



Commissioners of
IRISH LIGHTS

Navigation
and Maritime
Services

Annual Report and Accounts

Year Ended 31 March 2018





Commissioners of
IRISH LIGHTS

Navigation
and Maritime
Services

Mission Statement
- safe navigation at sea:

*To be a leading and innovative
provider of reliable, efficient
and cost effective navigation
and maritime services for the
safety of all.*



Photo: Andrew Collins

Front Cover Photo: Deek Wilson

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1. Chairman's Summary

I am pleased to report that 2017/18 was another very successful year for the Commissioners of Irish Lights.

In addition to achieving our core objective of providing our AtoN service to international standards Irish Lights experienced growth in our Great Lighthouses of Ireland (GLI) offering while reducing our running costs for the 10th successive year. Building on the success over the previous five years Irish Lights also completed an extensive stakeholder led review of its services culminating in the launch of our new 2018/23 strategy 'Safe Seas - Connected Coasts'.

In parallel with the underlying performance of the economy the year saw continued growth in marine activities with net shipping arrivals up 7.0% on the previous year. Further traffic growth is predicted as is evidenced by the investment plans in the ports of Dublin, Belfast, Cork and Shannon Foynes. Similarly, the fishing, aquaculture and marine leisure activity continues to develop along with prospective increased offshore renewables. This intensification of marine activity underlines the importance of the essential navigation safety services provided by Irish Lights which ensures safe passage and is a key component of Ireland's international transport chain.



***In 2017/18 Irish
Lights met its cost
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In 2017/18 Irish Lights met its cost targets with running costs now at their lowest level for the past ten years. During the year Irish Lights continued to modernise its asset base with capital consolidation projects completed at Maidens, Inishtrahull and Roches Point. Additionally, reinvestments were made on key coastal AIS communications infrastructure and Ship engine management systems. While reoccurring commercial income experienced growth, total commercial income was down on last year due to the difficult Ship charter market. Light Dues collected in Ireland increased by 4% in the year and have consistently exceeded the target €6.0m since the new funding arrangements were introduced three years ago. The combination of our stable cost base and consistent income levels is providing Irish Lights with greater certainty going forward.

Irish Lights recognises the strong public interest in our heritage and during the year we collaborated with the Titanic Foundation to restore and relocate the unique Mew Island Optic to the Titanic Walkway. This new attraction will help underpin Belfast's offering as a world leading maritime heritage destination. Now in its third year of operation the GLI brand partnership continued to experience growth with visitor numbers up by an impressive 12% on last year. This year also saw the completion of the Fáilte Ireland funded reception centre and car park at Fanad Lighthouse and it is anticipated this investment will help drive further tourism growth in the Fanad Peninsula in the years ahead.

Irish Lights has continued to strengthen our partnership with our sister GLAs Trinity House and the Northern Lighthouse Board. Key projects included the completion of the Tri-GLA Fleet review, initiation of a cyber task team and a new procurement framework agreement for Buoy Moorings. All of these activities continue to drive operational and cost synergies for all three GLA's.

The new Irish Lights strategy 'Safe Seas - Connected Coasts' will ensure that Irish Lights continues to lead the delivery of a suite of modern, reliable, efficient and cost effective navigation, safety and maritime services for the benefit of all stakeholders. It sets the course for the next five years

and includes ambitious targets covering a value for money safety AtoN service, international leadership on navigation regulation and standards, adoption of new technology and innovation, inter agency maritime partnership, supporting the development of the wider maritime economy and safeguarding our heritage assets. The strategy recognises that Irish Lights has reached the bottom of its cost curve and will require some modest additional resourcing going forward.

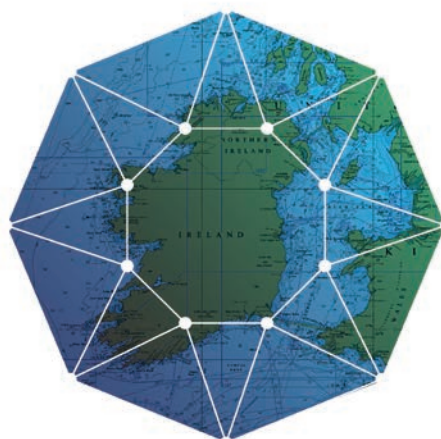
The Board of Irish Lights would like to thank the UK DfT and the Department of Irish Transport, Tourism and Sport (DTTAS) along with our sister GLAs Trinity House and the Northern Lighthouse Board for their continued support in helping Irish Lights achieve its targets during the year. Finally, I would like to extend my thanks to the entire Irish Lights team and all our Board members for their commitment and good counsel in supporting the continued success of Irish Lights into the future.

John Coyle

Chairman
21 September 2018



Irish Lights Strategy 2018-2023 Safe Seas – Connected Coasts



The new Irish Lights strategy 'Safe Seas - Connected Coasts' will ensure that Irish Lights continues to lead the delivery of a suite of modern, reliable, efficient and cost effective navigation, safety and maritime services for the benefit of all stakeholders.



2. Chief Executive Review of Performance

Introduction

2017/18 saw Irish Lights close out on some of the key targets set under our previous 2012 five year strategy. The strategy was aimed at delivering a major organisation change programme focused on positioning Irish Lights as a high quality provider of an essential public safety service, at an economic cost, funded by a diverse range of stakeholders and customers.

During the year operationally we delivered a consistent high standard of AtoN availability exceeding IALA targets. We continued to modernise our Lighthouse estate with 29 of the 35 offshore stations now consolidated. There was further introduction of new equipment using the latest light technology and power sources, improving services and reducing our carbon footprint and related costs. We also undertook a comprehensive review of our local aids service and granted statutory sanctions for over 100 new / changed AtoNs.

Our Great Lighthouses of Ireland (GLI) brand continues to go from strength to strength with increased visitor numbers and new projects at Titanic Belfast and Fanad Head. We were particularly pleased that the vastly experienced Bobby Kerr agreed to chair and help guide the future activities of the GLI partnership.

The financial results for the year to 31 March 2018 reflect another strong operational year for Irish Lights and include a further running cost reduction of 1.6% bringing our cumulative reduction to €8.7M or 41% over the past ten years. While we succeeded in increasing our reoccurring commercial income the charter market proved challenging with income down marginally on last year.

The successful delivery of our 2012-17 strategy is attributable to the entire Irish Lights team and I would like to express my appreciation for the exceptional contribution, flexibility, professionalism and hard work that has set the foundation for our new strategy which will see Irish Lights continue to provide a quality service to all our Stakeholders in the years ahead.



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2.1 Strategy of the Organisation

Business Strategies

AtoN are a Critical National Infrastructure for the maritime sector. This is due to their direct impact on the safety of navigation which facilitates commerce (with over 90% of goods transported by sea), protects lives, property, our seas and coastlines. Irish Lights provides a reliable, technologically advanced, fixed and floating infrastructure supporting associated data and monitoring services, which is essential for all those who operate around the island of Ireland.

The new Irish Lights strategy *"Safe Seas – Connected Coasts"* was launched in April 2018. It followed detailed technical and market research together with extensive national and international stakeholder and employee consultation.

Safe Seas – Connected Coasts 2018 – 2023 broadens the focus of the last strategy 'Charting Our Future Course' from three Pillars to five Focus Areas of activity. It underlines the primacy of AtoN activity and strengthens the commitment to new activities developed in the last five years that have demonstrated tangible results.





2.2 Financial Performance Overview

The key financial highlights for the year include:

- There was an overall net accounting gain of €1.0M for the year in Irish Lights Statement of Comprehensive Net Income, compared with a loss of €3.2M last year. The year on year change is mainly attributable to movements on fixed asset revaluations and related depreciation charges.
- Running costs reduction of 1.6% on last year. Costs have decreased by 41% or €8.7m since 2008/09.
- Commercial income was €1.8M, down 10% on last year but still an excellent result considering the very difficult market conditions during the year.
- Irish Lights net costs were within the UK Department for Transport (UK DfT) financial sanction limits for the year.
- Republic of Ireland (RoI) self-financing targets were achieved including RoI Light dues income of €6.4M for the year, up €0.3M on last year.
- There were asset sales of €0.5M during the year.

2.3 Financial Performance

Financial Results

Highlights

The financial summary for the year to 31 March 2018, contained in these Accounts and Notes, shows an overall income on the Statement of Comprehensive Net Income of €1.0M (2016/17 – deficit of €3.2M). As this was the fifth year since the introduction of the fixed asset Financial Reporting Manual (FReM) accounting standard a full revaluation of all assets was required and this is reflected in the financial results with year on year gains and losses primarily attributable to “non-cash” revaluations and related depreciation charges.

Running Costs reduced by €0.2M in the year to €12.4M in 2017/18. While ongoing cost containment measures have demonstrated success, delays in the recruitment of replacement staff has resulted in the main budget underspend. Capital expenditure increased by €1.4m and covered Ship dry-dock works and replacement engine power management systems along with renewal of our coastal Automatic Identification System (AIS) monitoring equipment and lighthouse capital works. Capital expenditure includes the Fáilte Ireland funded reception centre and car park at Fanad Lighthouse with a cost of €0.4m. Overall during the year Irish Lights operated within its financial sanction limits for Running Cost, Pension and Capital Expenditure.

It was another a challenging year for commercial income which was down €0.2m on last year. In a very competitive market the Granuaile utilised its reserve capacity to generate €0.8m of commercial charter income. Conversely, income from ongoing property and buoy contracts was up on last year, increasing Irish Lights sustainable income into the future.

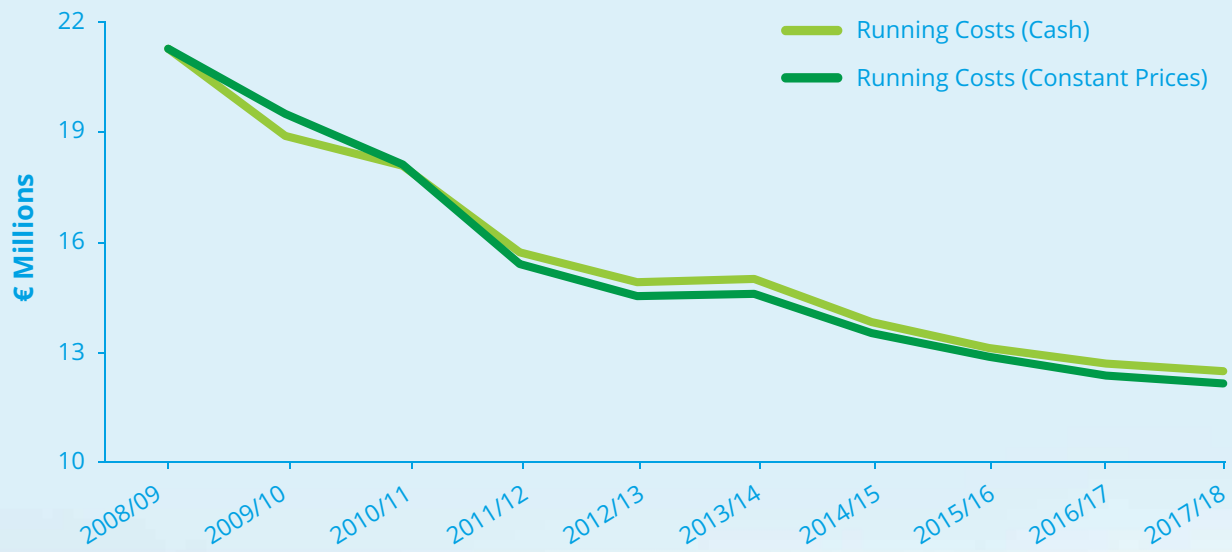
Cost Effectiveness

The performance indicator used to measure cost effectiveness is “Running Costs – Cash and Constant Prices.” This indicator measures the annual running costs of Irish Lights on a year-by-year basis. Additionally they are adjusted to constant prices by use of the RPI Consumer Price Index. For consistency purposes these costs include the marginal costs relating to commercial activities and exclude employer pension contributions which commenced in 2014/15. The results which are set out in the following table and graph show a decrease in actual running costs by 1.6% and a decrease of 1.7% in constant price terms for 2017/18 as compared to 2016/17.

Key drivers of cost reduction include and continue to include consolidation and modernisation of lighthouses and floating infrastructure, business process automation, extended buoy maintenance schedules, collaborative purchasing and transfer of local aids to third parties.



Running Costs in Cash and Constant Prices (Gross)



Running Costs in Cash and Constant Prices (Gross)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Running Costs (€'000)	21,100	18,733	17,926	15,580	14,770	14,857	13,690	12,991	12,564	12,362
Variance (%)		-11.2%	-4.3%	-13.1%	-5.2%	0.6%	-7.9%	-5.1%	-3.3%	-1.6%
Running Costs (Constant Prices €'000)	21,100	19,334	17,963	15,264	14,392	14,457	13,394	12,753	12,242	12,029
Variance %		-8.4%	-7.1%	-15.0%	-5.7%	0.5%	-7.4%	-4.8%	-4.0%	-1.7%
Rol Consumer Price Index	100.0	96.9	99.8	102.1	102.6	102.8	102.2	101.9	102.6	102.8

The running costs figures exclude costs recovered through Government Grant Aid and Employer Pension Contributions but include costs associated with commercial income activity and pay associated with Capital Projects that was capitalised during the year.

CPI – X Targets

As part of the 2016-21 Annual Corporate Plan process Irish Lights agreed a CPI-X target of 2.08% for the five year target period to 2021. The CPI-X target is effectively an annualised running cost reduction target which takes into account inflation. Because of the success of ongoing cost curtailment measures and initiatives such as the ongoing Lighthouse consolidation programme and the introduction of the new tri-GLA helicopter contract, Irish Lights now expects to achieve a five year target of 4.64%.

Source of Finance

Irish Lights is financed from advances made by the UK DfT from the GLF and from commercial income. The GLF advances, based on the annual cash requirements of Irish Lights, finance Irish Lights' net expenditure and are credited to the Statement of Comprehensive Net Income.

The GLF in turn is financed from Light Dues paid by shipping using ports in the UK and Ireland. In addition the Irish Government makes a contribution to the GLF to fund the operational costs of Irish Lights in Ireland. For the financial year 2017/18 the Irish Government contribution will be €4.5M (2016/17 – €4.2M).

The combination of higher capital costs together with lower commercial income resulted in an increase Irish lights funding requirement of €1.2m. Increased Rol light dues €0.3m together with the proceeds of assets sales €0.5m helped to offset the funding requirement resulting in an Irish Government contribution increase of €0.3m.



Inisheer Lighthouse. Photo: Dan McCarthy

Light Dues

The UK and Ireland operate a common light dues charging zone. This means that light dues certificates issued in one zone are recognised in the other jurisdiction. Charges are capped at 40,000 tonnes with a maximum of nine certificates in any one year. The rates are set by the respective Ministers and currently stand at 60 cent per tonne in Ireland and 37.5 pence per tonne in the UK.

Volume growth on the general cargo and passenger (cruise) shipping sectors resulted in Irish Lights Dues increasing by 4% to €6.4m in the year. Light Dues income in Northern Ireland was £1.2m down £0.1m on last year.

The monies collected in Ireland are forwarded to the GLF. Monies collected in Northern Ireland are also forwarded to the GLF as part of the contract with the Institute of Chartered Shipbrokers. Light dues collected by the three Lighthouse Authorities are included as income in the GLF Annual Report and Accounts and do not form part of these accounts.

2.4 Aids to Navigation (AtoN) Performance

Resources

AtoN Inventory

The total inventory of AtoN as at 31 March 2018 is as follows:

Type of Station	2017/18 Total	2017/18 Deployed	2016/17 Total	2016/17 Deployed
Lighthouses (Automated)	67	65	68	66
Lighted Beacons	5	5	5	5
Unlighted Beacons	15	15	16	16
Solar Lighted Buoys	184	136	184	138
Hauling Off/Mooring Buoys	7	3	7	3

Other AtoN provided by Irish Lights:

Type of Station	2017/18	2016/17
DGPS	3	3
RACONs on Lighthouses	14	14
RACONs on Buoys	10	10
AIS on Buoys	59	52
AIS at Lighthouses	48	45
AIS Base Stations at other bases	11	11
Met/ Hydro on Buoys	8	8
Met/ Hydro on Lighthouses	2	-

AtoN availability statistics

Irish Lights core activity is fulfilling the statutory responsibility to provide safe passage for the mariner. AtoN availability statistics are a measure of Irish Lights' performance in maintaining AtoN and associated equipment. The GLAs report their availability statistics based on three year rolling averages and compare these figures with standards issued by IALA.

The AtoN reliability statistics for Irish Lights are presented in the following tables and graphs under the agreed three categories. Irish Lights has exceeded the recommended IALA minimum levels of availability for all categories of AtoN.

Differential GPS Service

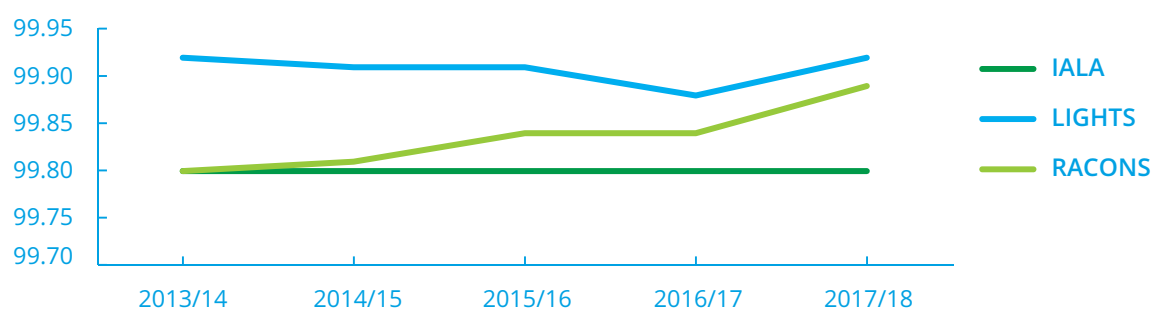
The IALA required service availability for the GLA DGPS service is 99.8% and is based on overlapping coverage between adjacent stations. In the event of failure of one transmitter, service to the mariner is maintained from the adjacent stations. A DGPS service failure is considered to occur only when adjacent stations have failed. Availability has been calculated based on adjacent station outages for each of the GLA DGPS service areas. The lowest figure is used and the availability for the service as a whole is then quoted as being equal to or better than this figure. Irish Lights currently operates 3 DGPS stations which are situated at Loop Head, Mizen Head and Tory Island. The availability of the 3 Irish Lights stations for the past 2 years is 99.93%.



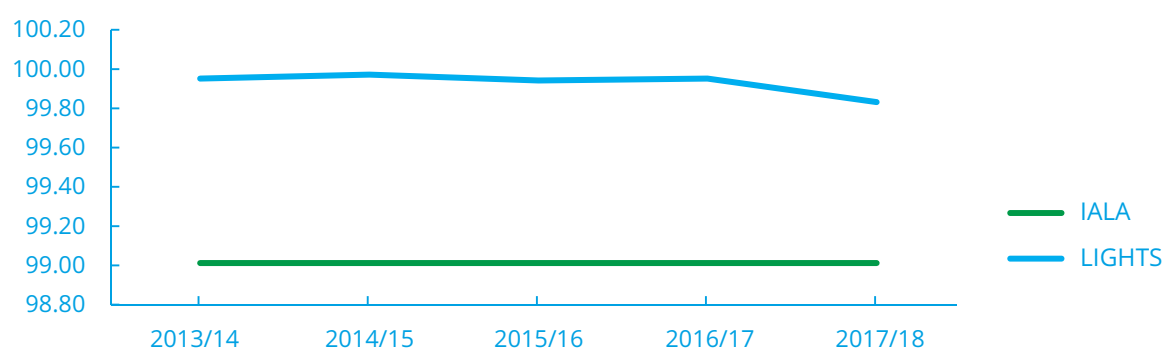
AtoN Availability Compared To IALA Minima - 3 Year Rolling Averages

Category	AtoN	IALA	2013/14		2014/15		2015/16		2016/17		2017/18	
		Minimum	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff
1	Major Lights	99.8%	99.92	0.12	99.91	0.11	99.91	0.11	99.88	0.08	99.92	0.12
	Racons	99.8%	99.80	0.00	99.81	0.01	99.84	0.04	99.84	0.04	99.89	0.09
2	Other Lights	99.0%	99.94	0.94	99.96	0.96	99.93	0.93	99.94	0.94	99.82	0.82
3	Buoys	97.0%	99.83	2.83	99.83	2.83	99.80	2.80	99.82	2.82	99.76	2.76

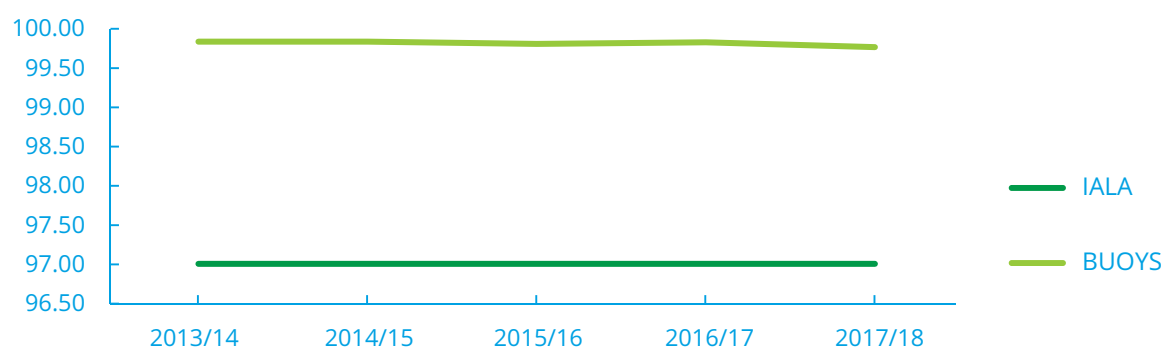
Category 1



Category 2



Category 3



2.5 Operational Performance

Key Developments during the year

Navigation Requirements

Over the last 12 months, all Categories of Irish Lights AtoN have performed to better than the IALA International Standards. Electronic AtoN continue to play an important part in our service. The 3 DGPS stations, 23 Racon (Radar Beacons) and 101 AIS AtoN (including 1 Virtual AIS AtoN) combine with the visual aids on 65 lighthouses, 116 buoys and 21 beacons to ensure resilience in navigation for all users. Implementation of AtoN Review recommendations is continuing including repositioning of Daunt buoy, change of Skulmartin from Safe Water Mark to Port Hand buoy and sequencing of buoys in the South Shear (approaches to Rosslare).

Capital projects to consolidate and improve Lighthouse Stations has continued throughout the year with low energy systems installed at Maidens, Roches Point and Inishtrahull. In addition a Fixed and Flashing Light (FFL) character has been installed on Mew Island. The use of a FFL character provides an improved visual signal for the mariner with only a minor impact on the power requirements. This is the first use of this technology in the GLA. The trail bearing project at Tory Island is progressing well and if successful will provide an alternative means of rotating First Order optics.

The ongoing consolidation programme brings significant environmental, safety and cost benefits. Energy use across Irish Lights has significantly reduced from our SEAI base year of 2009 with reductions of 34% in Electricity, 69% in Gas, 92% in Diesel to stations and 66% in Jet A1. In addition we expect to be mercury free by 2024.

Local Aids to Navigation

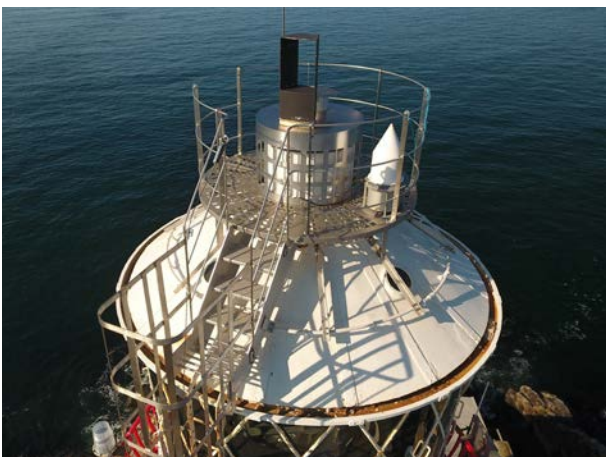
At 31st December 2017 there were 3,259 (3,205 in 2016) active AtoN listed on the Local AtoN Management System. Of these 858 are associated with aquaculture development and 2,401 are non-aquaculture AtoN. An intensive exercise has been undertaken to align the aquaculture sites on the Irish Lights AtoN database with the most recent DAFM licensing data to remove duplications between sites marked under SUMS/CLAMS schemes and individual sites. This has resulted in a reduction in the recorded aquaculture sites. There has been a reduction in the number of Local Lighthouse Authorities (LLA) to 60. This is due to Local Government reform in Northern Ireland, the transfer of AtoN marking outfalls to Irish Water and the transfer of some ports to Local Authorities. 51% of Local AtoN were inspected during the year and all LLA were visited as part of a special audit process to review LLA Maintenance Management Systems. The intensive audit process also led to an improvement in quarterly returns with 90% compliance.



Capital Projects and Maintenance Programmes

During 2017/18, the capital and maintenance programmes were substantially completed on time and on budget. As part of the capital programme consolidation projects were completed at Maidens, Inishtrahull and Roche's Point lighthouses. A new solar powered MSM rotating LED light was installed on a platform on top of the dome at Maidens with a reduction in range from 23 Nautical Miles (NM) to 18NM. Mercury was also removed from the old optic system. Inishtrahull was upgraded with a refurbished PRB drive installed and the existing PA2 lamp changer re-used with a reduction in range from 19NM to 18NM. The battery system was also replaced. Roche's Point was fitted with a new R&RNAV LED light source and a battery back-up system installed. The upgraded installations facilitated the decommissioning of generators and associated fuel systems, and minimised the operational and carbon footprint at each of the stations.

A total of 9 statutory buoys and 2 contract buoys were fully refurbished in Dun Laoghaire in 2017/18. In addition to these full refurbishments, there were 4 partial refurbishments completed primarily in response to storm damage inflicted by ex-hurricane Ophelia in October 2017.



New LED light at Maiden's Lighthouse



As part of the capital programme consolidation projects were completed at Maidens, Inishtrahull and Roche's Point lighthouses.



Granuaile in Dry Dock, CAmell Laird, Liverpool

Granuaile Review

During the year the Granuaile was primarily utilised on the servicing of offshore Lighthouses, maintenance on buoys, including upgrading and repairs to supplementary AtoNs like AIS and Met Hydro systems.

Despite the difficult commercial market using reserve capacity the ship successfully carried out a number of short term contracts including scientific survey research using and Remotely Operated Vehicle (ROV), deployment of ocean test platforms and third party Met and scientific buoys.

The Ship completed its statutory intermediate dry-dock in the Camell Laird dock yard in Liverpool in September. This was followed by an upgrade of the Ships engine power management system which will see it to end of life.

In line with Irish Lights statutory duty, during the year the Ship lifted the wreck of a Fishing Trawler that sunk outside Skerries Harbour in north Dublin.

Health and Safety Review

Following industry best practice throughout 2017/18 Irish Lights has continued to develop, promote and improve of both sea and shore based Safety Management Systems. Key safety programmes during the year included heightened safety awareness campaigns, health screening, occupational hygiene monitoring driving for work and safety at sea training.

On the accident front there were 11 accidents which represents an increase of two over the previous year. All accidents are fully investigated to ascertain the root cause and to put measures in place to prevent recurrence. The findings of the investigation reports identify human factors as being the primary root cause of most accidents as opposed to system failures. On a more positive note, six months in 2017/18 were Zero Harm months which represents an increase of one over 2016/17.

The table below summarises accidents on duty and related absence.

Technology & Data Services

The Technology & Data Services (TDS) Department continued implementation of the 2016 TDS Strategy and Action Plan.

The MetOcean network expanded with the deployment of the South Rock Buoy in Northern Ireland and a number of enhancements were made to the associated infrastructure and data services. Similarly, the AIS network expanded with the deployment of AIS on an additional seven buoys and capital investment was made to upgrade the time expired base station infrastructure around the coast in 2018. Underpinning our coastal networks a new fibre optic connection was installed in Dunlaoghaire enhancing data connectivity and disaster recovery options. Key back office projects undertaken and/or completed included upgrades to the financial management and email systems.

Given the importance of Irish Lights services a major Tri-GLA cyber security initiative is underway across a range of areas including, training and awareness, risk mitigation and audits of traditional IT and operational technologies and systems.

Business Continuity Management

Building on the 16/17 review of our Business Continuity Management (BCM) capability, during the year Irish Lights completed a comprehensive BCM maintenance programme that included extensive staff awareness training, testing and exercising of individual BCM plans and preparation for a crisis management exercise that was completed in April 2018. Irish Lights has now completed a full BCM lifecycle enhancing our resilience to respond in the event of a disruption.

Tri-GLA Co-operation

The GLAs have a joint commitment to maintain UK and Irish waters as amongst the safest to navigate in the world fulfilling both the Irish and UK Governments obligations under the International Maritime Organisations (IMO) Safety of Life at Sea Convention (SOLAS).

During 2017/18 the GLAs continued to engage on many Tri GLA operational activities as well as at a strategic level via the Joint Strategic Board (JSB). Importantly Irish Lights along with the other GLAs provided cross support under the co-ordinated Ship planning arrangements. There was a considerable amount of work carried out on the GLA Fleet Review Project with the final report and recommendations published in April 2018. The GLA's continue to benefit from collaborative procurement in areas that are unique to the business of providing AtoN services including helicopter operations and safety equipment, moorings, buoy paint, batteries and Racons. Irish Lights continued to work closely with the Trinity House based Research and Radio Navigation team on the implementation of new and enhanced technology around the coast.

Health and Safety Review

Location	2014/15		2015/16		2016/17		2017/18	
	Accidents Reported	Persons Absent	Accidents Reported	Persons Absent	Accidents Reported	Persons Absent	Accidents Reported	Persons Absent
Dun Laoghaire	4	0	0	0	1	0	1	1
Granuaile	2	1	3	2	6	2	7	4
Lighthouses	6	2	2	0	2	1	2	0
Elsewhere	0	0	1	0	0	0	1	0
Total	12	3	6	2	9	3	11	5

Organisational Change

In response to the ever changing Stakeholder requirements and introduction of new technology Irish Lights continued to develop our organisation throughout the year. A new competency framework along with an updated performance and development system is now in place underpinning staff training and education programmes. Through the year 60 staff undertook training / development. New Irish Lights Pay Scales were introduced in January 2018; however, they remain subject to final agreement through an agreed process under the auspices of the Workplace Relations Commission (WRC).

General Data Protection Regulation

The new General Data Protection Regulation came into effect on 25 May 2018. In preparation Irish Lights completed a full review of its data management procedures, related policies and conducted staff training to ensure compliance with the new regulations on personal data.

Commercial Activity

Irish Lights' commercial strategy focuses on revenue generation from reserve capacity and full asset utilisation. Any income generated is an important contributor to reducing the net operational cost for all stakeholders. Commercial income for 2017/18 was below budget targets and last year primarily due to the challenging market conditions for contract vessel charters. Overall net commercial income (excluding grant income) was just over €1.5M of which approximately 47% was derived from one off charters of the Granuaile. Importantly the year on year increasing trend with recurring revenue from ongoing property, buoy and equipment hosting contracts continued during the year.



Opening of the new Failte Ireland funded Fanad Visitor Centre. Pictured from left to right are: Paul Kelly, CEO Failte Ireland, Gerry McMonagle, Cathaoirleach, Donegal Coco, Joan Crawford, Failte Ireland, Joe McHugh TD, Minister for the Irish language, the Gaeltacht and the Islands, Brendan Griffin, Minister of State for Tourism and Sport, Yvonne Shields O'Connor, CEO Irish Lights, Séamus Neely, CEO Donegal Coco and John Friel, Fanad Lighthouse.

Tourism and Heritage

Great Lighthouses of Ireland (GLI) Partnership features twelve operational lighthouses located in breath-taking coastal locations and has been developed and positioned as a signature experience that supports and delivers on the national propositions of Ireland's tourism agencies. The partnership helps preserve key maritime heritage assets while facilitating economic development in coastal communities.

In 2017/18 visitor numbers to GLI lighthouse sites increased to over 137,000 representing an increase of 12% on last year. The full year availability of the new GLI accommodation sites helped increase the bed night occupancy by an excellent 55% to 3,950 bed nights.

The Fáilte Ireland funded Fanad project to redevelop a new visitor reception centre and car park adjacent to the Fanad Head Lighthouse was completed and opened in March 2018. It is anticipated that this new facility will substantially enhance the Fanad visitor experience and will help the growth of tourists to the Fanad Peninsula in the years to come.

Irish Lights and Titanic Foundation Ltd. worked in partnership to deliver the Great Light (Mew Island optic) to its current location on the Titanic walkway in Belfast. The light, which originated from Mew Island Lighthouse on the Copeland Islands, guided mariners to and from Belfast Lough until 2014. It is the world's first and largest hyper-radial Fresnel lighthouse lens, installed in Tory Island Lighthouse in 1887 then reconfigured and moved to Mew Island in 1928. The Great Light is now one of the GLI Brand partners and will contribute to promoting all other lighthouse sites around Ireland.



2.6 Sustainability Reporting

While Irish Lights is exempt from sustainability reporting requirements, Irish Lights seeks to develop its environment management policies in a manner fully consistent with Government initiatives and public opinion. In 2014, Irish Lights signed up to the Sustainable Energy Authority of Ireland public sector energy efficiency initiative which endeavours to improve energy efficiency in the public sector by 33% by 2020.

Irish Lights is continually reviewing all issues affecting environmental considerations which take account of the sensitive coastline in which it operates and the occasionally hazardous nature of some of the operations it has to undertake and is a leader in the use of renewable energy sources for navigational aids, principally through the installation of solar-electric power systems. There now remain only 3 diesel generator powered lighthouses following recent solarisation projects. Consequently, diesel delivery to lighthouses has

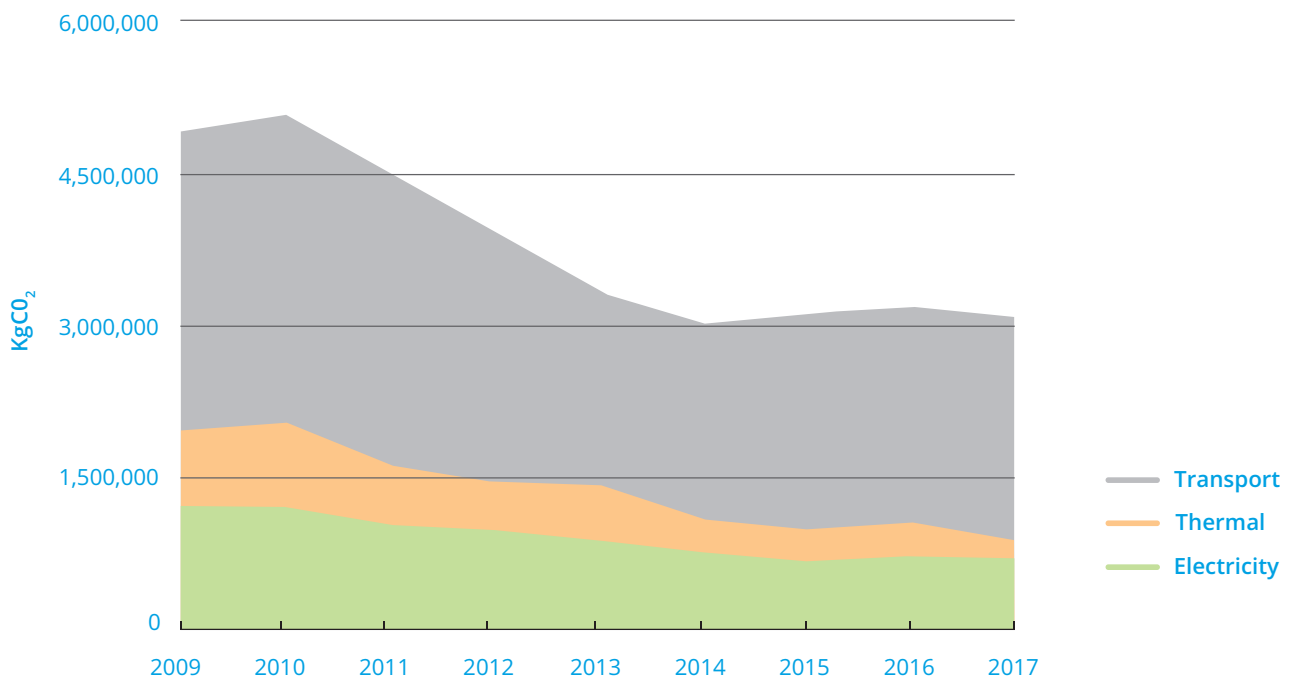
dropped from 179k litres in 2009 to 15k in 2017. Irish Lights is retrofitting many of its large stations with LED-based energy efficient light sources. The graph below represents Irish Lights reduction in CO₂ emissions since 2009 and is derived from the annual data submitted to SEAI.

In 2017, overall energy consumption across all Irish Lights operational activities has reduced by 36.5% compared to our benchmark year of 2009.

Yvonne Shields O'Connor

Chief Executive and Accounting Officer
21 September 2018

CO₂ Emissions Since Baseline





3. Accountability Report

3.1 Corporate Governance Report

3.1.1 Directors Report

The Board of Irish Lights

The Board has due regard for the benefits of diversity, experience and expertise and strives to achieve the right balance in its goal to provide leadership, effectiveness, accountability and sustainability to Irish Lights.

The Board consists of:

- Ten co-opted Commissioners.
- The Lord Mayor of the city of Dublin plus three Councillors' of the City of Dublin (ex officio Commissioners).
- The Chief Executive in her capacity as Accounting Officer is a member of the Board with no voting rights.

The Executive Management Team attends the Board meetings.

Irish Lights considers all Commissioners to be non-executive, independent Directors. A Register of Interests that includes details of company directorships or other significant interests held by Board members is maintained. The Board is satisfied that these do not conflict with their duties and responsibilities as Commissioners of Irish Lights. The Board endorses and complies with the principle of separation of the roles of Chairman and Chief Executive. The Board has appointed a Chief Executive and Management Team to run the day to day activities of the organisation.

The Lord Mayor and ex officio members are nominated by Dublin City Council and become Commissioners when they are sworn in. They remain as Commissioners for as long as they hold their respective office with the Council.



A key activity for the Board during the year was to advise the Chief Executive and management team on the development of an updated Irish Lights strategy covering the period 2018-2022

The Board meets on eight occasions each year. Certain matters are considered at all meetings including the Chief Executive's operational report, finance report, AtoN performance reports, capital projects, requests for statutory sanctions and where applicable reports from Board sub-committees and the Tri-GLA JSB. The Board continued to monitor progress on the growing brand of the Great Lighthouses of Ireland (GLI), the outcome of the Fleet Review and the light dues income stream, following the implementation of self-funding arrangements post April 2015. The Board also reviewed and agreed the Corporate Plan 2017-22 and the Annual Report and Accounts.

A key activity for the Board during the year was to advise the Chief Executive and management team on the development of an updated Irish Lights strategy covering the period 2018-2022, which sets out to re-enforce our mission to protect lives, property, trade and the environment by delivering next generation maritime services.

Membership of the Board during 2017/18 was as follows:

Co-opted Commissioners

John Coyle (Chairman & Office Bearer)
Kieran Crowley (Vice-Chairman & Office Bearer)
Sheila Tyrrell
David Delamer
Michael Maclaran
Elizabeth Shanks
Mary Gallagher
Donal O'Mahony
Mark Barr
Adam Grennan
Dan Maher

Ex-officio Commissioners (Representatives of Dublin City Council)

The Lord Mayor Mícheál MacDonncha (from 8th December 2017)
Councillor Ciaran Cuffe
Councillor Paddy Bourke

Executive Board Members

Yvonne Shields O'Connor (Chief Executive)



Board Membership and Committee Structures

Attendance at scheduled meetings of the Board and its committees in the financial year ended 31 March 2018

Name	Board #	Audit & Risk Committee	Remuneration Committee	Nominations Committee	Corporate Management Committee
Commissioners:					
John Coyle (Chairman)	7/8	-	0/0(C)	0/0(C)	1/1
Kieran Crowley	8/8	3/3(C)	0/0	-	-
David Delamer	5/8	-	0/0	0/0	1/1
Sheila Tyrrell	7/8	-	-	0/0	1/1
Michael Maclaran	6/8	1/1	-	0/0	1/1
Elizabeth Shanks	4/8	2/2	-	-	-
Mary Gallagher	4/8	-	-	-	-
Mark Barr	5/8	1/3	0/0	-	1/1(C)
Donal O'Mahony	8/8	3/3	-	-	1/1
Adam Grennan	6/8				
Dan Maher	6/8				
The Lord Mayor Mícheál MacDonncha	1/5				
Councillor Ciaran Cuffe	3/8	-	-	-	-
Councillor Paddy Bourke	4/8	-	-	-	-
Yvonne Shields O'Connor	8/8	3/3	0/0	0/0	1/1

* Note (C) denotes Chairman

Note, other than the Chief Executive Ms Shields O'Connor, who is a full time employee, no other Board Member receives remuneration for their services as Commissioners. In aggregate, expenses paid to and behalf of Board Members in respect of their duties were €17,916 (2016/17 €16,860). These expenses primarily relate to travel, subsistence and accommodation.

The following committees of the Board are established to co-ordinate key activities:

a) Audit and Risk Committee Review

The Audit and Risk Committee is established to advise the Board and the Accounting Officer on issues relating to management controls, the financial stewardship of the funds at the Board's disposal, risk, compliance and corporate governance issues and the systems of internal control. The Committee also meets with the Group Head of Internal Audit of the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO) to review the Annual reports and Accounts and to discuss any observations raised by the Auditors in their Report to those Charged with Governance

The Irish Lights Audit and Risk Committee met on three occasions in the year ended 31 March 2018. The main activities for the year included the review of the 2016/17 Annual Report and Accounts and the recommendation that they be formally approved by the Board; reviewing the Irish Lights risk register; reviewed the Annual Management Assurance Return to the DfT and considered the reports provided by both the Internal and External Auditors. The Committee also reviewed the Business Continuity Management programme and updated procedures for Board disclosure of interests.

b) Remuneration Committee

The Remuneration Committee did not meet in 2017-18 as there was no change to the organisations remuneration policy and pay system. A new pay model was approved by the Board in 2016-17 and was implemented in January 2018.

c) Nominations Committee

The nominations Committee did not meet in the period 2017-18 as there were no new appointments to the Board.

d) The Inspecting Committee

The Inspecting Committee is an advisory committee to the Board with responsibility for reviewing the practical implementation of Board policy around the coast. Due to weather disruption and the non-availability of the Ship and Helicopter for operational reasons there were no working inspections during the year.

e) The Corporate Management Committee

The Committee met in October to and review the Corporate Plan for 2018-2023 including detailed plans and budgets for 2018-19. This includes a review of annual performance against targets for the previous year.

f) Tri-GLA JSB

The JSB supports the co-ordination of Tri-GLA activity and ensure that improvements and efficiencies in Tri-GLA performance are achieved. The JSB met on two occasions in 2017-18 in June and in November. Key issues considered included the Fleet Review, Tri-GLA Cyber Security, GLA efficiencies, Brexit, future strategy and performance monitoring and reporting.

Board Effectiveness

The Irish Lights Board comprises individuals with deep knowledge and experience in core and diverse sectors of relevance to the activities of the organisation. Keeping up to date with key organisational, technical, policy and stakeholder requirements and developments is essential for the Board in terms of maintaining and enhancing effectiveness.

As the organisation continues through a period of change and transition, the Board has received frequent briefings from Departmental representatives attending Board meetings (UK DfT and DTTAS) and presentations on matters of importance from the Chief Executive, Directors and senior managers. A full Board effectiveness review took place in autumn of 2017 and was reviewed at an annual governance meeting which takes place between the Chairman, Chief Executive and the Director General DfT. A separate self-assessment checklist was completed by members of the Audit and Risk Committee and covered areas recommended by HM treasury.

Office and Advisers

Principal Office :

Harbour Road, Dun Laoghaire, Co Dublin

Auditors:

Comptroller and Auditor General
National Audit Office
157 Buckingham Palace Road
Victoria, London, SW1W 9SP

Bankers:

Bank of Ireland	Bank of Ireland
39 St. Stephen's Green East	P.O. Box 13
Dublin 2	Donegal Place,
	Belfast BT1 5BX

Solicitors:

Mullany Walsh Maxwells	Philip Lee
19 Herbert Place, Dublin 2	7/8 Wilton Terrace, Dublin 2

3.1.2 Statement of Accounting Officer's Responsibilities

Under section 218 (1) of the Merchant Shipping Act 1995 the Secretary of State for Transport, with the consent of HM Treasury, has directed Irish Lights to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Irish Lights and of income and expenditure, cash flows and changes in equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State for Transport including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis.

The Accounting Officer of the UK DfT has designated the Chief Executive as Accounting Officer of Irish Lights. The responsibilities of the Accounting Officer include accountability for the regularity of the funds allocated to Irish Lights and keeping proper records and accounts in its capacity as a GLA. As far as we are aware there is no relevant information of which the auditors are unaware. All steps have been taken to ensure that all relevant information has been made available to the auditors.

The Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

3.1.3 Governance Statement

Overview

The Irish Lights Board maintains the highest standards of corporate governance. Irish Lights has reviewed the Irish Code of Practice for the Governance of State Bodies (August 2016) and the UK Code on Corporate Governance in Central Government Departments (April 2017) and arrangements are in place to ensure that governance structures and internal controls encompass the main principles of these codes and where relevant specific guidelines are adapted for implementation.

The Board has in place specific arrangements to comply with the requirements set out by the UK DfT Framework Document for the GLAs (incorporating the Financial Memorandum and Management Statement), dated 29 June 2017. This Framework Document sets out the relationship between the Secretary of State for Transport (via the UK DfT) and the GLA in matters of business and finance and aims to provide a clear understanding of their respective duties, statutory and Accounting Officers responsibilities under the legislation listed in section 1 of the annual report.

Risk Management

Accounting Officer Responsibility for Risk Management

The Chief Executive, as accounting officer is responsible for safeguarding the GLA funds and assets for which she is personally responsible, in accordance with the principles set out in HM Treasury's Managing Public Money.

Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Irish Lights policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Irish Lights for the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts.

Risk Management Policy

Irish Lights has a risk management policy in place. The policy focuses on embedding a culture of risk awareness and responsibility, identifying and documenting risks and uncertainties, taking balanced and considered action to mitigate problems and capitalise on opportunities and ensuring business decisions at all levels are informed by an understanding of risks and opportunities.

Risk Management and Monitoring

The culture of Irish Lights is one of close management and control of risks. The Director of Corporate Services is the risk management champion for the organisation. Every risk has an owner and co-owner responsible for the management of that risk. The process of embedding the risk management approach into the organisation has included:

- Development and regular review of the Risk Register with the involvement of Directors and key Managers.
- Internal audit deriving their audit plan from risks listed on the register.
- Risk proofing the annual Corporate Plan.
- An identifiable risk appetite whereby risks are considered on a risk by risk basis and in general for most risks facing Irish Lights our appetite would be considered 'averse'.
- Each risk is considered in terms of the probability of the risk event occurring and the impact that the occurrence and whether it should be treated, tolerated, transferred or terminated.
- Irish Lights in conjunction with the other two GLAs produced an Annual Risk Management and Insurance Scrutiny in 2017 which contains the business risks, risk management policy, and strategy for the GLAs.

External Input to Navigation Risk Management

External stakeholders are involved a continuing dialogue on risks through the Joint Users Consultative Group, User Committees, general consultation with marine sector representatives and the Lights Advisory Committee. Irish Lights have reviewed their User Committee structure and now hold separate annual meetings with AtoN User and AtoN Provider groups. Indications continue to show that this approach is improving the extent and quality of user engagement.

Changes to Risk Profile

The significant key changes to the risk profile of Irish Lights during the year ended 31 March 2018 were:

- *Tri-GLA casualty Risk Response.* The improved Fleet management procedures and data analysis arising from the Fleet review process have provided increased assurance of the capacity to meet the casualty risk response criteria.
- *Brexit – risks associated with UK exit from Europe.* At this stage in negotiations there is considerable uncertainty around the implications of Brexit on Ireland and its impact on Irish Lights. Anticipated risks including currency fluctuations, reduced economic activity, border controls and changing maritime transport regulation still remain current. Disruption or contraction of general economic activity may reduce the level of light dues collected and increase costs for Irish Lights. Irish Lights will continue to closely monitor economic developments and assess the impact on shipping activity, light dues, costs and commercial opportunities.
- *New Pay Model.* New Irish Lights Pay Scales were introduced in January 2018, however they remain subject to final agreement through an agreed process under the auspices of the Workplace Relations Commission (WRC).
- *Cyber Security.* While Irish Lights has a number of measures in place to protect against a cyber security attack, the ever increasing threat landscape requires on-going monitoring and implementation of risk reduction and/or mitigation measures combined with a target campaign to educate and inform employees.

Management Assurance Return (MAR)

The MAR sets out various statements relating to assurance activities, business delivery, financial management, staff management and other matters of significance. Also the MAR returns are a key part of the governance framework within the DfT. The DfT Group Audit Committee view these returns as a primary source of assurance and it supports the Department's Accounting Officer in making his annual Governance Statement in the Department's Annual Report and Accounts. Following a review by the Audit and Risk Committee the Irish Lights MAR was signed off by the Chief Executive and submitted to the DfT on 26 February 2018.

Head of Internal Audit Opinion

On the basis of the evidence obtained during 2017/18, the Head of Internal Audit has provided an overall 'Substantial' assurance rating on the adequacy and effectiveness of the Irish Lights' arrangements for corporate governance, risk management, and control processes. This compares with the 'Moderate' rating given last year and, in his opinion, there are no significant weaknesses that fall within the scope of issues that should be reported in the Governance Statement. Four audits were conducted last year, including one focussed on corporate governance and risk management, and all resulted in Substantial opinions. Although the audits also highlighted areas where improvements can be made, controls are generally designed and operating effectively to manage the risks facing Irish Lights.

Review of Systems of Internal Control

Acting in the role of Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control and governance. My review of the effectiveness of the systems of internal control and governance is informed by the work of the internal auditors, Audit and Risk Committee, Directors and Senior Managers within Irish Lights who have responsibility for the development and maintenance of the internal control and governance framework, and comments made by the external auditors in their Report to those Charged with Governance.

The cornerstones and highlights of Irish Lights' Governance include;

- The Irish Lights independent non-executive Board of Commissioners met eight times during the year to decide policy, provide strategic direction and review financial and operational progress. The Board receives Audit and Risk Committee minutes and reports covering areas such as risk management.
- The Audit and Risk Committee operates in line with the HM Treasury Audit and risk assurance committee handbook (March 2016).
- The Management Team meet on a monthly basis to review progress on the achievement of aims and objectives and to maintain operational efficiency. Risk management is formally reviewed by Directors and Senior Managers on a biannual basis and in practice is considered as part of the control of all key projects and activities. There are currently 44 risks on the corporate register.

- Internal Audits undertaken in 2017/18 covered HR Key Controls, Light Dues, and Key Financial Controls and Governance and Risk Management. All audits received a 'substantial' opinion.
- External Audit independently audit Irish Lights Annual Report and Accounts and report on their findings to the A&R Committee.
- There is a monthly analysis of the management accounts and management reports by the Chief Executive, Directors and Senior Managers.
- A Risk Management and Insurance Scrutiny was undertaken jointly by the three GLAs during the Autumn of 2017
- The Annual Management Assurance Return was submitted to the DfT in February 2018

Significant Internal Control Issues

There have been no significant internal control or governance problems in the year ended 31 March 2018.

Therefore I can report that corporate governance and risk management within Irish Lights remains robust and effective, and complies with Managing Public Money (HM Treasury July 2013), the Framework Document for the GLAs (June 2017) and the general principles set out in HM Treasury's Code of Good Practice for Corporate Governance in Central Government Departments (April 2017), as far as is appropriate.



3.2 Remuneration and Staff Report

Staff Costs

Staff costs comprise:	2017/18 Total €'000	Permanently Employed Staff €'000	Others €'000	2016/17 Total €'000
Wages and Salaries	7,056	6,619	437	7,082
Social Security Costs	484	469	15	460
	7,540	7,088	452	7,542
Redundancy Costs	5	5	-	2
Less Capitalised Costs	(235)	(235)	-	(150)
	7,310	6,858	452	7,394
Employer Pension Contribution Costs	1,340	1,340	-	1,323
Third Party Pension Costs	(16)	-	(16)	-
	1,324	1,340	(16)	1,323
TOTAL	8,634	8,198	436	8,717

Reporting of Civil Service and other compensation schemes – exit packages

Redundancy costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the UK Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

No employees were made redundant under the Civil Service Compensation Scheme during either 2017/18 or 2016/17.

Pay Multiples	2017/18	2016/17
Band of Highest paid Executive Total Remuneration (€000's)	140-145	135-140
Median Total Remuneration at year end	€45,572	€45,518
Ratio	3.1	3.0

Irish Lights is required to disclose the relationship between the remuneration of the highest-paid Executive in the organisation and the median remuneration of the organisation's workforce.

In 2017/18, no employees received remuneration in excess of the highest-paid Executive. The Chief Executives remuneration including taxable benefits was €142,300 (2016/17 €138,590)¹. The total remuneration including taxable benefits paid to other key Management was €373,225 (2016/17 €363,702).

Employer contributions to the UK PCSPS and Alpha pension scheme on behalf of the Chief Executive and key management are in accordance with the standard rules of the schemes.

¹ Increases represent pay restoration

Civil Service Pensions

On 1 April 2014 Irish Lights’ pension liability was transferred into the UK Principal Civil Service Pension Scheme (PCSPS). From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha Scheme.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. The Principal Civil Service Pension Scheme (PCSPS) is a multi-employer defined benefit scheme in which the Commissioners for Irish Lights is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2017. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. The alpha Scheme provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age. Pensions payable under classic, premium, classic plus, nuvos and alpha Schemes are increased annually in line with UK Pensions Increase legislation. Further details about the Civil Service pension arrangements can be found at the website: (www.civilservicepensionscheme.org.uk)

Irish Lights Northern Ireland based Employees can opt to open a partnership pension account (PPA), a stakeholder pension with an employer contribution. Employees based in the Republic of Ireland can opt to open a Personal Retirement Savings Account (PRSA) also with an employer contribution. No employees availed of either PPA or PRSA in 2017/18 (Nil 2016/17).

No persons (2016-17: one person) retired early on ill-health grounds during the year.

Employer Pension Contributions Costs

Employer contributions are payable to the PCSPS at one of four rates in the range 20% to 24.5% (2016/17: 20% to 24.5%) of pensionable pay, based on salary bands. The scheme’s Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2017/18 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings.

	2017/18	2016/17
	€’000	€’000
Employer contributions cost	1,340	1,323



Staff Report

Average number of persons employed

The average number of whole time equivalent persons employed during the year was as follows:

	2017/18 Total	Permanently Employed staff	Others	2016/17 Total
Directly employed	116	106	10	122
Staff engaged on capital projects	5	5	-	3
TOTAL	121	111	10	125

Diversity Information

	2017/18 Male	2017/18 Female	2017/18 Total	2016/17 Male	2016/17 Female	2016/17 Total
Commissioners	11	3	14	11	3	14
Directors	3	1	4	3	1	4
Manager	13	1	14	14	-	14
Employee	88	15	103	91	16	107

Employee Involvement

Irish Lights is committed to effective communications which is maintained through formal and informal briefings, including an Organisation Review Day, a new annual newsletter, employee bulletins and regular updates on the Intranet service. Employees are consulted frequently and regularly so that account may be taken of their interests. When appropriate, consultation with employees is also effected through a well-established industrial relations process.

Performance Management, Development and Training

The PADS is a simple, user friendly system designed to assist everyone in Irish Lights achieve continuous improvement ensuring we are a results led organisation. During the year, the PADS system has been further developed by management to ensure that it supports staff by ensuring that clear targets and objectives are set in line with Irish Lights' strategic and corporate plans. Performance is reviewed every six months.

A Training and Development plan assists in the identification of training interventions required and Human Resources (HR) continue to provide managers with support in analysing training requirements and identifying suitable interventions.



Disabled Employees

Irish Lights policy towards the employment of disabled people is that, in general, disablement in itself is not a barrier to recruitment or advancement; but the nature of the duties of some occupations, such as lighthouse maintenance, for health and safety reasons imposes some limitations.

Equal Opportunities

Irish Lights is an equal opportunity employer and at every stage of recruitment, employee transfer and promotion, carefully ensures that the selection processes used in no way give any preferences on the basis of gender, marital status, family status, sexual orientation, religion, age, disability, race or membership of the traveller community.

Sickness Absence

During 2017/18 the percentage number of work days lost due to sickness was 3.98% (2016/17: 4.01%). Total days lost due to sickness amounted to 1,075 days (2016/17: 1,069 days). The average number of days lost per employee was 9.68 (2016/17: 9.76). 19 long term absences accounted for 70.13% of days lost. The average number of short term days lost per employee has reduced from 3.52 days in 2016/17 to 3.47 days in 2017/18.

Personal Data Related Incidents

There were no personal data related incidents in Irish Lights during 2017/18.

Expenditure on Consultancy

During the year €44K (2016/17 €97K) was spent on Consultancy Services in relation to the provision to management of objective advice relating to strategy, structure, management or operations of the organisation, in pursuit of its purposes and objectives.

Off Payroll Engagements

There were no off payroll engagements during the year.



3.3 Parliamentary Accountability Disclosures

Explanation regarding the Audit of the General Lighthouse Fund (GLF) and Irish Lights

The accounting records of Irish Lights are examined by the NAO on behalf of the UK Comptroller and Auditor General prior to consolidation in the accounts of the GLF. The accounting records of the GLAs are examined by the UK Comptroller and Auditor General prior to consolidation in the accounts of the GLF. The GLF Accounts are formally certified by the UK Comptroller and Auditor General under the terms of Section 211 of the Merchant Shipping Act 1995 and Section 3 of the Exchequer and Audit Departments Act 1921, as amended by the National Audit Act 1983. There is no provision for a separate audit certificate to be appended to the individual authorities. This means that an audit opinion is not expressed upon them.

Losses and special payments

There are no losses or special payments that are required to be disclosed per HM Treasury Guidance.

Regularity of expenditure

The Commissioners of Irish lights have complied with the regularity of expenditure requirements as set out in HM Treasury Guidance.

Contingent Liabilities:

Protection and Indemnity

The Authority's marine protection and indemnity risks are insured through The Standard Club (Europe) Limited which is a member of the International Group of Protection and Indemnity Clubs.

The Club has adopted a conservative underwriting policy and concentrates on insuring vessels operating in European inland waterways, harbours and coastal trades.

The mutual method of insuring these risks includes a re-insurance programme and the payments (Supplementary Calls) to cover any claims which cannot be met from funds available. The Standard Club has closed the years up to and including 2014/15 and there will be no Supplementary Call for these years. The Club have advised Irish Lights that it does not anticipate Supplementary Calls for the years 2015/16, 2016/17 and 2017/18. As a result, Irish Lights has made no provision in the Accounts for any unbudgeted and supplementary calls for any of the 3 policy years. However, in common with all members of International Group Clubs, the organisation could be liable for additional premium.

Yvonne Shields O'Connor

Chief Executive and Accounting Officer
21 September 2018

ILV Granuaile Crew, Red Watch
Photo: Andrew Collins





Commissioners of
IRISH LIGHTS

Navigation
and Maritime
Services

Financial Statements

Year ended 31 March 2017



Statement of Comprehensive Net Income for year ended 31 March 2018

	Notes	2017/18 €'000	2016/17 €'000
Income			
Advances from General Lighthouse Fund		12,876	12,396
Other Income	2	2,139	2,186
		15,015	14,582
Expenditure			
Staff Costs	3	7,310	7,394
Pension Costs	3	1,324	1,323
Depreciation	6	2,512	3,093
Amortisation	7	21	21
Loss/(Reversal of Loss) on Revaluation of Property, Plant & Equipment	5	(1,953)	799
Other Expenditures	4	4,962	5,139
		14,176	17,769
Net Income / (Expenditure)		839	(3,187)
Revaluation of Investment Properties Gain / (Loss)	8	202	(32)
Net (Deficit)/Income after interest		1,041	(3,219)
Statement of Other Comprehensive Net Income			
Asset Revaluations Gain / (Loss)	5	738	164
Total Other Comprehensive Income / (Expenditure)		1,779	(3,055)

All results derive from continuing operations

The accounting policies and notes on pages 38 to 53 form part of these accounts

Statement of Financial Position as at 31 March 2018

	Notes	2017/18 €'000	2016/17 €'000
Non-current assets:			
Property, plant and equipment	6	47,881	45,751
Intangible Assets	7	63	62
Investment Assets	8	1,319	1,117
Total non-current assets		49,263	46,930
Current Assets:			
Assets classified as held for sale	9	-	470
Inventories	10	352	515
Trade and other receivables	11	757	695
Cash and cash equivalents	12	187	119
Total current assets		1,296	1,799
Total assets		50,559	48,729
Current Liabilities:			
Trade and other payables	13	(2,525)	(2,551)
Provisions: Current Element	15	(315)	(221)
Total current liabilities		(2,840)	(2,772)
Non-current assets plus/less net current assets/liabilities		47,719	45,957
Non-current liabilities:			
Provisions	15	(223)	(247)
Other payables	13	(517)	(510)
Total non-current liabilities		(740)	(757)
Assets less liabilities		46,979	45,200
Reserves:			
Accumulated Reserve		23,488	21,460
Revaluation Reserve		23,491	23,740
Total		46,979	45,200

Yvonne Shields O'Connor
Chief Executive and Accounting Officer | 21 September 2018

Statement of Cash Flows for the year ended 31 March 2018

	Notes	2017/18 €'000	2016/17 €'000
Cash flows from operating activities:			
Net Surplus/(Deficit) after interest		1,041	(3,219)
(Profit)/Loss on disposal of property, plant and equipment and intangible assets		133	112
Depreciation	6	2,512	3,093
Amortisation	7	21	21
Asset Revaluation:			
- (Reversal of Loss)/ Loss on Revaluation of Property, plant and equipment	5	(1,953)	799
- (Upward)/ Downward valuation on Investment Assets	5	(202)	32
(Increase)/Decrease in trade and other receivables		(62)	198
(Increase)/Decrease in inventories		163	21
Increase/(Decrease) in trade payables		(149)	(735)
Use of provisions		70	425
Net cash outflow from operating activities		1,574	747
Cash flow from investing activities:			
Purchase of property, plant and equipment		(1,966)	(689)
Purchase of intangible assets		(22)	-
Purchase of assets held for resale		-	(55)
Proceeds from disposal of non-financial assets		482	-
Net cash outflow from investing activities		(1,506)	(744)
Net cash flow from all activities		68	3
Net Increase/(Decrease) in cash and cash equivalents in the period	12	68	3
Cash and cash equivalents at the beginning of the period	12	119	116
Cash and cash equivalents at the end of the period	12	187	119

Statement of Changes in Reserves for the year ended 31 March 2018

	Accumulated Reserve €'000	Revaluation Reserve €'000	Total Reserve €'000
Balance at 1 April 2016	23,995	24,260	48,255
Transfers between reserves	636	(636)	-
Retained (Deficit)/ Surplus (SoCNI)	(3,219)	-	(3,219)
Asset Revaluations	-	164	164
Release of Reserve on Asset Disposal	48	(48)	-
Balance at 31 March 2017	21,460	23,740	45,200
Transfers between reserves	491	(491)	-
Retained (Deficit)/ Surplus (SoCNI)	1,041	-	1,041
Asset Revaluations	-	738	738
Release of Reserve on Asset Disposal	496	(496)	-
Balance at 31 March 2018	23,488	23,491	46,979

Notes to the Accounts for the Year Ended 31 March 2018

Key Accounting Issues

Basis for preparation of Accounts

These Accounts are prepared by Irish Lights in respect of its function as the GLA for the whole island of Ireland and its adjacent seas and islands in accordance with a directive made by the UK DfT under the powers of the Secretary of State contained in Section 664 of the Merchant Shipping Act 1894 and Section 218 of the Merchant Shipping Act 1995.

These Accounts are subsequently consolidated to form part of the GLF Accounts.

1. Accounting Policies

a) Accounting Convention

These accounts have been prepared in accordance with the 2016/17 UK Government FReM issued by HM Treasury, except for the departures specifically required by the accounts direction. The accounting policies contained in the FReM follow International Accounting Standards as adopted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the GLF for the purpose of giving a true and fair view has been selected. The GLF's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. In addition, the GLAs' accounts have been prepared in accordance with the accounts direction issued by the Secretary of State for Transport.

For the purposes of local publication of the Annual Report and accounts in Ireland, Irish Lights has departed from the UK Government FReM with regard to executive remuneration reporting and has followed the Irish recommended reporting protocol.

b) Going Concern

The Statement of Financial Position at 31 March 2018 shows net assets of €46,979K (2016/17 €45,200K).

The UK DfT has approved the sanction of the cash required to meet Irish Lights costs as set out in its Corporate Plan for 2018/19 and there is no reason to believe that the UK DfT's approval will not be forthcoming for future years. The Board has considered the current and future position of Irish Lights

and have concluded that the going concern basis for the preparation of these Financial Statements is appropriate.

c) Intangible Assets

Computer Software has been capitalised and is amortised on a straight-line basis over the estimated useful economic operating life of between 3 to 5 years of the asset. Intangible Assets are shown at cost less amortisation. Intangible licences have been capitalised and are amortised over the life of the licence. Amortisation is calculated on a monthly basis and is commenced in the month after original purchase or when the asset is brought into use and is continued up to the end of the month prior to disposal.

d) Non-Current Assets and Depreciation

Capitalisation

Non-current assets are recognised where the economic life of the item of property plant and equipment exceeds one year; the cost of the item can be reliably measured; and the original cost is greater than €8,000. Assets are recognised initially at cost, which comprises purchase price, any costs of bringing assets to the location and condition necessary for them to be capable of operating in the manner intended, and initial estimates of the costs of dismantling and removing the assets where an obligation to dismantle or remove the assets arises from their acquisition or usage.

Subsequent costs of day-to-day servicing are expensed as incurred. Where regular major inspections of assets are required for their continuing operation, the costs of such inspections are capitalised and the carrying value of the previous inspection is derecognised, for example Dry Dock and Repair (DD&R) of ships. Expenditure on renewal of structures is capitalised when the planned maintenance spend enhances or replaces the service potential of the structure. All routine maintenance expenditure is charged to the Statement of Comprehensive Net Income.

Internal staff costs that can be attributed directly to the construction of an asset, including renewals of structures are capitalised.

Operating software, without which related hardware cannot operate, is capitalised, with the value of the related hardware, as property, plant and equipment. Application software, which is not an integral part of the related hardware, is capitalised separately as an intangible non-current asset.

Any gains or losses on the eventual disposal of property, plant and equipment are recognised in the Statement of

Comprehensive Net Income when the asset is decommissioned. Gains are not classed as revenue.

Valuation

After recognition, the item of Property, plant and equipment is carried at Fair Value in accordance with IAS16 and the current FReM. The assets are expressed at their current value at regular valuation or through the application of Modified Historic Cost Accounting. For assets of low value and/or with a useful life of 5 years or less, depreciated historic cost (DHC) is considered as a proxy for fair value.

*Non Operational in this context relates to property that is not required for Irish Lights to carry out its statutory function.



Asset Class	Valuation Method	Valued by
Non Specialised Land & Buildings	Fair Value, using Existing Use Valuation principles	RICS Valuation Statement (UKVS) 1.1 Professional valuation every 5 years. Value plus indices in Intervening years.
Specialised Property	Fair Value using Depreciated Replacement Cost principles (DRC)	RICS Valuation Statement (UKVS) 1.1 Professional valuation every 5 years. Value plus indices in Intervening years.
Non Operational Property*	Market Value	Specified as Obsolete, Assets Held for Sale or Investment Assets. Professional valuation annually.
Tenders and Ancillary Craft	Fair Value	Professional valuation annually.
Buoys	Fair Value	Internally using MV of recent purchases, then on an annual basis using MV of recent purchases, or recognised indices, as appropriate.
Beacons	Fair Value	RICS Valuation Statement (UKVS) 1.1 (valued at DRC if specialised and defined as such under the RICS Red Book) valuation every 5 years, Value plus indices in intervening years.
Plant, Machinery & IT Equipment - Low Value or short life	Depreciated Historic Cost	N/A
Plant & Machinery – Not included above.	Fair Value	RICS Valuation Statement (UKVS) 4.1 & 4.3 Professional valuation as base cost, plus indices annually thereafter/ Professional valuation annually.
Plant and Machinery at Lighthouses	FV using Depreciated Replacement Cost principles (DRC)	UKVS 1.1 (valued at DRC if specialised and defined as such under the RICS Red Book) Professional valuation every 5 years, Value plus indices in intervening years.

Where assets are re-valued through professional valuation or through the use of indices, the accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount of the asset. If the assets carrying amount is increased as a result of revaluation, the increase is recognised in other comprehensive income and accumulated in equity in the Revaluation Reserve. However, the increase shall be recognised in the statement of Comprehensive Net Income to the extent that it reverses a revaluation decrease of that class of asset previously recognised in profit and loss. If the assets carrying amount is decreased as a result of revaluation, the decrease is recognised in the statement of Comprehensive Net Income. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve. The decrease recognised in other comprehensive income reduces the amount held in the revaluation reserve in respect of that asset.

Depreciation is calculated on an annual basis and is commenced in the financial year after original purchase or when the asset is brought into use and is continued up to the end of the financial year in which the sale or disposal takes place. Assets in the course of construction are not depreciated.



Depreciation is charged on a straight line basis having regard to the estimated operating lives as follows:

Categories	Depreciation Lives
Land and Buildings	
Land	Not Depreciated
Lighthouses (Building Structure)	25-100 years
Other Buildings	50 years
Tenders and Ancillary Craft	
Tenders	25 years
Tenders (Dry Dock and Repair)	2.5 years
Workboats	Up to 25 years
Buoys and Beacons	
Steel Buoys	Up to 50 years
Beacons	Up to 100 years
Plastic Buoys	10 years
Solarisation Costs	10 years
Plant and Machinery	
Lighthouses	15-25 years
Automation equipment	15-25 years
Racons & Radio Beacons	15 years
Depots and Workshops	10 years
Office Equipment	Up to 10 years
Vehicles	5-15 years
Computers - Major systems	5 years
Computers - Other	3 years
AIS Equipment	7-10 Years
DGPS Equipment	10 Years

e) Inventories

Inventories of consumables, engineering stores and fuel stocks on ILV Granuaile are valued at weighted average cost. Provision is made for slow moving stock.

f) Research and Development

Research and Development work is co-ordinated by the Radio Navigation Committee for Major Research and Development. Direct expenditure incurred via this channel or any other research and development activity is charged to the Statement of Consolidated Income as incurred.

g) Leasing Commitments

Assets obtained under finance leases are capitalised in the Statement of Financial Position and depreciated as if owned. The interest element of the rental obligation is charged to the Statement of Comprehensive Net Income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding at the beginning of the year. The capital element of the future lease payments is stated separately under Payables, both within one year and over one year. Expenditure incurred in respect of operating leases is charged to the Statement of Comprehensive Net Income as incurred. Rentals received under operating leases are credited to income.

h) Foreign Currency Transactions

Transactions in foreign currencies are recorded at an average rate ruling during the period in which the transaction occurred. All differences are taken to the Statement of Consolidated Income. At the year-end significant monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date (€1.00/£0.8764).

i) Taxation

Irish Lights is an exempt body for the purposes of Corporation and Capital Taxation and as such no provision is made in these Accounts for these taxes.

j) Provisions

Provisions are made for liabilities and charges in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets where, at the reporting date, a legal constructive liability (i.e. a present obligation from a past event) exists, the transfer of economic benefits is probable and a reasonable estimate can be made.

k) Government Grants

Government Grants and European Union are recognised in full in the Statement of Comprehensive Net Income in the year in which they are received.

l) Investment Properties

A small number of individual properties that are surplus to requirements at mainly Irish Lights operational sites are currently held for their income generation potential. These properties are treated in accordance with IAS 40: Accounting for Investment Properties and are accordingly valued to open market value each year.

m) Financial Assets and Liabilities

Financial instruments are contractual arrangements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are typically cash or rights to receive cash or equity instruments in another entity. Financial liabilities are typically obligations to transfer cash. A contractual right to exchange financial assets or liabilities with other entities will also be a financial asset or liability, depending on whether the conditions are potentially favourable or adverse to the reporting entity.

Financial Assets

The GLF classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available-for-sale. Such assets are initially recognised at fair value. Where material, they are subsequently measured at amortised cost using the effective interest method. The financial assets contained within the investment portfolio are classified as "Available for Sale Financial Assets", as such they are carried at fair value subsequent to initial recognition, unrealised gains and losses are deferred in reserves until they are realised or impairment occurs.

Financial Liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost. Financial liabilities are derecognised when extinguished.

Determining Fair Value

Fair value is defined as the amount for which an asset is settled or a liability extinguished, between knowledgeable parties, in an arm's length transaction. This is generally taken to be the

transaction value, unless, where material, the fair value needs to reflect the time value of money, in which case the fair value would be calculated from discounted cash flows.

n) New Standards and Interpretations Adopted Early

The GLF has chosen not to adopt early any new standards or interpretations.

o) New Standards and Interpretations not yet adopted

No new accounting standards became effective for the first time in 2017/18.

The standards listed below are not yet effective for the year ended 31 March 2018 and have not been applied in preparing these financial statements. The following standards may affect future Accounts if, after further consultation, they are adopted by the FReM:

IFRS 9 addresses classification, measurement and impairment of financial assets. UK's HM Treasury released an exposure draft for inclusion in the 2018-19 FReM. It is thought that IFRS 9 will result in terminology changes. It is not thought that implementation will have a material impact because of the nature of the financial assets held by Irish Lights.

IFRS 15, Revenue from Contracts with Customers, is expected to come into effect from 1 January 2018. It requires recognition of revenue earnings as distinct performance obligations under contracts are satisfied. HM Treasury released an exposure draft for inclusion in the 2018-19 FReM. It is not thought implementation will have a material impact; however the full impact will not be known until the FReM adopts or adapts these standards.

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. The probable impact is that there will be earlier recognition of expenditure in relation to leases (amortisation and interest). It is not yet clear when or with what degree of adaptation this standard will be reflected in the FReM. The IFRS will become effective in the private sector for accounting periods commencing on or after 1 January 2019.

IFRS 17 requires a discounted cash flow approach to accounting for insurance contracts. It is expected to come into effect for accounting periods commencing on or after 1 January 2021. The GLF currently has no contracts which meet the definition of insurance contracts.

Other changes due to come into effect after 2017/18 are considered to have no material impact.

p) Income

In accordance with the Merchant Shipping Act 1995, the GLAs are permitted to sell reserve capacity. Income from these activities is recognised in the period to which it relates. The principal source of income for the GLF is Light Dues, a tax on ships entering the UK or the RoI, in addition to RoI light Dues the GLF receives a contribution from the Irish Government towards the operational costs of Irish Lights in the Republic of Ireland.

q) Estimates

Where the accounts contain material estimates, e.g. depreciation a Qualified Valuer is employed.

r) Payment of Creditors' Policy

Irish Lights seeks to comply with the Prompt Payment of Accounts Act, 1997 and the Confederation of British Industry (CBI) Prompt Payment Code and arrange payment of creditors' accounts by the due date in accordance with contract or other agreed terms of credit. Due dates are recorded when suppliers' invoices are entered on the Creditors' Ledger and payments are automatically generated in accordance with that timescale. Exceptions to this general rule are as follows:

- Payment within a shorter period where a cash discount is available.
- Stage payments under contract or retention monies where payments are in accordance with the terms agreed beforehand.
- Where there is a genuine dispute in respect of the invoice concerned.

Complaints from suppliers in respect of this Policy should be sent in writing to the Director of Corporate Services who will investigate each case. The average credit taken from Trade Creditors during the year was 19 days (2016/17 19 days).

2. Other Operating Income

	2017/18 €'000	2016/17 €'000
Property Rentals	634	560
Buoy Rentals	264	258
Tender Hire	844	1,156
Sundry Receipts	70	54
Grant Income	327	158
TOTAL	2,139	2,186

3. Staff Costs

	2017/18 €'000	2016/17 €'000
Staff costs comprise:		
Wages and Salaries	7,056	7,082
Social Security Costs	484	460
	7,540	7,542
Redundancy Costs	5	2
Less Capitalised Costs	(235)	(150)
	7,310	7,394
Employer Pension Contribution Costs	1,340	1,323
Third party pension costs	(16)	-
	1,324	1,323
TOTAL	8,634	8,717

4. Other Expenditure

	2017/18 €'000	2016/17 €'000
Running Costs	4,771	4,976
Rental under Operating Leases	58	51
Profit/Loss on disposal of non-financial assets	133	112
TOTAL	4,962	5,139

Auditor's remuneration is paid directly by the GLF. The notional proportion of the fee that relates to Irish Lights for 2017/18 is €18.8K/ GBPE16.5K (2016/17 €19.6K/ GBPE16.5K).

5. Asset Valuation Exercise

Following the reclassification of the GLAs as a Central Government Body, the UK DfT issued a new Accounts Direction in February 2013, requiring that Property, plant and equipment is valued at Fair Value as per IAS16 Property, plant and equipment and the FReM. As a result Irish Lights has carried out an extensive exercise to obtain valuations for all items of Property Plant and Equipment on the basis outlined in Note 1 (e) for the first time in 2012/13. During 2017/18 these valuations were professionally updated to 31 March 2018 with the assistance of the following Independent Experts, in accordance with the FReM, IAF 16 and IFRS 13:

Asset	Valuer	Organisation
Land & Buildings including Beacons RoI	Mr Mark Adamson MRICS MSCSI	Irish Valuations office
Lighthouse AtoN Plant RoI	Mr Mark Adamson MRICS MSCSI	Irish Valuations office
Land & Buildings including Beacons NI	Mr Sean Daly	LPS Mapping and Valuation Services
Lighthouse AtoN Plant NI	Mr Sean Daly	LPS Mapping and Valuation Services
Plant & Machinery	Mr Robert McKay MSCSI MRICS	McKay Asset Valuers & Auctioneers
Ship	Mr Charles Cundall	Braemar Seascope Valuations Limited

These valuations have been undertaken for capital accounting purposes in accordance with IFRS as interpreted and applied by current HM Treasury guidance to the UK public sector. The valuations accord with the requirements of the Royal Institution of Chartered Surveyors (RICS) – Professional Standards 8th Edition (known as the Red Book) insofar as these are consistent with IFRS and Treasury guidance.

A summary of the revaluations is set out below:

	2017/18 €'000	2016/17 €'000
Profit/(Loss) on Property, plant and equipment valuations (via Statement Net Income)	1,953	(799)
Profit/(Loss) on Property, plant and equipment valuations (via Revaluation Reserves)	738	164
(Downward)/ Upward valuation on Investment Assets (Note 10)	202	(32)
	2,893	(667)

Revaluation Movements 2017/18	PPE Note 8 €'000	Intangible Assets Note 9 €'000	Investment Assets Note 10 €'000	Held for Resale Note 11 €'000	2017/18 Total €'000
Revaluation Movement - cost	675	-	202	-	877
Revaluation Movement - accumulated depreciation	2,016	-	-	-	2,016
					2,893

6. Property, Plant and Equipment – current year

	Land	Buildings	Tenders & Ancillary Craft	Vessel	Buoys & Beacons	Plant & Equipment	ICT Equipment	Assets in Course of Construction	Total
Cost €'000									
Balance at 1 April 2017	3,337	24,805	29	6,994	3,711	10,744	295	361	50,276
Additions	-	42	-	770	35	398	23	826	2,094
Disposals	-	-	-	(751)	-	(220)	-	-	(971)
Impairments	-	-	-	-	-	-	-	-	-
Transfers	-	33	-	-	-	226	-	(259)	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	824	2,268	22	(738)	(413)	(1,288)	-	-	675
Balance at 31 March 2018	4,161	27,148	51	6,275	3,333	9,860	318	928	52,074
Depreciation €'000									
Balance at 1 April 2017	-	5	-	563	-	3,695	262	-	4,525
Charged in year	-	493	5	1,101	178	727	8	-	2,512
Disposals	-	-	-	(751)	-	(77)	-	-	(828)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(492)	(5)	(914)	(125)	(480)	-	-	(2,016)
Balance at 31 March 2018	-	6	-	(1)	53	3,865	270	-	4,193
Net Book Value 1 April 2017	3,337	24,800	29	6,431	3,711	7,049	33	361	45,751
Net Book Value 31 March 2018	4,161	27,142	51	6,276	3,280	5,995	48	928	47,881

The Net Book Value of all assets is entirely in respect of owned assets. The above figures include land to the value of €410K (31 March 2017 - €410K) held on behalf of the Irish Government.

Property, Plant and Equipment – prior year

	Land	Buildings	Tenders & Ancillary Craft	Vessel	Buoys & Beacons	Plant & Equipment	ICT Equipment	Assets in Course of Construction	Total
Cost €'000									
Balance at 1 April 2016	3,349	24,210	38	10,280	3,674	10,773	262	524	53,110
Additions	-	-	-	6	-	269	33	349	657
Disposals	-	-	-	-	(8)	(113)	-	-	(121)
Impairments	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	9	-	503	-	(512)	-
Reclassifications	-	(470)	-	-	-	-	-	-	(470)
Revaluations	(12)	1,065	(9)	(3,301)	45	(688)	-	-	(2,900)
Balance at 31 March 2017	3,337	24,805	29	6,994	3,711	10,744	295	361	50,276
Depreciation €'000									
Balance at 1 April 2016	-	5	-	187	-	3,306	262	-	3,760
Charged in year	-	465	5	1,593	157	873	-	-	3,093
Disposals	-	-	-	-	-	(9)	-	-	(9)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(465)	(5)	(1,217)	(157)	(475)	-	-	(2,319)
Balance at 31 March 2017	-	5	-	563	-	3,695	262	-	4,525
Net Book Value 1 April 2016	3,349	24,205	38	10,093	3,674	7,467	-	524	49,350
Net Book Value 31 March 2017	3,337	24,800	29	6,431	3,711	7,049	33	361	45,751

The Net Book Value of all assets is entirely in respect of owned assets. The above figures include land to the value of €410K (31 March 2016 - €410K) held on behalf of the Irish Government.

7. Intangible Assets – current year

	Assets in Construction	Computer Software	Total
COST €'000			
Balance at 1 April 2017	-	299	299
Additions	-	22	22
Disposals	-	-	-
Balance at 31 March 2018	-	321	321
AMORTISATION €'000			
Balance at 1 April 2017	-	237	237
Charged in year	-	21	21
Balance at 31 March 2018	-	258	258
Net Book Value at 1 April 2017	-	62	62
Net Book Value at 31 March 2018	-	63	63

Intangible Assets – prior year

	Assets in Construction	Computer Software	Total
COST €'000			
Balance at 1 April 2016	-	311	311
Additions	-	-	-
Disposals	-	(12)	(12)
Balance at 31 March 2017	-	299	299
AMORTISATION €'000			
Balance at 1 April 2016	-	228	228
Charged in year	-	21	21
Disposals	-	(12)	(12)
Balance at 31 March 2017	-	237	237
Net Book Value at 1 April 2016	-	83	83
Net Book Value at 31 March 2017	-	62	62

8. Investment Assets

	2017/18 €'000	2016/17 €'000
Opening Balance	1,117	1,149
Revaluations	202	(32)
TOTAL	1,319	1,117

9. Assets Held for Resale

	2017/18 €'000	2016/17 €'000
Opening Balance	470	-
Additions	-	55
Disposals	(470)	-
Transfer from Tangible Assets	-	470
Revaluations	-	(55)
TOTAL	-	470

At 31 March 2018 there were a number of assets associated with AtoN that are in the process of being transferred to Local Light Authorities. As these transfers were all planned to happen within a 12 month period of the year end it was deemed appropriate that these assets would be reclassified as assets Held for Resale in accordance with IFRS5. As these assets are being transferred for zero consideration they have been impaired to their net realisable value of zero.

10. Inventories

	2017/18 €'000	2016/17 €'000
Inventories of consumable stores and fuel	352	515
TOTAL	352	515

11. Trade receivables and other current assets

	2017/18 €'000	2016/17 €'000
Amount falling due within one year:		
Trade Receivables	112	86
VAT Recoverable	48	76
Other receivables	406	359
Prepayments and accrued income	191	174
	757	695

12. Cash and cash equivalents

	2017/18 €'000	2016/17 €'000
Balance at 1 April 2017	119	116
Net Change in cash and cash equivalents	68	3
Balance at 31 March 2018	187	119

The above figure includes cash to the value of €64K (31 March 2017 - €64K) held on behalf of the Irish Government.

The following balances at 31 March 2018 were held at:

	2017/18 €'000	2016/17 €'000
Commercial banks and cash in hand	187	119
Balance at 31 March 2018	187	119

13. Trade payables and other current liabilities

	2017/18 €'000	2016/17 €'000
Amounts falling due within one year:		
Other taxes and social security	272	281
Trade payables	672	403
Other payables	273	307
Accruals and Deferred Income	1,308	1,560
TOTAL	2,525	2,551

	2017/18 €'000	2016/17 €'000
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	36	36
Value of asset held on behalf of the Irish Government	481	474
TOTAL	517	510

14. Capital Commitments

	2017/18 €'000	2016/17 €'000
Contracted capital commitments at 31 March 2018 not otherwise included in these financial statements		
Property, plant and equipment	107	303
TOTAL	107	303

Commitments under Leases

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for the following periods.

	2017/18 €'000	2016/17 €'000
Obligations under operating leases for the following years comprise:		
Land:		
Not later than one year	50	50
Later than one year and not later than five years	200	200
Later than five years	2,879	2,929
	3,129	3,179
Other:		
Not later than one year	8	5
Later than one year and not later than five years	2	4
Later than five years	-	-
	10	9

15. Provisions for Liabilities and Charges

	Other Pension Schemes €'000	Storm Damage/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Provisions at 1 April 2017	16	97	355	468
Provided in year	-	112	9	121
Provisions not required and written back	(16)	-	-	(16)
Provisions utilised in the year	-	-	(35)	(35)
Provisions at 31 March 2018	-	209	329	538

Analysis of expected timing of discounted flows

	Other Pension Schemes €'000	Storm Damage/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Not later than one year	-	209	106	315
Later than one year and not later than five years	-	-	72	72
Later than five years	-	-	151	151
Provisions at 31 March 2018	-	209	329	538

The Other Pension Schemes relate to the Merchant Navy Officers Pension Fund (MNOFF). The provision is for the actuarially calculated estimate of additional contributions due to help meet the deficit of the fund.

16. Pension Commitments

MNOPF

Irish Lights also contribute as necessary to the MNOPF which is a defined benefit scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from the GLF, being held in separate funds managed by trustees of the scheme. Contributions to the scheme in respect of temporary officers are charged to the Statement of Comprehensive Net Income when they are paid. During 2017/18 there were no officers employed who were members of MNOPF. The most recent valuation of the MNOPF was carried out as at 31 March 2015. Irish Lights has been informed that there is no liability for Irish Lights as a result of this valuation.

17. Events after Reporting Period

There were no events after the reporting date that required disclosure.

18. Inter GLA Transactions

Ships Agreement

The following were the interventions under the Inter – GLA Ship Sharing Agreement (dated 1 April 2003) during 2017/18:-

- Irish Lights provided the services of the *Granuaile* to Trinity House for a period of 2.1 days.

While there was no transfer of funds between the GLAs in respect of these services, these transactions gave rise to a net notional income of €22,863.

19. Related Parties

The GLF is administered by the UK DfT who sponsor the three GLAs. For governance purposes each is considered to be a Non Departmental Public Body (NDPB), however for financial purposes they are considered to be Public Bodies.

The Authorities and the UK DfT are regarded to be related parties. During the year the UK DfT approved advances from the GLF to Irish Lights. During 2017/18 Irish Lights has received advances of €12,876K (2016/2017 €12,396K) from the General Lighthouse Fund. In addition DTTAS is considered to be a related party of Irish Lights. During the year no material transactions took place between Irish Lights and DTTAS. At the 31 March 2018 the balances outstanding with the GLAs were as follows:

Balance due from Irish Lights		
	2017/18 €000's	2016/17 €000's
GLA		
Trinity House	-	2
Northern Lighthouse Board	77	122

Balance due to Irish Lights		
	2017/18 €000's	2016/17 €000's
GLA		
Trinity House	-	-
Northern Lighthouse Board	-	-

To the best of our knowledge neither the Secretary of State for Transport, any key officials with responsibilities for the Fund nor any of the Authorities' Board members, key managerial employees nor other related parties has undertaken any material transactions with the Fund during the year.

20. Approval of Annual Report and Accounts

This Annual Report and Accounts was approved by the Board on 21 September 2018.

Appendix A

Statutory Background

Irish Lights is the General Lighthouse Authority (GLA) for the island of Ireland and its adjacent seas and islands. Irish Lights, together with the Northern Lighthouse Board (Scotland & Isle of Man) and Trinity House (England & Wales) operates an integrated Aids to Navigation (AtoN) service throughout the coastal waters of Ireland and the United Kingdom (UK). AtoN are provided to recognised standards set by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA).

Irish Lights was established in that name by the Dublin Port Act 1867 but derives its origin and constitution from an Act of the Irish Parliament of 1786 for developing the Port of Dublin. Irish Lights has vested in it under Section 634 of the Merchant Shipping Act 1894 the responsibility for superintendence and management of all lighthouses and other AtoN in respect of Ireland and the adjacent seas and islands. The Merchant Shipping Act 1995 Section 195 (1) empowers the Commissioners of Irish Lights with the same function for Northern Ireland and adjacent seas and islands.

Irish Lights also has authority for the marking and removal of wrecks for Ireland under the Merchant Shipping (Salvage and Wreck) Act 1993 Part IV. For Northern Ireland this authority is vested under the Merchant Shipping Act 1995 Section 253 (1). The Revenue Commissioners, Customs and Excise Division are authorised by Irish Lights under Section 648 of the Merchant Shipping Act 1894 to collect light dues in Ireland. Continuous monitoring of vessel arrivals is undertaken to ensure compliance with light dues collection rules and payments. The Institute of Chartered Shipbrokers have this responsibility for Northern Ireland under Section 205 of the Merchant Shipping Act 1995.

The Merchant Shipping and Maritime Security Act 1997 gives the Commissioners of Irish Lights the powers to enter into contracts to exploit spare capacity within the UK and under the Merchant Shipping (CIL) Act 1997 which gives similar powers in respect of Ireland.

Charitable Status

Irish Lights has a charitable exemption from the Revenue Commissioners (CHY No. 1979) and is registered with the Charities Regulatory Authority (Registered Charity No. 20002794).

Appendix B

List of Acronyms & Abbreviations

AIS	Automatic Identification System	NAO	National Audit Office
ARA	Audit and Risk Assurance	NLB	Northern Lighthouse Board
AtoN	Aid to Navigation		
BCM	Business Continuity Management	ONS	Operations and Navigational Services
CBI	Confederation of British Industry	PADS	Performance and Development System
CETV	Cash Equivalent Transfer Values	PCSPS	Principal Civil Service Pension Scheme
DfT	Department for Transport	RoI	Republic of Ireland
DGPS	Differential Global Positioning System	ROV	Remotely Operated Vehicle
FTE	Full Time Equivalent	R&RNAV	Research and Radio Navigation Directorate (Tri-GLA)
GIAA	Government Internal Audit Agency	SEAI	Sustainable Energy Authority of Ireland
GLAs	General Lighthouse Authorities	SEUPB	Special EU Programmes Body
GLF	General Lighthouse Fund	SIRO	Senior Information Risk Owner
GLI	Great Lighthouses of Ireland	SOLAS	International Convention for Safety of Life at Sea
GPS	Global Positioning System (American)	SoCNI	Statement of Comprehensive Net Income
IALA	International Association of Marine Aids to Navigation & Lighthouse Authorities	SoOCNI	Statement of Other Comprehensive Net Income
ICT	Information and Communication Technology	TH	Trinity House
IGC	Information Group Committee	TDS	Technology and Data Services
ILV	Irish Lights Vessel		
IRCG	Irish Coast Guard	UK	United Kingdom
ITT	Invitation to Tender		
JSB	Joint Strategic Board	VER	Voluntary Early Retirement
LED	Light Emitting Diode	WRC	Workplace Relations Commission
LLA	Local Light Authority		
MAR	Management Assurance Return		
MCA	Maritime and Coastguard Agency		
MNOPF	Merchant Navy Officers Pension Fund		
MoU	Memorandum of Understanding		
MTBF	Mean Time between Failures		
MTTR	Mean Time to Repair		



Commissioners of
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