



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

**REPORT OF THE CORPORATE BOARD AND GROUP ACCOUNTS
OF
THE CORPORATE CHARITY AND ITS SUBSIDIARIES,
INCLUDING
THE TRINITY HOUSE MARITIME CHARITY
FOR THE YEAR ENDED 31 MARCH 2021**

THE CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

The members of the Corporate Board, as Trustees, present their Annual Report and Group Accounts for the year ended 31 March 2021.

THE CORPORATION'S OBJECTIVES AND ACTIVITIES

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

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

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

To be a key, influencing, UK maritime organisation promoting the safeguarding of shipping and seafarers by providing Welfare, Youth Opportunities and Training, and Public Safety and Education to the seafaring community.

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

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

Under its Royal Charters, the Corporation is also responsible for the maintenance and good governance of the Trinity House Fraternity, which now numbers more than 400 Elder and Younger Brethren.

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

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

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

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

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

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

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

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

Welfare

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

The almshouses are not care homes, but the General Manager is mindful of the wellbeing of the residents and is usually available on weekdays for consultation and advice. Night Attendants are also on duty overnight every day of the week, and an emergency call system is in place where, in the event of sudden illness or a fall, a resident can quickly call for help.

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

In addition, THMC makes regular payments to up to 60 annuitants, some of whom are residents of Trinity Homes. Occasional one-off grants are also made as direct support to former mariners (and their dependants) in financial need.

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

To improve further its efficiency in this area, THMC is a member of the Merchant Navy Welfare Board's Serving Seafarer and Older Seafarer and Families Working Groups, and the Maritime Charities Group (MCG) which comprises the ten major grant-making charities in the maritime welfare sector: Seafarers UK; the Merchant Navy Welfare Board; Nautilus International; Seafarers' Hospital Society; Royal Navy and Royal Marines Charity; Greenwich Hospital; ITF Seafarers' Trust; Lloyds Register Foundation; TK Foundation and Trinity House. The MCG fosters collaboration across the maritime charity sector. It does this by sharing information, commissioning research, supporting the education and welfare of seafarers and their families, and by the promotion of best practice within the maritime charity sector.

Youth Opportunities and Training

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

The Corporation provides major grants to three maritime charities engaged in the provision of such activities: the Marine Society & Sea Cadets; the Scout Association and the Tall Ships Youth Trust. The Corporation also funds career development bursaries awarded by the Association of Sail Training Organisations (ASTO), RYA Yachtmaster Scholarships for those working in the small commercial vessel sector, and a superyacht cadetship through the United Kingdom Sailing Academy (UKSA).

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

Public Safety and Education

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

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

Maintaining the Fabric and Heritage of Trinity House

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

Although it continues to be the headquarters building of the General Lighthouse Authority and of the Corporation's charities, its ceremonial rooms are normally seen by well over 20,000 visitors each year who attend for conferences, receptions, weddings and other events (though markedly fewer in the circumstances of the *Covid-19* pandemic – see page 12). These include the annual general meetings of other charities in the maritime sector, as well as investment banks and law firms, due to the House's location within the Square Mile. For the same reason, it is popular with livery companies lacking halls of their own, who like to host their ceremonial court meetings, lunches and dinners there, and Trinity House also participates in London Open House.

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

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

Deep Sea Pilotage and Provision of Nautical Assessors

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

Trustees' review of charitable expenditure and grant-making policy

After changes to THMC's grant-making processes during the year ended 31 March 2019, further work was undertaken to ensure that all eligible organisations meeting the charitable objects, whether large or small, are offered the same level of support.

A follow-on review of the grant-making process was undertaken during the year ended 31 March 2021 to clarify policy and processes, enhance impact and efficiency, and to confirm good governance. Previously, grants were categorised as either Major or Minor. Within the Major category, grants were generally made on a rolling basis. Those classifications have now been replaced with Grants Paid (Designated) and Grants Paid (Other). Designated grants are those paid to organisations on a three-year fixed cycle, subject to an annual review; all other grants that fall outside of this classification are classified as Grants Paid (Other).

Visits to charities funded by THMC (or under consideration for support) remained an important part, not only to build good relationships, but also to give Trustees an up-to-date picture of the work of beneficiary organisations and the impact that THMC's support has had. During the pandemic, these visits were inevitably curtailed, but some continued virtually to sustain relationships and ensure additional support if required in the circumstances. Reporting of this kind is being further developed to ensure a better understanding of the impact of funding.

The Trustees continue to maintain the policy that, where possible, the allocation of grants expenditure by THMC between education and training, welfare, and safety should be in the ratio 6:4:1. That said, the effects of the pandemic (notably the requirement to respond to emerging need) have challenged the ability to align as closely with these proportions as in previous years.

Subsidiary companies

The management of room lettings referred to above is undertaken by Trinity House Events Limited (THEL), a wholly owned subsidiary company of the Corporate Charity. Any profits generated by the company are normally directed towards the Corporation's charitable objects.

The Corporate Charity is also the sole owner of Trinitas Services Limited, the principal activity of which is the management and operation of 37 former lighthouse keepers' cottages that are run as holiday accommodation and short-term letting. The day-to-day management of the company is carried out by staff employed by the General Lighthouse Authority (see page 15).

ACHIEVEMENTS AND PERFORMANCE

Welfare

During the year, the Corporation spent £1.60 million towards the welfare of mariners and their dependants compared with £1.67 million in the previous year (see note 7). Including support costs, this equates to 39% of the total charitable expenditure in the year (excluding restricted grants made from the THMC/Department for Transport (DfT) Fund – see 'Public Safety and Training' below) compared with the Trustees' target of 36% of expenditure.

Expenditure in the year included:

- The maintenance and upkeep of Trinity Homes in Walmer (£418,000). The Homes are regularly inspected by the Corporation's surveyors and all 18 bungalows and the communal building continue to be in good repair. A new General Manager was appointed in May 2020, who subsequently identified a programme of rectification and maintenance work necessary to ensure compliance with Health and Safety and other legislation, and this is ongoing. The gardens continue to be well maintained and are much appreciated by the residents. No major

projects were undertaken in the year but a number of minor adaptations to individual properties and the communal areas have been made. Two properties remain vacant because pandemic constraints obliged the suspension of the application process for new beneficiaries.

- Designated grants to 11 welfare charities in the maritime sector totalling £611,150.
- Other grants to welfare charities and individuals totalling £313,850, including annuities to 28 retired seafarers in financial need at a rate of £780 per annum.

THMC has supported a wide range of maritime welfare organisations both in their core work and in meeting additional needs as a direct result of the pandemic. The Sailors' Children's Society, which has been supported for many years, was awarded an additional £80,000 in special *Covid-19* funding to enable them to increase their support to families during this time. The Society received the £80,000 across three grants aimed at fishing families, to provide slow cookers for preparing nutritious meals without an increase in energy bills and for gifts and hampers at Christmas after an incredibly hard year.

Care for Veterans was awarded a grant of £10,000 towards rehabilitation support for seafaring veterans. The charity was established in 1919 to care for those returning from World War 1 with life-changing disabilities. It continues today to provide high-quality, person-centred, long-term nursing care, rehabilitation, respite and end-of-life care in a 60-bed facility in Worthing to veterans from across the UK. The grant enabled Care for Veterans to support 11 seafaring veterans and their dependants.

Youth Opportunities and Training

The Corporation's expenditure on this charitable objective totalled £3.17 million compared with £2.81 million in the previous year (see note 8). This includes support costs and equates to 58% of the total charitable expenditure in the year compared with the Trustees' target of 55% of expenditure. Again, these figures exclude restricted grants made from the THMC/DFT Fund.

The cost of the Merchant Navy Scholarship Scheme (MNSS) was the largest item of charitable expenditure in the year, totalling £2.02 million. This cost, however, was partially offset by government grants of £768,000.

The year ended 31 March 2021 has proved challenging for maritime training in managing the consequences of the pandemic. Restrictions in travel and adhering to the *Covid-19* guidelines has had a major impact on securing sea berths for Trinity House cadets. Those in the college phases ashore have had to adapt to online learning when nautical colleges and universities were unable to provide real time lectures in the classroom. Nevertheless, Trinity House cadets have taken this in their stride and continued with their college and sea phases through adjustments and amendments to their programmes.

Despite these challenges, alternative strategies have been identified where required to maintain Cadet Training. The majority of Phase 5 cadets have succeeded in gaining their Foundation Degree or HND and an unrestricted Officer of the Watch (OOW) II/1 certificate. 15 Deck Cadets qualified with their OOW certificate, three as Engineers and two as Electro-Technical Officers (ETOs). All are to be congratulated for achieving their qualifications during such a difficult period. Currently, the total number of cadets being trained by Trinity House (including joint venture partnerships) is 128: 80 Deck, 40 Engineering and 8 ETOs supported and administered by the contracted training provider, Chiltern Maritime.

During the year, a Training Review was undertaken with the aim of adopting a consolidated approach to ensure a wide variety of options for prospective candidates, and so achieve maximum benefit from the resources allocated. Topics included issue of Boatmasters' Licences (BML); RYA Scholarships; and UKSA cadetships for the Super Yacht sector and ASTO. It was agreed that these would be incorporated into the MNSS to facilitate a more harmonised approach to the allocation of training resource.

The challenges, difficulties and restrictions upon maritime training during the pandemic have generated an agile, adaptive approach to enable those in the pipeline to complete their respective courses whilst maintaining continuity. However, with cooperation from all parties (including the MCA, colleges and training companies), this has been achieved, albeit with amendments and new initiatives that have allowed the next generation of maritime talent to achieve their qualifications and meet their aspirations.

The other major expenditure area under the Youth Opportunities and Training objective is on four Designated grants totalling £256,500. The recipients of these grants were charities providing opportunities for young people to experience sailing and other maritime activities, including training. They included the Marine Society & Sea Cadets (£130,000); the Tall Ships Youth Trust (£49,500); London Nautical School (£40,000) and ASTO (£37,000).

Other grants awarded included £48,000 to the Scout Association; £13,798 to Atlantic Pacific and £13,196 to the High Tide Foundation. The grant to Atlantic Pacific enabled a young person from Newham to be offered a 12-month internship at their Royal Docks facility to gain both Atlantic Pacific and RYA qualifications alongside an array of experience within a cross-section of the maritime industry, opening up a clear pathway to a maritime career including support in due course with job applications and access to learning or experience to help meet the criteria for a specific pathway. This opportunity will support a young person from an area that suffers from high unemployment into a rewarding maritime career.

The High Tide Foundation has been supported by THMC for a number of years, specifically their shipping cadetship programme for schools. With the significant impact of lockdown on young people and their development, the Foundation planned to move their programme online to ensure continued access to the support available. The High Tide Learning Hub was developed and 35 online sessions (reaching a potential 770 young people) were offered. This grant ensured that young people in the Tees Valley did not miss out on vital career education and could still take advantage of the opportunities at the port and with associated maritime industries.

Public Safety and Education

Including support costs, unrestricted grant expenditure on this charitable activity totalled £121,000 (see note 9). This equates to 3% of the total charitable expenditure in the year compared with the Trustees' target allocation of 9%.

In addition, restricted grants totalling £580,000 were disbursed from the fund administered by THMC jointly with the Department for Transport, and details of these are set out in a separate section below.

One beneficiary of a grant of £25,000 was the Animateurs Project. Based in Newlyn, but serving the whole of the UK, the Animateurs support the fishing community, especially smaller fishers working on boats under 10m, to access appropriate financial assistance and help them with the application process. By supporting fishers (an estimated third of whom lack the level of literacy required to complete complex grant applications) to access available financial assistance for improvements to their vessels, the safety of both vessel and crew is improved. The Animateurs Project is a good example of THMC working in partnership within the maritime sector, as it is co-funded with the Fishmongers' Company and The Seafarers' Charity.

CHIRP Maritime was awarded a grant of £20,000, enabling the organisation to continue encouraging confidential incident reporting so that safety lessons can be learned and disseminated. CHIRP endeavours to encompass every aspect of seamanship where safety has a critical role, including leisure boating, the fishing industry, commercial maritime, offshore, pilotage, military, and the port operations interface.

Public Safety and Education grants disbursed from the Department for Transport (DfT) fund

As reported in previous Reports and Accounts, a Grant Funding Agreement with the Department for Transport approving the payment of a grant to THMC of £3.0 million was signed on 27 March 2019. This grant, received in April 2019, was in support of safety and training-related matters within THMC's objects. In the year under report, a total of £580,000 was disbursed, mainly to Seafish (£463,500) and the Hull Maritime Foundation (£75,000).

Seafish is a Non-Departmental Public Body (NDPB) that supports the seafood sector in the UK. The grants awarded by THMC were in support of a number of projects: a fishing safety media campaign; general training for fishermen in England and Wales; purchase of Personal Flotation Devices and Personal Locator Beacons; and cold water shock training.

Other grants awarded were to Seafood Cornwall Training to implement a fishing safety project, and to The Safety Folder to further develop their online safety management system for fishers. The grant to the Hull Maritime Foundation was towards the first year of their Maritime Futures project.

Maintenance of the Fabric and Heritage of Trinity House

Expenditure in the year on this 18th century Grade I listed building totalled £431,000 compared with £1.52 million in the previous year (see note 10). However, the prior year's figure included an impairment 'cost' of £575,000 in respect of a revaluation of the treasures. This revaluation has now been reviewed and adjusted, which has created a 'credit' to the expenditure category of £287,500.

Excluding the impairment cost, expenditure totalled £719,000 (compared with £945,000 in the prior year). In addition to this revenue expenditure, £171,000 of capital expenditure (out of the total capital expenditure of £219,000 – see note 19) was incurred in the replacement of the building's passenger lift and two dumb waiters.

Investments

- *Trinity Village* (value £235.9 million (2020: £246.2 million)): the primary objective for the year concerning THMC's main investment property portfolio ("Trinity Village") was to maintain the rental income as far as possible and mitigate the adverse impacts of the pandemic. Key components of this strategy were the maintenance of the estate at a sufficiently high standard to achieve the best rental levels possible in the circumstances; bringing below market rents up to an appropriate level in a measured fashion; and minimising voids, sometimes through the judicious use of rent discounts where merited. THMC was constantly mindful of its reputation as a considerate landlord, especially in respect of the collection of any rental arrears arising as a direct result of the pandemic.

Given the proactive management of the portfolio, it is pleasing to report that gross rental income for Trinity Village was up by 2.6% in the year. Unfortunately, after provision for rental arrears that may not be recoverable, this reduces to a decline of 1.1%. The Trustees believe that this is a good performance in the prevailing circumstances.

The Trustees report that the value of the estate declined by 4.2% in the year.

During the year, the Trustees received, and agreed to implement, the recommendations of a business plan prepared by Knight Frank, following their strategic review in the prior year. Unfortunately, implementation has been delayed as a consequence of the pandemic, but a number of specific, discrete feasibility studies are now being drawn up for approval by the Trustees. The objectives of the plan remain the sustainable growth of net income from the estate, and diversification.

- *Portfolio investments* (value £17.1 million (2020: £13.0 million)).

The primary portfolio is the permanent endowment ('Capital') fund and this recorded a total return in the financial year of 11.83% compared with the benchmark of 11.70%. This performance (in line with the benchmark) was mainly a result of the improvement in the market following the outbreak of the pandemic in late March 2020. Performance continues to be monitored by the Investment and Estates Committee (formerly the Investments and Audit Committee – see 'Structure, Governance and Management' below) and Board on a regular basis.

FUTURE PLANS

During the coming year the Trustees will seek to:

- Disburse £815,000 in Designated grants from the charities' unrestricted funds, and a further £142,000 in grants to other maritime charities and organisations (excluding the Emergency Fund referred to below).
- Monitor and mitigate the consequential, adverse and ongoing effects of the pandemic on the sources of income of both charities and consider, where appropriate, both the repayment of Government or local authority support received during the pandemic and an increase in grant payments following previous restrictions.
- Deploy an Emergency Fund of £75,000 that targets need stemming from the pandemic.
- Continue to disburse grants from the THMC/DFT restricted fund towards safety and training-related matters, in accordance with THMC's objects.
- Continue to maintain the almshouses to a high standard and at as full occupancy as possible.
- Continue to recruit high-quality candidates to the MNSS; to review the sub-contracted management of the scheme and to explore new opportunities with other charities and organisations.
- Continue with the implementation of, and reporting on, the Trinity Village Business Plan prepared by Knight Frank in June 2020, with the objectives of growing the net income of the estate and ascertaining the options for diversification.
- Ensure that the Corporate Charity's subsidiary company, THEL, manages appropriately its return to full operational capacity as it recovers from the impact of the pandemic.
- Continue to maintain the Trinity House Grade I listed building to a high standard.
- Give consideration to the increased deployment of funds towards the provision of expertise on maritime matters by the Corporate Charity.

- Review and implement the changes necessary for the appropriate governance of the charities' defined benefit pension scheme.
- Engage external advisors to advise the charities with regard to the finalisation of the defined benefit pension scheme's actuarial valuation (as of 1 October 2020).
- Implement the agreed recommendations of a review of Corporate Governance, including support structure and departmental procedures, initiated in the year following a First Impressions Report by the new Secretary.
- Examine and improve the charities' Environmental, Social and Governance profile, with an enhanced approach in particular to Sustainability where applicable and an increased focus on risk deriving from Climate Change.
- Continue to assess options for recommendations to the Court in relation to ensuring that the Corporation's Charters are fit for purpose.

FINANCIAL REVIEW

Financial Commentary

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

Starting with by far the larger of the two charities, THMC's unrestricted funds produced a surplus in the year of £39,000 compared with the previous year's surplus of £91,000.

THMC's unrestricted income rose from £7.2 million to £7.5 million, partly as a result of a 2.6% increase in Trinity Village estate income, which totalled £6.6 million for the year (2020: £6.5 million), and partly as a result of increased returns on the portfolio investments.

Unrestricted charitable expenditure totalled £4.0 million which was the same as in the previous year. This comprised £1.5 million on welfare activities, £2.4 million on youth opportunities and training and £121,000 on public safety and education. Unrestricted expenditure on raising funds rose from £3.1 million in the previous year to £3.4 million, largely as a result of the need to provide against the possibility of rental arrears in the Trinity Village estate proving to be irrecoverable. Repairs, maintenance and refurbishment costs have also increased, but have been offset by reductions in estate management fees and support costs.

Overall, after taking account of an actuarial gain on the pension scheme (under the provisions of FRS 102) of £412,000, THMC's unrestricted reserves increased by £451,000 to £1.62 million.

Turning to THMC's restricted funds, grants totalling £580,000 were disbursed in the year from the THMC/DfT Fund. These grant payments were in support of improving the safety of UK fishers and the balance of the Fund at the year end was £1.9 million (see note 22). THMC's restricted funds at the year end stood at £2.1 million compared with £2.7 million in the previous year.

THMC's permanent endowment ('capital') funds decreased by £8.3 million in the year to £257.4 million (see note 23). This was mainly as a result of a 4.2% revaluation loss on the Trinity Village investment property portfolio which, at the year end, was valued at £235.9 million.

Turning to the Corporate Charity and its subsidiaries, room letting income was reduced to only £7,000 during the year, from £539,000 in the prior year as a result of the pandemic (included within Other operating income of £57,000), THEL received £39,000 in Government/Local Authority grants to support it through the pandemic (see note 4). The lighthouse cottage letting income of Trinitas Services Limited also suffered a significant downturn, falling from £1.0 million in the previous year to £751,000 (before £302,000 of Government grants). As a result, the Corporate Charity's overall income fell from £2.0 million in the previous year to £1.6 million. The Corporate Charity's expenditure, however, decreased from £2.9 million in the previous year to £1.5 million. A significant reason for this decrease was a credit adjustment (of £288,000) to the previous impairment 'charge' of £575,000 in respect of a ship model. This credit and the original charge (together with depreciation on the Trinity House building of £123,000) only affected the fixed assets designated fund and had no impact on the Corporate Charity's free reserves. Notwithstanding the fall in income, the reduction in expenditure and adjustment to the impairment cost meant that the Corporate Charity produced a surplus of £129,000. (It should be noted that, excluding the impairment adjustment and depreciation charge, the deficit was £29,000.) Overall, after investment gains of £225,000 and an actuarial gain of £126,000 on the pension scheme, the Corporate Charity showed a net increase in funds of £480,000 to £10.7 million.

Overall, the total combined funds of the two charities and their subsidiaries stood at £271.8 million compared with £279.7 million in the previous year.

Investment policy

THMC's investment portfolio is comprised of residential and commercial property (the 'Trinity Village') which was valued at £235.9 million at 31 March 2021; agricultural holdings valued at £4.8 million; and portfolio investments (including cash awaiting investment) valued at £16.2 million. The Corporate Charity also has portfolio investments which were valued at £1.0 million.

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

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

As noted above, during the year the Trustees received and agreed to implement the recommendations of a business plan prepared by Knight Frank, the estate managers, following their strategic review in the prior year. Unfortunately, the implementation of the recommendations has been delayed as a consequence of the pandemic, but a number of specific, discrete feasibility studies are now being drawn up for approval by the Trustees. The objectives of the plan remain the sustainable growth of net income from the estate, and diversification.

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

The agreed asset allocations are as follows:

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

Principal risks and uncertainties

The Corporation's Register of Significant Business Risks (the Register) is reviewed at least once a year by the Audit and Risk Committee (formerly the Risk Management Committee – see below, 'Structure, Governance and Management'). Once reviewed by this committee, the Register, together with the minutes of the meeting in which it is reviewed, is discussed and approved by the Corporate Board.

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

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

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

The Trustees believe that the above risks have been mitigated by the retention of suitably qualified and experienced property management agents and surveyors, legal advisers and insurance brokers. The managing agents and lawyers provide regular detailed reports that are discussed at quarterly monitoring meetings. Other less formal meetings are also regularly held, often on the estate itself when it has been possible to do so. The Trustees also retain an Honorary Surveyor who is independent of the professional advisers and from whom they occasionally seek advice.

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

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

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

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

- *Covid-19* - the effects of the pandemic posed, and continue to pose, differing risks to the Corporate Charity and THMC, as well as to the health and safety of staff and visitors.

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

The Trustees believe that these risks were, and continue to be, mitigated by THEL's acceptance of Government support, where available, including the use of the Coronavirus Job Retention Scheme and adoption of a Coronavirus Business Interruption Loan; the regular and frequent monitoring of the company's cash flows, both actual and forecast, and operational requirements; and the minimisation of any appropriate variable costs. The directors of THEL remain alert to the need to ensure that the company remains a going concern in light of the impact of the pandemic.

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

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

The Trustees believe that these risks are mitigated by careful superintendence from their estate managers, Knight Frank, and advice from them and others.

The Trustees have assessed the major risks to which the charities are exposed and are satisfied that appropriate measures and effective systems and controls are in place to mitigate them. They intend reviewing risk on a more frequent basis, with the Register used to better effect as a practical management tool.

Reserves policy

Corporate Charity

The Corporate Charity has reserves totalling £10.1 million comprising designated funds (£9.4 million), a pension reserve (£28,000), restricted funds (£60,000) and unrestricted funds (free reserves) of £623,000. The designated funds are made up as follows:

- *House Designated Fund*: to ensure that the Corporate Charity can maintain the fabric and heritage of Trinity House, Tower Hill, London, specifically including any major refurbishments of the building to be carried out in accordance with long-term maintenance plans drawn up by the Corporate Charity's surveyors. The costs of maintaining this Grade I listed building are high and the plan has identified the requirement for considerable maintenance expenditure over the next 5 to 10 years. This is essential in light of the building's listing and the need to maintain it to a very high standard to attract clients wishing to hire the function rooms, thus sustaining the Corporate Charity's room letting income. The balance of the Fund is £444,000 (2020: £603,000).
- *Fixed Assets Fund*: this is represented by tangible fixed assets not readily available to meet expenditure and the balance at the year end was £8.9 million (2020: £8.6 million).

The Trustees reviewed and amended the Corporate Charity's free reserves policy in May 2021 in light of the significance of free reserves to the ability to survive the pandemic. During the year under review, the policy was to maintain free reserves at a level equivalent to between three and six months' operating expenditure. The level was subsequently amended to between six and nine months' operating expenditure, in order to provide greater resilience against any adverse future events. The balance of free reserves at the year end was £623,000 (2020: £578,000) which is equivalent to approximately six months' operating expenditure, and is within the Trustees' target range.

Trinity House Maritime Charity (THMC)

THMC has reserves totalling £261.1 million comprising permanent endowment funds (£257.4 million), designated funds (£677,000), a pension reserve (£167,000), restricted funds (£2.1 million) and unrestricted funds (free reserves) of £772,000. Income received from the permanent endowment funds is available for general purposes in accordance with THMC's governing documents. The designated funds are made up as follows:

- *Extraordinary Repair Fund*: to meet the requirement of THMC's governing document to provide for extraordinary repairs, improvement and rebuilding of Trinity Homes at Walmer. At the year end, the balance of this fund was £177,000 (2020: £177,000).
- *Merchant Navy Scholarship Scheme fund (MNSS)*: the Trustees' policy is to maintain this fund at a level equivalent to between three and six months of the operating costs of the MNSS. The balance of the fund at the year end was £500,000 (2020: £500,000) which was equivalent to approximately three months' operating costs.

The Trustees reviewed and amended THMC's free reserves policy in May 2021. During the year under review, the policy was to maintain free reserves at a level equivalent to between three and six months' operating expenditure. The level was subsequently amended to between six and nine months' operating expenditure, again in order to provide greater resilience against any adverse future events. The balance of free reserves at the year end totalled £772,000 (2020: £819,000) which is equivalent to approximately five months' operating expenditure and was within the previous target range but below the revised target range. The Trustees have adopted a prudent approach to the budget for the year ending 31 March 2022, in order to be in a position to replenish the free reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

As explained above, Trinity House was incorporated by Royal Charter in 1514. A Charter of Confirmation was granted in 1685 and, although supplemental Charters were granted for specific purposes between 1870 and 1978, the 1685 Charter remains the Corporation's principal governing document. The Corporation's duties as a General Lighthouse Authority are conducted under powers given by the Merchant Shipping Acts. However, the funding, operations and management of the Lighthouse Authority are entirely separate from those of the Corporation's charity undertakings and, as a result, are not dealt with in these accounts.

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

The Members of the Corporate Board are elected by the Court of the Corporation and act as the Trustees of the charities. The Trustees who served during the period from 1 April 2020 to the date of this Report were as follows:

Captain Ian McNaught CVO MNM (<i>Deputy Master</i>)	<i>1,2,3,4,5,A,B,C,D</i>
Rear Admiral David Snelson CB	<i>1,5,A,B,C</i>
Captain Roger Barker MNM	<i>1,A,B</i>
Captain Nigel Hope RD* RNR	<i>1</i>
Captain Stephen Gobbi JP MA LLB	
Commodore William Walworth CBE MNM RFA	
Commodore Robert Dorey RFA	
Captain Nigel Hare MA MRIN (<i>appointed 1 October 2020</i>)	<i>A</i>
Malcolm Glaister Esq.	<i>2,4,5,B,D</i>
Richard Sadler Esq.	<i>2,3,4,5,B,C,D</i>
Captain Nigel Palmer OBE MNM (<i>retired 30 September 2020</i>)	<i>1,3,5</i>

Committee membership (up to 30 September 2021):

- 1 Member of the Management Committee*
- 2 Member of the Investment and Audit Committee*
- 3 Member of the Risk Management Committee*
- 4 Member of the Remuneration Committee*
- 5 Member of the Estates Committee*

Committee membership (from 1 October 2021):

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

Up to 30 September 2021, the Board met six times a year and had appointed a number of Committees to discharge certain functions. Up to that date, these included the Remuneration, Investment and Audit, and Estates Committees. The principal Committee was the Management Committee which also met six times a year in the intervals between Board meetings and had a remit to approve minor grants and in respect of certain other matters, including making recommendations to the Board on matters of policy, the award of major grants and strategic issues. As highlighted earlier in this Report, the Board had also appointed a Risk Management Committee.

From 1 October 2021, following the implementation of the findings of the Secretary's Corporate Governance Review (see above – Future Plans), the Board meets four times a year and the committees have been reconstituted as the Investment and Estates, Audit and Risk, and Remuneration Committees. The Management Committee has remained in place but has now been reconstituted with its authority *pari passu* with the other committees, a better defined remit (it remains empowered as above), and meetings four times a year, in the intervals between Board meetings.

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

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

Those selected to serve as Trustees reflect this broad range of skills and experience. The Board therefore comprises those with extensive knowledge and experience of the maritime sector in its widest sense. All are, or have been, senior figures in the sector; most also serve on the governing bodies of, or are otherwise associated with, other agencies and charities. Two members of the Board have particular business or investment experience respectively and also, during the year, served as trustees of the Trinity House Corporate Pension Scheme. (Malcolm Glaister Esq resigned as a trustee of the Trinity House Corporate Pension Scheme on 20 July 2021.)

Since Trustees are elected from within the wider Fraternity, they will normally have knowledge and experience of the functions of the charities and their operation. Nevertheless, new Trustees are made aware of their responsibilities and are briefed formally by the Secretary on their role as Trustees, the charities' governing documents, the way in which the Trustee body operates, and the activities of the charities. Trustees are also regularly apprised of developments within the sector.

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

The key management personnel comprise the Trustees, the Secretary to the Corporation, the Finance and Commercial Director (who is also a Deputy Secretary to the Corporation), the Grants Manager, and the Head of Events.

Staff salaries are reviewed annually by the Remuneration Committee which comprises the Deputy Master and the two Business/Investment Trustees, one of whom acts as Chair. The Corporation believes in attracting and retaining good quality staff for the long term, and a firm of consultants was engaged to carry out a comprehensive pay review against external comparators in 2018. The recommendations of this review were implemented in the financial year ended 31 March 2019, with a further review scheduled for the year ending 31 March 2023.

As mentioned above, the Corporate Charity has two wholly owned subsidiary companies. The first of these, Trinitas Services Limited, was incorporated in 1993 and its principal activity is the operation of 37 former lighthouse keepers' cottages as holiday accommodation and short term lets.

Two of the five directors of the company are also members of the Corporate Board and a third director is the Secretary of the Corporation and principal officer of the charities.

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

Fundraising statement

The charities do not actively solicit donations and therefore are not registered with the Fundraising Regulator; they do not subscribe to any fundraising codes of practice. When donations from individuals are received, the charities aim to protect personal data and never sell data or swap data with other organisations. During 2020 and 2021, the charities received no complaints about fundraising activities.

THE CORPORATE BOARD'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

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

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

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

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

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

Approved by the Corporate Board on 23 November 2021 and signed on its behalf by

Captain Ian McNaught CVO
Deputy Master



OTHER REFERENCE DETAILS

Principal Office

Trinity House
Tower Hill
London EC3N 4DH

Telephone: 020 7481 6900
Website: www.trinityhouse.co.uk

Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Managing Agents:

Knight Frank LLP
55 Baker Street
London W1U 8AN

Savills Ltd
Olympic House
Doddington Road
Lincoln LN6 3SE

Surveyors to the Corporate Charity:

Cluttons LLP
2 Portman Street
London W1H 6DU

Solicitors:

Forsters LLP
31 Hill Street
London W1J 5LS

and

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

Investment Managers:

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

Bankers:

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

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

Opinion

We have audited the accounts of the combined charities of the Corporation of Trinity House and their subsidiaries (the group) for the year ended 31 March 2021 which comprise the group and combined charities' statement of financial activities, the group and combined charities' balance sheets, the group statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the group's and of the combined charities' affairs as at 31 March 2021 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the accounts, the Corporate Board is responsible for assessing the group's and the combined charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporate Board either intends to liquidate the group or the combined charities or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

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

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

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

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

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

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

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


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

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

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

Use of our report

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

A handwritten signature in black ink, appearing to read 'Buzzacott LLP', with a large, stylized flourish at the end.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V6DL 24 November 2021

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
GROUP STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2021

	Corporate Charity funds (including subsidiaries)	Unrestricted funds	Restricted funds	Trinity House Maritime Charity Permanent Endowment funds	Total 2021	Total 2020
Notes	£000	£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies	1	1	10	-	12	7
Charitable activities	2	453	16	768	1,237	1,103
Other trading activities	3	758	-	-	758	1,562
Other operating income	4	359	-	-	359	-
Investments	5	27	7,510	1	7,538	7,238
TOTAL INCOME		1,598	7,527	779	9,904	9,910
EXPENDITURE ON:						
Raising funds	6	1,002	3,442	-	4,453	4,457
Charitable activities:						
Welfare	7	9	1,544	-	1,597	1,666
Youth opportunities and training	8	-	2,381	786	3,167	2,806
Public safety and education	9	-	121	580	701	774
Maintaining the fabric and heritage of Trinity House	10	719	-	-	719	945
Impairment of treasure	10	(288)	-	-	(288)	575
Role as a Deep Sea Pilotage Authority	11	8	-	-	8	6
Provision of Nautical Assessors	11	19	-	-	19	-
TOTAL EXPENDITURE		1,469	7,488	1,366	10,376	11,229
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES		129	39	(587)	(472)	(1,319)
(Losses) / gains on the revaluation and disposal of investment properties	16	-	-	-	(12,462)	5,048
Gains / (losses) on the revaluation and disposal of portfolio investments	16	225	-	-	4,430	(1,111)
NET (EXPENDITURE) / INCOME		354	39	(587)	(8,504)	2,618
OTHER RECOGNISED GAINS AND LOSSES:						
Actuarial gain / (loss) on defined benefit pension scheme	25	126	412	-	538	(59)
NET MOVEMENT IN FUNDS		480	451	(587)	(7,966)	2,559
BALANCE AT 1 APRIL 2020		10,211	1,165	2,681	279,735	277,176
BALANCE AT 31 MARCH 2021		10,691	1,616	2,094	271,769	279,735

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
COMBINED CHARITIES' STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2021


	Corporate Charity funds	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2021	Total 2020
Notes	£000	£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies	1	1	10	-	12	7
Charitable activities	2	453	16	768	1,237	1,103
Other trading activities	3	211	-	-	211	519
Investments	5	27	7,510	1	7,538	7,238
TOTAL INCOME		692	7,527	779	8,998	8,867
EXPENDITURE ON:						
Raising funds	6	212	3,442	-	3,663	3,430
Charitable activities:						
Welfare	7	9	1,544	-	1,597	1,666
Youth opportunities and training	8	-	2,381	786	3,167	2,806
Public safety and education	9	-	121	580	701	774
Maintaining the fabric and heritage of Trinity House	10	719	-	-	719	945
Impairment of treasure	10	(288)	-	-	(288)	575
Role as a Deep Sea Pilotage Authority	11	8	-	-	8	6
Provision of Nautical Assessors	11	19	-	-	19	-
TOTAL EXPENDITURE		679	7,488	1,366	9,586	10,202
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES		13	39	(587)	(588)	(1,335)
(Losses) / gains on the revaluation and disposal of investment properties	16	-	-	-	(12,462)	5,048
Gains / (losses) on the revaluation and disposal of portfolio investments	16	225	-	-	4,430	(1,111)
NET (EXPENDITURE) / INCOME		238	39	(587)	(8,620)	2,602
OTHER RECOGNISED GAINS AND LOSSES:						
Actuarial gain / (loss) on defined benefit pension scheme	25	126	412	-	538	(59)
NET MOVEMENT IN FUNDS		364	451	(587)	(8,082)	2,543
BALANCE AT 1 APRIL 2020		9,710	1,165	2,681	279,234	276,691
BALANCE AT 31 MARCH 2021		10,074	1,616	2,094	271,152	279,234

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
BALANCE SHEETS
at 31 March 2021

		Group	Combined	Group	Combined
		2021	charities	2020	charities
	<i>Notes</i>	£000	£000	£000	£000
FIXED ASSETS					
Tangible fixed assets	15	11,290	10,728	10,983	10,427
Investments	16	258,343	258,343	265,354	265,354
		269,633	269,071	276,337	275,781
CURRENT ASSETS					
Stocks		30	24	7	-
Debtors	17	1,125	1,122	1,264	1,102
Cash at bank and on deposit		2,908	2,174	4,060	3,723
		4,063	3,320	5,331	4,825
CURRENT LIABILITIES					
Amounts falling due within one year	18	(2,022)	(1,434)	(1,478)	(917)
NET CURRENT ASSETS		2,041	1,886	3,853	3,908
NON-CURRENT LIABILITIES					
Amounts falling due after more than one year	18	(100)	-	-	-
NET ASSETS EXCLUDING PENSION ASSET / (LIABILITY)		271,574	270,957	280,190	279,689
Defined benefit pension asset / (liability)	25	195	195	(455)	(455)
NET ASSETS INCLUDING PENSION ASSET / (LIABILITY)		271,769	271,152	279,735	279,234
FUNDS					
Corporate Charity					
<i>Income funds:</i>					
Designated funds	19	9,363	9,363	9,196	9,196
Other unrestricted funds		623	623	578	578
Pension reserve		28	28	(124)	(124)
Restricted funds	20	60	60	60	60
		10,074	10,074	9,710	9,710
Trinity House Maritime Charity					
<i>Income funds:</i>					
Designated funds	21	677	677	677	677
Other unrestricted funds		772	772	819	819
Pension reserve		167	167	(331)	(331)
Restricted funds	22	2,094	2,094	2,681	2,681
		3,710	3,710	3,846	3,846
<i>Capital funds:</i>					
Permanent endowment funds	23	257,368	257,368	265,678	265,678
		261,078	261,078	269,524	269,524
Non-charitable trading funds	24	617	-	501	-
TOTAL FUNDS		271,769	271,152	279,735	279,234

Approved on behalf of the Corporate Board:


Deputy Master, Trinity House

23 November 2021

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	2021 £000	2020 £000
NET CASH PROVIDED BY OPERATING ACTIVITIES (A)	252	1,640
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire tangible fixed assets	(286)	(152)
Payments to improve investment properties	(1,346)	(1,672)
Proceeds from sales of investment properties	20	216
Payments to acquire portfolio investments	(10,497)	(14,421)
Proceeds from sales of portfolio investments	10,797	16,470
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(1,312)	441
CHANGE IN CASH AND CASH EQUIVALENTS	(1,060)	2,081
CASH AND CASH EQUIVALENTS AT 1 APRIL 2020	4,210	2,129
CASH AND CASH EQUIVALENTS AT 31 MARCH 2021 (B)	3,150	4,210

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

	2021 £000	2020 £000
Net expenditure for the year before investment gains and losses	(472)	(1,319)
Adjustments for:		
Depreciation	266	252
Impairment of treasure	(288)	575
Loss on disposal of fixed assets	1	5
Change in stocks	(23)	-
Change in debtors	237	2,954
Change in creditors	643	(887)
FRS 102 pension cost adjustment	(112)	60
Net cash provided by operating activities	252	1,640

(B) ANALYSIS OF CASH AND CASH EQUIVALENTS:

	31 March 2021 £000	31 March 2020 £000
Cash at bank and on deposit	2,908	4,060
Cash held on deposit by estate managing agents (note 17)	97	86
Cash held on deposit by property managing agents (note 17)	-	28
Cash held on deposit by managing agents of Merchant Navy Scholarship Scheme (note 17)	113	-
Cash held by investment managers (note 16)	32	36
	3,150	4,210

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2021

1. ACCOUNTING POLICIES

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

Basis of preparation

These Accounts have been prepared for the year to 31 March 2021 with comparative information presented for the year to 31 March 2020.

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

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

The Accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) rather than the previous withdrawn version which it replaced.

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

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

Basis of consolidation

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

Group:

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

Combined charities:

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

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

Critical accounting estimates and areas of judgement

Preparation of the Accounts requires the trustees and management to make significant judgements and estimates. The more significant areas in the financial statements where these judgements and estimates have been made include:

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Accounts. This includes consideration of the impact of the Covid-19 pandemic on the group's operations with a particular focus on the charities' beneficiaries and suppliers; and on the charities' income, expenditure and reserves. The Trustees have made this assessment in respect of a period of at least one year from the date of approval of these Accounts.

The Trustees of the charities have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Trustees are of the opinion that the Group members will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charities are the level of investment return and the performance of the investment markets (see the Investment policy and Principal risks and uncertainties sections of the Annual Report of the Corporate Board for more information).

Trinity House Events Limited (THEL), which operates in the hospitality sector, continued to suffer from difficult trading conditions caused by the pandemic. During the year, the directors took advantage of a Coronavirus Business Interruption Loan (see note 18), and other available Government support.

With most THEL clients opting to postpone events, rather than cancel, the company was able to maintain a healthy cash balance through this year and going into the new financial year, as social gathering restrictions are started to be lifted and events resume at more normal levels.

Income recognition

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

Grants from government and other agencies have been included as income for charitable activities where these amount to a contract for service but as donations where the money is given with greater freedom of use.

Donations are recognised when the charities have confirmation of both the amount and settlement date. For donations pledged but not received, the amount is accrued when the receipt is considered probable.

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

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

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

Expenditure recognition

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

- c. Grants are charged to the statement of financial activities when the beneficiary has been informed of the grant and there are no conditions that enable the charities to avoid the expenditure. Where the charities retain the discretion to avoid the expenditure, such grants are noted as financial commitments in the notes to the accounts. Grants are classified as Grants Paid (Designated) and Grants Paid (Other).

Designated grants are those paid to organisations on a three-year fixed cycle, subject to an annual review; all other grants that fall outside of this classification are classified as Grants Paid (Other).

- d. Support costs comprise the cost of staff employed under joint contracts of employment and administration costs. The Corporate Charity meets all of these costs which are subsequently allocated between the Corporate Charity and the Trinity House Maritime Charity. The basis of apportionment of these support costs between the Corporate Charity and the Trinity House Maritime Charity is reviewed annually in the light of the level of activity of each charity during the year.

Tangible fixed assets

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

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

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

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

No depreciation is charged in respect of the treasures as it is not deemed to be material after taking account of expected useful lives and expected residual values.

An annual impairment review is performed and an impairment charge is made where necessary.

Investments

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

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

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

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Creditors and provisions

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

Pension costs

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

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

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

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

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

Fund structure

Unrestricted funds

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

Restricted funds

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

Permanent endowment funds

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

Financial instruments

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

2. INCOME FROM:

CHARITABLE ACTIVITIES

Group and combined charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Welfare	-	16	-	16	17
Youth opportunities and training	-	-	768	768	626
Contribution from Trinity House Lighthouse Service	317	-	-	317	315
Other	136	-	-	136	145
Total 2021	453	16	768	1,237	1,103
Total 2020	460	17	626	1,103	

3. INCOME FROM:

OTHER TRADING ACTIVITIES

	2021 £000	2020 £000
Group:		
Letting of function rooms by Trinity House Events Limited	7	539
Letting of lighthouse cottages by Trinitas Services Limited	751	1,023
	758	1,562
Combined charities:		
Income from Trinity House Events Limited:		
Corporate Charity management charge	211	300
Gift Aid donations	-	219
	211	519

The above Combined Charities' income for the years ended 31 March 2021 and 31 March 2020 related to Corporate Charity unrestricted funds.

4. OTHER OPERATING INCOME

	2021 £000	2020 £000
Group:		
Other operating income (Trinity House Events Limited)	57	-
Other operating income (Trinitas Services Limited)	302	-
	359	-

Included within the above Other operating income are Coronavirus Job Retention Scheme and Local Restrictions Support Grants received during the period by Trinity House Events Limited (£39,000) and Trinitas Services Limited (£302,000).

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

5. INCOME FROM:

INVESTMENTS

Group and combined charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Investment properties	-	7,280	-	7,280	7,066
Portfolio investments	27	228	-	255	153
Bank interest and other finance income	-	2	1	3	19
Total 2021	27	7,510	1	7,538	7,238
Total 2020	9	7,222	7	7,238	

6. EXPENDITURE ON:

RAISING FUNDS

Group and combined charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Letting of function rooms	212	-	-	212	298
Management of investment assets:					
Estate managers' fees	-	503	-	503	618
Legal and other administration fees	-	466	-	466	210
Investment managers' fees	-	-	9	9	16
Maintenance of investment assets:					
Repairs, maintenance and refurbishment of estates	-	1,947	-	1,947	1,637
Support costs	-	526	-	526	651
Combined charities	212	3,442	9	3,663	3,430
Letting of lighthouse cottages	765	-	-	765	1,027
Letting of function rooms	25	-	-	25	-
Group	1,002	3,442	9	4,453	4,457
Total 2020 - Combined charities	298	3,116	16	3,430	
Total 2020 - Group	1,325	3,116	16	4,457	

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

For the year ended 31 March 2021

7. EXPENDITURE ON CHARITABLE ACTIVITIES:

WELFARE

Group and combined charities

	Corporate Charity Unrestricted funds £000	Trinity House Maritime Charity Unrestricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Maintenance and upkeep of the Trinity Homes	-	374	44	418	328
Major grants paid	-	-	-	-	743
Minor grants paid	-	-	-	-	281
Grants paid - designated	-	611	-	611	-
Grants paid - other	9	305	-	314	-
Support costs	-	254	-	254	314
Total 2021	<u>9</u>	<u>1,544</u>	<u>44</u>	<u>1,597</u>	<u>1,666</u>
Total 2020	<u>26</u>	<u>1,597</u>	<u>43</u>	<u>1,666</u>	

During the year, welfare grants totalling £925,000 were awarded to other charities, organisations and individuals. Of the grants paid, designated grants amounted to £611,150 and other grants amounted to £313,850:

	£	
The Shipwrecked Mariners' Society	110,000	Towards their one off and regular grants to beneficiaries.
Royal Alfred Seafarers Society	100,000	Towards the cost of care to their residents.
Nautilus Welfare Fund	83,000	Towards the café in the Trinity House Hub, night service and Admiral Nurse.
Sailors' Children's Society	68,200	Towards the grants awarded directly to families.
The Fishermen's Mission	61,600	Towards their core costs and to underpin their UK wide outreach programme.
Naval Children's Charity	47,300	Towards the grants awarded directly to families.
Merchant Navy Welfare Board	47,000	Contribution to the Port Vehicle Replacement Programme.
Tyne Mariners' Benevolent Institution	38,850	Towards the cost of maintenance on the homes and the pensions awarded to ex-seafarers and widows in need.
Royal Liverpool Seamen's Orphan Institution	35,200	Towards the grants awarded directly to families.
Care for Veterans	10,000	Towards the cost of providing their mixed rehabilitation service.
Maritime Charities Group	10,000	Contribution towards core costs.
Total Grants paid - designated	<u>611,150</u>	
Sailors' Children's Society	40,000	Towards an extension of additional support to fishing families, slow cookers and Christmas hampers.
Sailors' Children's Society	30,000	Towards additional support to fishing families as a result of Covid-19.
Combat Stress	25,000	Towards mental health support for seafaring veterans.
The Fishermen's Mission	25,000	Towards their emergency Covid-19 response.
Alabare	20,000	Towards the supported housing for seafaring veterans.
Mission to Seafarers	20,000	Towards the training programme for instructors.
SSAFA, the Armed Forces Charity	20,000	Towards the training programme for Mates and Skippers.
Stella Maris	20,000	Towards the North East Scotland Chaplaincy service.
Queen Victoria Seamen's Rest	10,000	Towards improving the Wi-Fi at Tilbury Seafarers Centre and their operation costs.
Sailors' Children's Society	10,000	Towards an extension of additional support to fishing families.
Sailors' Society	10,000	Towards the deep cleaning of the seafarers centre in Southampton and welfare grants to seafarers.
Stoll	10,000	Towards the Community Support service for seafaring
The Marine Society	10,000	Towards the Covid-19 Redundancy and Retraining bursary
The Mission to Seafarers	10,000	Towards their Chat to a Chaplain service.
The Mission to Seafarers	10,000	Towards the Flying Angel Campaign.
The Not Forgotten Association	10,000	Towards the additional costs incurred as a result of Covid-19.
Other Welfare Grants	33,850	Various welfare grants, less than £10,000.
Total Grants paid - other	<u>313,850</u>	

8. EXPENDITURE ON CHARITABLE ACTIVITIES:

YOUTH OPPORTUNITIES AND TRAINING

Group and combined charities

	Trinity House Maritime Charity Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Merchant Navy Scholarship Scheme	1,252	768	2,020	1,879
Major grants paid	-	-	-	475
Minor grants paid	-	-	-	23
Other restricted grants paid	-	18	18	-
Grants paid - designated	257	-	257	-
Grants paid - other	459	-	459	-
Support costs	413	-	413	429
Total 2021	<u>2,381</u>	<u>786</u>	<u>3,167</u>	<u>2,806</u>
Total 2020	<u>2,180</u>	<u>626</u>	<u>2,806</u>	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES:

YOUTH OPPORTUNITIES AND TRAINING (continued)

Group and combined charities

During the year, youth opportunities and training grants totalling £715,084 were awarded to other charities, organisations and individuals. Of the grants paid, designated grants amounted to £256,500 and other grants amounted to £458,584:

	£	
Marine Society & Sea Cadets	130,000	For use within MSSC's Premises Fund for urgent repairs and upgrades to Units and the On The Water programme.
Tall Ships Youth Trust	49,500	Towards the cost of their sail training programme.
London Nautical School	40,000	Towards the cost of a staff member in the Maritime Department.
ASTO - Association of Sail Training Organisation	37,000	For Sail Training Bursaries.
Total Grants paid - designated	256,500	
The Scout Association	48,000	To develop programme content for the Nautical Skills badge.
IALA - AISM	25,000	Towards the cost of educating and engaging with navigation professionals worldwide.
Portsmouth Sail Training Trust	22,755	To support 30 young people through their programme.
Helford River Children's Sailing Trust	22,200	Towards a new Youth Club and race programme.
International Maritime Rescue Foundation	22,000	Towards the Women in SAR Project.
1851 Trust	20,000	Towards STEM workshops for girls.
Sea Change Sailing	19,040	Towards the training costs to enable crew to attain MCA Bargemaster qualifications.
Adventures Offshore	16,420	Towards the development of their Maritime Careers Pathway programme.
Portsmouth Harbour Marine	15,000	Towards the cost of employing their Chief Executive.
Atlantic Pacific	13,798	Towards an internship for a young person from Newham.
High Tide Foundation	13,196	To move their Shipping Cadetship programme online
National Maritime Museum	10,000	Towards producing a series of maritime careers films as part of the Exposure: Lives at Sea exhibition
Other Youth Opportunities & Training Grants	211,175	Various youth opportunities & training grants, less than £10,000.
Total Grants paid - other	458,584	

9. EXPENDITURE ON CHARITABLE ACTIVITIES:

PUBLIC SAFETY AND EDUCATION

Group and combined charities

	Trinity House Maritime Charity		Total 2021	Total 2020
	Unrestricted funds £000	Restricted funds £000	£000	£000
Major grants paid	-	-	-	607
Minor grants paid	-	-	-	117
Department for Transport Grants	-	580	580	-
Grants paid - designated	38	-	38	-
Grants paid - other	53	-	53	-
Support costs	30	-	30	50
Total 2021	121	580	701	774
Total 2020	255	519	774	

During the year, public safety and education grants totalling £90,615 were awarded to other charities, organisations and individuals. Of the grants paid, designated grants amounted to £37,600 and other grants amounted to £53,015:

	£	
CHIRP - Confidential Reporting for Aviation & Maritime	20,000	Towards the cost of providing their confidential reporting system.
Royal Institute of Navigation	17,600	Towards the cost of delivering their programme of activities
Total Grants paid - designated	37,600	
Animateurs Project	25,000	To support fishermen with applications for safety equipment
RNLI	10,000	Towards membership of the RNLI 200 Club to mark their Bi-Centenary
Other Youth Public & Safety Grants	18,015	Various public safety & education grants, less than £10,000.
Total Grants paid - other	53,015	

During the year, the following grants were made from the Department for Transport Restricted fund: Seafood Cornwall Training (£25,000), Seafish (£463,500), The Safety Folder (£16,500) and the Hull Maritime Foundation (£75,000).

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

For the year ended 31 March 2021

10. EXPENDITURE ON CHARITABLE ACTIVITIES:

MAINTAINING THE FABRIC AND HERITAGE OF TRINITY HOUSE

Group and combined charities

	Total	Total
	2021	2020
	£000	£000
Staff and pension costs	251	235
Repairs, renewals and planned maintenance	101	257
Light, heat, insurance and other running costs	130	160
Depreciation	130	130
Support costs	107	163
Total 2021	<u>719</u>	<u>945</u>
Impairment of treasure (see below)	<u>(288)</u>	<u>575</u>

The impairment of a treasure in the prior year related to the valuation of a ship model. This valuation has now been reviewed and adjusted, which has created a 'credit' to the expenditure category of £287,500.

The above expenditure for the years ended 31 March 2021 and 31 March 2020 related to Corporate Charity unrestricted funds.

11. EXPENDITURE ON CHARITABLE ACTIVITIES:

ROLE AS A DEEP SEA PILOTAGE AUTHORITY AND PROVISION OF NAUTICAL ASSESSORS

Expenditure on these categories in the two years ended 31 March 2021 and 31 March 2020 was from Corporate Charity unrestricted funds.

12. ANALYSIS OF SUPPORT COSTS

	Office	Service	Administration	Total	Total
	staff	staff	costs	2021	2020
	£000	£000	£000	£000	£000
Raising funds	295	43	187	526	651
Welfare	159	17	78	254	314
Youth opportunities and training	258	28	128	414	429
Public safety and education	18	2	10	30	50
Maintaining the fabric and heritage of Trinity House	107	-	-	107	163
	<u>837</u>	<u>90</u>	<u>403</u>	<u>1,331</u>	<u>1,607</u>

Support costs include governance costs of £194,471 (2020: £226,335), which include auditor's remuneration of £51,327 (2020: £36,618) for audit services and £5,108 (2020: £6,232) for non-audit services. In addition to the fees noted above, audit fees of £21,607 (2020: £12,565) and other fees paid to auditors of £3,120 (2020: £4,477) in relation to Trinitas Services Limited and Trinity House Events Limited are included in expenditure on raising funds.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

13. STAFF COSTS AND TRUSTEES' REMUNERATION

	2021	2020
	£000	£000
Wages and salaries	790	945
Social security costs	90	101
Other pension costs - defined benefit scheme	119	171
- group personal pension plan	55	64
Other staff costs	32	66
	<u>1,086</u>	<u>1,347</u>

The average number of staff during the year was 24 (2020: 22).

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

	2021	2020
£110,000 - £119,999	1	-
£100,000 - £109,999	-	2
£80,000 - £89,999	-	1
£70,000 - £79,999	1	-

Of the higher paid employees, contributions were made to the defined benefit scheme for 2 (2020: 2) individuals. The emoluments of the highest paid individual includes pay in lieu of pension contributions.

The total cost of employing key management, comprising the Secretary, the Deputy Secretary and Head of Finance (retired October 2020), the Deputy Secretary and Finance & Commercial Director (joined September 2020), and the Head of Events, including employer's pension contributions and employer's national insurance contributions was £426,166 (2020: £501,989).

Travel and subsistence expenses totalling £2,674 (2020: £5,843) were incurred by 5 (2020:7) members of the Corporate Board in the year.

Fees and taxable expenses paid to members of the Corporate Board by the charities amounted to £72,834 (2020: £43,597) in the year. These comprised:

- Fees and Expenses of £45,843 (2020: £38,428) paid to Captain Hope in his capacity as the Director of Maritime training. These are pursuant to Clause 44 (3) of the Trinity House Maritime Charity Charity Scheme of 7 August 1995.
- Assistance to the Admiralty Court in the provision of Nautical Assessors. Fees are set by the Practice Division of the Registrar of Civil Appeals and the Admiralty Register and are payable by the party setting down an action. The Corporate Charity's administrative costs in these arrangements are met from the fees reimbursed. Fees and expenses of £18,701 (2020: £Nil) were paid to Rear Admiral Snelson in the year.
- Fees and expenses of £8,001 (2020: £5,169) were paid to Captain Gobbi in his capacity as Examiner of Deep Sea Pilotage pursuant to an Order made by the Charity Commission dated 10 January 2007.

A total premium of £2,800 (2020: £1,300) was paid in the year to provide the trustees with indemnity insurance.

14. TAXATION

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

15. TANGIBLE FIXED ASSETS

GROUP

	Leasehold improvements	Freehold properties		Treasures	Plant and equipment, fixtures and fittings	TOTAL
		Trinity House	Trinity Homes, Walmer			
	£000	£000	£000	£000	£000	£000
<u>COST</u>						
At 1 April 2020	615	6,090	2,175	4,053	665	13,598
Additions in year	69	171	-	20	26	286
Disposals in year	-	-	-	-	(17)	(17)
At 31 March 2021	684	6,261	2,175	4,073	674	13,867
<u>DEPRECIATION</u>						
At 1 April 2020	227	960	390	575	463	2,615
Charge for the year	49	123	45	-	49	266
Impairment in year (note 10)	-	-	-	(288)	-	(288)
Disposals in year	-	-	-	-	(16)	(16)
At 31 March 2021	276	1,083	435	287	496	2,577
<u>NET BOOK VALUE</u>						
At 31 March 2021	408	5,178	1,740	3,786	178	11,290
At 31 March 2020	388	5,130	1,785	3,478	202	10,983

COMBINED CHARITIES

	Freehold properties		Treasures	Plant and equipment, fixtures and fittings	TOTAL
	Trinity House	Trinity Homes, Walmer			
	£000	£000	£000	£000	£000
<u>COST</u>					
At 1 April 2020	6,090	2,175	4,053	246	12,564
Additions in year	171	-	20	-	191
At 31 March 2021	6,261	2,175	4,073	246	12,755
<u>DEPRECIATION</u>					
At 1 April 2020	960	390	575	212	2,137
Charge for the year	123	45	-	10	178
Impairment in year (note 10)	-	-	(288)	-	(288)
At 31 March 2021	1,083	435	287	222	2,027
<u>NET BOOK VALUE</u>					
At 31 March 2021	5,178	1,740	3,786	24	10,728
At 31 March 2020	5,130	1,785	3,478	34	10,427

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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16. FIXED ASSET INVESTMENTS

	2021	2020
	£000	£000
Investment properties (see below)	240,913	252,049
Portfolio investments (see below)	17,149	13,019
Cash held by investment managers	32	36
	258,093	265,104
Programme-related investments (see below)	250	250
	258,343	265,354
	Freehold investment properties	Portfolio investments
	£000	£000
Market value at 31 March 2020	252,049	13,019
Sale of leasehold interests	(20)	-
Disposals	-	(10,797)
Capital improvements	1,346	-
Acquisitions at cost	-	10,497
Gains / (losses) on revaluations and disposals	(12,462)	4,430
Market value at 31 March 2021	240,913	17,149
Historical cost	11,558	15,748

The market value of the freehold investment properties is based on valuations carried out by Cluttons Surveyors and Savills, Chartered Surveyors, at 31 March 2021.

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

Security	Holding	Total market value £	Percentage of total market value
BLACKROCK ISHRS DV WLD IDX (IE) D DS GBP HDG	9,431,486	12,032,750	70.2%
BLACKROCK ISHR UK CRDT BD IDX(IE) INS GBP DS	2,604,216	2,659,198	15.5%
BLACKROCK ISHARES EM IDX FD (IE) FLX DS GBP	1,071,022	1,244,978	7.3%
BLACKROCK ISHRS IDX LK GLT IDX FD (UK) X INC	1,164,230	1,211,746	7.1%
		17,148,672	100%

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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17. DEBTORS

Due within one year:

	Group	Charities	Group	Charities
	2021	2021	2020	2020
	£000	£000	£000	£000
<i>Trinity Village:</i>				
Rent arrears less provision for doubtful debts	137	137	150	150
Monies held by estate managing agents	97	97	86	86
<i>Trinitas Services Limited :</i>				
Monies held by property managing agents	-	-	28	-
<i>Other :</i>				
Trade debtors	22	22	36	5
Monies held by managing agent of the Merchant Navy Scholarship Scheme	113	113	-	-
Amount owed by Trinity House Events Limited	-	120	-	-
Amount owed by Trinity House Lighthouse Service	-	-	5	5
Prepayments and accrued income	678	604	899	818
Social Security and other taxes	62	14	40	18
Other debtors	17	17	20	20
	1,125	1,122	1,264	1,102

18. CREDITORS

Amounts falling due within one year:

	Group	Charities	Group	Charities
	2021	2021	2020	2020
	£000	£000	£000	£000
Expense creditors	250	197	107	103
Rents in advance, Trinity Village	56	56	85	85
Deferred income	512	238	238	238
Social Security and other taxes	140	3	90	2
Other creditors	54	9	18	9
Accruals - Trinity Village	588	588	346	346
- other	307	307	471	113
Amounts owed to Trinity House Lighthouse Service	115	-	123	-
Amounts owed to Trinity House Events Limited	-	36	-	21
	2,022	1,434	1,478	917

CREDITORS

Amount falling due after more than one year:

	Group	Charities	Group	Charities
	2021	2021	2020	2020
	£000	£000	£000	£000
Coronavirus Business Interruption Loan	100	-	-	-
	100	-	-	-

On 3 February 2021, THEL entered into a Coronavirus Business Interruption Loan facility for £100,000.

The facility is for a maximum term of 3 years and is unsecured. It is repayable in equal quarterly instalments, commencing 15 months from the date of drawdown (18 February 2021), but may be repaid earlier.

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

19. CORPORATE CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2020 £000	New designations £000	Utilised / released £000	Balance at 31 March 2021 £000
House Designated Fund	603	60	(219)	444
Fixed Assets Fund	8,593	459	(133)	8,919
	<u>9,196</u>	<u>519</u>	<u>(352)</u>	<u>9,363</u>

House Designated Fund

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

Fixed Assets Fund

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

20. CORPORATE CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Balance at 31 March 2021 £000
Warden's Trinity House Relief Fund	2	-	-	2
Brethren's Covenant and Gift Scheme	58	-	-	58
	<u>60</u>	<u>-</u>	<u>-</u>	<u>60</u>

Warden's Trinity House Relief Fund

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

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

21. TRINITY HOUSE MARITIME CHARITY - DESIGNATED FUNDS

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

	Balance at 1 April 2020 £000	New Designations £000	Utilised / Released £000	Balance at 31 March 2021 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	<u>677</u>	<u>-</u>	<u>-</u>	<u>677</u>

Extraordinary Repair Fund

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

The Merchant Navy Scholarship Scheme

The operation of this scheme was transferred from the Corporate Charity to the Trinity House Maritime Charity in 1995. At 31 March 2021, there were 140 (2020: 105) cadets under sponsorship for training as Deck or Engineer Officers. The amount designated to this Fund represents between three and six months' operating costs of the Merchant Navy Scholarship Scheme.

22. TRINITY HOUSE MARITIME CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2020 £000	Movement in funds		Balance at 31 March 2021 £000
		Income £000	Expenditure £000	
Swire Scholarship Fund	110	-	(5)	105
Swire Yeoman Support Fund	25	-	(3)	22
Captain John Bury Memorial Prize Fund	12	-	-	12
Grants for Merchant Navy Scholarship Scheme:				
Government funding	-	768	(768)	-
British Marine Prize Fund	46	-	-	46
Department for Transport Fund	2,488	1	(580)	1,909
J Mummery	-	10	(10)	-
	<u>2,681</u>	<u>779</u>	<u>(1,366)</u>	<u>2,094</u>

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

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

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

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

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

The donation received from Miss J Mummery was to be used to support seafarers in need and was granted to the Covid-19 Redundancy and Retraining Bursary.

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

	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
		Expenditure	Gains / (losses)	
	£000	£000	£000	£000
Trinity Village	258,029	-	(7,460)	250,569
Church and West Farms, Goxhill	4,424	-	(868)	3,556
Martines Farm, Essex	1,240	-	97	1,337
Trinity Homes, Walmer	1,985	(44)	(35)	1,906
	<u>265,678</u>	<u>(44)</u>	<u>(8,266)</u>	<u>257,368</u>

Trinity Village

The freehold of this estate, situated in South London, was conveyed to the Charity by Christopher Merrick in 1660. The fund is mainly represented by residential and commercial properties which were valued at £235,900,500 at 31 March 2021 and portfolio investments and cash which were valued at £16,194,152. Under the terms of the conveyance, income earned from this fund is available for general purposes.

Church and West Farms, Goxhill

This estate came to the Charity under the will of Captain Robert Sandes dated 1720. The fund is represented by agricultural land, now of 546 acres (221 hectares), in North Lincolnshire and cash. Under the terms of the bequest, income earned from this fund is available for general purposes. The farms were valued at £3,500,000 at 31 March 2021.

Martines Farm, Essex

This estate was bequeathed to the Charity by Captain Robert Fisher in 1714. The fund is represented by freehold agricultural land now of 65.7 acres (26.6 hectares). Under the terms of the bequest, income earned from this fund is available for general purposes. The farm was valued at £1,337,000 at 31 March 2021.

Trinity Homes, Walmer

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

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Corporate Charity		Trinity House Maritime Charity		Endowment	Non-charitable	Total
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	funds	trading funds	2021
	£000	£000	£000	£000	£000	£000	£000
Fund balances at 31 March 2021 are represented by :							
Tangible fixed assets	8,922	54	12	-	1,740	562	11,290
Investments	986	-	-	-	257,357	-	258,343
Current assets	333	6	903	2,094	(174)	900	4,063
Current liabilities	(256)	-	534	-	(1,555)	(845)	(2,122)
Defined benefit pension liability	28	-	167	-	-	-	195
Total net assets	<u>10,013</u>	<u>60</u>	<u>1,616</u>	<u>2,094</u>	<u>257,368</u>	<u>617</u>	<u>271,769</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

25. PENSION COMMITMENTS

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

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

The contributions are determined on the basis of triennial valuations by an actuary using the Attained Age method. Following the valuation as at 1 October 2017, the employer's current contribution rate increased (from 1 June 2018) from 34.4% to 34.8% of pensionable pay. The employees' contribution rate remained at 1.5% of pensionable pay. The total contributions for the year in these accounts were £231,000. The valuation showed that the market value of the Scheme's assets was £6,868,000 and that the ongoing funding level was 100%.

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

RPI	3.6% p.a.
Earnings increases	3.6% p.a.
Pre-retirement discount rate	4.2% p.a.
Post-retirement discount rate	2.0% p.a.

The valuation as at 1 October 2020 is in progress and negotiations are ongoing with the Scheme's trustees. It is anticipated that the valuation will show that the Scheme is fully funded and that deficit contributions will not be required. It also anticipated that neither of the current employer's or the employees' contribution rates will need to be increased.

Financial Reporting Standard 102 - Retirement Benefits

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

	2021	2020
	£000	£000
Market value of assets	8,165	7,068
Defined benefit obligation	(7,970)	(7,523)
Surplus / (deficit) in the Scheme - net pension asset / (liability)	195	(455)

The assets in the Scheme were:

	2021	2020
	£000	£000
Liability driven investments	1,550	2,341
Equities	3,450	0
Bonds	2,729	4,510
Insured pensions (annuities)	6	41
Cash	430	176
Total market value of assets	8,165	7,068

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

25. PENSION COMMITMENTS (continued)

The major assumptions used by the actuary were:

	2021	2020
Inflation - RPI	3.5%	3.1%
Rate of increase in salaries	3.5%	3.1%
Rate of increase for pensions	3.2%	3.0%
Discount rate for liabilities	2.0%	2.2%

The mortality tables used are the S3NA base tables projected by year of birth in line with the CMI 2020 "core" mortality projections with a long-term rate assumption of 1.5% per annum. To give an indication of life expectancies, a person who is currently aged 63 is assumed to live on average until the age of 87 years in the case of a man and 90 years in the case of a woman.

Reconciliation of the fair value of plan assets over the year

	2021	2020
	£000	£000
Fair value of plan assets at 1 April 2020	7,068	7,141
Interest income on plan assets	154	176
Remeasurement - return on plan assets excluding interest income	1,068	(17)
Contributions by the charities	231	115
Contributions by the members	4	5
Benefits paid (including expenses)	(360)	(352)
Fair value of plan assets at 31 March 2021	<u>8,165</u>	<u>7,068</u>
Return on plan assets	<u>1,222</u>	<u>159</u>

Reconciliation of defined benefit obligations over the year

	2021	2020
	£000	£000
Defined benefit obligations at 1 April 2020	7,523	7,477
Current service cost	110	166
Contributions by the members	4	5
Interest expense on defined benefit obligation	163	185
Remeasurement - effect of experience adjustments (gain) / loss	(141)	312
Remeasurement - effect of changes in assumptions loss / (gain)	671	(270)
Benefits paid	(360)	(352)
Defined benefit obligations at 31 March 2021	<u>7,970</u>	<u>7,523</u>

The movement in the Scheme's deficit during the year is made up as follows:

	2021	2020
	£000	£000
Net pension liability at 1 April 2020	455	336
Amount recognised in expenditure	119	175
(Gain) / loss recognised in other recognised gains and losses	(538)	59
Contributions by the charities	(231)	(115)
Net pension (asset) / liability at 31 March 2021	<u>(195)</u>	<u>455</u>

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

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

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

Analysis of the amount charged as expenditure

	2021	2020
	£000	£000
Current service cost	(110)	(166)
Interest income on Scheme assets	154	176
Interest expense on defined benefit obligation	(163)	(185)
Total charge to expenditure	(119)	(175)

Remeasurements recognised in other recognised gains and losses

	2021	2020
	£000	£000
Remeasurement - effect of experience adjustments gain / (loss)	141	(312)
Remeasurement - effect of changes in assumptions (loss) / gain	(671)	270
Remeasurement - return on plan assets including interest income gain / (loss)	1,068	(17)
Total remeasurement gain / (loss) recognised in other recognised gains and losses	538	(59)

26. SUBSIDIARY COMPANIES

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

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

	2021	2020
	£000	£000
Turnover	1,054	1,023
Total expenditure	(765)	(1,027)
Profit after tax	289	(4)
Total assets	1,208	822
Total liabilities	(478)	(381)
Net assets	730	441

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

26. SUBSIDIARY COMPANIES (continued)

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

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

	2021	2020
	£000	£000
Turnover	63	539
Total expenditure	(237)	(300)
(Loss) / profit for the year	(174)	239
Total assets	253	260
Total liabilities	(367)	(200)
Net assets	(114)	60

27. GRANTS AND COMMITMENTS

Grants paid to institutions in the year totalled £1,632,000 (2020: £1,955,000) whilst grants paid to individuals totalled £27,035 (2020: £25,740). Full details of all grants paid can be obtained from the Secretary to the Corporation.

At 31 March 2021, grant commitments from future income were £2,720,000 (2020: £3,450,000).

At 31 March 2021, the Trinity House Maritime Charity was committed to payments of £2,430,000 (2020: £2,399,000) in respect of the Merchant Navy Scholarship Scheme.

28. RELATED PARTY TRANSACTIONS

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

29. COMPARATIVES

(a) GROUP STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2020

	Corporate Charity funds (including subsidiaries)	Trinity House Unrestricted funds	Maritime Restricted funds	Charity Permanent Endowment funds	Total 2020
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	7	-	-	-	7
Charitable activities	460	17	626	-	1,103
Other trading activities	1,562	-	-	-	1,562
Investments	9	7,222	7	-	7,238
TOTAL INCOME	2,038	7,239	633	-	9,910
EXPENDITURE ON:					
Raising funds	1,325	3,116	-	16	4,457
Charitable activities:					
Welfare	26	1,597	-	43	1,666
Youth opportunities and training	-	2,180	626	-	2,806
Public safety and education	-	255	519	-	774
Maintaining the fabric and heritage of Trinity House	945	-	-	-	945
Impairment of treasure	575	-	-	-	575
Role as a Deep Sea Pilotage Authority	6	-	-	-	6
Provision of Nautical Assessors	-	-	-	-	-
TOTAL EXPENDITURE	2,877	7,148	1,145	59	11,229
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	(839)	91	(512)	(59)	(1,319)
Gains / (losses) on the revaluation and disposal of investment properties	-	-	-	5,048	5,048
Gains / (losses) on the revaluation and disposal of portfolio investments	(78)	-	-	(1,033)	(1,111)
NET (EXPENDITURE) / INCOME	(917)	91	(512)	3,956	2,618
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial (loss) / gain on defined benefit pension scheme	(14)	(45)	-	-	(59)
NET MOVEMENT IN FUNDS	(931)	46	(512)	3,956	2,559
BALANCE AT 1 APRIL 2019	11,142	1,119	3,193	261,722	277,176
BALANCE AT 31 MARCH 2020	10,211	1,165	2,681	265,678	279,735

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2021

29. COMPARATIVES (continued)

(b) COMBINED CHARITIES' STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2020

	Corporate Charity funds	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2020
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	7	-	-	-	7
Charitable activities	460	17	626	-	1,103
Other trading activities	519	-	-	-	519
Investments	9	7,222	7	-	7,238
TOTAL INCOME	995	7,239	633	-	8,867
EXPENDITURE ON:					
Raising funds	298	3,116	-	16	3,430
Charitable activities:					
Welfare	26	1,597	-	43	1,666
Youth opportunities and training	-	2,180	626	-	2,806
Public safety and education	-	255	519	-	774
Maintaining the fabric and heritage of Trinity House	945	-	-	-	945
Impairment of treasure	575	-	-	-	575
Role as a Deep Sea Pilotage Authority	6	-	-	-	6
Provision of Nautical Assessors	-	-	-	-	-
TOTAL EXPENDITURE	1,850	7,148	1,145	59	10,202
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	(855)	91	(512)	(59)	(1,335)
Gains / (losses) on the revaluation and disposal of investment properties	-	-	-	5,048	5,048
Gains / (losses) on the revaluation and disposal of portfolio investments	(78)	-	-	(1,033)	(1,111)
NET (EXPENDITURE) / INCOME	(933)	91	(512)	3,956	2,602
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial (loss) / gain on defined benefit pension scheme	(14)	(45)	-	-	(59)
NET MOVEMENT IN FUNDS	(947)	46	(512)	3,956	2,543
BALANCE AT 1 APRIL 2019	10,657	1,119	3,193	261,722	276,691
BALANCE AT 31 MARCH 2020	9,710	1,165	2,681	265,678	279,234

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2021

29. COMPARATIVES (continued)

(c) INCOME FROM:

CHARITABLE ACTIVITIES

Group and combined charities

	Corporate Charity	Trinity House Maritime Charity		Total 2020
	Unrestricted funds	Unrestricted funds	Restricted funds	
	£000	£000	£000	£000
Welfare	-	17	-	17
Youth opportunities and training	-	-	626	626
Contribution from Trinity House Lighthouse Service	-	-	-	-
Provision of Nautical Assessors	315	-	-	315
Other	145	-	-	145
Total 2020	<u>460</u>	<u>17</u>	<u>626</u>	<u>1,103</u>

(d) INCOME FROM:

INVESTMENTS

Group and combined charities

	Corporate Charity	Trinity House Maritime Charity		Total 2020
	Unrestricted funds	Unrestricted funds	Restricted funds	
	£000	£000	£000	£000
Investment properties	-	7,066	-	7,066
Portfolio investments	8	145	-	153
Bank interest and other finance income	1	11	7	19
Total 2020	<u>9</u>	<u>7,222</u>	<u>7</u>	<u>7,238</u>

(e) EXPENDITURE ON RAISING FUNDS

Group and combined charities

	Corporate Charity		Trinity House Maritime Charity		Total 2020
	Unrestricted funds	Restricted funds	Unrestricted funds	Endowment funds	
	£000	£000	£000	£000	£000
Letting of function rooms	298	-	-	-	298
Management of investment assets:					
Estate managers' fees	-	-	618	-	618
Legal and other administration fees	-	-	210	-	210
Investment managers' fees	-	-	-	16	16
Maintenance of investment assets:					
Repairs, maintenance and refurbishment of estates	-	-	1,637	-	1,637
Support costs	-	-	651	-	651
Combined charities	<u>298</u>	<u>-</u>	<u>3,116</u>	<u>16</u>	<u>3,430</u>
Letting of lighthouse cottages	1,027	-	-	-	1,027
Letting of function rooms	-	-	-	-	-
Group	<u>1,325</u>	<u>-</u>	<u>3,116</u>	<u>16</u>	<u>4,457</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2021

29. COMPARATIVES (continued)

(f) EXPENDITURE ON CHARITABLE ACTIVITIES:
WELFARE

Group and combined charities	Corporate Charity	Trinity House Maritime Charity		Total 2020
	Unrestricted	Unrestricted	Endowment	
	funds	funds	funds	
	£000	£000	£000	£000
Maintenance and upkeep of the Trinity Homes	-	285	43	328
Major grants paid	-	743	-	743
Minor grants paid	26	255	-	281
Support costs	-	314	-	314
Total 2020	<u>26</u>	<u>1,597</u>	<u>43</u>	<u>1,666</u>

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

Group and combined charities	Trinity House Maritime Charity		Total 2020
	Unrestricted	Restricted	
	funds	funds	
	£000	£000	£000
Merchant Navy Scholarship Scheme	1,253	626	1,879
Major grants paid	475	-	475
Minor grants paid	23	-	23
Impairment of programme-related investment	-	-	-
Support costs	429	-	429
Total 2020	<u>2,180</u>	<u>626</u>	<u>2,806</u>

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

Group and combined charities	Trinity House Maritime Charity		Total 2020
	Unrestricted	Restricted	
	funds	funds	
	£000	£000	£000
Major grants paid	91	516	607
Minor grants paid	114	3	117
Support costs	50	-	50
Total 2020	<u>255</u>	<u>519</u>	<u>774</u>

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2021

29. COMPARATIVES (continued)

(i) ANALYSIS OF SUPPORT COSTS

	Office staff £000	Service staff £000	Administration costs £000	Total 2020 £000
Raising funds	379	42	230	651
Welfare	173	22	119	314
Youth opportunities and training	237	29	163	429
Public safety and education	28	3	19	50
Maintaining the fabric and heritage of Trinity House	163	-	-	163
Total 2020	980	96	531	1,607

(j) CORPORATE CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2019 £000	New designations £000	Utilised / released £000	Balance at 31 March 2020 £000
House Designated Fund	826	-	(223)	603
Fixed Assets Fund	9,281	-	(688)	8,593
	10,107	-	(911)	9,196

(k) CORPORATE CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Balance at 31 March 2020 £000
Warden's Trinity House Relief Fund	2	-	-	2
Brethren's' Covenant and Gift Scheme	58	-	-	58
	60	-	-	60

(l) TRINITY HOUSE MARITIME CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2019 £000	New designations £000	Utilised / released £000	Balance at 31 March 2020 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	677	-	-	677

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
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29. COMPARATIVES (continued)

(m) TRINITY HOUSE MARITIME CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2019	Movement in funds		Balance at 31 March 2020
	£000	Income £000	Expenditure £000	£000
Swire Scholarship Fund	110			110
Swire Yeoman Support Fund	25	-	-	25
Captain John Bury Memorial Prize Fund	12	-	-	12
Grants for Merchant Navy Scholarship Scheme:				
Government funding	-	626	(626)	-
Sponsorship from the Jersey Harbour Board	-	-	-	-
British Marine Prize Fund	46	-	-	46
Department for Transport Fund	3,000	7	(519)	2,488
	<u>3,193</u>	<u>633</u>	<u>(1,145)</u>	<u>2,681</u>

(n) TRINITY HOUSE MARITIME CHARITY - PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2019	Movement in funds		Balance at 31 March 2020
	£000	Expenditure £000	Gains and losses £000	£000
Trinity Village	254,030	-	3,999	258,029
Church and West Farms, Goxhill	4,424	-	-	4,424
Martines Farm, Essex	1,240	-	-	1,240
Trinity Homes, Walmer	2,028	(43)	-	1,985
	<u>261,722</u>	<u>(43)</u>	<u>3,999</u>	<u>265,678</u>

(o) ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Corporate Charity		Trinity House Maritime Charity		Endowment	Non-charitable	Total
	Unrestricted funds £000	Restricted funds £000	Unrestricted funds £000	Restricted funds £000	funds £000	trading funds £000	2020 £000
Fund balances at 31 March 2020 are represented by :							
Tangible fixed assets	8,592	36	14	-	1,783	558	10,983
Investments	1,054	-	-	-	264,300	-	265,354
Current assets	204	24	2,321	2,681	(405)	506	5,331
Current liabilities	(104)	-	(790)	-	-	(584)	(1,478)
Inter-charity balance	49	-	(49)	-	-	-	-
Group balance	(21)	-	-	-	-	21	-
Defined benefit pension asset	(124)	-	(331)	-	-	-	(455)
Total net assets	<u>9,650</u>	<u>60</u>	<u>1,165</u>	<u>2,681</u>	<u>265,678</u>	<u>501</u>	<u>279,735</u>