews of published material/reports are undertaken. - Discussion and early warnings between LRF and the Trading Group on any reports that could be sensitive. - Public statements controlled by the LRF Communications Manager and external advice taken where appropriate. - Horizon scanning/social media review for issues/trends that could impact LRF's reputation. - All grants to LRG are approved by LRF Board.
Safety and Security Incidents (including safeguarding) Grantee/DCA related staff or recipients of grantee services operate in environments that are not under the direct control of the Foundation. There may be incidents or issues that arise in a grantee organisation that impact individuals' safety and/or wellbeing, including vulnerable individuals. Safeguarding is also applied to both LRF and LRG staff.	- Consideration of grantee health, safety and security risk, where relevant, is incorporated into the grantee application and due diligence process. A specific policy for safeguarding vulnerable individuals has been implemented and grantees are required to confirm their compliance with this policy. - Whistleblowing, anti-bribery and corruption, modern slavery and safeguarding clauses have been added to grant agreements and progress monitoring reports. - LRF applies LRG policies and procedures, with the office HSES risk being managed by LRG.

Disaster Fire or similar event at the Foundation's offices results in destruction of irreplaceable historic records and artefacts.	• The Foundation's offices at 71 Fenchurch Street, London, have appropriate fire suppression systems and incident response plans, which are tested regularly. The programme of digitisation of the archive will also preserve a duplicate copy. • A modern, purpose-built archive at 71 Fenchurch Street is planned. Work is expected to be completed in the middle of 2022. During the works, records and artefacts are being stored in a secure offsite location.
Cyber attack or information security breach An advanced targeted cyber attack could result in the loss of sensitive information.	• Sensitive information is identified and is subject to appropriate security measures, which are tested regularly. • Technology based security is provided by the LR Group. All Foundation staff have undertaken information security awareness training in the past year. • Multifactor authentication has been implemented to protect administrative, privileged and standard users.
Compliance Failure to comply with UK or international law, regulatory requirements or sanctions. Key areas of compliance are charity law, anti-bribery and corruption, sanctions and conflicts of interest.	• The Foundation Chief Executive and the Trading Group's General Counsel and Company Secretary keep compliance under close review. • Advice and support is sought from external advisers where appropriate.

The Trading Group has Internal Audit and Risk, and Quality functions which provide independent and objective opinions and assurance on the adequacy of the Foundation's and Trading Group's risk processes, internal controls and governance frameworks. The resources of the Internal Audit and Risk, and Group Legal functions are available to the Foundation's Audit, Risk and Investment Committee.

Public benefit

As described throughout this Trustees' Report, the Trustees place specific focus on the public benefits arising from the output and activities of the Foundation having regard to the Charity Commission guidance on public benefit.

Research and development

The Trading Group carries out research and development activities. The amount of £5.7m (18 months to 31 December 2020: £18.0m) has been charged to the consolidated statement of financial activities.

Organisational structure

The Foundation has a total of 31 members of staff supported by secondees from the Trading Group. A service level agreement exists between the Foundation and the Trading Group for the provision of specialist business support in areas including finance, HR, communications, legal and IT. The Foundation pays for these services at an agreed market rate.

Disclosure of information to the Auditor

Having made enquiries each of the Trustees, listed above, in office at the time of approving the Trustees' Report confirm that:

- so far as each Trustee is aware, there is no information relevant to the preparation of its report and the financial statements of which the Foundation's Auditor is unaware; and
- each Trustee has taken all steps a trustee might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Foundation's Auditor is aware of that information.

Independent Auditor

Deloitte LLP has expressed a willingness to continue in office.

Governing document

Lloyd's Register Foundation is a company limited by guarantee registered in England, incorporated in 2012, governed by its Memorandum and Articles of Association.

Financial statements and Trustees' Report

The company and consolidated financial statements have been prepared in accordance with the accounting policies set out on pages 53 to 54 and 69 to 72 respectively and comply with applicable laws and the FRS102 Charity SORP (Statement of Recommended Practice) except for the disclosures relating to employee benefit banding (see page 81).

This Trustees' Report on pages 1 to 38 and 63 to 64 has been prepared in accordance with Part 8 of the Charities Act 2011 and the Companies Act 2006 and incorporates the Strategic Report and has been approved by order of the Board.



Michelle K Davies (Mar 18, 2022 11:08 GMT)

Michelle Davies
Company Secretary

18 March 2022

Legal and administrative details

Company number

07905861 (England and Wales)

Charity number

1145988 (England and Wales)

Principal Banker

HSBC UK Bank plc
Level 6
71 Queen Victoria Street
London
EC4V 4AY

Statutory Auditor

Deloitte LLP
London
United Kingdom

Investment managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Fidelity International
25 Cannon Street
London
EC4M 5TA

Investment custodians

Bank of New York Mellon
One Canada Square
Canary Wharf
London
E14 5AL

Solicitors

Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Registered and principal office

71 Fenchurch Street
London
EC3M 4BS

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Foundation and Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Energy and Carbon Reporting

The table below reports on all sources of Greenhouse Gas (“GHG”) emissions and energy usage in the Group’s UK and offshore operations as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Working with The Carbon Trust, the below table has been prepared in accordance to ISO14064-3 which is the standard that specifies principles, requirements and provides guidance for verifying and validating greenhouse gas statements.

GHG Scope	Category	Global			
		Total Emissions (t CO2e)		% of total value chain	
		6 months to 30 June 2021	18 months to 31 December 2020	6 months to 30 June 2021	18 months to 31 December 2020
Scope 1	Scope 1 – Gas, lease car miles and F-gas	1,304	4,314	6%	3%
Scope 2	Scope 2 – location based electricity consumption	1,029	5,501	5%	4%
Scope 3	Scope 3 – indirect emissions (not included in scope 2)	18,501	117,086	89%	91%
		20,834	126,901	100%	100%

Total t CO2e / £m turnover	55.5	101.4
Total Scope 1 and 2 emissions – location based (t CO2e)	2,333	9,815
Total Scope 3 emissions (t CO2e)	18,501	117,086
Total Scope 1, 2, and 3 emissions – location based (t CO2e)	20,834	126,901

Quantity of Energy consumed for which the company is responsible	Global	
	Kilowatt Hours kWh	
	6 months to 30 June 2021	18 months to 31 December 2020
Gas	2,392,399	8,776,165
Purchased electricity	4,450,170	15,450,399

Our GHG Reduction Plan and Science-Based Target [Net Zero 2050]

To avoid the most catastrophic impacts on an already warming planet, the world must limit global warming to 1.5°C above pre-industrial levels by achieving net zero emissions no later than 2050. As well as working with our clients and stakeholders to help them achieve their own decarbonisation and net zero goals, we have set ourselves a science-based emissions reduction target (SBT), validated by the SBTi, that is in line with a 1.5°C trajectory and applies to all relevant scopes of emissions. We will also achieve net zero at the latest by 2050.

Lloyd’s Register commits to reduce absolute scope 1 and 2 GHG emissions by 63% by FY2034/35 from a FY 2019/20 base year.

Lloyd’s Register also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and business travel by 37.5% within the same timeframe.



The foundation of the GHG reduction plan is the achievement of absolute reductions across four phases of implementation:

- 1. Set the pathway to zero:** 2021-25 - mobilise policy interventions and set principles to define our pathway.
- 2. Gain momentum towards zero:** 2025-30 – achieve challenging way-marker targets and embed culture change for sustainability.
- 3. Achieve transformational change for zero:** 2030-35 - low and zero emissions ways of operating become the norm.
- 4. Deliver on our net zero promise:** post-2035 - beyond the lifespan of the current SBT, our emission reductions will need to be enhanced and residual emissions balanced through a carbon removal mechanism.

Progress and plans

	FOOTPRINT SHARE*	PROGRESS 2020/21	PLANS 2021/22
AIR TRAVEL	41%	Our app-enabled remote survey solution for clients has become a mainstay of the way we do business	Deploy revised travel policy and develop low / zero emission service delivery
CAR TRAVEL	24%	Consolidation of lease car provider and approval of the <i>Sustainable Fleet</i> policy	Operationalise <i>Sustainable Fleet</i> policy to transition to e-mobility
PROCUREMENT	28%	Baseline supply-chain impact and define key supplier group	Engage key suppliers and assess sustainability credentials
PROPERTY	7%	The Property Transformation project is well underway based on our new ways of working principles	Accelerate the review of property footprint and leases to 'right-size' and enable flexible working
DATA	N/A		Re-baseline due to sale of part of the business

*based on 2019/20 as less affected by responses to the Covid pandemic

Remuneration Committee Report

This report describes the constitution and activities of the Remuneration Committee during the 6 month period ended 30 June 2021.

The Committee

Two separate remuneration committees operate within the Group; one for Lloyd's Register Group Limited and one for Lloyd's Register Foundation. A report is provided at each Trustees' Board meeting of the activities of the Foundation Remuneration Committee since the previous Board meeting.

The Committee comprises members of the Board of Directors and a representative of the Lloyd's Register Foundation. Its current membership is as follows:

Mr C G Finlayson (Chair)
Mr T T Andersen
Mrs R Martin (representing Lloyd's Register Foundation)

The members of the Committee are appointed and removed by the Board of Directors of Lloyd's Register Group Limited.

It is the role of the Foundation's Remuneration Committee to:

- Aim to ensure that the Foundation reward structure reflects best practice;
- Provide advice to the Board of Trustees on the remuneration policy for the Foundation's Chief Executive Officer and his direct reports;
- Implement the remuneration policy in practice through determination of all aspects of the remuneration of the Foundation Chief Executive;
- Approve the salary and bonus proposals and payments for the Foundation's Chief Executive and review remuneration decisions with reference to the Foundation employee salary budget, including approval of the overall level of any annual pay increase applied in the Foundation;
- Review and approve all changes to terms in pension scheme arrangements for the Foundation Chief Executive;
- Review and advise upon the level of remuneration for senior direct reports to the Foundation Chief Executive;
- Have oversight of the diversity and gender spread across the globe, insofar as it relates to remuneration matters of the Foundation; and
- Oversee any major changes to remuneration strategy for the Foundation.

The Foundation is anchored in the charity sector, but is differentiated by greater commercial and technical involvement than would be the norm in many charitable organisations. Therefore, our pay and benefits provide market competitiveness within those other sectors from which we seek to attract and retain senior talent to lead the Foundation and deliver its charitable aims. These include the charity, science and technology sectors.

General Policy

In determining the general policy regarding the total remuneration of the Foundation's Chief Executive and his direct reports, the Board of Trustees has directed the Committee to have regard to the following guidelines:

- Our aim is to pay at the market median, but roles that need specific skills, specialisms or business experience may command a remuneration premium as a result of the value they add.
- Reward and affordability align to efficient and effective delivery of the Foundation's short and long-term strategies and priorities and will include links to the business performance of the Trading Group.
- We recognise high performance by individuals and teams through the use of variable pay.

- We believe in the principles of fairness and equality of opportunity in employment. We are committed to all our colleagues receiving equal pay for the same or broadly similar work, regardless of gender, ethnicity or other non-performance related differences.

The remuneration of the charity's key management personnel is set to:

- provide a base salary designed to attract and retain key management which also reflects their level of responsibility and experience;
- see that they are fairly and responsibly rewarded for their individual contributions; and
- take account of competitive rates of total remuneration, based upon surveys of comparative organisations which are undertaken annually.

Remuneration

The highest paid Foundation employee serving in the 6 month period received aggregate emoluments, including performance based remuneration, of £116,000 (18 months to 31 December 2020: £517,000). He is a member of a Company defined contribution pension scheme, and £8,000 was paid by the Company during the period (18 months to 31 December 2020: £10,000).

A summary of employee remuneration is included in note 12 of the consolidated financial statements.

Independent External Advice

The Committee has access to, and takes cognisance of, professional advice both from within the organisation and from independent external consultants. The current external advisor is EY and the Group Human Resources Director acts as Secretary to the Committee.

Audit, Risk and Investment Committee Report

This report describes the constitution and activities of the Audit, Risk and Investment Committee in place during the 6-month period ended 30 June 2021.

Summary of the role of the Audit, Risk and Investment Committee

The membership of the Audit, Risk and Investment Committee is:

Ms I J S Macpherson
Mrs C F Sergeant
Mr A Whalley

The Audit, Risk and Investment Committee is a sub-committee of the Board of Trustees. The Committee reviews the application and effectiveness of the policies and processes of the Lloyd's Register Foundation.

The Committee assists the Board of Trustees in monitoring the integrity of the Foundation's published financial statements and the compliance of the Foundation's Report and Accounts with UK accounting standards, the Companies Act and the Charities SORP.

The Committee also reviews the performance of the Foundation's investment portfolio and its investment managers and makes decisions on behalf of the Board of Trustees as to an appropriate investment strategy for the Foundation.

The Group's Internal Audit and Risk function reports to the Committee on any issues which it considers impact on the adequacy and effectiveness of the Foundation's internal financial controls and risk management systems. No material items have been reported to the Committee by Group Audit and Risk during the financial period.

The Committee oversees the relationship with the external auditor including approval of the audit plan and scope of the audit. The assessment of the auditor's independence and review of the level of fees payable for non-audit services did not identify any significant matters.

The financial statements are reviewed by the Committee before recommending their consideration by the Board of Trustees, focusing particularly on any significant adjustments resulting from the audit and major judgmental areas. The Audit, Risk and Investment Committee typically meets three times a year, and at least once a year a meeting is held between the Chair of the Committee, the Head of Group Internal Audit and Risk and the external auditor, at which no employees are present.

The Committee met once during the period under review. Matters considered by the Committee during the period and subsequently include the review of:

- the findings of an internal audit report into the management of the investment portfolio;
- financial controls, including fraud protection;
- the 31 December 2020 and 30 June 2021 Reports and Consolidated Financial Statements and the Auditor's Reports thereon;
- the statement of investment policy; and
- minor amendments to the Committee's Terms of Reference.

Nominations Committee Report

The Nominations Committee is a committee of Lloyd's Register Foundation which addresses the needs of Lloyd's Register Foundation, Lloyd's Register Group Limited and other related senior appointments or succession issues. It comprises one Foundation Trustee, one Lloyd's Register Group Board Director and the Chairman. The current members of the Committee are the following:

Mrs R Martin – Committee Chair

Mr T T Andersen

Mr M Lykiardopulo – Senior Independent Non-Executive Director of Lloyd's Register Group Limited

The Committee meets at least annually to consider the matters noted below in respect of both Lloyd's Register Foundation and Lloyd's Register Group Limited, with additional meetings as required, for example, for the appointment of additional Board members and succession planning.

- Board succession planning;
- Reviewing the composition of the Boards of the Group and the Foundation and making recommendations regarding the annual re-election of Board members and changes and new appointments of the Chairman, Trustees and Directors, to ensure an appropriate balance of skills, experience and diversity;
- Reviewing the membership and operation of Board committees and making recommendations where appropriate;
- Reviewing the succession of senior executive positions and making recommendations accordingly;
- Identifying, nominating and recommending for approval of the Boards, candidates to fill Board vacancies; and
- Making recommendations to the Boards regarding changes to the positions of Chief Executive and Chief Financial Officer of Lloyd's Register Group Limited, and to the position of the Chief Executive of Lloyd's Register Foundation.

During the period under review, the Committee made recommendations with regard to succession planning, the re-election of Board members on the expiry of terms of office which were due to expire in the coming year, and the review of the Board Committee memberships, including the consideration of the appointment of an additional member of the Audit and Risk Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lloyd's Register Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2021 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Foundation statement of financial activities (incorporating an income and expenditure account);
- the Foundation balance sheet;
- the Foundation cash flow statement;
- the related notes to the Foundation financial statements 1 to 19;
- the consolidated statement of financial activities;
- the consolidated balance sheet;
- the consolidated cash flow statement; and
- the related notes to the consolidated financial statements 1 to 32.

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).

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 financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standards, 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to

the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, pensions, IT and Real Estate specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- potential for grants to be modified subsequent to the initial award. Any such modifications may affect the terms and hence accounting for the grant. We tested a sample of correspondence with grant recipients to evaluate the accounting impact of changes made to grants, and whether these have been limited to current period cash flow phasing or have an impact on the grant liability to be recognised.
- manual adjustments are posted to the general ledger to true-up revenue recognised under multi-year marine in-service contracts. We have performed substantive tests of detail on a sample of contracts to assess the accuracy of the adjustments that were made; and
- the proportion of revenue recognised in the period in relation to fixed price projects that are still in-progress at the end of the period is subject to error due to an inaccurate estimation of costs to complete. We have tested a sample of contracts by corroborating project progress with project managers and evidencing the inputs to the revenue calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLOYD'S REGISTER FOUNDATION

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing any correspondence with the Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part

16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Black

Jeremy Black (Mar 18, 2022 17:14 GMT)

Jeremy Black, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
18 March 2022

FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2021

	Note	General funds 6 months to 30 June 2021 £000	Endowment funds 6 months to 30 June 2021 £000	Total funds 6 months to 30 June 2021 £000	General funds 18 months to 31 December 2020 £000	Endowment funds 18 months to 31 December 2020 £000	Total funds 18 months to 31 December 2020 £000
Income							
Income from investments:							
Gift aid from Trading Group		3,000	—	3,000	3,000	—	3,000
From listed investments and other investments		3,824	—	3,824	12,518	—	12,518
Total income	3	<u>6,824</u>	<u>—</u>	<u>6,824</u>	<u>15,518</u>	<u>—</u>	<u>15,518</u>
Expenditure on raising funds							
Investment management costs	4	—	(437)	(437)	—	(1,563)	(1,563)
Charitable activities							
Total grant activities	5	(3,063)	—	(3,063)	(10,522)	—	(10,522)
Total direct activities	5	<u>(3,611)</u>	<u>—</u>	<u>(3,611)</u>	<u>(10,853)</u>	<u>—</u>	<u>(10,853)</u>
Total expenditure		<u>(6,674)</u>	<u>(437)</u>	<u>(7,111)</u>	<u>(21,375)</u>	<u>(1,563)</u>	<u>(22,938)</u>
Net income / (expenditure) before gains on investments		150	(437)	(287)	(5,857)	(1,563)	(7,420)
Realised gains on disposal of listed investments		2,195	35,112	37,307	1,476	18,200	19,676
Unrealised (losses) / gains on listed investments		<u>(1,547)</u>	<u>(24,749)</u>	<u>(26,296)</u>	<u>1,240</u>	<u>15,286</u>	<u>16,526</u>
Net income / (expenditure) and net movement in funds		<u>798</u>	<u>9,926</u>	<u>10,724</u>	<u>(3,141)</u>	<u>31,923</u>	<u>28,782</u>
Reconciliation of funds							
Funds brought forward		<u>19,273</u>	<u>308,279</u>	<u>327,552</u>	<u>22,414</u>	<u>276,356</u>	<u>298,770</u>
Funds carried forward		<u><u>20,071</u></u>	<u><u>318,205</u></u>	<u><u>338,276</u></u>	<u><u>19,273</u></u>	<u><u>308,279</u></u>	<u><u>327,552</u></u>

All of the Company's income is derived from continuing activities.

There are no recognised gains or losses for the current and preceeding year other than those shown above. All funds are unrestricted.

FOUNDATION BALANCE SHEET AT 30 JUNE 2021

	Note	30 June 2021 £000	31 December 2020 £000
Fixed assets			
Investments	10	<u>360,282</u>	<u>360,084</u>
		360,282	360,084
Current assets			
Cash at bank and in hand		17,763	13,046
Debtors	11	<u>245</u>	<u>—</u>
		18,008	13,046
Creditors: amounts falling due within one year	13	<u>(23,243)</u>	<u>(21,951)</u>
Net current liabilities		(5,235)	(8,905)
Total assets less current liabilities		355,047	351,179
Creditors: amounts falling due after one year	14	<u>(16,771)</u>	<u>(23,627)</u>
Net assets		<u>338,276</u>	<u>327,552</u>
The funds of the charity			
Unrestricted – general fund		12,993	12,843
Revaluation reserve	17	<u>7,078</u>	<u>6,430</u>
Total unrestricted funds		20,071	19,273
Endowment funds		225,151	225,588
Revaluation reserve	17	<u>93,054</u>	<u>82,691</u>
Total endowment funds		318,205	308,279
Total charity funds	16	<u>338,276</u>	<u>327,552</u>

The financial statements on pages 50 to 62 were approved by the Trustees on 18 March 2022 and signed on their behalf by:


Ishbel Macpherson (Mar 18, 2022 11:41 GMT)
Ishbel Macpherson, Trustee

Lloyd's Register Foundation
Company registration number 07905861

FOUNDATION CASH FLOW STATEMENT FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2021

		6 months to 30 June 2021	18 months to 31 December 2020
	Note	£000	£000
Cash flows from operating activities:			
Net cash used in operating activities	A	(12,920)	(37,420)
Cash flows from investing activities:			
Dividends and income from investments		6,824	15,518
Purchase of investments		(124,961)	(248,969)
Proceeds from sale of listed investments		<u>135,774</u>	<u>283,711</u>
Net cash provided by investing activities		17,637	50,260
Change in cash and cash equivalents in the period		4,717	12,840
Cash and cash equivalents at the beginning of the period	B	13,046	206
Cash and cash equivalents at the end of the period	B	<u>17,763</u>	<u>13,046</u>

A. Reconciliation of net income to net cash flow from operating activities

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Net income for the reporting period (as per the statement of financial activities)	10,724	28,782
Adjustments for:		
Gains on investments	(11,011)	(36,202)
Dividends and income from investments	(6,824)	(15,518)
(Increase) / decrease in debtors	(245)	210
Decrease in creditors	(5,564)	(14,692)
Net cash used in operating activities	<u>(12,920)</u>	<u>(37,420)</u>

B. Analysis of cash and cash equivalents

	31 December 2020 £000	Cash flow £000	30 June 2021 £000
Cash at bank and in hand	13,046	4,717	17,763
Total cash and cash equivalents	<u>13,046</u>	<u>4,717</u>	<u>17,763</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Basis of accounting

Lloyd's Register Foundation is a private charitable company limited by guarantee, incorporated in the United Kingdom, registered in England and Wales and a registered charity. It is governed by its memorandum and articles.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments. They have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP") FRS102 "Accounting and Reporting by Charities" ("the Charities SORP"), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Foundation meets the definition of a public benefit entity under FRS102. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed in the Trustees' report on page 28.

The functional currency of the company is considered to be Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Company is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds is costs associated with generating income from investment management.

Expenditure on charitable activities comprises all the costs incurred by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities is all the expenditure by the charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Charity formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Foundation, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on the investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

Short-term employee benefits are recognised as an expense in the period in which they relate.

c. Investments

Listed investments are stated at market value. The statement of financial activities includes realised gains and losses on investments sold in the period and unrealised gains and losses on revaluation of investments.

Investment in the Trading Group (Lloyd's Register Group Limited), which is a mixed motive investment, is valued at cost less any impairment.

d. Cash

Items considered to be cash are those held in hand, in current accounts and on short-term deposit (where the term is less than three months) with recognised financial institutions.

e. Taxation and Value Added Tax

The Foundation is a UK registered charity and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

f. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 16.

g. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are recognised at their settlement amount while grant liabilities are discounted to net present value where the impact is material.

h. Significant accounting estimates and assumptions

The Foundation makes estimates and assumptions to produce the Financial Statements. The accounting estimates will, by nature, differ from the actual results. The key estimate that may have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year relates to the discounting of grant liabilities. The rate applied to discount grant liabilities payable after more than twelve months requires an estimate of the appropriate discount rate, as well as an estimate of when the liability will be called down as a claim to be paid. A discount rate of 2.1% (31 December 2020: 2.1%) has been applied having considered the range of the market rate of interest the Foundation could borrow money over the life of the grants and the opportunity cost of income from investments foregone. A 1.5% increase in the discount rate would reduce grant liabilities by £0.5 million while a 0.5% decrease in the discount rate would increase grant liabilities by £0.2 million. There are no other significant accounting estimates or judgements for the Foundation.

3. Investment income

	General funds £000	Endowment funds £000	Total 6 months to 30 June 2021 £000	Total 18 months to 31 December 2020 £000
Gift aid from Trading Group	3,000	—	3,000	3,000
Listed and other investments:				
Fixed Interest – UK	370	—	370	1,757
Fixed Interest – Overseas	46	—	46	65
Equities – UK	1,003	—	1,003	2,287
Equities – Overseas	1,021	—	1,021	3,730
Pooled Funds	1,378	—	1,378	4,626
Cash Instruments	6	—	6	41
Bank interest	—	—	—	12
	3,824	—	3,824	12,518
Total	6,824	—	6,824	15,518

4. Expenditure on generating funds

Expenditure on generating funds represents investment management costs, which are charged to the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Analysis of expenditure on charitable activities

				6 months to 30 June 2021 £000
Grant making activities:	Grants (note 6) £000	Direct costs £000	Support costs £000	
Goal 1: Evidence and Insight	534	255	239	1,028
Goal 2: Challenge area: Safety at Sea	21	10	9	40
Goal 2: Challenge area: Safety of Food	7	3	3	13
Goal 2: Challenge area: Safety of Digital Systems	333	159	149	641
Goal 2: Challenge area: Public Understanding of Risk	40	19	18	77
Heritage and education centre	90	43	40	173
Foundational *	403	193	181	777
	1,428	682	639	2,749
Unwinding of discounting of grant liabilities	314	—	—	314
Total grant activities	1,742	682	639	3,063
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	1,329	402	1,731
Heritage and education centre	—	1,375	416	1,791
Foundational *	—	68	21	89
Total direct activities	—	2,772	839	3,611
	1,742	3,454	1,478	6,674

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

No grant expenditure has been incurred during the period relating to Skills for Safety, Safety for a sustainable future and Safety of physical infrastructure (Goal 2 Challenge areas).

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £1,478,000 (18 months to 31 December 2020: £3,964,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £737,000 (18 months to 31 December 2020: £1,629,000) and governance costs of £59,000 (18 months to 31 December 2020: £65,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's annual accounts of £59,000 (18 months to 31 December 2020: £54,000).

Analysis of expenditure by charitable activities in the 18 months to 31 December 2020 is shown below.

				18 months to 31 December 2020 £000
Grant making activities:	Grants £000	Direct costs £000	Support costs £000	
Goal 1: Evidence and Insight	158	30	44	232
Goal 2: Challenge area: Safety at Sea	834	160	234	1,228
Goal 2: Challenge area: Safety of Food	1,879	360	526	2,765
Goal 2: Challenge area: Safety of Digital Systems	123	24	35	182
Goal 2: Challenge area: Public Understanding of Risk	281	54	79	414
Goal 2: Challenge area: Safety for a sustainable future	900	173	252	1,325
Goal 2: Challenge area: Safety of physical infrastructure	173	33	48	254
Heritage and education centre	14	3	4	21
Foundational	2,414	462	677	3,553
	6,776	1,299	1,899	9,974
Unwinding of discounting of grant liabilities	548	—	—	548
Total grant activities	7,324	1,299	1,899	10,522
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	3,124	734	3,858
Heritage and education centre	—	4,163	978	5,141
Foundational	—	1,501	353	1,854
Total direct activities	—	8,788	2,065	10,853
	7,324	10,087	3,964	21,375

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded in the 6 months to 30 June 2021 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Public Under standing of Risk £000	Safety of Physical infra-structure £000	Safety for a sustainable future £000	Heritage And education centre £000	Evidence and Insight £000	Found-ational £000	Total 6 months to 30 June 2021 £000
British Science Association	1	—	—	—	40	—	—	—	—	—	40
Cardiff University Seafarers International Research Centre	1	21	—	—	—	—	—	—	—	—	21
Cranfield University	1	—	—	—	—	—	—	—	—	50	50
Delft University of Technology	1	—	—	—	—	—	—	—	—	10	10
Delft University of Technology	1	—	—	—	—	—	—	—	—	21	21
Global Manufacturing Organisation Limited	1	—	—	400	—	—	—	—	—	—	400
History & Policy, King College London	1	—	—	—	—	—	—	—	—	122	122
Hook Marine Ltd	1	—	—	—	—	—	—	—	—	10	10
Lancaster University	1	—	—	—	—	—	—	—	—	10	10
Nottingham Trent University	1	—	—	—	—	—	—	—	—	59	59
Queen's University Belfast	1	—	19	—	—	—	—	—	—	—	19
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	104	104
Scense about Science	1	—	—	—	—	—	—	—	384	—	384
SeedPod LLC	1	—	—	—	—	—	—	—	150	—	150
University of Portsmouth Higher Education Corporation	1	—	—	—	—	—	—	90	—	—	90
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	7	7
Grant adjustments		—	(12)	(67)	—	—	—	—	—	—	(79)
17		21	7	333	40	—	—	90	534	403	1,428
Impact of discounting grants awarded		—	—	—	—	—	—	—	—	—	—
		21	7	333	40	—	—	90	534	403	1,428

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Grants awarded in the 18 months to 31 December 2020 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Public Under standing of Risk £000	Safety of Physical infra- structure £000	Safety for a sustainable future £000	Heritage And education centre £000	Evidence and Insight £000	Found- ational £000	Total 18 months to 31 December 2020 £000
2019 Conference Student Communicator of the Year	1	—	—	—	—	—	—	—	—	2	2
Anglia Ruskin University	1	—	—	—	—	—	—	—	—	9	9
Audit XPRT Limited	1	—	—	—	—	—	—	—	—	30	30
Cardiff University Seafarers International Research Centre	1	—	—	—	—	—	—	—	19	—	19
CNRS Station Biologique de Roscoff	1	—	920	—	—	—	—	—	—	—	920
Connundram Limited	1	—	—	—	—	—	—	—	—	30	30
Cranfield University	1	—	—	—	—	—	—	—	—	10	10
Energy Institute	1	—	—	—	—	200	—	—	—	—	200
Fish Safety Foundation	1	84	—	—	—	—	—	—	—	—	84
Food and Agriculture Organization of the United Nations	1	—	82	—	—	—	—	—	—	—	82
Helm Inovation Limited	1	—	—	—	—	—	—	—	—	10	10
HiLo Maritime Risk Management	1	456	—	—	—	—	—	—	—	—	456
Imperial College London	1	—	—	—	—	—	—	—	—	545	545
Institute of Economics & peace	1	—	—	—	200	—	—	—	—	—	200
International Maritime law Institute	1	282	—	—	—	—	—	—	—	—	282
International Maritime rescue federation	1	—	—	—	—	—	—	—	—	20	20
Lloyds Register Group Limited	1	—	—	—	—	—	900	—	—	—	900
Mission Critical Application Limited	1	—	—	125	—	—	—	—	—	—	125
M-Squared Lasers Limited	1	—	—	—	—	—	—	—	—	30	30
Nanyang Technological University	1	12	—	—	—	—	—	—	—	—	12
National Space Centre	1	—	—	—	—	—	—	—	—	394	394
Nottingham Trent University	1	—	—	—	—	—	—	—	41	—	41
Ohalo Limited	1	—	—	—	—	—	—	—	—	30	30
Open Data Institute	1	—	—	—	—	—	—	—	—	61	61
Open Data Institute Ltd	1	—	—	—	—	—	—	—	—	205	205
Philippines Visayas Foundation Inc	1	—	—	—	—	—	—	—	—	10	10
Reality AI	1	—	—	—	—	—	—	—	—	30	30
Royal Commission on the Ancient and Historical Monuments of Wales	1	—	—	—	—	—	—	14	—	—	14
RS Standards	1	—	—	—	—	—	—	—	48	—	48
SafetyTech Accelerator Limited	1	—	—	—	—	—	—	—	—	800	800
Science Museum	1	—	88	—	—	—	—	—	—	—	88
Sensing Feeling	1	—	—	—	—	—	—	—	—	35	35
Shipwrights	1	—	—	—	—	—	—	—	—	79	79
SnapDNA Corporation	1	—	—	—	—	—	—	—	—	30	30
Stolar Global Imaging	1	—	—	—	—	—	—	—	—	30	30
Tall Ships Youth Trust	1	—	—	—	—	—	—	—	—	74	74
Teeside University	1	—	—	—	—	—	—	—	—	9	9
University of Manchester	1	—	—	—	—	—	—	—	—	40	40
University of Southern California	1	—	—	—	190	—	—	—	—	—	190
University of Strathclyde	1	—	—	—	—	—	—	—	50	—	50
Wageningen Research	1	—	789	—	—	—	—	—	—	—	789
Grant adjustments		—	—	(2)	(109)	(27)	—	—	—	(99)	(237)
	41	834	1,879	123	281	173	900	14	158	2,414	6,776
Impact of discounting grants awarded		—	—	—	—	—	—	—	—	—	—
		834	1,879	123	281	173	900	14	158	2,414	6,776

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. Grants awarded but not paid

	30 June 2021 £000	31 December 2020 £000
At start of period	43,987	58,777
Awarded in the period	1,507	7,013
Unwinding of discounting (note 5)	314	548
Grant adjustments (note 6)	(79)	(237)
Paid in the period	(8,019)	(22,114)
At end of period	<u>37,710</u>	<u>43,987</u>

The aging of grants payable is shown in note 14.

8. Employees

	General funds £000	Endowment funds £000	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Wages and salaries	1,238	—	1,238	2,625
Social security costs	117	—	117	297
Pension costs	120	—	120	304
	<u>1,475</u>	<u>—</u>	<u>1,475</u>	<u>3,226</u>

All employees are engaged in charitable activities. The average number of employees was 31 (18 months to 31 December 2020: 24).

Included within employee costs above is £124,000 (18 months to 31 December 2020: £527,000) remuneration received by key management personnel which includes £8,000 of employer defined contribution pension costs (18 months to 31 December 2020: £10,000). See note 30 of the consolidated financial statements for the key management personnel of the Foundation Group.

The following number of employees earned emoluments within the bands shown below. Emoluments include benefits in kind, but exclude employer defined contribution pension costs.

	6 months to 30 June 2021 Number	18 months to 31 December 2020 Number
£60,001 - £70,000	3	5
£70,001 - £80,000	—	2
£80,001 - £90,000	—	1
£100,001 - £110,000	—	2
£110,001 - £120,000	1	—
£120,001 - £130,000	—	1
£130,001 - £140,000	—	1
£140,001 - £150,000	—	1
£170,001 - £180,000	—	1
£220,001 - £230,000	—	1
£510,001 - £520,000	—	1

The Foundation made no termination payments during the current or prior period.

9. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. No Trustees received reimbursement for out of pocket expenses (18 months to 31 December 2020: £nil). No expenses were paid on behalf of Trustees during the 6 months to 30 June 2021 (18 months to 31 December 2020: £nil) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

10. Investments

	30 June 2021 £000	31 December 2020 £000
Listed investments at market value comprise:		
Fixed Interest – UK	24,400	35,962
Fixed Interest – Overseas	1,561	380
Equities – UK	45,766	46,815
Equities – Overseas	134,995	146,106
Pooled Funds	107,825	84,387
Derivatives	(563)	847
Cash instruments	3,927	3,606
Cash at investment managers and accrued interest	<u>2,321</u>	<u>1,931</u>
	<u>320,232</u>	<u>320,034</u>
Unlisted investments		
Investment in subsidiaries – mixed motive investment at cost less impairment	40,050	40,050
	<u>360,282</u>	<u>360,084</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Listed investments and cash held by investment managers

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
At start of period	318,103	314,997
Additions at cost	124,961	248,969
Disposals proceeds	(136,164)	(282,065)
Realised gains on disposals	37,307	19,676
Unrealised gains	(26,296)	16,526
At end of period	317,911	318,103
Cash at investment managers and accrued interest	2,321	1,931
	320,232	320,034

Subsidiaries (note 12)

The Foundation has invested £40,050,000 (31 December 2020: £40,050,000) in its only immediate subsidiary, Lloyd's Register Group Limited. The subsidiaries and joint ventures of Lloyd's Register Group Limited are shown in note 31 to Lloyd's Register Foundation Group Consolidated Financial Statements.

11. Debtors

	30 June 2021 £000	31 December 2020 £000
Prepayments and accrued income	245	—
	245	—

12. Trading Group

The Foundation has a mixed motive investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry.

The summarised financial information of the consolidated Trading Group is provided below, as per the Trading Group's consolidated financial statements for the 6 months ended 30 June 2021 (2020: 18 months ended 31 December 2020).

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Turnover	375,669	1,253,193
Cost of sales	(237,164)	(891,177)
Gross profit	138,505	362,016
Administrative expenses	(114,983)	(370,775)
Other operating income	—	8,127
Administrative expenses before exceptional costs	(108,642)	(341,528)
Operating profit before exceptional costs	29,863	28,615
Exceptional costs	(6,341)	(29,247)
Operating profit	23,522	(632)
Loss on disposal	—	(42,722)
Share of net operating loss of joint ventures	(336)	(1,913)
Net investment income	(92)	24,411
Other finance costs	(186)	(1,614)
Profit / (loss) before taxation	22,908	(22,470)
Taxation on profit / (loss)	(8,791)	(23,888)
Profit / (loss) for the financial period	14,117	(46,358)
	30 June 2021 £000	31 December 2020 £000
Assets	1,033,901	1,020,787
Liabilities	(548,534)	(548,354)
Net Assets	485,367	472,433
Shareholder's funds	485,367	472,433

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Creditors: amounts falling due within one year

	30 June 2021	31 December 2020
	£000	£000
Trade creditors	108	82
Amounts due to related companies	1,150	771
Grants payable	20,939	20,360
Accruals and deferred income	1,046	738
	23,243	21,951

14. Creditors: amounts falling due after one year

	30 June 2021	31 December 2020
	£000	£000
Grants payable	16,771	23,627
	16,771	23,627

The timing of grants payable is shown in the table below:

	30 June 2021	31 December 2020
	£000	£000
Due within one year	20,939	20,360
Due within 1-2 years	15,016	18,044
Due within 2-5 years	2,429	6,571
Impact of discounting	(674)	(988)
	16,771	23,627
Net grants payable	37,710	43,987

15. Contingent liabilities

The Foundation has a contractual obligation until at least 2022 to transfer up to £125m of the investment assets received from the Trading Group in September 2012 to the Lloyd's Register Superannuation Fund Association in the event of an insolvency of Lloyd's Register Group Limited. The Trustees consider the risk of insolvency, and therefore the risk of payment of the contingent liability, to be minimal. Additional funding commitments to related parties are detailed in note 19.

16. Funds

	31 December 2020	Income	Expenditure	Other movements	30 June 2021
	£000	£000	£000	£000	£000
Total unrestricted funds	19,273	6,824	(6,674)	648	20,071
Endowment funds:					
Expendable endowment	308,279	—	(437)	10,363	318,205
	327,552	6,824	(7,111)	11,011	338,276

Other movements relate to realised and unrealised gains and losses on investment assets.

	1 July 2019	Income	Expenditure	Other movements	31 December 2020
	£000	£000	£000	£000	£000
Total unrestricted funds	22,414	15,518	(21,375)	2,716	19,273
Endowment funds:					
Expendable endowment	276,356	—	(1,563)	33,486	308,279
	298,770	15,518	(22,938)	36,202	327,552

Other movements relate to realised and unrealised gains and losses on investment assets.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep £100.0m of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were subsequently amended to increase the contingent asset to £125.0m and extend the period until 2022, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. Revaluation reserve

	31 December 2020 £000	Unrealised losses £000	Realised revaluation reserve £000	30 June 2021 £000
Unrestricted – general funds	6,430	(1,547)	2,195	7,078
Endowment funds:				
Expendable endowment	82,691	(24,749)	35,112	93,054
	<u>89,121</u>	<u>(26,296)</u>	<u>37,307</u>	<u>100,132</u>

	1 July 2019 £000	Unrealised gains £000	Realised revaluation reserve £000	31 December 2020 £000
Unrestricted – general funds	3,714	1,240	1,476	6,430
Endowment funds:				
Expendable endowment	49,205	15,286	18,200	82,691
	<u>52,919</u>	<u>16,526</u>	<u>19,676</u>	<u>89,121</u>

18. Analysis of net assets between funds

	General funds £000	Endowment funds £000	Total 30 June 2021 £000	Total 31 December 2020 £000
Fixed assets	42,077	318,205	360,282	360,084
Current assets	18,008	—	18,008	13,046
Creditors: amounts falling due within one year	(23,243)	—	(23,243)	(21,951)
Creditors: amounts falling due after one year	(16,771)	—	(16,771)	(23,627)
	<u>20,071</u>	<u>318,205</u>	<u>338,276</u>	<u>327,552</u>

	General funds £000	Endowment funds £000	Total 31 December 2020 £000	Total 30 June 2021 £000
Fixed assets	51,805	308,279	360,084	358,624
Current assets	13,046	—	13,046	416
Creditors: amounts falling due within one year	(21,951)	—	(21,951)	(31,606)
Creditors: amounts falling due after one year	(23,627)	—	(23,627)	(28,664)
	<u>19,273</u>	<u>308,279</u>	<u>327,552</u>	<u>298,770</u>

19. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

In accordance with the provisions of Financial Reporting Standard 102 the related party transactions entered into by the charity are detailed below. The transactions that arose were in the normal course of business.

The charity awarded a grant of £600,000 in the 12 months to 30 June 2014 to the Worshipful Company of Shipwrights where Lambros Varnavides serves as a member of the Finance Committee. The interest was disclosed before the grant was made and Mr Varnavides did not participate in the grant making decision. Of the grant awarded, £79,000 was written back in the 18 months to 31 December 2020 with no amounts payable at 31 December 2020. A new grant of £79,000 was awarded during the 18 months to 31 December 2020 and £nil remains outstanding at 30 June 2021 (31 December 2020: £nil).

A grant has been awarded to the Trading Group during the 6 months to 30 June 2021:

- A £104,000 grant to support the SafetyTech Accelerator programme. £nil remains outstanding as at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Two grants were awarded to the Trading Group during the 18 months to 31 December 2020:

- A £900,000 grant to support decarbonisation in the marine sector. £51,000 remains outstanding as at 30 June 2021 (31 December 2020: £495,000).
- A £800,000 grant to support the new SafetyTech Accelerator programme. £nil remains outstanding as at 30 June 2021 (31 December 2020: £800,000).

In addition to the grants provided, a further £4.3m may become payable to the Trading Group over the following 10 years, with the majority payable within the first three years. The additional payments are dependent upon periodic reviews of the project outcomes. The commitments are planned to be funded from general funds, following receipt of future investment income.

During the 6 months to 30 June 2021, the Foundation was charged the following amounts from the Trading Group:

- £496,000 in respect of the provision of services including accommodation and IT support (18 months to 31 December 2020: £1,495,000); and
- £96,000 in respect of Trading Group employees seconded to the Foundation (18 months to 31 December 2020: £427,000).

The above recharges do not include any amounts in respect of services for key management personnel.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FINANCIAL REVIEW OF LLOYD'S REGISTER FOUNDATION GROUP

Strategic report of the Foundation

The Foundation has a direct mixed motive investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies ("the Trading Group"). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry. The activities of the Trading Group in furthering the charitable objects of the Foundation are discussed on pages 26 and 27.

The Foundation's consolidated total income for the 6 months to 30 June 2021 of £384.5 million (18 months to 31 December 2020: £1,290.1 million) comprises of income recognised by the Trading Group of £380.7 million (18 months to 31 December 2020: £1,277.6 million) and investment income recognised by the Foundation of £3.8 million (18 months to 31 December 2020: £12.5 million). Income recognised by the Trading Group includes turnover of £375.7 million (18 months to 31 December 2020: £1,253.2 million), investment income of £5.0 million (18 months to 31 December 2020: £16.3 million) and grant income of £nil (18 months to 31 December 2020: £8.1).

The Foundation's consolidated total expenditure for the 6 months to 30 June 2021 of £360.5 million (18 months to 31 December 2020: £1,334.4 million) relates principally to the Trading Group of £353.5 million (18 months to 31 December 2020: £1,313.2 million) with the remainder relating to the activities of the charitable entity.

Consolidated net assets for the Foundation at 30 June 2021 are £784.4 million (31 December 2020: £761.4 million), an increase of £23.0 million from the prior period.

Net consolidated funds (cash and short term deposits) for the Foundation at 30 June 2021 are £314.6 million (31 December 2020: £272.2 million), an increase of £42.4 million (18 months to 31 December 2020: £190.3 million) from 31 December 2020.

The performance of the Charitable entity is discussed on pages 25 to 30, and the results of the Trading Group below.

Results of the Trading Group

This financial review of the Trading Group forms part of the strategic report.

The summarised financial information of the consolidated Trading Group is provided in note 17 to the consolidated financial statements, as per the Trading Group's consolidated financial statements for the 18 months ended 31 December 2020.

Turnover for the 6 month period to 30 June 2021 was £375.7 million (18 months to 31 December 2020: £1,253.2 million).

During the previous 18-month period, the Group recognised grant income of £8.1m (6 months to 30 June 2021: £nil), including £7.7m received as part of government initiatives to provide financial support as a result of Covid-19. After the balance sheet date, the Board of the Trading Group agreed its intention to repay Covid-19 related government support where practical.

Operating profit before exceptional costs for the 6 months to 30 June 2021 was £29.9m, (18 months to 31 December 2020: £28.6m). The prior period operating profit before exceptional costs includes £57.5m relating to the continuing operations, offset by a loss of £28.9m from discontinued operations. Discontinued operations comprise the Energy business which was disposed of on 31 October 2020. The increase in operating margin before exceptional costs from continuing operations to 7.9% (18 months to 31 December 2020: 5.2%) reflects the impact that the pandemic had on the Group's retained businesses during the prior period.

Exceptional costs for the 6 month period of £6.3 million relate to restructuring activity associated with changes in processes and resource requirements following restructuring within back office functions in line with the Trading Group's strategy.

Statutory operating profit for the 6 month period, after exceptional costs, was £23.5 million (18 months to 31 December 2020: loss £0.6 million).

Financial position of the Trading Group

Net assets for the Trading Group at 30 June 2021 are £484.4 million (31 December 2020: £472.2 million), an increase of £12.2 million.

Branches of the Group

The Lloyd's Register Foundation group (the Group) has branches, as defined in section 1046(3) of the Companies Act 2006, which are outside the UK.

Financial risk management policies and objectives

The Group is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include litigation, foreign exchange risk, credit risk, and interest rate risk.

Litigation

In the normal course of business, the Trading Group receives claims for compensation from clients and other associated parties. The Trading Group has in place appropriate policies and procedures to mitigate litigation risk. Although insurance cover is carried to mitigate this risk, the results of litigation can be uncertain and the Trading Group remains exposed to a potential shortfall in this cover.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Foreign exchange risk (price risk)

Foreign exchange exposure is an expected risk of operating across a number of geographies. The Trading Group monitors the impact of foreign exchange on a regular basis. Where possible, the Trading Group uses natural hedges (offsetting costs incurred in a particular currency against revenues earned in that currency) that arise from its normal operating activities to manage its foreign exchange exposures. Where cash-pooling is not permitted by local regulations, non-GBP entities submit cash to head office companies by paying dividends and management charges. Derivative financial instruments are used by the Trading Group's third-party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Residual foreign exchange exposure is monitored and is considered tolerable.

Liquidity risk and going concern

The Group has net cash of £314.6 million (31 December 2020: £272.2 million). In addition, the Group holds listed investments of £388.9 million (31 December 2020: £394.2 million) of which £68.7 million (31 December 2020: £74.2 million) is held in escrow to make good the deficit on overseas defined benefit pension schemes in future periods.

The Trustees consider that the cash held by the Group, together with its listed investments, are sufficient to address the Group's liquidity requirements, both in the near and longer term.

The Trustees therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Credit risk

It is company policy to perform an assessment of the creditworthiness of new clients and, where appropriate, assign a credit limit to clients' accounts.

Interest rate risk

Derivative financial instruments are used by the Group's third party investment manager to manage the exposure to foreign exchange risk associated with the Company's investment portfolio. Aside from this potential risk the Group has only limited exposure to interest rate risk as it has no external borrowings or other interest-bearing financial instruments.

Further details of the Trading Group

Further details of the financial performance of the Trading Group is included within the Lloyd's Register Group Limited's statutory accounts.

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2021

	Note	Trading funds £000	General funds £000	Endowment funds £000	Total funds 6 months to 30 June 2021 £000	Total funds 18 months to 31 December 2020 £000
Income						
Income from investments:						
Listed investments	4	1,013	3,824	—	4,837	19,689
Property	4	2,647	—	—	2,647	8,592
Other	4	1,305	—	—	1,305	503
Income from other trading activities	5	375,669	—	—	375,669	1,253,193
Grant income		—	—	—	—	8,127
Total income		380,634	3,824	—	384,458	1,290,104
Expenditure on raising funds						
Investment management costs		—	—	(437)	(437)	(1,563)
Cost of other trading activities		(352,940)	—	—	(352,940)	(1,266,773)
Loss on disposal of discontinued operations		—	—	—	—	(42,722)
Other finance costs – pensions		(186)	—	—	(186)	(1,614)
Net interest in the results for the period in joint ventures		(336)	—	—	(336)	(1,913)
Other		(26)	—	—	(26)	(149)
Total costs of raising funds		(353,488)	—	(437)	(353,925)	(1,314,734)
Expenditure on charitable activities						
Total grants activities	7	—	(2,959)	—	(2,959)	(8,822)
Total direct activities	7	—	(3,611)	—	(3,611)	(10,853)
Total expenditure		(353,488)	(6,570)	(437)	(360,495)	(1,334,409)
Net income / (expenditure) before (losses) / gains on investments	11	27,146	(2,746)	(437)	23,963	(44,305)
Unrealised (losses) / gains on investments		(13,568)	(1,547)	(24,749)	(39,864)	12,396
Realised gains on disposal of investments		8,619	2,195	35,112	45,926	36,654
Net income / (expenditure) before taxation		22,197	(2,098)	9,926	30,025	4,745
Taxation	10	(8,791)	—	—	(8,791)	(23,888)
Net income / (expenditure)		13,406	(2,098)	9,926	21,234	19,143
Transfers between funds		(2,021)	2,021	—	—	—
Share of loss of joint venture transferred to goodwill following step acquisition		—	—	—	—	1,036
Acquisition of non-controlling interest	14	(2,525)	—	—	(2,525)	—
Foreign exchange differences on translation of net assets of overseas operations		(588)	—	—	(588)	(3,668)
Net actuarial movements on defined benefit pension schemes	23	14,904	—	—	14,904	(6,328)
Tax relating to components of other comprehensive income		(9,974)	—	—	(9,974)	(6,215)
Gain on asset transferred from own use to investment property	15	—	—	—	—	8,306
Net movement in funds		13,202	(77)	9,926	23,051	(26,012)
Funds brought forward		472,165	(19,076)	308,279	761,368	787,380
Funds carried forward		485,367	(19,153)	318,205	784,419	761,368

There are no recognised gains or losses for the period other than those shown above. An analysis of the prior period funds is shown in note 6. All funds are unrestricted.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2021

	Note	30 June 2021 £000	30 December 2020 £000
Non Current Assets			
Goodwill	14	58,655	58,239
Intangible fixed assets	14	40,350	44,832
Tangible assets	15	172,309	173,824
Investments	16	389,012	394,355
Pension surplus	23	148,420	142,735
Deferred tax assets	10	20,377	19,092
Interests in joint ventures: share of net assets	16	275	314
		829,398	833,391
Current assets			
Debtors	18	227,037	247,505
Cash at bank and in hand		314,556	272,200
		541,593	519,705
Creditors: amounts falling due within one year	19	(248,029)	(231,176)
Net current assets		293,564	288,529
Total assets less current liabilities		1,122,962	1,121,920
Creditors: amounts falling due after one year	20	(16,771)	(23,627)
Provisions for liabilities	21	(84,496)	(73,415)
Net assets excluding pension liability		1,021,695	1,024,878
Pension liability	23	(237,276)	(263,510)
Net assets including pension liability		784,419	761,368
The funds of the group	26,27		
Non charitable trading funds		645,315	645,427
Revaluation reserve		77,328	90,248
General fund	28	(19,153)	(19,076)
Unrestricted funds excluding pension liability		703,490	716,599
Pension reserve		(237,276)	(263,510)
Total unrestricted funds		466,214	453,089
Endowment funds		225,151	225,588
Revaluation reserve	27	93,054	82,691
Total endowment funds	26	318,205	308,279
Total group funds		784,419	761,368

The financial statements on pages 66 to 99 were approved by the Trustees on 18 March 2022 and signed on their behalf by:


Ishbel Macpherson (Mar 18, 2022 11:41 GMT)
Ishbel Macpherson, Trustee

Lloyd's Register Foundation
Company registration number 07905861

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 6 MONTH PERIOD ENDED 30 June 2021

	Note	2021 £000	2020 £000
Net cash inflow from operating activities	29	36,336	95,350
Cash flows used in investing activities			
(Increase) / decrease in loans		(7)	285
Proceeds from sale of investments		142,420	394,804
Proceeds from sale of tangible fixed assets		485	3,547
Purchase of investments		(132,581)	(278,835)
Purchase of intangible fixed assets		(591)	(3,563)
Purchase of tangible fixed assets		(1,626)	(9,513)
Interest paid		(108)	(286)
Investment income		8,789	28,784
Additional investment in existing joint ventures		(217)	(903)
Payment of deferred consideration on acquisitions		—	(6,872)
Acquisition of subsidiaries		(6,964)	(3,020)
Disposal of subsidiaries		—	(10,002)
Net cash flows generated by investing activities		9,600	114,426
Cash flows from financing activities			
Decrease in borrowings		—	(15,841)
Net increase in cash and cash equivalents		45,936	193,935
Cash and cash equivalents at beginning of period		272,200	81,886
Net increase in cash and cash equivalents		45,936	193,935
Effect of foreign exchange rate changes		(3,580)	(3,621)
Cash and cash equivalents at end of period		314,556	272,200

Analysis of cash and cash equivalents

Group	At 31 December 2020 £000	Cash flow £000	Effect of foreign exchange rate changes £000	At 30 June 2021 £000
Bank balances	272,200	45,936	(3,580)	314,556
	272,200	45,936	(3,580)	314,556

Reconciliation of net cash flow to movements in net funds

	Cash and cash equivalents £000	2021 Net funds £000	Cash and cash equivalents £000	Bank overdraft £000	Deferred consideration payable £000	2020 Net funds £000
At start of period	272,200	272,200	81,886	(15,841)	(6,338)	59,707
Foreign exchange	(3,580)	(3,580)	(3,621)	—	—	(3,621)
Cash flow	45,936	45,936	193,935	15,841	6,872	216,648
Other movements	—	—	—	—	(534)	(534)
At end of period	314,556	314,556	272,200	—	—	272,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2021

1. Basis of accounting and consolidation

The Group financial statements consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and derivative financial instruments. They have been prepared in accordance with the Statement of Recommended Practice FRS 102 "Accounting and Reporting by Charities" ("the Charities SORP"), with the exception of banding disclosures of employee benefits (excluding pension costs) in £10,000 bandings from £60,000 for employees of the Foundation's trading subsidiaries (see note 12), the reporting requirements of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The charitable company has adapted the Companies Act formats to reflect the Charities SORP. The financial statements have been prepared on the going concern basis as discussed further in the Trustees' report on page 28.

The functional currency of the Group is considered to be Pound Sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Income

Income is accounted for on an accruals basis and included in the statement of financial activities when the Group is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Turnover from surveys and inspection, which are the main activities of the Trading Group is recognised by reference to the stage of completion of the contract activity as at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs once the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes.

b. Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on raising funds includes costs associated with trading activities and investment management.

Expenditure on charitable activities comprise all the costs incurred applied by the Foundation in undertaking its work to meet its charitable objectives as opposed to the cost of generating the funds to finance these activities. Charitable activities are all the expenditure by the charity in the delivery of goods and services, including its programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Grants awarded are recognised when the Group formally notifies the recipient of the award following approval by the Trustees. The liability recognised is for the full amount of the award, unless a break clause is able to be exercised by the Group, whether payable immediately or across a number of financial years as grants are subject to qualitative review rather than strict performance criteria. Where material, grant liabilities in excess of one year are discounted to net present value to reflect the time value of money which is based on investment returns with a similar risk profile.

Support costs are defined as those costs that are incurred indirectly that cannot be allocated to specific activities, and relate to both grant making and direct activities that then give the Foundation the capability to carry out its charitable activities. They are allocated to the SORP expenditure headings on the basis of underlying expenditure which reflects the level of activity performed.

c. Tangible fixed assets

Tangible fixed assets (other than investment properties) are stated at cost, net of depreciation and impairment.

Depreciation of tangible fixed assets is provided using the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost over their respective useful lives as follows:

Motor vehicles	5 years
Office fittings and equipment	8 years
Computer equipment	5 years
Plant and machinery	5 to 20 years
Freehold buildings	5 to 40 years
Leasehold improvements	Length of the lease

Depreciation is not provided in respect of freehold land as it is deemed to have an infinite useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

d. Intangible fixed assets: goodwill

Goodwill arises on the acquisition of subsidiary undertakings and businesses and represents the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired.

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life up to a maximum of 10 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

e. Intangible fixed assets

Intangible assets relating to intellectual property rights acquired from third party developers are recognised at cost and amortised on a straight line basis over their estimated useful economics lives, which is estimated to be 10 years. Provision is made for any impairment.

Intangible assets relating to purchased software is recognised at cost including any directly attributable costs of preparing the software for its intended use and amortised using the straight line method over their useful economic lives which are estimated to be from 3 to 11 years. Provision is made for any impairment.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date and are amortised over a period of six years which is estimated to be their useful economic life.

f. Investments

Listed investments are stated at market value. Unlisted investments are stated at cost less provision for impairment. The statement of financial activities includes realised gains and losses on investments sold in the period and unrealised gains and losses on revaluation of investments.

Investment properties includes one property that is in mixed functional and investment use. Areas of the building occupied by third party tenants are deemed to be in investment use and are held at market value with any change in fair value recognised in the consolidated statement of financial activities. Where own use property is transferred and becomes an investment property, the property is revalued at the date of transfer from its net book value to fair value, with the revaluation recorded in other comprehensive income, with subsequent changes in fair value recognised in the statement of financial activities. A valuation of the building is pro-rated according to the value of floor space occupied by third party tenants. The valuation is carried out by a surveyor holding a relevant qualification (via an independent property company).

g. Cash

Items considered to be cash are those held in hand, in current accounts and on term deposit (where the term is less than three months) with recognised financial institutions.

h. Taxation and Value Added Tax

The Foundation is a UK registered charity, and is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

The Trading Group includes companies and branches that operate overseas and that are subject to foreign tax. Direct tax relating to those entities is included within the consolidated financial statements as a trading cost, and analysed in note 10 to the financial statements. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Foundation is not registered for VAT and therefore suffers irrecoverable VAT. This expense is recorded and disclosed with the cost of the underlying goods or services.

i. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less or to receive more tax in the future.

Deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

j. Fund accounting

The Foundation's general fund comprises accumulated unrestricted surpluses and deficits.

Non-charitable trading funds represent the accumulated surpluses and deficits retained within the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Endowment funds comprise one expendable endowment fund, a part of the September 2012 donation from the Trading Group. Generally, capital is retained within the fund, with income forming part of the Foundation's general fund. Trustees have the power to convert capital to income should they wish to expend capital subject to the contractual obligations of the initial donation as outlined in note 26.

k. Financial assets and liabilities:

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). With the exception of fixed asset investments and derivative financial instruments, financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are recognised at the settlement amount due. Creditors are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Income from quoted securities, which is recorded on an accruals basis, is recognised in investment income as are changes in the fair value of the listed investment portfolio. The Group does not apply hedge accounting for any of its financial instruments.

l. Foreign currencies:

i. Foreign currency denominated assets and liabilities of the Group and its overseas operations are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities and accumulated in net funds.

ii. Income and expenditure for the period are translated at the appropriate rates prevailing during the period, updated on a monthly basis.

iii. Other exchange differences are shown in net income within the statement of financial activities except for exchange differences on monetary items receivable or payable from / to a foreign operation for which settlement is neither planned nor likely to occur (forming part of the net investment in the foreign operations) which are accumulated in net funds.

m. Leases

The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

o. Research and development expenditure

Research expenditure is written off as incurred. Development expenditure, including all costs of developing internally generated intangible assets, is also written off, except for costs of bringing purchased software into use, where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as part of the cost of the purchased software as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between 1 and 10 years. Provision is made for any impairment.

p. Interest receivable

Interest receivable from bank and short term deposits includes interest accrued. Income from listed investments is recorded on an accruals basis when the income becomes payable to the Group.

q. Short-term employee benefits

Short-term employee benefits are recognised as an expense in the period in which they relate.

r. Pensions

For defined benefit schemes the amounts charged to costs of activities for generating funds are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within other finance costs - pensions. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

For defined contribution schemes the amount charged to the statement of financial activities account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

s. Investment in joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

t. Heritage assets

The Group's collection of pictures, furniture and fittings, ship models, books and archive material are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation charged on the grounds that for many of the assets, reliable historical cost information is not available and that the depreciated historical cost of these assets is now immaterial.

u. Provisions

Provision is made on a case-by-case basis in respect of defending claims received and where appropriate, the estimated cost of settling claims. Provisions for employee benefits arising on termination of employment, are recognised when a company is demonstrably committed to a formal plan for termination and is without realistic possibility of withdrawal from the plan.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The Trustees do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Group has long-term customer contracts under which service delivery can extend over a number of years. In accounting for such long-term contracts, an estimate is required of the costs to complete the contract to determine the percentage of completion, which is used to determine the amount of revenue to be recognised. These estimates are used to forecast the ultimate profitability of each contract. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the contract is recognised immediately. If the estimates change, the measurement of the percentage of completion will change, with a consequential remeasurement of cumulative revenue recognised to date on the contract. Consequently the determination of cost estimates on long-term customer contracts that span more than one accounting period are considered a critical judgement. However, there are no such long-term projects that are individually material to the Group's reported result.

Pension plans

The Group operates pension schemes worldwide, including defined benefit pension schemes, the most significant of which is in the United Kingdom. For a description of the related accounting policies, refer to Note 2 above. Changes in significant assumptions could materially affect the amounts, particularly the rate used to discount the projected benefit obligation. Note 23 to the financial statements describes the principal discount rate, salary increase, inflation, mortality and pension payment increase assumptions that have been used to determine the pension and post-retirement charges. The calculation of any charge relating to pensions is dependent on the assumptions used, which reflects the exercise of judgement. The assumptions adopted are based on advice of the Group's actuaries, on prior experience and market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

4. Investment income

	Trading funds £000	General funds £000	Endowment funds £000	Total funds 6 months to 30 June 2021 £000	Total funds 18 months to 31 December 2020 £000
Fixed Interest – UK	1,013	370	—	1,383	8,940
Fixed Interest – Overseas	—	46	—	46	65
Equities – UK	—	1,003	—	1,003	2,287
Equities – Overseas	—	1,021	—	1,021	3,730
Pooled Funds	—	1,378	—	1,378	4,626
Cash Instruments	—	6	—	6	41
	1,013	3,824	—	4,837	19,689
Bank interest	1,305	—	—	1,305	503
Income from UK investment property	2,647	—	—	2,647	8,592
	4,965	3,824	—	8,789	28,784

5. Income from other trading activities

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Turnover by class of business of the Trading Group:		
Marine and Offshore	206,544	622,844
Energy *	—	148,966
Digital Products	13,750	27,511
Business Assurance and Inspection Services	155,375	453,872
	375,669	1,253,193

* Energy operations were discontinued following the disposal of the business to Vysus Group Holdings on 31 October 2020.

Grant income

Grant income in the prior period includes Government grants of £7.7m received as part of Government initiatives to provide financial support as a result of Covid-19. There are no future related costs in respect of these grants. After the balance sheet date, the Board agreed its intention to repay Covid related government support where practical.

Expenditure on generating funds

Costs of generating funds include investment management costs and all expenses of the Trading Group including those attributable to public benefit activities but excluding any charitable donations made directly by the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. Breakdown of total funds for 2020

	Trading funds £000	Trading funds £000	Trading funds £000	General funds £000	Endowment funds £000	Total funds 18 months to 31 December 2020 £000
	Continuing	Discontinued	Total			
Income						
Income from investments:						
Listed investments	7,183	—	7,183	12,506	—	19,689
Property	8,592	—	8,592	—	—	8,592
Other	491	—	491	12	—	503
Activities for generating funds	1,104,227	148,966	1,253,193	—	—	1,253,193
Grant income	8,127	—	8,127	—	—	8,127
Total income	1,128,620	148,966	1,277,586	12,518	—	1,290,104
Expenditure on raising funds						
Investment management costs	—	—	—	—	(1,563)	(1,563)
Cost of activities for generating funds	(1,082,705)	(184,068)	(1,266,773)	—	—	(1,266,773)
Loss on disposal of discontinued operations	—	(42,722)	(42,722)	—	—	(42,722)
Other finance costs – pensions	(1,614)	—	(1,614)	—	—	(1,614)
Net interest in the results for the period in joint ventures	(1,913)	—	(1,913)	—	—	(1,913)
Other	(149)	—	(149)	—	—	(149)
Total costs of raising funds	(1,086,381)	(226,790)	(1,313,171)	—	(1,563)	(1,314,734)
Expenditure on charitable activities						
Total grant activities	—	—	—	(8,822)	—	(8,822)
Total direct activities	—	—	—	(10,853)	—	(10,853)
Total expenditure	(1,086,381)	(226,790)	(1,313,171)	(19,675)	(1,563)	(1,334,409)
Net income / (expenditure) before (losses) / gains on investments	42,239	(77,824)	(35,585)	(7,157)	(1,563)	(44,305)
Unrealised (losses) / gains on investments	(4,130)	—	(4,130)	1,240	15,286	12,396
Realised gains / (losses) on disposal of investments	16,978	—	16,978	1,476	18,200	36,654
Net income / (expenditure) before taxation	55,087	(77,824)	(22,737)	(4,441)	31,923	4,745
Taxation	(28,687)	4,799	(23,888)	—	—	(23,888)
Net income / (expenditure)	26,400	(73,025)	(46,625)	(4,441)	31,923	(19,143)
Transfers between funds			(3,000)	3,000	—	—
Share of loss of joint venture transferred to goodwill following step acquisition			1,036	—	—	1,036
Foreign exchange differences on translation of net assets of overseas operations			(3,668)	—	—	(3,668)
Net actuarial movements on defined benefit pension schemes			(6,328)	—	—	(6,328)
Tax relating to components of other comprehensive income			(6,215)	—	—	(6,215)
Gain on asset transferred from own use to investment property			8,306	—	—	8,306
Net movement in funds			(56,494)	(1,441)	31,923	(26,012)
Funds brought forward			528,659	(17,635)	276,356	787,380
Funds carried forward			472,165	(19,076)	308,279	761,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

7. Analysis of expenditure on charitable activities

Grant making activities:	Grants (note 8) £000	Direct costs £000	Support costs £000	6 months to 30 June 2021 £000
Goal 1: Evidence and Insight	534	255	239	1,028
Goal 2: Challenge area: Safety at Sea	21	10	9	40
Goal 2: Challenge area: Safety of Food	7	3	3	13
Goal 2: Challenge area: Safety of Digital Systems	333	159	149	641
Goal 2: Challenge area: Public Understanding of Risk	40	19	18	77
Heritage and education centre	90	43	40	173
Foundational *	299	193	181	673
	<u>1,324</u>	<u>682</u>	<u>639</u>	<u>2,645</u>
Unwinding of discounting of grant liabilities	314	—	—	314
Total grant activities	<u>1,638</u>	<u>682</u>	<u>639</u>	<u>2,959</u>
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	1,329	402	1,731
Heritage and education centre	—	1,375	416	1,791
Foundational *	—	68	21	89
Total direct activities	<u>—</u>	<u>2,772</u>	<u>839</u>	<u>3,611</u>
	<u>1,638</u>	<u>3,454</u>	<u>1,478</u>	<u>6,570</u>

Expenditure associated with Building global coalitions for change (Goal 3) span all activities and are not separately identified.

No grant expenditure has been incurred during the period relating to Skills for Safety, Safety for a sustainable future and Safety of physical infrastructure (Goal 2 Challenge areas).

* Our Charitable mission of safety and education requires us to take a long term view. Whilst our Strategy will build up the role of evidence and insight, focus on pressing challenges, and build partnerships, we must also look beyond the five year time frame, investing in longer term programmes and initiatives. Examples of our longer term 'foundational' programmes include: establishing a long term funded network of those who have been supported by the Foundation in developing their careers to date; developing the global establishment of the discipline of 'Data-centric engineering'; and continuing our Foresight programme looking ahead at how safety can be secured in a future of technological, demographic, societal, economic and environmental change.

Where costs relate predominantly to grant making activity they have been allocated to grants in proportion to the level of expenditure. Support costs of £1,478,000 (18 months to 31 December 2020: £3,964,000) are allocated across all the Foundation's activities. These include costs associated with IT, HR, finance, property and other central services of the Charity's staff where not considered directly attributable. Included within support costs are staff costs of £737,000 (18 months to 31 December 2020: £1,629,000) and governance costs of £65,000 (18 months to 31 December 2020: £54,000).

Governance costs includes fees payable to the Foundation's auditor for the audit of the Foundation's accounts of £59,000 (18 months to 31 December 2020: £54,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Analysis of expenditure on charitable activities in the 18 months to 31 December 2020 is shown below.

	18 months to 31 December 2020			
	Grants £000	Direct costs £000	Support costs £000	£000
Grant making activities:				
Goal 1: Evidence and Insight	158	30	44	232
Goal 2: Challenge area: Safety at Sea	834	160	234	1,228
Goal 2: Challenge area: Safety of Food	1,879	360	526	2,765
Goal 2: Challenge area: Safety of Digital Systems	123	24	35	182
Goal 2: Challenge area: Public Understanding of Risk	281	54	79	414
Goal 2: Challenge area: Safety for a sustainable future	—	173	252	425
Goal 2: Challenge area: Safety of physical infrastructure	173	33	48	254
Heritage and education centre	14	3	4	21
Foundational *	1,614	462	677	2,753
	5,076	1,299	1,899	8,274
Unwinding of discounting of grant liabilities	548	—	—	548
Total grant activities	5,624	1,299	1,899	8,822
Activities undertaken directly:				
Goal 1: Evidence and Insight	—	3,124	734	3,858
Heritage and education centre	—	4,163	978	5,141
Foundational *	—	1,501	353	1,854
Total direct activities	—	8,788	2,065	10,853
	5,624	10,087	3,964	19,675

8. Grants awarded

Grants are awarded to institutions and fund tuition costs, employment costs or other costs of research. Grants awarded in the 6 months to 30 June 2021 are analysed by institution below.

	Number of grants	Safety at Sea £000	Safety of Food £000	Safety of Digital Systems £000	Public Under standing of Risk £000	Safety of Physical infra-structure £000	Safety for a sustainable future £000	Heritage And education centre £000	Evidence and Insight £000	Foundational £000	Total 6 months to 30 June 2021 £000
British Science Association	1	—	—	—	40	—	—	—	—	—	40
Cardiff University Seafarers International Research Centre	1	21	—	—	—	—	—	—	—	—	21
Cranfield University	1	—	—	—	—	—	—	—	—	50	50
Delft University of Technology	1	—	—	—	—	—	—	—	—	10	10
Delft University of Technology	1	—	—	—	—	—	—	—	—	21	21
Global Manufacturing Organisation Limited	1	—	—	400	—	—	—	—	—	—	400
History & Policy, King College London	1	—	—	—	—	—	—	—	—	122	122
Hook Marine Ltd	1	—	—	—	—	—	—	—	—	10	10
Lancaster University	1	—	—	—	—	—	—	—	—	10	10
Nottingham Trent University	1	—	—	—	—	—	—	—	—	59	59
Queen's University Belfast	1	—	19	—	—	—	—	—	—	—	19
Safetyknot Ltd	1	—	—	—	—	—	—	—	—	10	10
Scense about Science	1	—	—	—	—	—	—	—	384	—	384
SeedPod LLC	1	—	—	—	—	—	—	—	150	—	150
University of Portsmouth Higher Education Corporation	1	—	—	—	—	—	—	90	—	—	90
Worldwide Ferry Safety Association	1	—	—	—	—	—	—	—	—	7	7
Grant adjustments		—	(12)	(67)	—	—	—	—	—	—	(79)
Impact of discounting grants awarded	16	21	7	333	40	—	—	90	534	299	1,324
		21	7	333	40	—	—	90	534	299	1,324

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Grants awarded in the 18 months to 31 December 2020 are analysed by institution below.

		Safety at Sea	Safety of Food	Safety of Digital Systems	Public Under standing of Risk	Safety of Physical infra- structure	Safety for a sustainable future	Heritage And education centre	Evidence and Insight	Found- ational	Total 18 months to 31 December 2020
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2019 Conference Student Communicator of the Year	1	—	—	—	—	—	—	—	—	2	2
Anglia Ruskin University	1	—	—	—	—	—	—	—	—	9	9
Audit XPRT Limited	1	—	—	—	—	—	—	—	—	30	30
Cardiff University Seafarers International Research Centre	1	—	—	—	—	—	—	—	19	—	19
CNRS Station Biologique de Roscoff	1	—	920	—	—	—	—	—	—	—	920
Connundram Limited	1	—	—	—	—	—	—	—	—	30	30
Cranfield University	1	—	—	—	—	—	—	—	—	10	10
Energy Institute	1	—	—	—	—	200	—	—	—	—	200
Fish Safety Foundation	1	84	—	—	—	—	—	—	—	—	84
Food and Agriculture Organization of the United Nations	1	—	82	—	—	—	—	—	—	—	82
Helm Innovation Limited	1	—	—	—	—	—	—	—	—	10	10
HiLo Maritime Risk Management	1	456	—	—	—	—	—	—	—	—	456
Imperial College London	1	—	—	—	—	—	—	—	—	545	545
Institute of Economics & peace	1	—	—	—	200	—	—	—	—	—	200
International Maritime law Institute	1	282	—	—	—	—	—	—	—	—	282
International Maritime rescue federation	1	—	—	—	—	—	—	—	—	20	20
Mission Critical Application Limited	1	—	—	125	—	—	—	—	—	—	125
M-Squared Lasers Limited	1	—	—	—	—	—	—	—	—	30	30
Nanyang Technological University	1	12	—	—	—	—	—	—	—	—	12
National Space Centre	1	—	—	—	—	—	—	—	—	394	394
Nottingham Trent University	1	—	—	—	—	—	—	—	41	—	41
Ohalo Limited	1	—	—	—	—	—	—	—	—	30	30
Open Data Institute	1	—	—	—	—	—	—	—	—	61	61
Open Data Institute Ltd	1	—	—	—	—	—	—	—	—	205	205
Philippines Visayas Foundation Inc	1	—	—	—	—	—	—	—	—	10	10
Reality AI	1	—	—	—	—	—	—	—	—	30	30
Royal Commission on the Ancient and Historical Monuments of Wales	1	—	—	—	—	—	—	14	—	—	14
RS Standards	1	—	—	—	—	—	—	—	48	—	48
Science Museum	1	—	88	—	—	—	—	—	—	—	88
Sensing Feeling	1	—	—	—	—	—	—	—	—	35	35
Shipwrights	1	—	—	—	—	—	—	—	—	79	79
SnapDNA Corporation	1	—	—	—	—	—	—	—	—	30	30
Stolar Global Imaging	1	—	—	—	—	—	—	—	—	30	30
Tall Ships Youth Trust	1	—	—	—	—	—	—	—	—	74	74
Teeside University	1	—	—	—	—	—	—	—	—	9	9
University of Manchester	1	—	—	—	—	—	—	—	—	40	40
University of Southern California	1	—	—	—	190	—	—	—	—	—	190
University of Strathclyde	1	—	—	—	—	—	—	—	50	—	50
Wageningen Research	1	—	789	—	—	—	—	—	—	—	789
Grant adjustments	39	—	—	(2)	(109)	(27)	—	—	—	(99)	(237)
Impact of discounting grants awarded		834	1,879	123	281	173	—	14	158	1,614	5,076
		—	—	—	—	—	—	—	—	—	—
		834	1,879	123	281	173	—	14	158	1,614	5,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

9. Grants awarded but not paid

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
At start of period	42,692	58,777
Awarded in the period	1,403	5,313
Unwinding of discounting (note 7)	314	548
Grant adjustments (note 8)	(79)	(237)
Paid in the period	(6,671)	(21,709)
At end of period	37,659	42,692

The aging of grants payable is shown in note 20.

10. Taxation

The Foundation is a UK registered charity and is not subject to UK corporation tax on its charitable activities.

Many companies and branches within the Trading Group are in jurisdictions where there is no such exemption, and so the overall Group is subject to tax.

	Group 6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Current tax on profit		
UK corporation tax	658	1,977
Double tax relief	(658)	(1,822)
	—	155
Foreign tax	12,078	25,545
	12,078	25,700
Adjustment in respect of prior periods		
• UK corporation tax	28	(313)
• Foreign tax	(539)	(2,996)
Total current tax	11,567	22,391
Deferred tax		
Origination and reversal of timing differences	(4,259)	(2,176)
Adjustments in respect of previous periods	1,483	3,673
Total deferred tax	(2,776)	1,497
Total tax on profit	8,791	23,888

The standard rate of tax applied to the reported profit is 19% (2020: 19%).

On 3 March 2021, new measures to increase the main corporation tax rates to 25% from 1 April 2023 were announced in the UK budget 2021. On 24 May 2021, these new measures were substantively enacted. Deferred tax assets and liabilities have been remeasured for the increased tax rate.

During the period beginning 1 July 2021, the net reversal of deferred tax assets and liabilities is expected to increase the corporate tax charge for the period by £7.0m (2020: £5.7m). This is due to the reversal of timing differences expected within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the income before tax is as follows:

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Net income before taxation	30,025	4,745
Profit multiplied by the average standard rate of United Kingdom corporation tax of: 19 % (2020: 19%)	5,705	902
Effects of:		
• Tax exempt profits	(2,321)	(8,497)
• Overseas rate differences	1,296	4,335
• Goodwill amortisation not deductible for tax purposes	789	4,820
• (Non-taxable income) / expenses not deductible for tax purposes	(175)	833
• Brought forward unprovided timing differences now recognised in period	(1,117)	653
• Impact of UK qualifying corporate donations	—	(1,149)
• Current year unprovided timing differences	2,281	8,236
• Fair value (gain) / loss on investment property not subject to tax	(299)	1,202
• Disposal of subsidiary undertakings	—	8,117
• Other taxes	1,660	4,072
• Adjustments in respect of prior periods	972	364
Group total tax charge for period	8,791	23,888

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Deferred tax (assets) / liabilities

	2021 £000	2020 £000
At start of period liabilities / (assets)	2,936	(7,789)
Arising in the year	6,273	10,287
Foreign exchange differences	662	438
At end of period liabilities	9,871	2,936
Deferred tax asset	(20,377)	(19,092)
Deferred tax liability (note 21)	30,248	22,028
	9,871	2,936
Deferred tax is recognised as follows:		
Accelerated capital allowances	2,768	1,813
Deferred tax arising in relation to retirement benefit obligations	26,068	16,872
Tax losses	(11,877)	(10,076)
Other timing differences	(7,088)	(5,673)
	9,871	2,936

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of the financial statements.

Deferred tax assets on short-term timing differences and any overseas losses have not been recognised unless the asset is expected to be recovered in the foreseeable future. Deferred tax assets not recognised amount to £29.3 million (2020: £28.3 million). Unrecognised assets will potentially become recoverable against future profits generated in the relevant overseas operations.

11. Net income / (expenditure) before (losses) / gains on investments

This is stated after charging / (crediting):

	6 months to 30 June 2021 £000	18 months to 31 December 2020 £000
Staff costs (note 12)	216,635	720,549
Charge for bad and doubtful debts	7,496	1,676
Research and development costs	5,693	17,986
Loss on disposal of fixed assets	128	930
Amortisation of intangible fixed assets (note 14)	4,945	14,619
Depreciation of tangible fixed assets (note 15)	3,988	13,782
Amortisation of goodwill (note 14)	4,269	23,744
Impairment of goodwill	—	1,723
Rentals payable under operating leases	15,144	54,290
Exceptional costs (note 17)	6,341	29,247
Auditor's remuneration:		
Audit of parent	59	54
Audit of subsidiaries	1,980	2,483
Other services	9	89
Tax compliance services	35	37
Foreign exchange (gain) / loss	(3,320)	9,772
Loss on disposal of subsidiary	—	42,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. Employees

	Trading funds £000	General funds £000	Total funds 6 months to 30 June 2021 £000	Total funds 18 months to 31 December 2020 £000
Wages and salaries	174,018	1,238	175,256	590,856
Social security costs	21,544	117	21,661	68,521
Pension costs (note 23)	19,598	120	19,718	61,172
	<u>215,160</u>	<u>1,475</u>	<u>216,635</u>	<u>720,549</u>

In addition, £6.3 million (18 months to 31 December 2020: £12.1 million) of redundancy costs have been incurred.

The average number of employees, analysed by function was:

	6 months to 30 June 2021 Number	18 months to 31 December 2020 Number
Charitable activities	31	24
Trading activities	5,943	6,660
	<u>5,974</u>	<u>6,684</u>

The Charities SORP, which is applicable to the Foundation, recommends that charities disclose the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards.

Employee benefit banding disclosures for the Foundation only employees are provided on page 58 in compliance with the requirements of the Charities SORP.

In addition, the Trustees are providing summary information on employee benefits in the Foundation's trading subsidiaries (the 'Trading Group'). On an annualised basis the emoluments received by employees of the Trading Group in the 6 month period to 30 June 2021 were as follows: 4 employees received between £500,001 and £1,000,000; 3 employees received between £400,001 and £500,000; 7 employees received between £300,001 and £400,000; 24 employees received between £200,001 and £300,000; 398 employees received between £100,001 and £200,000; and 1,614 employees received between £60,001 and £100,000.

The Trustees have chosen, however, not to provide this disclosure on a consolidated basis in £10,000 bandings for the employees of the Foundation's trading subsidiaries (the 'Trading Group') as they believe that these disclosures will not be material to users of the Foundation's financial statements for the following reasons:

- In 2012, Lloyd's Register converted its status from an industrial and provident society to a company limited by shares, with the Foundation created as a new parent to hold the shares in Lloyd's Register Group Limited. One of the principal reasons for this action was to facilitate the furtherance of the charitable goals of Lloyd's Register. It is the view of the Trustees, that the employment of individuals within the Trading Group has not arisen from the deployment of the resources of the Foundation, but rather it is the endeavours of past and present employees of the Trading Group that have given rise to the ability to create a charity that is financially strong and that is capable of furthering its charitable objectives. The work of the Trading Group contributes to the achievement of the charitable objectives of the Foundation however to do so it is necessary to recruit employees with the necessary skills by offering employee benefits which are competitive within their respective markets. Accordingly, this disclosure is not necessary to enable potential stakeholders to assess whether the balance between expenditure on employment of individuals to generate trading profits (which benefit the charity) and expenditure on charitable purposes is appropriate.
- The Trading Group had an average of 5,943 employees for the 6 months ended 30 June 2021 (18 months ended 31 December 2020: 6,660). These employees are located throughout the world and their salaries reflect local market conditions. Provision of the disclosure required by the Charities SORP for the consolidated group would not aid comparability with other companies in the Charities sector because of the vast geographical diversity of the Trading Group's employee base and the employee benefits received by Trading Group employees can only be understood in the context of the market trends in the many countries in which the Trading Group operates. The vast majority of the Trading Group's employees are not in roles which exist in other charitable groups, and therefore any benchmarking against similarly sized charitable groups would not be meaningful for stakeholders.

This disclosure addresses the requirement of Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100), which requires that when an entity does not provide a disclosure required by a Statement of Recommended Practice, the financial statements explain which recommended disclosures have not been provided and the reasons why.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

13. Trustees

The Trustees are the directors of the Foundation. The Trustees do not currently receive remuneration in respect of their duties as Trustees. No Trustees received reimbursement for out of pocket expenses (18 months to 31 December 2020: £nil). No expenses were paid on behalf of Trustees during the 6 months to 30 June 2021 (18 months to 31 December 2020: £nil) in respect of travel expenses to Board meetings.

The Foundation maintained throughout the period Trustees' and Officers' liability insurance in respect of itself and its Trustees.

14. Intangible fixed assets

	Goodwill	Software and other intangibles*	Total
	£000	£000	£000
Cost:			
At 1 January 2021	106,715	85,050	191,765
Additions	4,686	591	5,277
Disposals	—	(225)	(225)
Exchange adjustment	(10)	—	(10)
At 30 June 2021	111,391	85,416	196,807
Amortisation:			
At 1 January 2021	48,476	40,218	88,694
Charged during the period	4,269	4,945	9,214
On disposals	—	(97)	(97)
Exchange adjustment	(9)	—	(9)
At 30 June 2021	52,736	45,066	97,802
Net book value:			
At 30 June 2021	58,655	40,350	99,005
At 31 December 2020	58,239	44,832	103,071

*Other intangibles relate to customer relationships acquired as part of business combinations.

The rights to software intellectual property relating to geological surveys were acquired in September 2013 for £10,193,000. The carrying amount as at 30 June 2021 was £2,306,000 (31 December 2020: £2,819,000) and the software has an estimated remaining useful life of two years.

The Group has developed a group-wide enterprise resource planning and financial reporting solution. The net book value as at 30 June 2021 was £19,422,000 (31 December 2020: £20,793,000). The intangible asset is being amortised over the estimated useful life of 9 years.

The net book value of an operational system specific to our Marine business at 30 June 2021 was £13,301,000 (31 December 2020: £14,964,000). The remaining estimated useful life is five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Acquisitions

C-MAP commercial

On 3 March 2021, the Group completed the first stage of the acquisition of C-MAP commercial, a leading provider of marine cartography and digital publications, shore-side and shipside voyage optimisation and cloud-based fleet management & fleet analytics software. The Group acquired the trade and assets representing the C-MAP operations principally in USA, Norway, Greece, Singapore and India. The second stage of the C-MAP acquisition, representing the C-MAP operations in Russia was completed in July 2021, and is disclosed as a post balance sheet event in note 32.

The acquisition has been accounted for using the acquisition method of accounting. The fair value of net liabilities acquired was £0.2m.

	Book value £000	Fair value adjustments £000	Fair value £000
Current assets	3,640	—	3,640
Current liabilities	(3,887)	—	(3,887)
	<u>(247)</u>	<u>—</u>	<u>(247)</u>
Total consideration payable			4,281
Acquisition costs			158
Add net liabilities acquired			<u>247</u>
Goodwill arising on acquisition			<u>4,686</u>

The useful economic life of the goodwill arising on acquisition is estimated to be 10 years based on the expected life of the marine cartography database and software underpinning the business.

Intangibles assets have not been separately recognised and are subsumed within goodwill. They relate to customer relationships, internally developed software and internally generated databases. Lloyd's Register Group Limited has adopted the changes in the FRS102 triennial review, resulting in an accounting policy choice to recognise such intangible assets within goodwill.

The consolidated profit and loss account for the 6 month period ended 30 June 2021 includes the result of C-MAP commercial since the acquisition date and contributed £2.9 million of turnover and £0.5 million of loss after taxation.

Hanseaticsoft GmbH

On 10 June 2021, the Group purchased the remaining 21% share capital in its subsidiary Hanseaticsoft GmbH for consideration of €2.9m bringing its total shareholding in the company to 100%. The amount is shown within the statement of financial activities as an acquisition of non-controlling interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

15. Tangible fixed assets

	Investment property* £000	Land and buildings £000	Leasehold improvements £000	Office fittings and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation:								
At 1 January 2021	138,663	22,646	20,127	40,132	1,681	55,644	2,164	281,057
Additions	327	236	152	55	423	208	225	1,626
Revaluations	1,573	—	—	—	—	—	—	1,573
Disposals	—	—	(138)	(131)	(337)	(113)	(294)	(1,013)
Exchange differences	—	—	(300)	(517)	(1)	(424)	(73)	(1,315)
At 30 June 2021	<u>140,563</u>	<u>22,882</u>	<u>19,841</u>	<u>39,539</u>	<u>1,766</u>	<u>55,315</u>	<u>2,022</u>	281,928
Depreciation:								
At 1 January 2021	—	14,573	11,928	30,351	768	47,937	1,676	107,233
Charged in period	—	234	722	1,404	111	1,418	99	3,988
Disposals	—	—	(124)	(128)	—	(92)	(184)	(528)
Exchange differences	—	—	(215)	(517)	—	(291)	(51)	(1,074)
At 30 June 2021	<u>—</u>	<u>14,807</u>	<u>12,311</u>	<u>31,110</u>	<u>879</u>	<u>48,972</u>	<u>1,540</u>	109,619
Net book value:								
At 30 June 2021	<u>140,563</u>	<u>8,075</u>	<u>7,530</u>	<u>8,429</u>	<u>887</u>	<u>6,343</u>	<u>482</u>	172,309
At 31 December 2020	<u>138,663</u>	<u>8,073</u>	<u>8,199</u>	<u>9,781</u>	<u>913</u>	<u>7,707</u>	<u>488</u>	173,824

*79% (2020: 79%) of the mixed used property is classified as an investment property.

Heritage assets

The Group has accumulated a collection of heritage assets as described in the accounting policies. As a result of their age and, in many cases unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. The latest insurance valuation of these assets was £7.0m.

The Group is committed to the preservation of its heritage assets. The widest possible access is granted to the heritage assets, principally through online inspection and on site inspection. The Foundation may acquire additional heritage assets where directly relevant to the charity's objectives following established approval policies.

Investment property

Investment property includes one freehold property that is in mixed functional and investment use. Areas of the building occupied by or marketed to third party tenants are deemed to be in investment property use and are held at market value. A proportion of 79% (2020: 79%) is deemed an investment property, based on the value of space let or marketed to third party tenants. In the prior period, the transfer of part of the property from own use to investment property resulted in revaluation gain of £8,306,000 which is recognised in other comprehensive income (within the statement of financial activities). The property valuation, with an effective date of 30 June 2021, was carried out on a market value basis by a surveyor holding a qualification from the Royal Institution of Chartered Surveyors who has recent experience in the location and class of investment property valued. If the investment property had not been revalued it would have been included at £27,069,000 (2020: £27,965,000).

Significant assumptions included in the valuation of the investment property include current investment yields and estimated future rental values, having regard to the age and general condition of the property.

As set out in note 4, rental income from investment properties for the 6 months ended 30 June 2021 was £2,647,000 (18 months ended 31 December 2020: £8,592,000).

The Group leases the investment property to a portfolio of tenants. Lease agreements are up to 20 years and typically include rent review clauses. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2021 £000	2020 £000
Within one year	6,116	5,724
In the second to fifth years inclusive	22,227	19,835
After five years	22,282	21,741
	50,625	47,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

16. Investments

	2021 £000	2020 £000
Listed investments at market value comprise:		
Fixed Interest – UK	92,336	109,403
Fixed Interest – Overseas	1,561	380
Equities – UK	45,766	46,815
Equities – Overseas	134,995	146,106
Pooled Funds	107,825	84,387
Derivatives	(563)	847
Cash Instruments	3,927	3,606
	385,847	391,544
Cash at investment managers and accrued interest	3,038	2,691
	388,885	394,235
Long-term loans	127	120
	389,012	394,355
Investments in joint ventures: share of net assets	275	314
	389,287	394,669

Listed investments and cash held by investment managers

	2021 £000	2020 £000
At start of period	391,544	449,636
Additions at cost	132,581	278,608
Disposals proceeds	(142,767)	(391,960)
Realised gains on disposals	45,926	36,654
Unrealised (losses) / gains	(41,437)	18,606
At end of period	385,847	391,544
Cash held by investment managers and accrued interest	3,038	2,691
	388,885	394,235

Subsidiaries

A complete list of the subsidiaries and joint ventures is included in note 31.

Joint ventures

The following entities are treated as joint ventures of the Group:

Company	Share of company owned	Country of incorporation and registration	Principal activity
Lloyd's Register Apave Limited	51%	United Kingdom	Engineering inspection
Lloyd's Maritime Information Services Ltd	50%	United Kingdom	Dormant
Common Structural Rules Software LLC	50%	United States of America	Software development
Fullagar Technologies Limited	50%	United Kingdom	Development of inspection systems

The shareholders' agreements in place for the above entities means that the Group does not have overall control of the Company despite the nominal level of ownership.

The following shows the share of net assets recognised by the Group for these entities:

	2021 £000	2020 £000
Lloyd's Register Apave Limited	160	199
Lloyd's Maritime Information Services Limited	115	115
Common Structural Rules Software LLC	—	—
Fullagar Technologies Limited	—	—
	275	314

At 30 June 2021 the Common Structural Rules Software LLC joint venture had net liabilities. The Group's share of the net liabilities amounted to £130,000 (2020: £51,000) and was recognised within other provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

17. Trading Group

The Foundation has a mixed motive investment in one trading subsidiary, Lloyd's Register Group Limited which has its own global group of trading companies (the Trading Group). The Foundation owns 100% of the issued share capital of Lloyd's Register Group Limited. The Trading Group's principal activities are the provision of independent inspection and compliance services to clients in capital intensive industries, in particular the marine industry.

The summarised financial information of the consolidated Trading Group position is provided below, as per the Trading Group consolidated accounts for the 6 month period ended 30 June 2021.

	6 months to 30 June 2021	18 months to 31 December 2020
	£000	£000
Turnover	375,669	1,253,193
Cost of sales	(237,164)	(891,177)
Gross profit	138,505	362,016
Administrative expenses	(114,983)	(370,775)
Other operating income	—	8,127
Administrative expenses before exceptional costs	(108,642)	(341,528)
Operating profit before exceptional costs	29,863	28,615
Exceptional costs	(6,341)	(29,247)
Operating profit	23,522	(632)
Loss on disposal	—	(42,722)
Share of net operating loss of joint ventures	(336)	(1,913)
Net investment income	(92)	24,411
Other finance costs	(186)	(1,614)
Profit / (loss) before taxation	22,908	(22,470)
Taxation on profit / (loss)	(8,791)	(23,888)
Profit / (loss) for the financial period	14,117	(46,358)

	30 June 2021	31 December 2020
	£000	£000
Assets	1,033,901	1,020,787
Liabilities	(548,534)	(548,354)
Net Assets	485,367	472,433
Shareholder's funds	485,367	472,433

Exceptional costs within administrative expenses

The Group has continued to incur material administrative expenses associated with its restructuring and development programmes. The costs related to:

- redundancy and severance incurred of £6.3m (2020: £12.1m) relating to the restructure of the Group's financial operating model and to address the downturn in some of the Groups markets;
- in the prior period, an increase in an onerous lease provision of £11.4m;
- in the prior period, a £1.7m impairment of Goodwill; and
- in the prior period, a £4.0m impairment of a loan to a third party.

18. Debtors

	2021 £000	2020 £000
Trade debtors	118,284	123,654
Other debtors	6,852	6,776
Prepayments and accrued income	86,929	90,006
Taxation recoverable	14,972	27,069
	227,037	247,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

19. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	21,358	20,772
Grants payable	20,888	19,065
Other creditors	2,418	365
Other taxation and social security	14,156	19,063
Taxation	15,188	14,731
Accruals and deferred income	174,021	157,180
	248,029	231,176

20. Creditors: amounts falling due after one year

	2021 £000	2020 £000
Grants payable	16,771	23,627
	16,771	23,627

The timing of grants payable is shown in the table below:

	2021 £000	2020 £000
Due within one year	20,888	19,065
Due within 1-2 years	15,016	18,044
Due within 2-5 years	2,429	6,571
Impact of discounting	(674)	(988)
	16,771	23,627
Net grants payable	37,659	42,692

21. Provisions for liabilities

	Legal claims £000	Employee related £000	Onerous lease £000	Deferred tax £000	Other £000	Total £000
At 1 January 2021	3,959	16,991	19,319	22,028	11,118	73,415
Exchange revaluation	(76)	(360)	—	(3)	(45)	(484)
(Credited) / charged to profit and loss account	(109)	16,075	(601)	(1,008)	834	15,191
Charged to other comprehensive income	—	—	—	9,231	—	9,231
Utilisation of provision	(79)	(12,003)	(775)	—	—	(12,857)
At 30 June 2021	3,695	20,703	17,943	30,248	11,907	84,496

Legal claims: In the normal course of business, Lloyd's Register Group entities may receive claims for compensation from clients. Substantial insurance cover is carried for this purpose. Where appropriate, provision is made for the uninsured costs arising from such claims. Adequate provision has been made for the claims notified. The timing on these liabilities is dependent upon the conclusion of the continuing legal proceedings which typically span several years.

Employee related: Provision is made for redundancy and relocation costs with respect to the restructuring programmes in addition to certain employee benefits, including £4.7m (2020: £6.8m) relating to the settlement of Netherlands pension obligations, and repatriation of expatriate workers and other employment related costs. Settlement of these provisions is expected within three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Deferred tax: Liabilities are recognised in relation to deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax.

Onerous lease: Provision is made for the future anticipated rent expense and related costs of leasehold property (net of estimated sublease income) where the space is vacant or currently not planned to be used for ongoing operations. Settlement of these provisions is expected within 12 years.

Other: Included in this category are provisions maintained to meet contractual obligations to perform restoration on leasehold properties on exit. In addition, provision is made for losses on long-term contracts, expected liabilities on self-insurance programmes, a share of net liabilities of joint ventures and other project related costs. With the exception of a small number of leasehold properties, settlement of these provisions is expected within 10 years.

22. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit and loss are summarised by category below.

	2021 £000	2020 £000
Financial assets		
Investments in listed investments (note 16)	385,847	391,544

The Group's gains and losses in respect of financial instruments are summarised in note 11. The fair value of investments in listed investments is measured using quoted market prices in an active market.

23. Retirement benefits

Defined benefit pension schemes

Worldwide

The Group operates pension schemes in many of the countries in which the Group operates including defined benefit final salary schemes. Assets of certain schemes are held separately from those of the Group ('funded' schemes) whilst others are unfunded.

UK

The main funded scheme, the Lloyd's Register Superannuation Fund Association was closed to future accrual from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The most recent completed valuation was carried out as at 31 March 2019. This showed that the funding position of the scheme had declined from the previous valuation. The funding shortfall was £17m for the 2019 valuation, a decrease from £81m in the previous valuation's Recovery Plan as at 31 March 2016. In the 6 month period ended 30 June 2021, special contributions of £5.31m (18 months to 31 December 2020: £6.03m) were paid.

Other long-term employee benefits

The Group also contributes to other long-term schemes which provide other benefits. Significant employee benefits are as follows:

- USA: provision of medical insurance for retired employees subject to age qualification restrictions. This benefit is unfunded with an obligation at 30 June 2021 of £1.2m (31 December 2020: £1.4m).
- Korea: provision of a statutory lump sum payable to qualifying employees on leaving service. This is a funded benefit with an obligation at 30 June 2021 of £12.7m (31 December 2020: £13.6m), assets of £4.8m (31 December 2020: £5.1m) a net obligation of £7.5m (31 December 2020: £8.5m).
- UK: the UK has other benefits schemes including the Unfunded, Unregistered Retirements Benefits Scheme (see the Remuneration Committee report of Lloyd's Register Group Limited). These benefits are unfunded with an obligation at 30 June 2021 of £9.8m (31 December 2020: £10.2m).

Other long-term employee benefits included within provisions (note 21)

Long-term unfunded employee benefits included within provisions are:

- UK: £7.6m (31 December 2020: £4.9m) in respect of the Executive Directors and Executive Leadership team who participate in a Long Term Incentive Plan described in more detail in the Remuneration Committee report of Lloyd's Register Group Limited.
- Australia: £1.6m (31 December 2020: £1.7m) provision for paid sabbatical leave.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Assumptions

The disclosures have been calculated by qualified independent actuaries, based on the assumptions of the Directors and the most recent full actuarial valuations for funded schemes (completed at various dates) and updated to 30 June 2021.

The value of the defined benefit liabilities has been measured using the projected unit method.

The financial assumptions used at 30 June 2021 and 31 December 2020 for the different areas are summarised below.

	UK ⁽¹⁾		Japan ⁽²⁾		Eurozone ⁽³⁾		Rest of the World ⁽⁴⁾	
	2021	2020	2021	2020	2021	2020	2021 ⁽⁵⁾	2020 ⁽⁵⁾
Liabilities:	%	%	%	%	%	%	%	%
Rate of price inflation	3.2	2.9	1.0	1.0	1.8	1.8	2.0 to 5.0	2.0 to 5.0
Rate of increase in salaries	n/a	n/a	1.8	1.8	1.8	1.8	1.8 to 4.5	1.8 to 4.5
Rate of increase in pensions	Various	Various	0.8	0.8	Nil to 1.8	Nil to 1.8	2.0 to 5.0	2.0 to 5.0
Discount rate	1.9	1.4	0.5	0.5	0.5 to 1.3	0.3 to 1.0	2.5 to 6.8	2.2 to 6.3

(1) Main United Kingdom funded scheme.

(2) Japanese unfunded liability.

(3) The Eurozone rates have been used to assess the overall deficit within the separate funded schemes in Europe.

(4) This represents a grouped disclosure for the remaining liabilities.

(5) Represents the range of assumptions used for the countries covered in the region.

For mortality tables, the Group has used various different tables appropriate to the territory under review.

The most significant contribution to the Group pension liability is from the United Kingdom. The base mortality table for the UK and the weightings applied to it are unchanged from the the last financial reporting period and inline with the preliminary best estimate assumption undertaken for the latest statutory funding valuation. The future mortality improvement model has been updated since the last financial reporting period to reflect the latest analysis from the Continuous Mortality Investigation (CMI). The UK mortality assumption adopted for the 30 June 2021 accounts is the self-administered pension schemes (SAPS) "S3NA" tables with a 100% (102%) weighting for males (females) and future long term improvements based on the CMI 2020 model with an underpin of 1.25% p.a., a smoothing parameter of 7.5, an initial addition parameter of nil and no weighting placed on experience in 2020.

The assumptions shown above are arrived at following discussion with, and in accordance with advice received from the scheme actuaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Amounts recognised in the consolidated balance sheet:

	United Kingdom		Japan		Eurozone		Rest of the World		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	56.3	103.3	—	—	0.3	0.2	0.4	4.2	57.0	107.7
Equity instruments	—	—	—	—	3.1	3.3	27.9	30.8	31.0	34.1
Debt instruments	1,055.5	1,057.2	—	—	3.6	20.4	34.7	25.6	1,093.8	1,103.2
Other	5.8	14.7	—	—	15.1	0.2	8.6	10.1	29.5	25.0
Market value of assets	1,117.6	1,175.2	—	—	22.1	24.1	71.6	70.7	1,211.3	1,270.0
Present value of scheme liabilities	(980.8)	(1,043.9)	—	—	(22.2)	(34.8)	(70.0)	(75.5)	(1,073.0)	(1,154.2)
	136.8	131.3	—	—	(0.1)	(10.7)	1.6	(4.8)	138.3	115.8
Present value of unfunded liabilities	(9.8)	(10.2)	(48.0)	(53.7)	(69.8)	(61.5)	(99.6)	(111.2)	(227.2)	(236.6)
Net pension asset / (liability)	127.0	121.1	(48.0)	(53.7)	(69.9)	(72.2)	(98.0)	(116.0)	(88.9)	(120.8)

The net pension liability is reported on the balance sheet as:

	30 June 2021	31 December 2020
	£m	£m
Pension surplus	148.4	142.7
Pension liability	(237.3)	(263.5)
Net pension liability	(88.9)	(120.8)

All of the above amounts are recognised on the Company balance sheet with the exception of certain post-retirement benefits payable to Group operations in Korea and the USA. The net liabilities for the Korean and USA schemes are shown below.

	Korea		USA		Total	
	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	£m	£m
Net pension assets	4.8	5.1	37.0	35.6	41.8	40.7
Net pension liabilities	(12.7)	(13.6)	(38.0)	(40.6)	(50.7)	(54.2)
	(7.9)	(8.5)	(1.0)	(5.0)	(8.9)	(13.5)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Amounts recognised within income and expenditure (statement of financial activities):

	6 months to 30 June 2021	18 months to 31 December 2020
	£m	£m
Current service cost	3.3	9.9
Curtailment losses / (gains)	0.2	(0.2)
Administrative expenses	0.6	2.2
	4.1	11.9
Interest cost on schemes' liabilities	9.3	40.9
Interest income on schemes' assets	(9.1)	(39.3)
Total amount included under Other finance costs	0.2	1.6

In addition, there is a charge in respect of contributions to defined contribution plans for the 6 months to 30 June 2021 of £15.2m (18 months to 31 December 2020: £48.9m).

The actual return on scheme assets for the 6 months to 30 June 2021 was a loss of £39.3m (18 months to 31 December 2020: £167.5m).

Amounts recognised in the Consolidated Statement of Comprehensive Income (statement of financial activities):

	6 months to 30 June 2021	18 months to 31 December 2020
	£m	£m
(Loss) / gain on pension scheme assets	(48.4)	128.2
Experience gains	2.3	24.4
Change in assumptions	61.0	(158.9)
Actuarial gain / (loss)	14.9	(6.3)

Changes in the present value of the defined benefit obligations are as follows:

	6 months to 30 June 2021	18 months to 31 December 2020
	£m	£m
Opening defined benefit obligation	(1,390.8)	(1,292.8)
Current service cost	(3.3)	(9.9)
Curtailment (losses) / gains	(0.2)	0.2
Member contributions	—	(0.1)
Interest cost	(9.3)	(40.9)
Actuarial gain / (loss)	63.3	(134.5)
Exchange adjustments	10.4	6.6
Benefits paid	29.7	80.6
Closing defined benefit obligation	(1,300.2)	(1,390.8)

Changes in the market value of plan assets are as follows:

	6 months to 30 June 2021	18 months to 31 December 2020
	£m	£m
Opening market value of plan assets	1,270.0	1,162.7
Expected return on plan assets	9.1	39.3
Benefits and expenses paid	(30.3)	(82.8)
Employer contributions	12.7	28.1
Member contributions	—	0.1
Actuarial (loss) / gain on assets	(48.4)	128.2
Exchange adjustments	(1.8)	(5.6)
Closing market value of plan assets	1,211.3	1,270.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

24. Contingent liabilities

	2021 £000	2020 £000
In respect of bank guarantees	7,212	8,752
Escrow account for pension schemes	68,653	74,201
	75,865	82,953

The Group has issued guarantees to its customers and other stakeholders in relation to its contractual operations in compliance with local legislation and industry practice. The Directors do not assess the likelihood of transferring economic benefits in respect of these guarantees to be probable. No associated liability has been recognised on the Group's Consolidated Balance Sheet.

25. Operating lease commitments

At 30 June 2021, the Group had total future lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021 £000	2020 £000	2021 £000	2020 £000
Within one year	15,973	17,921	7,322	7,590
Between two to five years	36,673	40,663	11,403	11,798
After five years	48,434	49,515	—	—
	101,080	108,099	18,725	19,388

26. Funds

Trading funds are the retained reserves of the Trading Group, and include the Trading Group's pension deficit.

	Brought forward £000	Incoming resources £000	Resources expended £000	Other movements £000	Total £000
30 June 2021					
Trading funds	472,165	380,634	(353,488)	(13,944)	485,367
Unrestricted funds - general funds	(19,076)	3,824	(6,570)	2,669	(19,153)
Endowment funds:					
Expendable endowment	308,279	—	(437)	10,363	318,205
	761,368	384,458	(360,495)	(912)	784,419
31 December 2020					
Trading funds	528,659	1,269,459	(1,303,131)	(22,822)	472,165
Unrestricted funds - general funds	(17,635)	12,518	(19,675)	5,716	(19,076)
Endowment funds:					
Expendable endowment	276,356	—	(1,563)	33,486	308,279
	787,380	1,281,977	(1,324,369)	(16,380)	761,368

Other movements include realised and unrealised gains and losses on investment assets, taxation change and also include transfers between funds, foreign exchange differences on the translation of net assets in overseas operations, share of loss of joint venture transferred to goodwill following step acquisition and actuarial movements relating to defined benefit pension schemes.

Transfers between funds relates to a gift from the Trading Group to the Foundation.

In September 2012, the Trading Group transferred a portfolio of investments to the Foundation, with a market value of £206.4m. The transfer was made as a gift of an expendable endowment. The gift also contained a condition that the Foundation must agree to keep £100.0m of that sum as a contingent asset of the Trading Group's UK pension scheme. The terms of the gift were subsequently amended to increase the contingent asset to £125.0m and extend the period until 2022, with possible further extensions to 2034. During that period the monies can only be transferred to the Pension Scheme in the event of the insolvency of the Trading Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

27. Revaluation reserve

	Brought forward £000	Unrealised gains arising in year £000	Released from revaluation reserve in period and other movements £000	Total £000
30 June 2021				
Trading funds – listed investments	9,175	(15,141)	—	(5,966)
Trading funds – investment property	74,643	1,573	—	76,216
Unrestricted – general funds	6,430	(1,547)	2,195	7,078
Endowment funds:				
Expendable endowment	82,691	(24,749)	35,112	93,054
	<u>172,939</u>	<u>(39,864)</u>	<u>37,307</u>	<u>170,382</u>
31 December 2020				
Trading funds – listed investments	72,519	2,080	(65,424)	9,175
Trading funds – investment property	72,547	2,096	—	74,643
Unrestricted – general funds	3,714	1,240	1,476	6,430
Endowment funds:				
Expendable endowment	49,205	15,286	18,200	82,691
	<u>197,985</u>	<u>20,702</u>	<u>(45,748)</u>	<u>172,939</u>

28. Fund distribution

	Trading funds £000	General funds £000	Endowment funds £000	Total at 30 June 2021 £000
Non-current assets	509,166	2,027	318,205	829,398
Current assets	523,585	18,008	—	541,593
Creditors: amounts falling due within one year	(226,762)	(21,267)	—	(248,029)
Creditors: amounts falling due after one year	—	(16,771)	—	(16,771)
Provisions	(84,496)	—	—	(84,496)
Pension deficit	(237,276)	—	—	(237,276)
Inter-fund balance	1,150	(1,150)	—	—
	<u>485,367</u>	<u>(19,153)</u>	<u>318,205</u>	<u>784,419</u>
	Trading funds £000	General funds £000	Endowment funds £000	Total at 31 December 2020 £000
Non-current assets	513,357	11,755	308,279	833,391
Current assets	506,659	13,046	—	519,705
Creditors: amounts falling due within one year	(211,697)	(19,479)	—	(231,176)
Creditors: amounts falling due after one year	—	(23,627)	—	(23,627)
Provisions	(73,415)	—	—	(73,415)
Pension deficit	(263,510)	—	—	(263,510)
Inter-fund balance	771	(771)	—	—
	<u>472,165</u>	<u>(19,076)</u>	<u>308,279</u>	<u>761,368</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

29. Reconciliation of operating surplus to net cash outflow from operating activities

	2021 £000	2020 £000
Net income resources / (expenditure) before taxation and other recognised gains and losses	23,963	(44,305)
Loss on disposal of subsidiary undertaking	—	42,722
Net interest in the results for the period in joint ventures	336	1,913
Pension interest cost	186	1,614
Loss on disposal of fixed assets	128	930
Exchange adjustment	(5,851)	(582)
Depreciation	3,988	13,782
Amortisation and impairment charges relating to intangibles	9,214	40,086
Impairment of long term loans	—	4,000
Impairment of unlisted investments	—	4,417
Decrease in debtors	12,011	108,475
Increase / (decrease) in creditors	5,653	(24,510)
Decrease in provisions	3,266	11,313
Foreign tax paid	(10,127)	(23,464)
Foreign tax received	10,851	3,410
Defined benefit contributions in excess of funds charges	(8,758)	(15,793)
Curtailment loss / (gain)	157	(160)
Net investment income	(8,681)	(28,498)
Cash generated in operations	36,336	95,350

Cash at bank and in hand includes cash held in local bank accounts in countries where exchange controls or other legal restrictions mean the balances are not available for general use by the Company or other Group subsidiaries. In total, £12.4m (2020: £18.9m) of cash was held by overseas entities which cannot be remitted to other Group entities. In addition to these balances, the immediate movement of cash assets held by other Group entities is subject to compliance with local regulation and legal restrictions; however the Group does not consider this cash unavailable for use by the Group. Countries where such restrictions exist and significant cash balances are held are China £13.5m (2020: £12.6m) due to exchange controls and Korea £17.4m (2020: £8.7m) where remittance is permitted following external audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

30. Related party transactions

The Foundation has taken advantage of the exemption in Financial Reporting Standard 102, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

The Foundation defines its key management personnel as the Board of Directors and the Executive Leadership Team. The total remuneration for key management personnel for the 6 month period to 30 June 2021 totalled £4,554,000 (18 months to 31 December 2020: £16,046,000).

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100%:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 30 June 2021 £000
Subsidiaries			
i4Insight, Inc	—	—	(1,712)
Lloyd's Register International (Thailand) Ltd	184	(209)	1,703
Lloyd's Register Middle East LLC Abu Dhabi	1,142	(1,894)	(3,169)
Lloyd's Register Oman LLC	137	(303)	1,688
Lloyd's Register Qatar LLC	300	(382)	588
Joint ventures			
Lloyd's Register Apave Limited	—	(1,116)	(622)

The following transactions took place between Lloyd's Register Group Limited undertakings in which the Group holds less than 100% for the 18 months to 31 December 2020:

	Turnover arising from trading with other LR Group companies £000	Operating costs charged by LR Group companies £000	Amounts owed (to) / from Group companies at 31 December 2020 £000
Subsidiaries			
i4Insight, Inc	—	—	(128)
Lloyd's Register Industrial Services (India) Pvt Ltd	—	—	1
Lloyd's Register International (Thailand) Ltd	639	(436)	1,958
Lloyd's Register Middle East LLC Abu Dhabi	3,201	(5,106)	(5,602)
Lloyd's Register Oman LLC	521	(911)	1,764
Lloyd's Register Qatar LLC	663	(2,178)	(52)
LR Technical Services Sdn Bhd*	394	(2,608)	—
Senenergy International Sdn Bhd*	—	(371)	—
Senenergy Global Resources Sdb Bhd*	6,074	—	—
Hanseaticsoft GmbH	5	(575)	(907)
Joint ventures			
Lloyd's Register Apave Limited	—	(3,062)	(615)
Xinjiang LR Tunhe Social Economic Consulting Company Limited*	—	(78)	—

* Transactions reported in the 16 month period to disposal on 31 October 2020.

During the period the Group has increased its investments in Common Structural Rules Software LLC from \$20,775,000 to \$21,075,000. The Group's investment in i4Insight has remained at \$5,200,000.

The Group provides administrative services to the Group's pension schemes. The following transactions took place between Lloyd's Register Group Limited and Lloyd's Register Superannuation Fund Association.

	2021 £000	2020 £000
Administrative services provided	120	360
Administrative services payable	20	20

The charity awarded a grant of £79,000 in the 18 months to 31 December 2020 to the Worshipful Company of Shipwrights where Lambros Varnavides serves as a member of the Finance Committee. The interest was disclosed before the grant was made and Mr Varnavides did not participate in the grant making decision. Of the grant awarded £nil was outstanding as at 30 June 2021 (31 December 2020: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

31. Group companies

The following are the subsidiaries and joint ventures of the Group at 30 June 2021. All subsidiaries are consolidated. Details are given of the principal country of operation. The equity share capital of these entities is wholly owned by the Group except where its percentage interest is shown otherwise. All companies are incorporated in their principal country of operation except where stated.

There are four entities included in the below list where the Group owns less than 50% of the subsidiary. All of these entities are incorporated in countries where local legislation requires local nationals to hold at least 50% of the issued share capital of each company. For each of these entities, arrangements exist which afford the Group control of the company's financial and operating policies so as to obtain benefit from its activities.

Company	Country of Origin	Registered Address	% of Ownership
Acoura Holdings Ltd ¹	UK	71 Fenchurch Street, London EC3M 4BS, UK	100
Acoura Compliance Ltd	UK		100
Acoura Consulting Ltd	UK		100
Classification and Quality Services Ltd	UK		100
Classification Holdings Ltd	UK		100
Lloyd's Maritime Information Services Ltd	UK		50
Lloyd's Register Apave Limited	UK		51
Lloyd's Register Asia ¹	UK		100
Lloyd's Register Asia Trustees Limited ¹	UK		100
Lloyd's Register Central and South America Ltd ¹	UK		100
Lloyd's Register EMEA ¹	UK		100
Lloyd's Register EMEA Trustees Ltd ¹	UK		100
Lloyd's Register GMT Ltd	UK		100
Lloyd's Register Group Limited ¹	UK		100
Lloyd's Register Group Services Limited ¹	UK		100
Lloyd's Register Inspection Ltd ¹	UK		100
Lloyd's Register International ¹	UK		100
Lloyd's Register Limited	UK		100
Lloyd's Register Nominee 1 Ltd	UK		100
Lloyd's Register Nominee 2 Ltd	UK		100
Lloyd's Register of Shipping Trust Corporation Limited	UK		100
Lloyd's Register Quality Assurance Ltd ¹	UK		100
Lloyd's Register Trust Corporation Limited	UK		100
Lloyd's Register Superannuation Trustees Ltd	UK		100
Lloyd's Register Verification Ltd ¹	UK		100
Perry Scott Nash Training Ltd	UK		100
Seasafe Marine Software & Computation (UK) Ltd	UK		100
Nettitude Ltd	UK		100
Threat2Alert Limited	UK		100
Nettitude Forensics Limited	UK		100
Lloyd's Register Marine Limited	UK		100
Safetytech Accelerator Limited	UK		100
Fullagar Technologies Limited	UK	Bevan Braithwaite Building Granta Park, Great Abington, Cambridge, CB21 6AL	50
Lloyd's Register Finance Limited	UK	Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU	100
Senergy Holdings Ltd	UK		100
Interactive Petrophysics Limited	UK		100
Senergy Resources Limited	UK		100
Lloyd's Register Digital Products (formerly Senergy Software Limited)	UK		100
Lloyd's Register Aligned Services Ltd (formerly Senergy Aligned Services Limited)	UK	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland, UK	100
Acoura Certification Ltd	UK		100
Acoura Marine Ltd	UK		100
Acoura Ltd	UK		100
SFQC Ltd	UK		100
Food Certification Scotland Ltd	UK	Polygon Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100
Food Certification International Ltd	UK		100
71FS Insurance Company Limited ¹	GUERNSEY	Skybridge House, Dublin Airport, North Swords, Dublin, K67P6K2	100
WQ-IC Limited	IRELAND		100
Lloyd's Register Algeria SARL	ALGERIA	Business Center Tower – Algeria Business Center – 11e Etage, Pins maritimes, Mohammadia, Algiers, Algeria	49
Lloyd's Register Bangladesh Pvt Ltd	BANGLADESH	11 th Floor, 9 Mohakhali C/A, Dkaka – 1212, Dhaka, Bangladesh	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Drilling Integrity Services Australia Pty Ltd	AUSTRALIA	Level 1, 503 Murray Street, Perth WA 6000, Australia	100
Lloyd's Register Belgie vzw ¹	BELGIUM	Lloyd's Register Belgie VZWD, Rijnkaai 37, 20000 Antwerp, Belgium	100
Lloyd's Register Maritiem België BV	BELGIUM	Jan van Gentstraat 7 bus 202, 2000 Antwerpen, Belgium	100
Lloyd's Register Do Brasil Ltda	BRAZIL	Rua da Gloria, 311-11, Andar, Rio de Janeiro, RJ, 20.241.180, Brazil	100
Lloyd's Register Quality Assurance Canada Limited	CANADA	5420 North Service Road, Suite 506 Burlington, Ontario L7L 6C7 Canada	100
Lloyd's Register Canada Limited	CANADA	1888 Brunswick Street, Suite 400, Halifax NS B3J 3j8, Canada	100
MARTEC Limited	CANADA	1888 Brunswick Street, Suite 400, Halifax NS B3J 3j8, Canada	100
Lloyd's Register Classification Society (China) Co Ltd	CHINA	19 th Floor, 550 Yan An dong Road, Huangpu District, Shanghai, China	100
Lloyd's Register Industrial Technical Services (Shanghai) Co. Ltd	CHINA	20 th Floor, Ocean Towers, No 550 Yan An Dong Road, Huang District, Shanghai, China	100
LRQA (Shanghai) Co Ltd	CHINA	20 th Floor, Ocean Towers, No 550 Yan An Dong Road, Huang District, Shanghai, China	100
Lloyd's Register Advisory Services China(Shanghai) Ltd	CHINA	Room 1906, No.550 Yan'an East Road, Huangpu District, Shanghai, China	100
Lloyd's Register Central and South America (Curaçao) NV	CURAÇAO	Alablancaweg No. 30 Wilhelminalaan 13, Curaçao	100
Lloyd's Register Egypt LLC	EGYPT	Apartment no 303-3 rd Floor, 13 Ramo Gardens Street – EL Nasr Road, Nasr City, Cairo, Egypt	100
Lloyd's Register Quality Assurance France SAS	FRANCE	Tour Societe Suisse, 1, bld Vivier Merle, 69003, Lyon, France	100
Lloyd's Register Deutschland GmbH	GERMANY	Lloyd's Register EMEA, Adolf-Grimme-Allee 3, 50829 Köln, Germany	100
Hanseaticsoft GmbH	GERMANY	Frankenstraße 29, 20097 Hamburg, Germany	100
Lloyd's Register Marine Deutschland GmbH	GERMANY	Überseesallee 10, Hamburg, 20457, Germany	100
Hellenic Lloyd's SA	GREECE	87 Akti Miaouli, Piraeus, 18538, Greece	100
Lloyd's Register Advisory (Hong Kong) Co., Ltd	HONG KONG	RMS 5304-5305, 53/F Hopewell CTR 183 Queen's road East Wan Chai, Hong Kong	100
Lloyd's Register Italia S.R.L. ¹	ITALY	Via Sottoripa 1A/112 16124 Genova GE, Italy	100
Lloyd's Register Quality Assurance Italy Srl	ITALY	Piazza della Vittoria 6, 16121, Genova, Italy	100
Lloyd's Register Industrial Services (India) Pvt Ltd ¹	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri I, Mumbai, 400 059, India	51
Lloyd's Register Marine and Inspection Services (India) LLP	INDIA	63-64 Kalpataru Square, 6 th Floor, Kondivita Lane, Off Andheri-Kurla Road, Andheri(E), Mumbai, 400 059, India	100
¹ Lloyd's Register Japan Kabushiki Kaisha	JAPAN	Queen's Tower A, 2-3-1 Minatomirai, Nishi-Ku, Yokohama	100
Lloyd's Register Kazakhstan LLP	KAZAKHSTAN	29/6 Satpayev Street, Floor, Rakhat Palace Hotel, Almaty, Kazakhstan	100
Lloyd's Register Advisory Services Korea Ltd	KOREA	(CJ Logistics Bldg., Joongang-dong 6-ga) 10F, 119, Daegyo-ro, Jung-gu, Busan	100
Lloyd's Register Quality Assurance (Korea) Ltd	KOREA	17 th Floor, Sinsong Building, 25-4 Yeouido-dong, Yeongdeungpo-gu, Seoul, 150-711, Korea	100
¹ Lloyd's Register Malaysia Sdn Bhd	MALAYSIA	Level 28, Naza Tower, Platinum Park No. 10, Persiaran KLCC 50088 Kuala Lumpur	100
¹ Lloyd's Register BAIS (Malaysia) Sdn. Bhd	MALAYSIA	Level 28, Naza Tower, Platinum Park No. 10, Persiaran KLCC, 50088 Kuala Lumpur	49
¹ Lloyd's Register Mozambique Lda	MOZAMBIQUE	Mozambique, Maputo	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
		Cidade DISTRITO URBANO 1 Bairro da Polana, Av. Marginal Tenente Ovaldo Tazama Torres Rani Torre 1, 2 Piso, Fraccao 5	
LR Advisory Services BV (Netherlands) (formerly Lloyd's Register Drilling Integrity Services Holding B.V)	NETHERLANDS	Gapingseweg 1A, Serooskerke, 4343JA, Walcheren, Netherlands	100
Lloyd's Register Nederland BV	NETHERLANDS	Wnna-Zuid 168, 3012NC, Rotterdam, Netherlands	100
LR Verification BV ¹	NETHERLANDS	KP van der Mandelelaan 41 A, 3062 MB Rotterdam, Netherlands	100
Lloyd's Register EMEA (Nigeria) Ltd Gte	NIGERIA	6th Floor, B Wing, Shippers Plaza, 4 Park Lane, Apapa, Lagos, Nigeria	100
'Lloyd's Register Voyage AS	NORWAY	Elganeveien 1, 4370 Egersund, Norway	100
Lloyd's Register Oman LLC	OMAN	Bait Al Bahja, Building No 603, Room 21, Way No 2710, Ruwi CBD, Muscat, Sultanate of Oman, PO BOX 2715, RUWI PC 112, Oman	70
Lloyd's Register Pakistan (Private) Limited	PAKISTAN	Lloyd's Register, BRR Towers, 14 th and 15 th Floor, 11 Chundrigar Road, Karachi, 74400 Sindh	100
Lloyd's Register (Polska) Sp Zoo	POLAND	Al. Zwyciestwa 13a, 80-219, Gdansk, Poland	100
Lloyd's Register Qatar LLC	QATAR	Regus Building D-Ring Road, Doha, PO Box 10285, Qatar	49
'Lloyd's Register Voyage RUS LLC	RUSSIA	Office 1-H, room № 57, liter H, house 8, Line 21 Vasilievsky Island, St. Petersburg, Russia, 199106	100
Lloyd's Register Saudi Arabia Ltd	SAUDI ARABIA	Office Number 7 Second Floor, West Tower Building, AL Khobar, Abdul Azeez Street, Saudi Arabia	100
LRQA South Africa Pty. Ltd	SOUTH AFRICA	Unit C4 Centurion Business Park, Democracy Way, Milnerton, Western Cape, 7441, South Africa	100
Lloyd's Register D.O.O. (Beograd)	SERBIA	Vojvode Stepe 78, Beograd, Serbia	100
Lloyd's Register Quality Assurance España SL	SPAIN	Calle Princesa 29, 28008, Madrid, Spain	100
Lloyd's Register España SA	SPAIN	Princesa, 29-1, 28008, Madrid, Spain	100
Lloyd's Register Drilling Integrity Services Asia Pacific Pte. Ltd	SINGAPORE	1 Fusionopolis Place, #09-11 Galaxis, 138522, Singapore	100
Lloyd's Register Signapore Pte Limited	SINGAPORE	1 Fusionopolis Place, #09-11 Galaxis, 138522, Singapore	100
Lloyd's Register Pte. Ltd	SINGAPORE	1 Fusionopolis Place, #09-11 Galaxis, 138522, Singapore	100
'Lloyd's Register RiskSpectrum AB	SWEDEN	Box 1288, 172 25 Sundbyberg, Sweden	100
Lloyd's Register International (Thailand) Ltd	THAILAND	3388/78 Floor 22, Sirinrat Building, Rama IV Road Klong-Ton Sub-district, Klong-Toey District, Bangkok, 10110, Thailand	49
Lloyd's Register Gozetim Ltd Sti	TURKEY	Ataturk Caddesi, Sitkibey Plaza, No 82 Kat 3 Daire 12, Kozyatagi, Istandul, Turkey	100
Lloyd's Register (Ukraine)	UKRAINE	63 Bolshaya Morskaya Street, Office 203, Mykolaiv, 54001, Ukraine	100
Lloyd's Register Middle East LLC	UAE	The Blue Tower Building, Khalifa Street, Abu Dhabi, UAE	49
Lloyd's Register Americas, Inc. ¹	USA	1330 Enclave Parkway, Houston, Texas, 77077, USA	100
Common Structural Rules Software LLC	USA	16855 Northchase Drive, Houston, TX 77060, USA	50
Lloyd's Register North America, Inc.	USA	1330 Enclave Parkway, Houston, Texas, 77077, USA	100
Lloyd's Register Americas Advisory Services, Inc.	USA		100
Lloyd's Register Quality Assurance, Inc.	USA		100
Lloyd's Register Technical Services, Inc.	USA		100
LR Insurance, Inc.	USA		100
Nettitude, Inc.	USA	50 Broad Street, New York, NY 10004	100
i4Insight, Inc	USA	1209 Orange Street, Wilmington, Delaware 19801, USA	80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Company	Country of Origin	Registered Address	% of Ownership
Lloyd's Register Asia (Vietnam) Company	VIETNAM	Suite 450 Petrovietnam Tower, 8 Hoang Dieu Street, Ward 1, Vung Tau City, Ba Ria, Vung-Tau Province, Vietnam	100

¹ Wholly owned directly by Lloyd's Register Group Limited

Shareholdings in one entity is held on Trust on behalf of Vysus Group Holdings Limited following the disposal of the majority of the Group's Energy operations in the prior period. This company is excluded from the Group financial statements from the date of disposal.

Company	Country of Origin	Registered Address	Shareholding %
Lloyd's Register Technical Services Sdn Bhd	MALAYSIA	No 10, Persiaran KLCC, 50088, Kuala Lumpur, Malaysia	49

The following subsidiaries have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Company	Place of registration	Registered number
Classification and Quality Services Limited	England and Wales	03973758
Classification Holdings Limited	England and Wales	03704447
Lloyd's Register Finance Limited	Scotland	SC320138
Lloyd's Register GMT Limited	England and Wales	06428883
Lloyd's Register Group Services Limited	England and Wales	06193893
Senergy Aligned Services Limited	Scotland	SC318186
Senergy Resources Limited	Scotland	SC346964
Senergy Holdings Limited	Scotland	SC252441
Safetytech Accelerator Limited	England and Wales	13099135

32. Post balance sheet events

On 16 July 2021, the Group completed the second stage of the acquisition of C-MAP commercial and acquired the trade and assets representing the C-MAP operations in Russia for consideration of \$3.9m.

In September 2021, the Group completed the acquisition of Greensteam for consideration of \$2.5m, a marine data intelligence company specialising in improving vessel efficiency through machine learning.

On 29 June 2021 the Group announced the sale of 100% of its Business Assurance & Inspection Services business line, including the cyber security business Nettitude, to Goldman Sachs Asset Management. The deal completed after the reporting period on 2 December 2021. The assets and liabilities are being disposed of at an amount above their carrying value. The profit on disposal will depend on the final sale price which is dependent on the results of the business through to the date of disposal. The consideration received will be finalised over the coming months, and given the recent completion it is not possible to provide the estimated profit generated on disposal which will be disclosed in the next set of financial statements.