



**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 2022**

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 2022.

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 500 Elder and Younger Brethren.

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

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

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

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

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

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

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

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

Welfare

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

The almshouses are not care homes, 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. A midday meal is provided by the Resident Services Coordinator on Monday to Friday, for those residents who would like one; this is subsidised by THMC.

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

In addition, THMC makes regular payments to up to 60 annuitants, some of whom are residents of Trinity Homes. 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 providing welfare services directly to those in need, the Trustees consider that it would be an inefficient use of resources to duplicate their efforts. They therefore prefer to fulfil the Corporation's objectives through support for these charities by way of major grants.

To improve further its efficiency in this area, THMC is a member of the Merchant Navy Welfare Board's Serving Seafarer and Older Seafarer and Families Working Groups, 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

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

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

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

Public Safety and Education

The safety of mariners and shipping generally, and of the public who travel by sea, is the core activity of Trinity House in its capacity as a General Lighthouse Authority. It is also 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. These include the annual general meetings of other charities both in the maritime and other sectors, as well as production companies, investment banks, law firms and non-charitable maritime companies, due to the House's location within the Square Mile. For the same reason, it is popular with livery companies lacking halls of their own, who like to host their ceremonial court meetings, lunches and dinners there. Trinity House also participates in London Open House.

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

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

Deep Sea Pilotage and Provision of Nautical Assessors

The Corporation has a strong interest in Deep Sea Pilotage and, by Section 23 of the Pilotage Act 1987, is authorised to grant Deep Sea Pilotage certificates to persons who satisfy the necessary criteria for entry and examination. The Corporation is encouraging more candidates to seek Deep Sea Pilotage licences as they play a vital 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 the Corporate Charity awards bursaries to successful candidates to help with the purchase of necessary equipment and with the costs involved in preparation for the role.

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

Trustees' Review of Charitable Expenditure and Grant-Making Policy

A review of THMC's grant-making procedure was completed during the year ended 31 March 2021 and fully implemented shortly afterwards. This has brought greater clarity to the application process for the organisations supported this year and has resulted in a more streamlined grant programme. Our emergency grants provision to assist with the impact of Covid-19 ended on 31 March 2021 and provided support to both serving and retired seafarers. The Maritime Charities Group Covid-19 Redundancy and Retraining Bursary, administered by the Marine Society and supported in partnership with the Merchant Navy Welfare Board and Nautilus Slater Fund, continued throughout the year and was a positive example of the increased level of collaboration within the sector in response to the pandemic.

Grants that were previously categorised as 'grants paid – designated' are now classified as 'grants paid – annual', to avoid confusion with Designated Funds.

The relationship THMC has with the organisations it supports remains at the core of our work and is valued on both sides. Visits have been able to return to almost pre-pandemic levels, which has played an important part not only in keeping the Trustees briefed on the impact of THMC's funding but also in ensuring that they are aware of the challenges being faced as organisations emerge from the pandemic.

The Trustees continue to maintain a policy of allocating THMC grants in the ratio 6:4:1 between Youth Opportunities and Training, Welfare, and Public Safety as far as possible. That said, the continuing effects of the pandemic (notably the requirement to respond to emerging contingent need) have challenged the ability to align as closely with these proportions as in pre-pandemic years.

Subsidiary Companies

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

The Corporate Charity is also the sole owner of Trinitas Services Limited, the principal activity of which is the management and operation of 37 former lighthouse keepers' cottages that are run as holiday accommodation and short-term letting. The day-to-day management of the company is carried out by staff employed by the General Lighthouse Authority (see page 13).

ACHIEVEMENTS AND PERFORMANCE

Welfare

During the year, the Corporation spent £1.4 million towards the welfare of mariners and their dependants compared with £1.6 million in the previous year (see note 7). Including support costs, this equates to 34% of the total charitable expenditure in the year (excluding restricted grants made from the THMC/Department for Transport (THMC/DfT) Fund – see 'Public Safety and Training' below) compared with the Trustees' target of 36% of expenditure.

Expenditure in the year included:

- The maintenance and upkeep of Trinity Homes in Walmer (£378,000). The Homes are inspected periodically by the Corporation's surveyor and all 18 bungalows and the communal building continue to be in good repair. A programme of rectification work (identified by the General Manager appointed in May 2020 as necessary to ensure compliance with Health and Safety and other legislation) commenced in late 2020 and has now been completed. This included a series of fire safety remedial works arising from the annual Fire Risk Assessment, as well as upgrading the catering kitchen along with a number of smaller works. The passenger lift was also refurbished in 2021. Minor improvements to individual properties continue as part of a routine maintenance programme. The gardens remain well maintained and are much appreciated by the residents. One vacant property was occupied in December 2021, leaving two further vacant properties at 31 March 2022.
- Annual grants to ten welfare charities in the maritime sector totalling £526,000.
- Other grants to welfare charities and individuals totalling £196,000, including annuities to 26 retired seafarers in financial need at a rate of £780 per annum.

THMC supports a wide range of maritime welfare organisations.

During the year, a grant of £101,000 was given to the Shipwrecked Mariners' Society. Since 1839, it has been providing vital financial support and practical assistance to merchant seafarers, fishers, and their dependants in need.

Another welfare charity to receive a grant was The Royal Alfred Seafarers Society (£92,000), which has provided housing, residential and nursing care to former seafarers, their widows and dependants for more than 150 years.

The Nautilus Welfare Fund offers a range of specialist services to support retired seafarers and their dependants: retirement accommodation for people living independently, for those requiring residential or nursing care, and also care at home to help people live independently in their homes for longer. During the year, it received a grant of £77,000.

Youth Opportunities and Training

Expenditure on this charitable objective totalled £3.2 million, including support costs – the same as the previous year (see note 8) - and equates to 64% of the total charitable expenditure in the year compared with the Trustees' target of 55%. These figures exclude restricted grants made from the THMC/DfT Fund (see below).

The cost of the Merchant Navy Scholarship Scheme (MNSS) was the largest item of charitable expenditure in the year, totalling £2.3 million, a sum partially offset by government grants of £0.7 million.

This was another testing year navigating the MNSS through the Covid-19 pandemic while adapting to changes in restrictions imposed by the UK and international governments. The main challenge was securing sufficient sea berths for cadets to complete their sea-time training phases, which was achieved with close cooperation from the cadets themselves and from the companies who made the berths available. Flexibility was key to most Trinity House cadets completing their various training phases within the required periods and so progressing towards qualification. Once again, cadets had to adapt to online learning when colleges were unable to offer tuition on site, which made it difficult to maintain course continuity. However, through commitment and dedication, most cadets did successfully complete their set college phases.

At the start of the year a total of 139 cadets were under training through the MNSS, including 81 Deck Officers, 49 Engineer Officers and 9 ETOs, some of whom had experienced double phasing at college when sea berths had been at a premium compared with the previous year. The numbers who qualified in 2021 and achieved Officer of the Watch (OOW) were as follows: 39 Deck Officers, 10 Engineer Officers and 1 ETO. These cadets are to be congratulated on attaining their certificates during a global pandemic, with many able to secure employment and progress their respective maritime career paths.

The joint venture partnerships were further developed through the year, attracting high calibre candidates all of whom benefited from opportunities made available through the partner organisations, such as the offers of employment on qualifying. Several joint venture cadets with Teekay Shipping, for example, are now junior officers on Teekay LNG ships. This outcome enhances the profile of the MNSS in an extremely competitive market.

The MNSS is evolving to meet developing requirements in the training of cadets for the modern, technologically advanced Merchant Navy. Recruiting the right calibre of candidates is essential to keep pace. Maritime colleges and universities, in conjunction with the Merchant Navy Training Board, are reviewing syllabuses and increasing the use of simulator training. Solent University has recently introduced a three-year course from which cadets will graduate with a full Honours degree and an OOW certificate. Trinity House's MNSS has a notable role to play in supporting the British Merchant Navy as it stays abreast of change in the global mercantile marine sector.

The other major area of expenditure under Youth Opportunities and Training comprises five annual grants totalling £247,000. The recipients of these grants were charities providing opportunities for young people to experience sailing and other maritime activities, including training: The Marine Society & Sea Cadets (£112,000); Tall Ships Youth Trust (£47,000); London Nautical School (£38,000); the International Association of Lighthouse Authorities' (IALA – AISM) World Wide Academy (£25,000); and ASTO (£25,000).

Other grants included £45,000 to RYA, £25,000 to Cowes Enterprise College, £24,000 to Portsmouth Sail Training Trust and £24,000 to UWC Atlantic College.

Portsmouth Sail Training Trust has been supported by THMC for a number of years, specifically to help around 30 young people through their training programme each year. Portsmouth Sail Training Trust is passionate about enabling and motivating disadvantaged young people in Portsmouth to reach their full potential. It provides maritime training, qualifications and mentoring.

Public Safety and Education

Including support costs, unrestricted grant expenditure on this charitable activity totalled £83,000 (see note 9), equating to 2% of the total charitable expenditure in the year compared with the Trustees' target allocation of 9%. Unrestricted grants within Public Safety and Education were slightly lower than in the previous year. This is due to a combination of reduced funding available overall and some grant requests in this area being deemed more suitable for funding from the THMC/DfT fund.

In addition to the unrestricted grant expenditure, restricted grants totalling £1,569,000 were disbursed from the fund administered by THMC jointly with the DfT, and details of these are set out in a separate section below.

CHIRP Maritime (Confidential Human Factors Incident Reporting Programme) was awarded £19,000 to help encourage incident reporting so that safety lessons can be learned and disseminated. CHIRP aims to encompass every aspect of seamanship where safety has a critical role, including leisure boating, the fishing industry, commercial maritime, offshore, pilotage, military, and port operations.

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

As set out in previous Reports and Accounts, a Grant Funding Agreement with the DfT approving a grant to THMC of £3.0 million was signed on 27 March 2019. This grant, received in April 2019, was in support of safety and training-related matters within THMC's objects. In the year under report a total of £1,569,000 was disbursed, mainly to the Royal Society for the Prevention of Accidents (RoSPA) (£568,000), Seafish (£321,000), the National Coastwatch Institution (NCI) (£105,000), British Marine (£100,000) and Fishing Animateur (£100,000 – see below).

RoSPA is at the heart of accident prevention in the UK and around the world. The grants awarded by THMC were in support of two projects: the National Water Safety Forum's 'Respect the Water' campaign and the Water Incident Database (WAID).

Seafish is a Non-Departmental Public Body that supports the seafood sector in the UK. The grants awarded by THMC were in support of two projects: cold water shock training events and the 'Home and Dry' fishing safety campaign.

NCI is a voluntary organisation that exists to assist in the protection and preservation of life at sea and around the UK coastline. The THMC grant contributed to enabling NCI to align more closely with the water safety initiative and in turn with HM Coastguard - a key part of their recently updated five-year business plan.

British Marine is the trade association for the UK leisure, superyacht and small commercial marine industry. The THMC grant contributed to the costs of running a national safety campaign that aimed to promote taking to the water safely.

As noted above, Fishing Animateur was the beneficiary of a grant of £100,000. Based in Newlyn but serving the whole of the UK, the Animateurs support the fishing community, especially smaller fishers working on boats under 10m, in accessing appropriate financial assistance for safety improvements to their vessels, and helping them with the application process. By supporting fishers (an estimated third of whom lack the level of literacy required to complete complex grant applications) in this way, the safety of both vessel and crew is improved. Fishing Animateur is a good example of THMC working in partnership within the maritime sector, as it is co-funded by the Fishmongers' Company and The Seafarers' Charity.

Other grants awarded were to the RYA, Tapiit Ltd, Seafood Cornwall Training, RNLI, Fishermen's Mission, The Seafarers' Charity and International Maritime Rescue Federation.

Maintenance of the Fabric and Heritage of Trinity House

Expenditure in the year on this 18th century Grade I listed building totalled £814,000 compared with £719,000 in the previous year (see note 10).

Investments

- *Trinity Village* (value £241.3 million (2021: £235.9 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 while they were still being felt. As the impacts have lessened, the objective became to minimise the number of voids at any one time whilst optimising the levels of rental income for new lets. Key components of this original strategy were the maintenance of the estate at a sufficiently high standard to achieve the best rental levels possible in the circumstances; bringing below-market rents up to an appropriate level in a fair and measured fashion; and minimising voids, sometimes through the judicious use of rent discounts where merited. The use of rental discounts has been significantly reduced since the end of the pandemic. 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 5.6% in the year.

The Trustees report that the value of the estate increased by 2.3% in the year.

- *Portfolio investments* (value £16,087,000 (2021: £17,148,000)).

The primary portfolio is the permanent endowment ('Capital') fund and this recorded a total return in the financial year of 6.37% compared with the benchmark of 6.43%. Performance continues to be monitored by the Investment and Estates Committee and the Corporate Board on a regular basis.

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

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

There are 5 active, 10 deferred and 33 pensioners in the fund.

Under the rules of the Scheme, appointment and removal of pension trustees is the responsibility of the Corporation. Appointments are made by agreement of the Corporate Board. In the year under review, there was a change in the trustee appointments, on 20 July 2021, such that the pension trustee board now comprises the Chair (remaining as Mr Richard Sadler (Member of the Corporate Board until 20 September 2022, and Elder Brother)), Zoë Turner (an active member and Head of Events at Trinity House) and Mr William Everard (an external independent advisor and pension trustee specialist). This change of governance allowed the removal of any conflict from having senior corporate executives (the Secretary and the Finance Director) also sitting as pension trustees as in the past. It was accompanied by the appointment of Quantum Advisory LLP as the scheme's actuarial, secretarial, administrative and investment advisors. The appointment was made after a competitive selection process involving the pension trustees and the Corporation. The Corporation also appointed independent advisors, Hymans Robertson LLP, to support them in the strategic input to the management of the scheme.

The fund is audited by Buzzacott LLP and the Scheme's Annual Report and Financial Statements, for the year ended 30 September 2021, are available. In summary, the Scheme is in surplus on a funding basis and a new investment strategy was agreed in 2022 between the Corporation and pension trustees, with support from the advisors, to protect that surplus in the coming years. With the current growth in gilt yields, it is concluded that the pension scheme is in a healthy financial and organisational position.

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

FUTURE PLANS

During the coming year the Trustees will seek to:

- Disburse £833,000 in annual grants from the charities' unrestricted funds, and a further £182,000 in grants to other maritime charities and organisations in order to support the charitable activities.
- Monitor and mitigate, where necessary, any continuing 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. Consideration of an increase in grant payments will take into account the impact of the current cost of living crisis.
- Continue to disburse grants from the THMC/DfT fund towards safety and training-related matters, in accordance with THMC's objects.
- Continue to maintain the almshouses to a high standard and at the fullest occupancy possible.
- Continue to recruit high-quality candidates to the MNSS; to monitor the sub-contracted management of the scheme following its recent review; 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 investment diversification.
- Undertake a review of THMC's investments held within its Capital fund to ensure that it is correctly positioned to optimise the yield and return on the underlying assets, at the minimum risk deemed acceptable.
- Ensure that the Corporate Charity's subsidiary company, THEL, sustains its return to full operational capacity.
- Continue to maintain the Trinity House Grade I listed building to an appropriately high standard.
- Give consideration to the increased deployment of funds towards the provision of expertise on maritime matters (and specifically Deep Sea Pilotage) by the Corporate Charity.
- Finalise the implementation of the agreed recommendations of a review of Corporate Governance, including support structure and departmental procedures, initiated in the prior year following a First Impressions Report by the (then) new Secretary, and now extended into a review of finance processes.
- As an outcome of the Finance Processes Review, procure and implement an Enterprise Resource Planning (ERP) system to replace the existing accounting software.
- Continue to 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 recommendation to the Court in relation to ensuring that the Corporation's Charters remain fit for purpose.
- Review, draft and implement an appropriate Risk Management Framework for the existing Risk Register.

FINANCIAL REVIEW

Financial Commentary

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

Starting with by far the larger of the two charities, THMC's unrestricted funds produced net income in the year of £375,000 compared with the previous year's net income of £39,000.

THMC's unrestricted income rose from £7.5 million to £7.6 million, as a result of a 5.6% increase in Trinity Village estate income, which totalled £7.0 million for the year (2021: £6.6 million), partially offset by reductions in other income.

Unrestricted charitable expenditure totalled £3.9 million compared to £4.0 million in the previous year. This comprised £1,299,000 on welfare activities, £2,484,000 on youth opportunities and training, and £83,000 on public safety and education. Unrestricted expenditure on raising funds was £3.4 million in the year, the same as the previous year.

Overall, after taking account of an actuarial gain on the pension scheme (under the provisions of FRS 102) of £447,000, THMC's unrestricted reserves increased by £822,000 to £2,438,000.

With regard to THMC's restricted funds, grants totalling £1,569,000 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 £340,000 (see note 22). THMC's restricted funds at the year end stood at £521,000 compared with £2,094,000 at 31 March 2021.

THMC's permanent endowment ('Capital') funds increased by £5.9 million in the year to £263.3 million (see note 23). This was mainly as a result of a 2.3% revaluation gain on the Trinity Village investment property portfolio which, at the year end, was valued at £241.3 million.

Turning to the Corporate Charity and its subsidiaries, room letting income increased to £276,000 during the year from £7,000 in the prior year. THEL received £29,000 in government/local authority grants to support it through the pandemic (see note 4). The lighthouse cottage letting income of Trinitas Services Limited increased from £751,000 in the previous year to £1,468,000. As a result, the Corporate Charity's overall income increased from £1.6 million in the previous year to £2.4 million. The Corporate Charity's expenditure increased from £1.5 million in the previous year to £2.4 million, largely as a result of the increased lighthouse cottage letting activity together with a one off credit of £288,000 in the year ended 31 March 2021. As a result, the Corporate Charity incurred net expenditure of £30,000 before investment gains. (It should be noted that, excluding the depreciation charge, net income was £98,000.) Overall, after investment gains of £25,000 and an actuarial gain of £192,000 on the pension scheme, the Corporate Charity showed a net increase in funds of £187,000 to £10.9 million.

Overall, the total combined funds of the two charities and their subsidiaries stood at £277.2 million compared with £271.8 million at 31 March 2021.

Investment Policy

THMC's investment portfolio is comprised of residential and commercial property ('Trinity Village') which was valued at £241.3 million at 31 March 2022; agricultural holdings valued at £5.7 million; and portfolio investments (including cash awaiting investment) valued at £15.1 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 consistent with good stewardship as a landlord;
- Undertake scheduled and periodic property maintenance obligations as they arise and in accordance with high standards of workmanship and safe working practice;
- Enhance further, where appropriate, the prime residential areas of Trinity Village internally and externally;
- Examine opportunities for strategic redevelopment of commercial properties, usually upon reversion of leases.

During the year ended 31 March 2021, the Trustees received, and agreed to implement, the recommendations of a business plan prepared by Knight Frank, the estate managers, following their strategic review in the preceding year. Whilst the implementation of the plan was delayed by the pandemic, a number of specific, discrete feasibility studies were progressed in the year under review in order that they can be presented for approval by the Trustees as soon as appropriate. The objectives of the plan remain the sustainable growth of net income from the estate, and investment diversification.

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

The agreed asset allocations are as follows:

<u>Name of BlackRock Pooled Fund</u>	<u>Benchmark</u>	<u>Benchmark Allocation</u>	<u>Actual Allocation</u> (Note 16)
Shares Developed World Index Fund GBP Hedged	MSCI World Net TR Index	67.5%	67.1%
Shares UK Credit Bond Index Fund	iBoxx Sterling Non-Gilts Index	17.0%	17.2%
Shares Index Linked Gilt Index Fund	FTSE Actuaries UK Index-Linked Gilts over 5 years	8.0%	8.8%
Shares Emerging Markets Index Fund	MSCI Emerging Markets Index, Net Returns in GBP	7.5%	6.9%

Principal risks and uncertainties

The Corporation's Risk Register is reviewed twice a year by the Audit and Risk Committee. Once reviewed, the Register, together with the minutes of the meeting in which it is reviewed, are 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 'very low' (less than 10% chance) likelihood to 'very high' (more than 80% chance).

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

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

The Trustees believe that the above risks have been mitigated by the retention, and superintendence, of suitably qualified and experienced property management agents and surveyors, legal advisers and insurance brokers. The managing agents and lawyers provide regular detailed reports that are discussed at quarterly monitoring meetings, and the Executive also report, through the Management Committee and Investment and Estates Committee, to each meeting of the Corporate Board. 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 attends the Investment and Estates Committee, 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.

Notwithstanding the above mitigation, it is the Trustees' intention to undertake a review of THMC's investments held within its Capital fund to ensure that it is correctly positioned to optimise the yield and return on the underlying assets, at the minimum risk deemed acceptable.

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

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

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

- *Covid-19:* whilst they are thought largely to have passed, the effects of the pandemic posed, and to a limited degree still pose, differing risks to the Corporate Charity and THMC, as well as to the health and safety of staff and visitors. The biggest risk is currently assessed as the emergence of a significant new variant bringing with it substantial re-imposition of restrictions and constraints.

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

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

Risks to staff and visitors would again 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 would be mitigated by a full risk assessment resulting in all measures having been taken, as and when necessary, to render and sustain Trinity House as a Covid-safe environment. Ongoing arrangements within the House would be compliant with legislation.

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

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

The Trustees have assessed the major risks to which the charities are exposed and are satisfied that these have been identified, and that appropriate measures and effective systems and controls are in place to mitigate them. They intend reviewing risk on a more frequent basis, with the creation and adoption of a Risk Framework to enable better use of the Register as a practical management tool.

Reserves Policy

Corporate Charity

The Corporate Charity has reserves totalling £10,002,000 comprising designated funds (£9,263,000), a pension reserve (£220,000), restricted funds (£60,000) and unrestricted funds (free reserves) of £459,000. The designated funds are made up as follows:

- *House Designated Fund:* to ensure that the Corporate Charity can maintain the fabric and heritage of Trinity House, Tower Hill, London, specifically including any major refurbishments of the building to be carried out in accordance with long-term maintenance plans drawn up by the Corporate Charity's surveyors. The costs of maintaining a Grade I listed building are high and the plan has identified the requirement for considerable maintenance expenditure over the next 5 to 10 years. This is essential in light of the building's listing and the need to maintain it to a high standard to attract clients wishing to hire the function rooms, thus sustaining the Corporate Charity's room letting income. The balance of the Fund is £444,000 (2021: £444,000).
- *Fixed Assets Fund:* this is represented by tangible fixed assets not readily available to meet expenditure and the balance at the year end was £8.8 million (2021: £8.9 million).

The Trustees reviewed and amended the Corporate Charity's free reserves policy in May 2021 in light of the criticality of free reserves to the resilience required to survive the pandemic. During the year under review, the policy was originally to maintain free reserves at a level equivalent to between three and six months' operating expenditure. This 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 £459,000 (2021: £623,000) which is equivalent to approximately nine months' operating expenditure and is in line with the top end of the Trustees' target range.

Trinity House Maritime Charity (THMC)

THMC has reserves totalling £266.3 million comprising permanent endowment funds (£263,315,000), designated funds (£677,000), a pension reserve (£573,000), restricted funds (£521,000) and unrestricted funds (free reserves) of £1,188,000. 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 (2021: £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 (2021: £500,000) which was equivalent to approximately three months' operating costs.

As with the Corporate Charity, the Trustees reviewed and amended THMC's free reserves policy in May 2021. During the year under review, the policy was originally 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 £1,188,000 (2021: £772,000) which is equivalent to approximately seven months' operating expenditure and is within the revised target range.

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 2022 (the latest having been granted on 31 January 2022), the 1685 Charter remains the Corporation's principal governing document. The Corporation's duties as a General Lighthouse Authority are conducted under powers given by the Merchant Shipping Acts. However, the funding, operations and management of the Lighthouse Authority are entirely separate from those of the Corporation's charity undertakings and, as a result, are not dealt with in these accounts.

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

The Members of the Corporate Board are elected by the Court of the Corporation and act as the Trustees of the charities. The Trustees who served during the period from 1 April 2021 to the date of this Report were as follows:

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

Committee membership:

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

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

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

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

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

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

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

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

Staff salaries are reviewed annually by the Corporate Remuneration Committee which comprises the Deputy Master and the two Business / Investment Trustees, one of whom acts as Chair. The Corporation believes in attracting and retaining high quality staff for the long term, and a firm of consultants was engaged to carry out a comprehensive benchmarking review against external pay comparators in 2018. The recommendations of this review were generally 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, Trinitas Services Limited, was incorporated in 1993 and its principal activity is the operation of 37 former lighthouse keepers' cottages as holiday accommodation and short term lets. Two of the five directors of the company are also members of the Corporate Board and a third director is the Secretary to the Corporation and Chief Executive of the charities.

The principal activity of the second company, THEL, is the 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 2021 and 2022, the charities received no complaints about fundraising activities.

THE CORPORATE BOARD'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

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

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

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

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

The Corporate Board is responsible for keeping 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 29 November 2022 and signed on its behalf by



Captain Ian McNaught CVO
Deputy Master and Chair of Trustees

OTHER REFERENCE DETAILS

Principal Office

Trinity House
Tower Hill
London EC3N 4DH

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

Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Managing Agents:

Knight Frank LLP
55 Baker Street
London W1U 8AN

Savills Ltd
33 Margaret Street
London W1G 0JD

Surveyors to the Corporate Charity:

Cluttons LLP
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

Pension Advisers:

Hymans Robertson LLP
One London Wall
London EC2Y 5EA

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

Opinion

We have audited the accounts of the combined charities of the Corporation of Trinity House of Deptford Strond and their subsidiaries (together "the group") for the year ended 31 March 2022 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 2022 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

7 December 2022

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 2022

		Corporate Charity funds (including subsidiaries)	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2022	Total 2021
	Notes	£000	£000	£000	£000	£000	£000
INCOME FROM:							
Donations and legacies		4	1	-	-	5	12
Charitable activities	2	465	15	720	-	1,200	1,237
Other trading activities	3	1,744	-	-	-	1,744	758
Other operating income	4	125	-	-	-	125	359
Investments	5	18	7,599	-	-	7,617	7,538
TOTAL INCOME		2,356	7,615	720	-	10,691	9,904
EXPENDITURE ON:							
Raising funds	6	1,535	3,374	-	3	4,912	4,453
Charitable activities:							
Welfare	7	8	1,299	-	44	1,351	1,597
Youth opportunities and training	8	-	2,484	724	-	3,208	3,167
Public safety and education	9	-	83	1,569	-	1,652	701
Maintaining the fabric and heritage of Trinity House	10	814	-	-	-	814	719
Impairment of treasure	10	-	-	-	-	-	(288)
Role as a Deep Sea Pilotage Authority	11	18	-	-	-	18	8
Provision of Nautical Assessors	11	11	-	-	-	11	19
TOTAL EXPENDITURE		2,386	7,240	2,293	47	11,966	10,376
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES							
		(30)	375	(1,573)	(47)	(1,275)	(472)
Gains / (losses) on the revaluation and disposal of investment properties	16	-	-	-	5,181	5,181	(12,462)
Gains on the revaluation and disposal of portfolio investments	16	25	-	-	813	838	4,430
NET (EXPENDITURE) / INCOME		(5)	375	(1,573)	5,947	4,744	(8,504)
OTHER RECOGNISED GAINS:							
Actuarial gain on defined benefit pension scheme	25	192	447	-	-	639	538
NET MOVEMENT IN FUNDS		187	822	(1,573)	5,947	5,383	(7,966)
BALANCE AT 1 APRIL 2021		10,691	1,616	2,094	257,368	271,769	279,735
BALANCE AT 31 MARCH 2022		10,878	2,438	521	263,315	277,152	271,769

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 2022

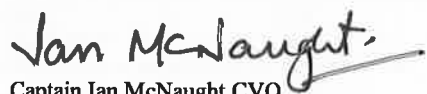
		Corporate Charity funds	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Permanent Endowment funds	Total 2022	Total 2021
	Notes	£000	£000	£000	£000	£000	£000
INCOME FROM:							
Donations and legacies		4	1	-	-	5	12
Charitable activities	2	465	15	720	-	1,200	1,237
Other trading activities	3	238	-	-	-	238	211
Investments	5	18	7,599	-	-	7,617	7,538
TOTAL INCOME		725	7,615	720	-	9,060	8,998
EXPENDITURE ON:							
Raising funds	6	163	3,374	-	3	3,540	3,663
Charitable activities:							
Welfare	7	8	1,299	-	44	1,351	1,597
Youth opportunities and training	8	-	2,484	724	-	3,208	3,167
Public safety and education	9	-	83	1,569	-	1,652	701
Maintaining the fabric and heritage of Trinity House	10	814	-	-	-	814	719
Impairment of treasure	10	-	-	-	-	-	(288)
Role as a Deep Sea Pilotage Authority	11	18	-	-	-	18	8
Provision of Nautical Assessors	11	11	-	-	-	11	19
TOTAL EXPENDITURE		1,014	7,240	2,293	47	10,594	9,586
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES		(289)	375	(1,573)	(47)	(1,534)	(588)
Gains / (losses) on the revaluation and disposal of investment properties	16	-	-	-	5,181	5,181	(12,462)
Gains on the revaluation and disposal of portfolio investments	16	25	-	-	813	838	4,430
NET (EXPENDITURE) / INCOME		(264)	375	(1,573)	5,947	4,485	(8,620)
OTHER RECOGNISED GAINS:							
Actuarial gain on defined benefit pension scheme	25	192	447	-	-	639	538
NET MOVEMENT IN FUNDS		(72)	822	(1,573)	5,947	5,124	(8,082)
BALANCE AT 1 APRIL 2021		10,074	1,616	2,094	257,368	271,152	279,234
BALANCE AT 31 MARCH 2022		10,002	2,438	521	263,315	276,276	271,152

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
BALANCE SHEETS
at 31 March 2022

		Group	Combined	Group	Combined
		2022	Charities	2021	Charities
	<i>Notes</i>	£000	£000	£000	£000
FIXED ASSETS					
Tangible fixed assets	15	11,162	10,635	11,290	10,728
Investments	16	263,571	263,571	258,343	258,343
		274,733	274,206	269,633	269,071
CURRENT ASSETS					
Stocks		33	27	30	24
Debtors	17	1,813	1,738	1,125	1,122
Cash at bank and on deposit		2,372	1,289	2,908	2,174
		4,218	3,054	4,063	3,320
CURRENT LIABILITIES					
Amounts falling due within one year	18	(2,542)	(1,777)	(2,022)	(1,434)
NET CURRENT ASSETS		1,676	1,277	2,041	1,886
NON-CURRENT LIABILITIES					
Amounts falling due after more than one year	18	(50)	-	(100)	-
NET ASSETS EXCLUDING PENSION ASSET		276,359	275,483	271,574	270,957
Defined benefit pension asset	25	793	793	195	195
NET ASSETS INCLUDING PENSION ASSET		277,152	276,276	271,769	271,152
FUNDS					
Corporate Charity					
<i>Income funds:</i>					
Designated funds	19	9,263	9,263	9,363	9,363
Other unrestricted funds		459	459	623	623
Pension reserve		220	220	28	28
Restricted funds	20	60	60	60	60
		10,002	10,002	10,074	10,074
Trinity House Maritime Charity					
<i>Income funds:</i>					
Designated funds	21	677	677	677	677
Other unrestricted funds		1,188	1,188	772	772
Pension reserve		573	573	167	167
Restricted funds	22	521	521	2,094	2,094
		2,959	2,959	3,710	3,710
<i>Capital funds:</i>					
Permanent endowment funds	23	263,315	263,315	257,368	257,368
		266,274	266,274	261,078	261,078
Non-charitable Trading Funds	24	876	-	617	-
TOTAL FUNDS		277,152	276,276	271,769	271,152

Approved by the Corporate Board on 29 November 2022 and signed on its behalf by



Captain Ian McNaught CVO
Deputy Master and Chair of Trustees

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	2022	2021
	£000	£000
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES (A)	(741)	252
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire tangible fixed assets	(161)	(286)
Payments to improve investment properties	(1,134)	(1,346)
Proceeds from sales of investment properties	26	20
Payments to acquire portfolio investments	(656)	(10,497)
Proceeds from sales of portfolio investments	2,556	10,797
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	631	(1,312)
CHANGE IN CASH AND CASH EQUIVALENTS	(110)	(1,060)
CASH AND CASH EQUIVALENTS AT 1 APRIL 2021	3,150	4,210
CASH AND CASH EQUIVALENTS AT 31 MARCH 2022 (B)	3,040	3,150

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

	2022	2021
	£000	£000
Net expenditure for the year before investment gains and losses	(1,275)	(472)
Adjustments for:		
Depreciation	288	266
Impairment of treasure	-	(288)
Loss on disposal of fixed assets	1	1
Change in stocks	(3)	(23)
Change in debtors	(262)	237
Change in creditors	469	643
FRS 102 pension cost adjustment	41	(112)
Net cash (used in)/provided by operating activities	(741)	252

(B) ANALYSIS OF CASH AND CASH EQUIVALENTS:

	31 March	31 March
	2022	2021
	£000	£000
Cash at bank and on deposit	2,372	2,908
Cash held on deposit by estate managing agents (note 17)	523	97
Cash held on deposit by managing agents of Merchant Navy Scholarship Scheme (note 17)	113	113
Cash held by investment managers (note 16)	32	32
	3,040	3,150

(C) ANALYSIS OF CHANGES IN NET DEBT:

	1 April	Cash flows	31 March
	2021		2022
	£000	£000	£000
Cash and cash equivalents	3,150	(110)	3,040
Coronavirus Business Interruption Loan	(100)	-	(100)
Total	3,050	(110)	2,940

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

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 2022 with comparative information presented for the year to 31 March 2021.

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 accounts where these judgements and estimates have been made include:

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

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 continuing effects 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 ended 31 March 2023, 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).

During the prior year, the directors took advantage of a Coronavirus Business Interruption Loan (see note 18). Repayment of the Loan commenced in May 2022.

Income Recognition

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

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

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

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

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

Expenditure Recognition

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Cash at Bank and in Hand

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

Creditors and Provisions

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

Pension Costs

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

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

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

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

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

Fund Structure

Unrestricted funds

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

Restricted funds

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

Permanent endowment funds

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

Financial Instruments

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2022

2. INCOME FROM CHARITABLE ACTIVITIES:

Group and Combined Charities

	Corporate Charity	Trinity House Maritime Charity		Total 2022	Total 2021
	Unrestricted funds £000	Unrestricted funds £000	Restricted funds £000	£000	£000
Welfare	-	15	-	15	16
Youth opportunities and training	-	-	720	720	768
Contribution from Trinity House Lighthouse Service	320	-	-	320	317
Other	145	-	-	145	136
Total 2022	<u>465</u>	<u>15</u>	<u>720</u>	<u>1,200</u>	<u>1,237</u>
Total 2021	<u>453</u>	<u>16</u>	<u>768</u>	<u>1,237</u>	

3. INCOME FROM OTHER TRADING ACTIVITIES:

	2022 £000	2021 £000
Group:		
Letting of function rooms by Trinity House Events Limited	276	7
Letting of lighthouse cottages by Trinitas Services Limited	1,468	751
	<u>1,744</u>	<u>758</u>
Combined Charities:		
Income from Trinity House Events Limited:		
Corporate Charity management charge	238	211
	<u>238</u>	<u>211</u>

The above Combined Charities' income for the years ended 31 March 2022 and 31 March 2021 related to Corporate Charity unrestricted funds.

4. OTHER OPERATING INCOME

	2022 £000	2021 £000
Group:		
Other operating income (Trinity House Events Limited)	29	57
Other operating income (Trinitas Services Limited)	96	302
	<u>125</u>	<u>359</u>

Included within the above Other operating income are Coronavirus Job Retention Scheme and Local Restrictions Support grants received during the period by Trinity House Events Limited totalling £29,000 (2021: £39,000) and Trinitas Services Limited £96,000 (2021: £302,000).

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

5. INCOME FROM INVESTMENTS:

Group and Combined Charities

	Corporate Charity	Trinity House Maritime Charity		Total 2022	Total 2021
	Unrestricted funds £000	Unrestricted funds £000	Restricted funds £000	£000	£000
Investment properties	-	7,342	-	7,342	7,280
Portfolio investments	18	253	-	271	255
Bank interest and other finance income	-	4	-	4	3
Total 2022	18	7,599	-	7,617	7,538
Total 2021	27	7,510	1	7,538	

6. EXPENDITURE ON RAISING FUNDS:

Group and Combined Charities

	Corporate Charity	Trinity House Maritime Charity		Total 2022	Total 2021
	Unrestricted funds £000	Unrestricted funds £000	Endowment funds £000	£000	£000
Letting of function rooms	163	-	-	163	212
Management of investment assets:					
Estate managers' fees	-	526	-	526	503
Legal and other administration fees	-	208	-	208	466
Investment managers' fees	-	-	3	3	9
Maintenance of investment assets:					
Repairs, maintenance and refurbishment of estates	-	1,911	-	1,911	1,947
Support costs	-	729	-	729	526
Combined Charities	163	3,374	3	3,540	3,663
Letting of lighthouse cottages	1,363	-	-	1,363	765
Letting of function rooms	9	-	-	9	25
Group	1,535	3,374	3	4,912	4,453
Total 2021 - Combined charities	212	3,442	9	3,663	
Total 2021 - Group	1,002	3,442	9	4,453	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

7. EXPENDITURE ON CHARITABLE ACTIVITIES:

WELFARE

Group and Combined Charities	Corporate Charity	Trinity House Maritime Charity	Total 2022	Total 2021
	Unrestricted funds £000	Unrestricted funds £000	Endowment funds £000	
Maintenance and upkeep of the Trinity Homes	-	334	44	378
Grants paid - annual	-	526	-	526
Grants paid - designated	-	-	-	611
Grants paid - other	8	188	-	196
Support costs	-	251	-	251
Total 2022	8	1,299	44	1,351
Total 2021	9	1,544	44	1,597

During the year, welfare grants totalling £722,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £526,000 and other grants amounted to £196,000:

	£000	
The Shipwrecked Mariners' Society	101	Towards their one off and regular grants to beneficiaries.
Royal Alfred Seafarers Society	92	Towards the cost of care to their residents.
Nautilus Welfare Fund	77	Towards the support offered to residents and the Admiral Nurse.
Sailors' Children's Society	63	Towards the grants awarded directly to families.
The Fishermen's Mission	58	Towards their core costs and to underpin their UK wide outreach programme.
Naval Children's Charity	45	Towards the grants awarded directly to families.
Tyne Mariners' Benevolent Institution	37	Towards the cost of maintenance on the homes and the pensions.
Royal Liverpool Seamen's Orphan Institution	34	Towards the grants awarded directly to families.
Maritime Charities Group	10	Contribution towards core costs.
Care for Veterans	9	Towards the cost of providing their mixed rehabilitation service.
Total grants paid - annual	526	
Combat Stress	16	Towards mental health support for seafaring veterans.
Maritime Charities Group	15	Grant for hire of Trinity House for the MCG Conference.
Sailors' Society	15	Towards the UK Chaplaincy Service.
Broughton House	15	Towards the top up care home fees for two Merchant Navy Residents.
Stella Maris	10	Towards the South Coast Chaplaincy service.
Queen Victoria Seamen's Rest	10	Towards core costs at Tilbury Seafarers Centre.
ISWAN	10	To provide professional clinical supervision to the helpline team.
Dame Agnes Weston's Royal Charity	10	Towards the Coordinator for the Plymouth Community Waves Service.
Felixstowe Seafarers Centre	10	Towards core costs.
Immingham Seafarers' Centre	10	Towards core costs.
Port of Bristol Seafarers Centre	10	Towards core costs at Bristol Seafarers Centre.
Other welfare grants	65	Various welfare grants, less than £10,000.
Total grants paid - other	196	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

8. EXPENDITURE ON CHARITABLE ACTIVITIES:
YOUTH OPPORTUNITIES AND TRAINING

Group and Combined Charities	Trinity House		Total	Total
	Maritime Charity		2022	2021
	Unrestricted funds	Restricted funds		
	£000	£000	£000	£000
Merchant Navy Scholarship Scheme	1,606	720	2,326	2,020
Grants paid - annual	243	4	247	18
Grants paid - designated	-	-	-	257
Grants paid - other	226	-	226	459
Support costs	409	-	409	413
Total 2022	<u>2,484</u>	<u>724</u>	<u>3,208</u>	<u>3,167</u>
Total 2021	<u>2,381</u>	<u>786</u>	<u>3,167</u>	

During the year, youth opportunities and training grants totalling £473,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £247,000 and other grants amounted to £226,000:

	£000	
Marine Society & Sea Cadets	112	For use within MSSC's Premises Fund for urgent repairs and upgrades to Units and the On The Water programme.
Tall Ships Youth Trust	47	Towards the cost of their sail training programme.
London Nautical School	38	Towards the cost of a staff member in the Maritime dept.
IALA - AISM	25	Towards the cost of educating and engaging with navigation professionals worldwide.
ASTO - Association of Sail Training Organisation	25	For Sail Training Bursaries.
Total grants paid - annual	<u>247</u>	
RYA	45	For the Trinity House Yachtmaster Scholarship.
Cowes Enterprise College	25	Towards their Maritime Futures Programme.
Portsmouth Sail Training Trust	24	To support 30 young people through their programme.
UWC Atlantic College	24	Towards the Nautical Leadership Experience.
The Seafarers' Charity	10	Towards the Marine Engineering Pathway Programme.
The Marine Society	10	Towards the Covid-19 Redundancy and Retraining Bursary.
UKSA	10	Towards the Trinity House Superyacht Cadetship.
Other youth opportunities & training grants	78	Various youth opportunities & training grants, less than £10,000.
Total grants paid - other	<u>226</u>	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

9. EXPENDITURE ON CHARITABLE ACTIVITIES:

PUBLIC SAFETY AND EDUCATION

Group and Combined Charities

	Trinity House Maritime Charity		Total 2022	Total 2021
	Unrestricted funds £000	Restricted funds £000	£000	£000
THMC/DfT grants	-	1,569	1,569	580
Grants paid - annual	36	-	36	-
Grants paid - designated	-	-	-	38
Grants paid - other	18	-	18	53
Support costs	29	-	29	30
Total 2022	<u>83</u>	<u>1,569</u>	<u>1,652</u>	<u>701</u>
Total 2021	<u>121</u>	<u>580</u>	<u>701</u>	

During the year, public safety and education grants totalling £54,000 were awarded to other charities, organisations and individuals. Of the grants paid, annual grants amounted to £36,000 and other grants amounted to £18,000:

	£000	
CHIRP - confidential reporting for aviation & mariti	19	Towards the cost of providing their confidential reporting system.
Royal Institute of Navigation	17	Towards the cost of delivering their programme of activities.
Total grants paid - annual	<u>36</u>	
Other youth public & safety grants	18	Various public safety & education grants, less than £10,000.
Total grants paid - other	<u>18</u>	

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

	£000	
RoSPA	568	Towards the cost of the National Water Safety Forum's Respect the Water Campaign and the WAID database.
Seafish	321	Towards the cost of cold water shock training events and the Home and Dry fishing safety campaign.
National Coastwatch Institution	105	Towards the cost of their strategic programme, specifically in the areas focusing on water safety and prevention and closer alignment with HMCg.
British Marine	100	Towards the cost of a national safety campaign.
Fishing Animateur	100	Towards their core costs to extend the project to 2024.
RYA	88	Enhancements to their summer media safety campaign.
Tapiit Ltd	72	Towards the cost of a Cadet Wellbeing app.
Seafood Cornwall Training	70	Towards extension of the fishing safety project to 2023.
RNLI	50	Towards their Summer Beach Safety Campaign.
Fishermen's Mission	40	Towards the SeaFit mental health programme
The Seafarers' Charity	35	Towards a fishing safety project with the Safety Folder.
International Maritime Rescue Federation	20	Towards #SARYouOK? Mental health awareness programme
	<u>1,569</u>	

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

10. EXPENDITURE ON CHARITABLE ACTIVITIES:

MAINTAINING THE FABRIC AND HERITAGE OF TRINITY HOUSE

Group and Combined Charities

	Total	Total
	2022	2021
	£000	£000
Staff and pension costs	270	251
Repairs, renewals and planned maintenance	142	101
Light, heat, insurance and other running costs	154	130
Depreciation	128	130
Support costs	120	107
	814	719
Reversal of impairment of treasure (see below)	-	(288)

The impairment of a treasure in the year ended 31 March 2020 related to the valuation of a ship model. This valuation was reviewed and adjusted in the prior year which created a 'credit' to the expenditure category of £288,000.

The above expenditure for the years ended 31 March 2022 and 31 March 2021 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 2022 and 31 March 2021 was from Corporate Charity unrestricted funds.

12. ANALYSIS OF SUPPORT COSTS

	Office	Service	Admin	Total	Total
	staff	staff	costs	2022	2021
	£000	£000	£000	£000	£000
Raising funds	365	46	318	729	526
Welfare	125	16	110	251	254
Youth opportunities and training	205	26	178	409	413
Public safety and education	14	2	13	29	30
Maintaining the fabric and heritage of Trinity House	120	-	-	120	107
	829	90	619	1,538	1,330

Support costs include governance costs of £125,000 (2021: £194,000), which include auditor's remuneration of £46,000 (2021: £51,000) for audit services and £6,000 (2021: £5,000) for non-audit services. In addition to the fees noted above, audit fees of £23,000 (2021: £22,000) and other fees paid to auditors of £2,000 (2021: £3,000) in relation to Trinitas Services Limited and Trinity House Events Limited are included in expenditure on raising funds.

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND**NOTES TO THE GROUP AND COMBINED ACCOUNTS****For the year ended 31 March 2022****13. STAFF COSTS AND TRUSTEES' REMUNERATION**

	2022	2021
	£000	£000
Wages and salaries	981	790
Social security costs	107	90
Other pension costs - defined benefit scheme	64	119
- group personal pension plan	67	55
Other staff costs	130	32
	1,349	1,086

The average number of staff during the year was 21 (2021: 24).

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

	2022	2021
£110,000 - £119,999	1	1
£100,000 - £109,999	1	-
£70,000 - £79,999	1	1
£60,000 - £69,999	1	-

Of the higher paid employees, contributions were made to the defined benefit scheme for 2 (2021: 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 to the Corporation, the Finance and Commercial Director (who is also a Deputy Secretary to the Corporation), the Head of Events and the Head of Charitable Giving, including employer's pension contributions and employer's national insurance contributions was £430,000 (2021: £426,000).

Travel and subsistence expenses totalling £1,000 (2021: £3,000) were incurred by 5 (2021: 5) members of the Corporate Board in the year.

Fees and taxable expenses paid to members of the Corporate Board by the charities amounted to £65,000 (2021: £73,000) in the year. These comprised:

- (a) Fees and Expenses of £47,000 (2021: £46,000) paid to Captain Hope in his capacity as the Director of Maritime training. These are pursuant to Clause 44 (3) of the Trinity House Maritime Charity Charity Scheme of 7 August 1995.
- (b) Assistance to the Admiralty Court in the provision of Nautical Assessors. Fees are set by the Practice Division of the Registrar of Civil Appeals and the Admiralty Register and are payable by the party setting down an action. The Corporate Charity's administrative costs in these arrangements are met from the fees reimbursed. Total fees and expenses of £8,000 (2021: £19,000) were paid in the year as follows: Captain Gobbi £1,000 (2021: £nil), Captain Barker £3,000 (2021: £nil), Commodore Walworth £4,000 (2021: £6,000), Captain Hare £nil (2021: £5,000), Captain Hope £nil (2021: £6,000), Captain Palmer £nil (2021: £2,000).
- (c) Fees and expenses of £6,000 (2021: £8,000) and £4,000 (2021: £nil) were paid to Captain Gobbi and Captain Barker respectively in their capacity as Examiner of Deep Sea Pilotage pursuant to an Order made by the Charity Commission dated 10 January 2007.

A total premium of £1,000 (2021: £3,000) was paid in the year to provide the trustees with indemnity insurance.

14. TAXATION

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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15. TANGIBLE FIXED ASSETS

GROUP

	Leasehold improvements	Freehold properties Trinity House	Trinity Homes, Walmer	Treasures	Plant and equipment, fixtures and fittings	TOTAL
	£000	£000	£000	£000	£000	£000
<u>COST</u>						
At 1 April 2021	684	6,261	2,175	4,073	674	13,867
Additions in year	39	3	-	21	98	161
Disposals in year	(9)	-	-	-	(7)	(16)
At 31 March 2022	714	6,264	2,175	4,094	765	14,012
<u>DEPRECIATION</u>						
At 1 April 2021	276	1,083	435	287	496	2,577
Charge for the year	56	122	44	-	66	288
Disposals in year	(8)	-	-	-	(7)	(15)
At 31 March 2022	324	1,205	479	287	555	2,850
<u>NET BOOK VALUE</u>						
At 31 March 2022	390	5,059	1,696	3,807	210	11,162
At 31 March 2021	408	5,178	1,740	3,786	178	11,290

COMBINED CHARITIES

	Freehold properties Trinity House	Trinity Homes, Walmer	Treasures	Plant and equipment, fixtures and fittings	TOTAL
	£000	£000	£000	£000	£000
<u>COST</u>					
At 1 April 2021	6,261	2,175	4,073	246	12,755
Additions in year	3	-	21	79	103
At 31 March 2022	6,264	2,175	4,094	325	12,858
<u>DEPRECIATION</u>					
At 1 April 2021	1,083	435	287	222	2,027
Charge for the year	122	44	-	30	196
At 31 March 2022	1,205	479	287	252	2,223
<u>NET BOOK VALUE</u>					
At 31 March 2022	5,059	1,696	3,807	73	10,635
At 31 March 2021	5,178	1,740	3,786	24	10,728

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

16. FIXED ASSET INVESTMENTS

	2022	2021
	£000	£000
Investment properties (see below)	247,202	240,913
Portfolio investments (see below)	16,087	17,148
Cash held by investment managers	32	32
	263,321	258,093
Programme-related investments (see below)	250	250
	263,571	258,343
	Freehold investment properties	Portfolio investments
	£000	£000
Market value at 31 March 2021	240,913	17,149
Sale of leasehold interests	(26)	-
Disposals	-	(2,556)
Capital improvements	1,134	-
Acquisitions at cost	-	656
Gains on revaluations and disposals	5,181	838
Market value at 31 March 2022	247,202	16,087
Historical cost	12,692	13,018

The market value of the freehold investment properties is based on valuations carried out by Cluttons Surveyors and Savills, Chartered Surveyors, at 31 March 2022.

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

Security	Holding	Total market value	Percentage of total market value
		£000	
BLACKROCK ISHRS DV WLD IDX (IE) D DS GBP HDG	7,692,022	10,792	67.1%
BLACKROCK ISHR UK CRDT BD IDX(IE) INS GBP DS	2,942,236	2,767	17.2%
BLACKROCK ISHRS IDX LK GLT IDX FD (UK) X INC	1,323,047	1,412	8.8%
BLACKROCK ISHARES EM IDX FD (IE) FLX DS GBP	1,060,733	1,116	6.9%
		16,087	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 2022 £000	Charities 2022 £000	Group 2021 £000	Charities 2021 £000
<i>Trinity Village:</i>				
Rent arrears less provision for doubtful debts	176	176	137	137
Monies held by estate managing agents	523	523	97	97
<i>Other :</i>				
Trade debtors	111	30	22	22
Monies held by managing agent of the Merchant Navy Scholarship Scheme	113	113	113	113
Amount owed by Trinity House Events Limited	-	79	-	120
Prepayments and accrued income	744	729	677	602
Social Security and other taxes	58	-	62	14
Other debtors	88	88	17	17
	1,813	1,738	1,125	1,122

18. CREDITORS

Amounts Falling Due Within One Year:

	Group 2022 £000	Charities 2022 £000	Group 2021 £000	Charities 2021 £000
Expense creditors	169	152	250	197
Rents in advance, Trinity Village	-	-	56	56
Deferred income	286	8	512	238
Social Security and other taxes	226	57	140	3
Other creditors	471	220	54	9
Accruals - Trinity Village	873	873	588	588
- other	346	346	307	307
Amounts owed to Trinity House Lighthouse Service	121	121	115	-
Amounts owed to Trinity House Events Limited	-	-	-	36
Coronavirus Business Interruption Loan	50	-	-	-
	2,542	1,777	2,022	1,434

Amount Falling Due After More Than One Year:

	Group 2022 £000	Charities 2022 £000	Group 2021 £000	Charities 2021 £000
Coronavirus Business Interruption Loan	50	-	100	-
	50	-	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
NOTES TO THE GROUP AND COMBINED ACCOUNTS
For the year ended 31 March 2022

19. CORPORATE CHARITY - DESIGNATED FUNDS

	Balance at 1 April 2021 £000	New designations £000	Utilised / released £000	Balance at 31 Mar 2022 £000
House Designated Fund	444	-	-	444
Fixed Assets Fund	8,919	28	(128)	8,819
	<u>9,363</u>	<u>28</u>	<u>(128)</u>	<u>9,263</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 2021 £000	Income £000	Expenditure £000	Balance at 31 Mar 2022 £000
Warden's Trinity House Relief Fund	2	-	-	2
Brethren's Covenant and Gift Scheme	58	-	-	58
	<u>60</u>	<u>-</u>	<u>-</u>	<u>60</u>

Warden's Trinity House Relief Fund

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

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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For the year ended 31 March 2022

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 2021 £000	New designations £000	Utilised/ released £000	Balance at 31 Mar 2022 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	<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 2022, there were 107 (2021: 140) 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 2021 £000	Movement in funds		Balance at 31 Mar 2022 £000
		Income £000	Expenditure £000	
Swire Scholarship Fund	105	-	-	105
Swire Yeoman Support Fund	22	-	(4)	18
Captain John Bury Memorial Prize Fund	12	-	-	12
Grants for Merchant Navy Scholarship Scheme:				
Government funding	-	720	(720)	-
British Marine Prize Fund	46	-	-	46
Department for Transport Fund	1,909	-	(1,569)	340
	<u>2,094</u>	<u>720</u>	<u>(2,293)</u>	<u>521</u>

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.

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

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

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 £241,310,000 at 31 March 2022 and portfolio investments and cash which were valued at £15,107,000. Under the terms of the conveyance, income earned from this fund is available for general purposes.

Church and West Farms, Goxhill

This estate came to the Charity under the will of Captain Robert Sandes dated 1720. The fund is represented by agricultural land, now of 546 acres (221 hectares), in North Lincolnshire and cash. Under the terms of the bequest, income earned from this fund is available for general purposes. The farms were valued at £3,491,000 at 31 March 2022.

Martines Farm, Essex

This estate was bequeathed to the Charity by Captain Robert Fisher in 1714. The fund is represented by freehold agricultural land now of 65.7 acres (26.6 hectares). Under the terms of the bequest, income earned from this fund is available for general purposes. The farm was valued at £2,200,000 at 31 March 2022.

Trinity Homes, Walmer

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

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND
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25. PENSION COMMITMENTS

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

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

The contributions are determined on the basis of triennial valuations by an actuary using the Attained Age method. Following the valuation as at 1 October 2020, the employer's current contribution rate remained at 34.8% of pensionable pay. The employees' contribution rate remained at 1.5% of pensionable pay. The total contributions for the year in these accounts were £64,000. The valuation showed that the market value of the Scheme's assets was £8,323,000 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	3.9% p.a.
Earnings increases	3.9% p.a.
Pre-retirement discount rate	3.5% p.a.
Post-retirement discount rate	2.6% p.a.

Financial Reporting Standard 102 - Retirement Benefits

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

	2022	2021
	£000	£000
Market value of assets	8,323	8,165
Defined benefit obligation	(7,530)	(7,970)
Surplus in the Scheme - net pension asset	793	195

The assets in the Scheme were:

	2022	2021
	£000	£000
Liability driven investments	1,699	1,550
Equities	1,721	3,450
Bonds	2,796	2,729
Insured pensions (annuities)	6	6
Cash	2,101	430
Total market value of assets	8,323	8,165

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

The major assumptions used by the actuary were:

	2022	2021
Inflation - RPI	3.9%	3.5%
Rate of increase in salaries	3.9%	3.5%
Rate of increase for pensions	3.5%	3.2%
Discount rate for liabilities	2.6%	2.0%

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

	2022	2021
	£000	£000
Fair value of plan assets at 1 April 2021	8,165	7,068
Interest income on plan assets	161	154
Remeasurement - return on plan assets excluding interest income	193	1,068
Contributions by the charities	64	231
Contributions by the members	3	4
Benefits paid (including expenses)	(263)	(360)
Fair value of plan assets at 31 March 2022	<u>8,323</u>	<u>8,165</u>
Return on plan assets	<u>354</u>	<u>1,222</u>

Reconciliation of Defined Benefit Obligations Over the Year

	2022	2021
	£000	£000
Defined benefit obligations at 1 April 2021	7,970	7,523
Current service cost	108	110
Contributions by the members	3	4
Interest expense on defined benefit obligation	158	163
Remeasurement - effect of experience adjustments loss/(gain)	164	(141)
Remeasurement - effect of changes in assumptions (gain)/loss	(610)	671
Benefits paid	(263)	(360)
Defined benefit obligations at 31 March 2022	<u>7,530</u>	<u>7,970</u>

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

	2022	2021
	£000	£000
Net pension asset/(liability) at 1 April 2021	195	(455)
Amount recognised in expenditure	(105)	(119)
Gain recognised in other recognised gains and losses	639	538
Contributions by the charities	64	231
Net pension asset at 31 March 2022	<u>793</u>	<u>195</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

	2022	2021
	£000	£000
Current service cost	(108)	(110)
Interest income on Scheme assets	161	154
Interest expense on defined benefit obligation	(158)	(163)
Total charge to expenditure	<u>(105)</u>	<u>(119)</u>

Remeasurements Recognised in Other Recognised Gains and Losses

	2022	2021
	£000	£000
Remeasurement - effect of experience adjustments (loss)/gain	(164)	141
Remeasurement - effect of changes in assumptions gain/(loss)	610	(671)
Remeasurement - return on plan assets including interest income gain	193	1,068
Total remeasurement gain recognised in other recognised gains and losses	<u>639</u>	<u>538</u>

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:

	2022	2021
	£000	£000
Turnover	1,564	1,054
Total expenditure	(1,363)	(765)
Profit after tax	<u>201</u>	<u>289</u>
Total assets	1,421	1,208
Total liabilities	(490)	(478)
Net assets	<u>931</u>	<u>730</u>

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

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

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

	2022	2021
	£000	£000
Turnover	305	63
Total expenditure	(247)	(237)
Profit/(loss) for the year	<u>58</u>	<u>(174)</u>
Total assets	347	253
Total liabilities	(403)	(367)
Net liabilities	<u>(56)</u>	<u>(114)</u>

27. GRANTS AND COMMITMENTS

Grants paid to institutions in the year totalled £1,226,000 (2021: £1,632,000) whilst grants paid to individuals totalled £23,000 (2021: £27,000). Full details of all grants paid can be obtained from the Secretary to the Corporation.

At 31 March 2022, grant commitments from future income were £nil (2021: £2,720,000).

At 31 March 2022, the Trinity House Maritime Charity was committed to payments of £2,061,000 (2021: £2,430,000) in respect of the Merchant Navy Scholarship Scheme.

28. RELATED PARTY TRANSACTIONS

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

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

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2022

29. COMPARATIVES

(a) GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Corporate Charity funds (including subsidiaries)	Trinity House Unrestricted funds	Maritime Restricted funds	Charity Permanent Endowment funds	Total 2021
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	1	1	10	-	12
Charitable activities	453	16	768	-	1,237
Other trading activities	758	-	-	-	758
Other operating income	359	-	-	-	359
Investments	27	7,510	1	-	7,538
TOTAL INCOME	1,598	7,527	779	-	9,904
EXPENDITURE ON:					
Raising funds	1,002	3,442	-	9	4,453
Charitable activities:					
Welfare	9	1,544	-	44	1,597
Youth opportunities and training	-	2,381	786	-	3,167
Public safety and education	-	121	580	-	701
Maintaining the fabric and heritage of Trinity House	719	-	-	-	719
Impairment of treasure	(288)	-	-	-	(288)
Role as a Deep Sea Pilotage Authority	8	-	-	-	8
Provision of Nautical Assessors	19	-	-	-	19
TOTAL EXPENDITURE	1,469	7,488	1,366	53	10,376
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	129	39	(587)	(53)	(472)
Losses on the revaluation and disposal of investment properties	-	-	-	(12,462)	(12,462)
Gains on the revaluation and disposal of portfolio investments	225	-	-	4,205	4,430
NET (EXPENDITURE) / INCOME	354	39	(587)	(8,310)	(8,504)
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial gain on defined benefit pension scheme	126	412	-	-	538
NET MOVEMENT IN FUNDS	480	451	(587)	(8,310)	(7,966)
BALANCE AT 1 APRIL 2020	10,211	1,165	2,681	265,678	279,735
BALANCE AT 31 MARCH 2021	10,691	1,616	2,094	257,368	271,769

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

(b) COMBINED CHARITIES' STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Corporate Charity funds	Trinity House Unrestricted funds	Maritime Charity Restricted funds	Charity Permanent Endowment funds	Total 2021
	£000	£000	£000	£000	£000
INCOME FROM:					
Donations and legacies	1	1	10	-	12
Charitable activities	453	16	768	-	1,237
Other trading activities	211	-	-	-	211
Investments	27	7,510	1	-	7,538
TOTAL INCOME	692	7,527	779	-	8,998
EXPENDITURE ON:					
Raising funds	212	3,442	-	9	3,663
Charitable activities:					
Welfare	9	1,544	-	44	1,597
Youth opportunities and training	-	2,381	786	-	3,167
Public safety and education	-	121	580	-	701
Maintaining the fabric and heritage of Trinity House	719	-	-	-	719
Impairment of treasure	(288)	-	-	-	(288)
Role as a Deep Sea Pilotage Authority	8	-	-	-	8
Provision of Nautical Assessors	19	-	-	-	19
TOTAL EXPENDITURE	679	7,488	1,366	53	9,586
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS AND LOSSES	13	39	(587)	(53)	(588)
Gains / (losses) on the revaluation and disposal of investment properties	-	-	-	(12,462)	(12,462)
Gains / (losses) on the revaluation and disposal of portfolio investments	225	-	-	4,205	4,430
NET (EXPENDITURE) / INCOME	238	39	(587)	(8,310)	(8,620)
OTHER RECOGNISED GAINS AND LOSSES:					
Actuarial gain on defined benefit pension scheme	126	412	-	-	538
NET MOVEMENT IN FUNDS	364	451	(587)	(8,310)	(8,082)
BALANCE AT 1 APRIL 2020	9,710	1,165	2,681	265,678	279,234
BALANCE AT 31 MARCH 2021	10,074	1,616	2,094	257,368	271,152

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

(c) INCOME FROM CHARITABLE ACTIVITIES:

Group and Combined Charities

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

(d) INCOME FROM INVESTMENTS:

Group and Combined Charities

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

(e) EXPENDITURE ON RAISING FUNDS

Group and Combined Charities

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

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29. COMPARATIVES (continued)

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

Group and Combined Charities	Corporate	Trinity House		Total
	Charity	Maritime Charity		2021
	Unrestricted	Unrestricted	Endowment	
	funds	funds	funds	
	£000	£000	£000	£000
Maintenance and upkeep of the Trinity Homes	-	374	44	418
Grants paid - designated	-	611	-	611
Grants paid - other	9	305	-	314
Support costs	-	254	-	254
Total 2021	9	1,544	44	1,597

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

Group and Combined Charities	Trinity House		Total
	Maritime Charity		2021
	Unrestricted	Restricted	
	funds	funds	
	£000	£000	£000
Merchant Navy Scholarship Scheme	1,252	768	2,020
Grants paid - designated	257	-	257
Grants paid - other	459	-	459
Other restricted grants paid	-	18	18
Support costs	413	-	413
Total 2021	2,381	786	3,167

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

Group and Combined Charities	Trinity House		Total
	Maritime Charity		2021
	Unrestricted	Restricted	
	funds	funds	
	£000	£000	£000
THMC/DfT grants	-	580	580
Grants paid - designated	38	-	38
Grants paid - other	53	-	53
Support costs	30	-	30
Total 2021	121	580	701

CORPORATION OF TRINITY HOUSE OF DEPTFORD STROND

NOTES TO THE GROUP AND COMBINED ACCOUNTS

For the year ended 31 March 2022

29. COMPARATIVES (continued)

(i) ANALYSIS OF SUPPORT COSTS

	Office staff £000	Service staff £000	Admin costs £000	Total 2021 £000
Raising funds	295	43	188	526
Welfare	159	17	78	254
Youth opportunities and training	258	28	128	414
Public safety and education	18	2	10	30
Maintaining the fabric and heritage of Trinity House	107	-	-	107
Total 2021	837	90	404	1,331

(j) CORPORATE CHARITY - DESIGNATED FUNDS

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

(k) CORPORATE CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Balance at 31 Mar 2021 £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 2020 £000	New designations £000	Utilised / released £000	Balance at 31 Mar 2021 £000
Extraordinary Repair Fund	177	-	-	177
Merchant Navy Scholarship Scheme	500	-	-	500
	677	-	-	677

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29. COMPARATIVES (continued)

(m) TRINITY HOUSE MARITIME CHARITY - RESTRICTED FUNDS

	Balance at 1 April 2020	Movement in funds		Balance at 31 Mar 2021
	£000	Income	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)	-
Sponsorship from the Jersey Harbour Board	-	-	-	-
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>

(n) TRINITY HOUSE MARITIME CHARITY - PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2020	Movement in funds		Balance at 31 Mar 2021
	£000	Expenditure	Gains and losses	£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>

(o) ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Corporate Charity		Trinity House Maritime Charity			Non-charitable	Total
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Endowment 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	4,062
Current liabilities	(256)	-	535	-	(1,555)	(845)	(2,121)
Defined benefit pension asset	28	-	167	-	-	-	195
Total net assets	<u>10,013</u>	<u>60</u>	<u>1,617</u>	<u>2,094</u>	<u>257,368</u>	<u>617</u>	<u>271,769</u>

