

Lloyd's Register Foundation

Report and financial statements

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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.	<p>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.</p> <p>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.</p> <p>During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible.</p> <p>Trustees are invited to events connected with the activities of the Foundation.</p>
How the Board has taken account of these interests / Outcome	
<p>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.</p> <p>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.</p>	

<p>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.</p> <p>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.</p> <p>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.</p>	
Workforce The Foundation defines its workforce as its employees and subcontractors.	
Why we focus on this stakeholder	How the Board engages and Communicates
<p>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.</p> <p>Our workforce expects to be safe when performing their work and to work in a culture in which they can achieve their potential.</p>	<p>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.</p> <p>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.</p> <p>At each Board Meeting the Foundation's Chief Executive provides an update in their report on matters specifically relating to the Foundation's workforce.</p> <p>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.</p> <p>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.</p>
How the Board has taken account of these interests / Outcome	
<p>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.</p> <p>A Foundation Trustee is a member of the Remuneration Committee and provides a report to the Board on Remuneration Committee meetings.</p> <p>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.</p>	
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
<p>The beneficiaries of the Foundation's grants are a key way in which the Foundation fulfils its mission and purpose.</p>	<p>Details of the Foundation's engagement with the beneficiaries of its grants are set out below in the section on Grant Holders.</p>
How the Board has taken account of these interests / Outcome	
<p>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.</p> <p>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.</p>	
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.	<p>At each Board meeting, there is a report on the activities of the Foundation's Grants and Direct Charitable Activities Committee.</p> <p>At each Board meeting there is a presentation by a beneficiary of one of the Foundation's large grants on their activities.</p> <p>During the annual joint boards' site visit, Trustees meet with beneficiaries of the Foundation's grants wherever possible.</p> <p>Trustees are invited to events connected with the activities of the Foundation.</p>
How the Board has taken account of these interests / Outcome	
<p>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.</p> <p>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.</p> <p>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.</p>	
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
<p>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.</p> <p>What society expects of us:</p> <ul style="list-style-type: none"> - 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	
<p>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.</p> <p>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 UNs Business Ambition for 1.5C and joined the Race to Zero in the lead up to COP26.</p>	

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	<p>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.</p> <p>Customers care about:</p> <ul style="list-style-type: none"> - 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 Sohlen-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 Bournemouth	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
<p>Investment performance</p> <p>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.</p> <p>This risk also encompasses the ability to forecast and manage cashflows across income and expenditure accurately.</p> <p>The investment in LRG is mixed motive as the Group's goals are aligned with those of the Foundation.</p>	<ul style="list-style-type: none"> • 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.

	<ul style="list-style-type: none"> • Benchmarking of fund managers assessed by ARIC. • Oversight of fund manager service level agreements in place.
<p>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.</p>	<ul style="list-style-type: none"> • 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.
<p>Negative reporting of LR Foundation There is an inherent risk that the Foundation receives negative coverage as a result of:</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.
<p>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.</p> <p>Safety and security incidents directly affecting Foundation employees.</p>	<ul style="list-style-type: none"> • 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.
<p>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,</p>	<ul style="list-style-type: none"> • 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

<p>disaster, or theft of irreplaceable historical records, artefacts, or furniture.</p> <p>The risk is heightened during the transition but will be incorporated into the standard “Business Resilience Event/Crisis” risk once complete.</p>	<p>actively managed. During works, records and artefacts are being stored in a secure offsite location.</p> <ul style="list-style-type: none"> • 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.
<p>Cyber attack or information security breach</p> <p>An advanced targeted cyber attack could result in the loss of sensitive information.</p>	<ul style="list-style-type: none"> • 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.
<p>People and talent</p> <p>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.</p>	<ul style="list-style-type: none"> • 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.
<p>Legal and regulatory compliance</p> <p>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.</p>	<ul style="list-style-type: none"> • 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	<p>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.</p> <p>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.</p>
2-3°C by 2100: Navigating a Patchwork Approach	<p>The 2-3°C scenario highlights the critical need for a strong and coordinated global response to climate change.</p> <p>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</p>

	efforts could still lead to technological advancements, ultimately benefiting the industry.
>3°C by 2100: A Business-as-Usual Scenario	<p>This scenario serves as a reminder of the urgency of climate action.</p> <p>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.</p>

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.
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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)

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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	29,590	—	29,590	32,522	—	32,522
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	(7,837)	—	(7,837)	(5,969)	—	(5,969)
Total expenditure		(25,975)	(855)	(26,830)	(26,207)	(863)	(27,070)
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		5,337	24,628	29,965	6,201	(3,369)	2,832
Reconciliation of funds							
Funds brought forward		19,539	289,102	308,641	13,338	292,471	305,809
Funds carried forward	16	24,876	313,730	338,606	19,539	289,102	308,641

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
	9,590	—	9,590	10,499
Total	29,590	—	29,590	32,522

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 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 CîC	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	Under- standing 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

Group	At 30 June 2023 £000	Cash flow £000	Effect of foreign exchange rate changes £000	At 30 June 2024 £000
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 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

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	<u>(347,338)</u>	<u>(324,414)</u>
Gross profit	199,279	192,379
Administrative expenses	<u>(214,611)</u>	<u>(200,065)</u>
Administrative expenses before exceptional costs	<u>(194,299)</u>	<u>(191,165)</u>
Operating profit before exceptional costs	4,980	1,214
Exceptional costs	<u>(20,312)</u>	<u>(8,900)</u>
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	<u>1,874</u>	<u>2,163</u>
Loss before taxation	(3,516)	(13,417)
Taxation on loss	<u>(12,432)</u>	<u>(3,411)</u>
Loss for the financial year	(15,948)	(16,828)

	2024 £000	2023 £000
Assets	1,170,462	1,226,434
Liabilities	<u>(404,087)</u>	<u>(405,021)</u>
Net Assets	766,375	821,413
Shareholder's funds	<u>766,375</u>	<u>821,413</u>

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	<u>11,641</u>	<u>9,135</u>
	<u>212,305</u>	<u>210,372</u>

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.